

SYRACUSE TOWN COUNCIL

REGULAR MEETING

JULY 17, 2012

Larry Siegel, Council President, called the Regular Meeting of the Syracuse Town Council to order at 7:02 p.m. Other council members present were Brian Woody, Bill Musser, and Paul Stoelting. Also present were Town Manager Henry DeJulia, Town Attorney Mike Reed, and Clerk Treasurer Julie Kline. Councilman Jeff Morgan was absent.

The meeting opened with the Pledge of Allegiance.

Larry asked for public comment on agenda items; there were no comments.

The minutes of the Regular Meeting on June 19, 2012 were presented. Paul moved to approve the minutes; Bill seconded. Three voted for the motion; Brian abstained. The motion carried.

The minutes of the Special Meeting on July 10, 2012 were presented next. Paul moved to approve the minutes; Brian seconded. Three voted for the motion; Bill abstained. The minutes were approved.

Claims #713 through #830 were presented for payment. Brian made a motion to approve the claims; Paul seconded. Four voted for the motion; none against. The motion carried.

Ken Jones, of Wightman Petrie, was not present for the North Industrial Park monthly update. Councilman Jeff Morgan arrived at the meeting.

Larry announced Police Chief Tony Ciriello has a special presentation he would like to make at this time; he asked council members to approve a change in the agenda. Brian moved to approve the change to the agenda; Larry seconded. Five voted for the motion; none against. The motion carried.

Tony explained there was recently a house fire where two of our police officers, Ben Hostetler and Joe Denton, were injured. They responded to the fire without regard for their own safety; Tony stated their valor deserves recognition. Tony presented the officers with an Award of Valor.

Town Manager Henry DeJulia discussed the tax abatement request from Patrick Industries. Henry recommended we grant a 10 year abatement on the personal property, which would mean an abatement of 100% the first year, 90% the second year, and so on. Patrick Industries is also asking for a 3 year abatement under the "Dino" real estate law; the real estate abatement would be 100% the first year, 66% the second year, and 33% the third year. Henry advised George Robertson, of KEDCo, is here to speak, as well as Andy Nemeth and Rose Craig, of Patrick Industries.

George Robertson announced it will be nice to have the vacant Liberty Homes building filled. He explained Patrick Industries, headquartered in Elkhart, acquired AIA Countertops. They have expanded the business. The State of Indiana is in the process of approving an incentive package due to the new jobs being created. The 10 year personal property exemption that Patrick Industries is seeking is standard. For the building, Patrick Industries is applying for a "Dino" abatement. "Dino" is short for dinosaur. Vacant manufacturing buildings that are deteriorating are eligible for the "Dino" abatement if new tax revenue will be generated. This building is a clear case of a dinosaur. It is presently assessed at two million dollars; the purchase price will be much less than that. Patrick Industries has committed to \$750,000.00 of improvements to the building. Mr. Robertson added that KEDCo started a program four months ago for companies that are in a manufacturing growth mode and pay employees above average wages. KEDCo approved a \$25,000.00 grant to assist with moving expenses. Patrick Industries will retain 175 jobs and add 65 new jobs. Larry asked for clarification on the "Dino" abatement. Mr. Robertson explained it is a three year abatement on the current assessment. Larry asked how the abatement would be amortized. Mr. Robertson explained it is a 100% abatement the first year, 66% the second year, and 33% the third year. Taxes are billed on 100% of the assessed value for the fourth year.

Andy Nemeth, Chief Financial Officer for Patrick Industries, explained their company is a distributor primarily for the RV industry; Patrick Industries has 27 units nationwide. In September of

2011, Patrick Industries purchased AIA Countertops. Revenue was about \$21 million when the company was purchased; they project \$32 million in revenue this year. There were 122 employees when it was purchased; there are 175 employees today, excluding temporary employees. The purchase of the Liberty building will double the square footage; Patrick Industries is making a long term commitment to Syracuse. They estimate it will cost \$750,000.00 to \$1,000,000.00 to improve the building; a minimum of \$1,000,000.00 will be spent on new equipment.

Mike Reed clarified the resolution will show three years on the "Dino" abatement, and ten years on the equipment. The estimated start date will be July 31, 2012 as shown on the SB-1.

Brian made a motion to adopt Declaratory Resolution #12-03; Paul seconded. Five voted for the motion; none against. The motion carried.

Patrick Industries will advertise for the Public Hearing on August 21 and make the necessary filings; a Confirmatory Resolution will be considered at that time.

DEPARTMENT REPORTS

TOWN MANAGER

Town Manager Henry DeJulia reported on several items. The bid information for the North Industrial Park was sent to EDA. Once EDA has approved the contract, a pre-construction conference will be scheduled and the contractor will be given a notice to proceed. Henry hopes we can have construction begin in August.

For the property switch with Polywood, Henry is obtaining quotes for a perimeter survey, which is needed for the legal description. We are working on the utility survey for Oakwood, as well as the transfer of easements, roads, and alleys from Oakwood to the town. The new decorative lights were received this morning.

POLICE

Police Chief Tony Ciriello reported there were 447 calls for service in June; there were 7 accidents and 16 criminal arrests. Tony provided information on the types of arrests.

Tony advised the crowd for the 4th of July fireworks was the largest ever. There were some traffic problems due to the crowd. The Flotilla Road Race was well attended, and the Summerfest parade went well.

PARK

Chad Jonsson, Park Superintendent, reported on ongoing and upcoming events. The Farmer's and Artisan Market continues every Saturday. On August 11, the Wawasee Kiwanis will hold their triathlon. The Park Department has taken over the Community Wide Garage Sales from the chamber. The sales will be held on August 2, 3, and 4. For the Youth Athletic Complex, the buildings are going up. The back stops and fence posts are up, and the infield has been leveled. NIPSCO was sent the signed contract and a check; we are waiting for them to install power.

PUBLIC WORKS

Jeremy Sponseller, Public Works Director, advised the water break has been isolated. It is not fixed yet, but it was shut off last Tuesday at 9:00 p.m. The water usage is back to the normal amount of 600,000 gallons per day. The water department is trying to find the best way to fix the break.

Jeremy presented a purchase request. The isolation valve at the wastewater plant was installed in 1989; it needs to be replaced. Jeremy obtained three quotes to have the valve dug up and replaced and a manhole installed. G & G Hauling was the low quote at \$17,533.50; Jeremy hopes it can be completed in 30 days. Paul moved to approve the quote from G & G Hauling for \$17,533.50; work is to be completed in 30 days. Bill seconded. Five voted for the motion; none against. Motion carried.

Jeremy made a payment request on behalf of Thompson Concrete; he asked the council to approve a payment of \$4,925.00 as the second installment. He added he did have the invoice on time, but forgot to submit it to the clerk's office. Brian moved to approve a payment of \$4,925.00 to Thompson Concrete; Larry seconded. Five voted for the motion; none against. The motion carried.

Jeremy discussed the sidewalk project at Lake & Main St. The property owner will be contributing toward the cost of the completion of the wall; it will reduce our cost for the project. The original quote was \$3,200.00 for decorative texturing; \$1,804.00 is what we would have spent for a non-decorative wall. Brian moved to pay Kari Vilamma up to \$1,800.00 upon completion; Paul seconded. Five voted for the motion; none against. The motion carried.

CLERK

Clerk Treasurer Julie Kline advised we did not appropriate funds for our share of the North Industrial Park project yet; we were waiting to see how the bids came in. She asked council permission to advertise for an additional appropriation of \$800,000.00 from the EDIT Fund to pay our share of the EDA project. Larry moved to authorize advertising for an additional appropriation; Paul seconded. Five voted for the motion; none against. The motion carried.

Julie discussed the 2013 Budget calendar. Our budget must be submitted to the county by September 1 for their non-binding review. She will advertise for the First Reading and Public Hearing on September 18, our regular meeting date, and the Second Reading and Adoption at our regular meeting on October 16. Budgets must be adopted by November 1. Council members had no objections.

Julie presented a Subordination Agreement. She explained one of our housing grant recipients is refinancing. A lien was filed for the housing loan. The homeowner has paid the payable portion of the loan in full; the lien remains in place until the forgivable portion is satisfied, which would be in two months. Brian moved to approve the Subordination Agreement with Lake City Bank. Larry is authorized to sign and Julie to attest the agreement. Bill seconded. Five voted for the motion; none against. The motion carried.

TOWN ATTORNEY

Town Attorney Mike Reed had nothing further to report.

DISCUSSION FROM THE FLOOR

Sharon Fowler asked where the police get the money for new cars; she was told from the general fund. Tony added police vehicles can not follow the same maintenance schedule as regular passenger cars. The last new police vehicle was purchased because it was totaled by a drunk driver.

Sharon asked about code enforcement. He was told Hal enforces the housing ordinances and the police enforce nuisances. Sharon was provided with a copy of Hal's report.

OLD & NEW BUSINESS

None.

2013 BUDGETS

Henry announced he asked each department head to present their own budget this year. The Town Manager's 2013 budget request is for \$367,985.00. He explained the most significant increase in the Town Manager's budget was a new line item in the amount of \$200,000.00 for Oakwood Infrastructure Improvements. We expect to generate about \$135,000.00 to \$150,000.00 in additional property taxes due to the annexation. Brian asked if we are going to do any water improvements. Henry explained the real estate dollars we receive will be used for whatever needs to be done in Oakwood. Paul asked why the amount wasn't divided among the budgets. Julie noted the intention of placing it in one line item was for transparency purposes; we can easily answer questions if an Oakwood resident asks where his property tax dollars are going. Since general fund dollars can be used for infrastructure, we can do whatever projects are necessary with this line item. If we budget a specific amount for street, that can only be used for street items. It is more flexible as one line item. Brian questioned if this would be every year; Henry answered we can eliminate or change the amount whenever we want to. Jeff agreed it made sense to do it this way.

PARK

Chad presented the 2013 Park budget request in the amount of \$364,002.00. He noted other than the salary accounts, the only significant increase is for the NIPSCO appropriation. Chad explained as of June 30th, 49% of that line item had been spent, so he increased that line item. The total Park budget increase was \$3,100.00. Larry asked about the electric for the Athletic Complex. Chad advised Park Non-Reverting and Park Donation will be used for those expenses. Brian asked if there was anything in the budget for the athletic field. Chad stated he has talked with Kiwanis and they feel they can make it work.

STREET

Jeremy presented the proposed 2013 Street budget for \$891,800.00. Other than salaries and insurance, he increased Garage & Motors and Repair Parts. Paving increased by \$5,000.00; it may be used for Oakwood.

POLICE

Tony presented the proposed 2013 Police budget for \$940,895.00. Tony explained \$12,700.00 of the increases were for New Equipment, Training, NIPSCO, and Gas & Oil. The remaining \$21,762.00 is for salaries and health insurance. Paul asked about the decrease in Patrolmen and the increase in Sergeant line items. Tony explained Joe Salazar was appointed Sergeant last year his salary was never adjusted; this will take care of that. He noted the \$3,000.00 for the Police Range was changed from a capital item to supplies.

CLERK

Julie presented the proposed 2013 Clerk budget in the amount of \$578,614.00. She explained the projected increase for health insurance is 15%; she also has additional insureds. Street lights was

increased; NIPSCO increased their rates in January and our costs are 30% higher. Trash increased 4% as per the 2010 contract. She added New Equipment was increased to allow for the purchase of a new copier; the current copier was purchased in 2005. Julie read the proposed budget amounts for the Cumulative and non-department funds.

Cumulative Fund budgets

Cumulative Park	\$20,000.00
Law Enforcement Continuing Educ.	\$2,500.00
Cumulative Capital Development	\$42,000.00
Local Road & Street	\$25,000.00
Riverboat Revenue	\$20,000.00
CCI – Cig Tax	0.00
CCI-Property Tax	0.00
Cumulative Storm Sewer	\$5,000.00
Rainy Day	0.00
EDIT	\$75,000.00

Paul asked about the Building Inspector line item; he stated he thought the hours were decreased. Henry explained the hours were reduced in the winter when it was slow; the hours have increased this summer. He added we have never used all of that line item. Larry asked about the amount for health insurance in the Clerk Budget; Julie explained the increase also included two additional insured. Brian asked if beautification was included in the Town Manager’s budget; Henry explained it is in Other Capital. Brian asked if there was any discussion about funds for the youth complex last month; he was told there was not.

Julie asked if the council had any objections to the budgets; the council had no objections.

Bill moved to adjourn; Paul seconded. Five voted for the motion; none against. The motion carried.

The Syracuse Town Council adjourned at 8:22 p.m.

ATTEST:

Larry Siegel, Council President

Julie Kline, Clerk Treasurer