

NEW WHITELAND TOWN COUNCIL

AUGUST 18, 2020

MEETING MINUTES

Town Council President John Perrin opened the meeting at 5:00 p.m. with the pledge to the American flag. Council members present were John Perrin, Frank Vaughn, John Schilawski and Scott Alspach. Also present were Attorney Lee Robbins and Clerk-Treasurer Maribeth Alspach. Councilman Alspach offered the opening prayer.

MINUTES

Councilman Schilawski moves to approve the minutes of the August 4th meeting and is seconded by Councilman Vaughn. **Vote 4 affirmative.**

HARDSHIPS / ADJUSTMENTS

None.

TREASURER'S REPORT

Clerk-Treasurer Alspach presents copies of the Fund Report and Docket for approval for August 18th. Councilman Alspach moves to approve and ratify both reports and is seconded by Councilman Vaughn. **Vote 4 affirmative.**

OPEN TO THE PUBLIC

None.

OLD BUSINESS

WWTP Generator

Utility Supt. Gillock states that he was able to obtain three (3) quotes for the replacement generator for the Wastewater Treatment Plant.

MacAllister	\$47,538.00
Berry Electric	\$48,994.00
Indy Power	\$48,999.00 (with John Deere Engine)
Indy Power	\$46,971.00 (with Perkins Engine)

Supt. Gillock had emailed the quotes to the council with his recommendation to purchase the generator form MacAllister. The quote includes a loaner standby generator for us to use at no cost while we wait for the new generator to arrive (10-12 weeks estimated delivery). Council has approved the purchase by email due to the emergency situation caused when the storm took out the old generator. Gillock is asking the council to ratify that approval tonight. Councilman Vaughn moves to ratify and approve the purchase as recommended by Supt. Gillock and is seconded by Councilman Schilawski. **Vote 4 affirmative.**

Disconnect / Penalties / Payment Plans

Clerk-Treasurer Alspach explains that the moratorium on disconnects has expired. Alspach presents a sample payment agreement that could be used for documentation in the billing office. A notice will be included in all disconnect letters sent out in August and September reminding residents that their account balances need to be settled or a payment agreement must be in place by October 10, 2020 to avoid disconnection of service. Sewer lien letters are also being mailed out to ten (10) delinquent accounts in order to try and collect past due balances. Council also agrees that penalties will be reinstated after the October 10, 2020 date. Penalties will be applied on unpaid accounts starting October 22nd.

NEW BUSINESS

Plan Commission Appointment

Council President Perrin introduces Angela DeVoss who has expressed an interest in serving on the Plan Commission. The vacancy is an appointment that can be made by the Council President and

John Perrin appoints Ms. DeVoss to serve the remainder of the vacant seat term. The council thanks Ms. DeVoss for her interest and her willingness to serve.

Police Car Repair

Council has received three (3) quotes for repairs to car #6.

Bradley Collision	\$ 747.40
Hunter Auto	\$1,072.26
Ray Skillman Collision	\$1,234.20

Council approves quote from Bradley Collision. Repairs will be paid for Police Department budget.

2021 Budget

Clerk-Treasurer Alspach has her budget meeting with the DLGF next Tuesday and would like to schedule a special meeting to have Department Heads present their budgets before we consider them in October. Council schedules a special pre-budget review meeting for September 16th at 5:00 p.m.

LEGISLATIVE BUSINESS

Ordinance 2020-14

Attorney Robbins states that at the last meeting the Council considered the rate study prepared by Steve Brock and was uncomfortable with the required rate increase to maintain our operating budget and fund the SRF project due to the financial difficulties some residents are experiencing due to the COVID-19 pandemic and opted to put the project on hold. It was determined that a rate increase was necessary as the utility is currently operating at a deficit. Attorney Robbins states that several options have been considered in the last two (2) weeks to move forward with the storm water project without raising the rates more than is absolutely necessary to cover our operating expenses. One option would be to self-fund the project with General Fund money and then once we get past the COVID crisis set up a PILOT (Payment In Lieu Of Taxes) arrangement to repay the money over a term to be determined at that time. Robbins states that the council has been very frugal and has maintained a cash reserve for unprecedented times like we find ourselves in today. We have a project that is ready to go, we have received a bid that came in lower than the engineer estimated and we could self-fund the project and move forward with a commitment to repay the money at some point in the future through a PILOT. This is a program set up under Indiana Code that allows an annual transfer of funds from the utility cash reserve to General Fund based on a formula of the assessed value of the utility multiplied by the tax rate causing them to pay taxes as if they were privately owned. If we delay the project, we will need to rebid with no guarantee on what the bids will be in a year or so, we may incur additional engineering and financial consultant fees as well. The engineer has vetted the contractor and is confident in their ability to perform the work within the scope of their bid.

Attorney Robbins states the Council has two (2) decisions to make:

- 1) Need to approve a rate increase to increase revenues to cover operating expenses. The recommendation to do that was Option #3 in Steve Brock's rate study which was converting from flat rate billing to ERU billing with each ERU being \$7.50. This is a \$0.55 increase for residential customers and a larger increase for non-residential.
- 2) Do we want to self-fund the project and commit to address the PILOT program with a future rate increase to replenish General Fund at some point in the next 12 – 18 months?

Council President Perrin asks if the council would determine the terms of the PILOT payments.

Attorney Robbins states the payment amount would be based on the tax rate and assessed value formula and the length of the term would be determined by the council. Perrins notes that by self-funding we would avoid paying interest to the SRF and our investments aren't earning great interest now so we would not be losing anything.

Councilman Schilawski states he hates dipping into our cash reserve given the uncertain economy. He asks how long it would take to repay the money. Attorney Robbins states it would probably be a 20-

year term much like we would have done with an amortization schedule if we had borrowed the money from the SRF.

Councilman Vaughn recommends adopting a rate ordinance based on Option #3 in the rate study and moving forward with the project through self-funding. Also committing to set up a PILOT program in 12 – 18 months once we can reevaluate our financial situation with the new rate in place.

Attorney Robbins introduces Ordinance 2020-14 with Option #3 converting to ERU rate billing with each ERU being \$7.50. This will increase revenues by 36% and will cover our budget deficit. Our rate structure will now match the surrounding communities. Councilman Vaughn moves to adopt Ordinance 2020-14 on first reading and is seconded by Councilman Schilawski. **Vote 4 affirmative.** Attorney Robbins will notice for a public Hearing on September 15th.

Councilman Alspach moves to accept the bid from King's Trucking and Excavating in the amount of \$594,764.00 and move forward with the project through self-funding. Councilman Vaughn seconds the motion. **Vote 4 affirmative.**

Councilman Schilawski leaves at 6:15 p.m.

Ordinance 2020-15

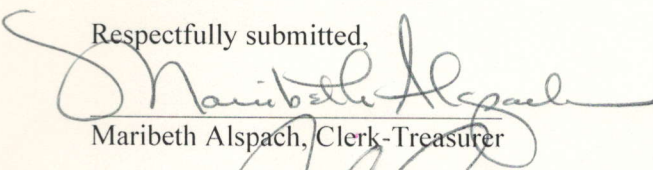
Clerk-Treasurer Alspach presents and explains the transfer ordinance on first reading. Motion to adopt by Councilman Vaughn with second by Councilman Alspach. **Vote 3 affirmative.** This item will be placed on the September 1st agenda for final approval.

Transfer Memo

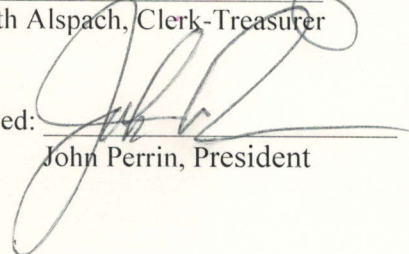
Clerk-Treasurer Alspach presents and explains the transfer memorandum. Motion to adopt by Councilman Alspach with second by Councilman Vaughn. **Vote 3 affirmative.**

Being no further business, the meeting was adjourned at 6:20 p.m.

Respectfully submitted,


Maribeth Alspach, Clerk-Treasurer

Approved:


John Perrin, President