

SYRACUSE TOWN COUNCIL

REGULAR MEETING

March 18, 2014

Town Council President Brian Woody called the Regular Meeting of the Syracuse Town Council to order at 7:00 p.m. Other council members present were Kathy Beer, Bill Musser, Larry Siegel, and Paul Stoelting. Town Manager Henry DeJulia, Town Attorney Vern Landis, and Clerk Treasurer Julie Kline were also present.

The meeting opened with the Pledge of Allegiance.

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

The minutes of the February 18 meeting were introduced. Paul moved to approve the minutes; Bill seconded. Four voted for the motion; Larry abstained. The minutes were approved.

Claims # 253 through #350 were presented for payment. Larry moved to approve the claims; Paul seconded. Five voted for the motion; none against. The motion carried.

Brett Konarski , of JPR, gave his monthly update on the industrial park project. They are moving forward with the contract documents for the Long Dr culvert and the paving and striping. He will send the contracts to Vern Landis first, and then present them for council approval in April.

Sue Haase, of London Witte, provided a summary of the sewer rate study she prepared. She pointed out the last rate increase was in 1992; there have been changes in the customer base, and the debt has rolled off. Ms. Haase stated we have some very preliminary numbers on what is needed at the plant now. Concerns are the clarifiers, the ultra violet system, and the belt press. The sewer department has been eating into the depreciation fund, which is what is used for these capital items . We need to do the following: 1) Replenish the depreciation fund. There is a \$62,000.00 balance, and we need a balance in reserve of \$250,000.00 to \$300,000.00 to fund catastrophic failures. Larry asked about the time period; Ms. Haase advised we would build it up over three years. 2) There are immediate needs of \$750,000.00 to \$1,000,000.00, such as clarifier, UV system, etc. Rather than have several long term debt issues, she suggested funding the immediate needs with a Bond Anticipation Note. With a BAN, we would pay interest only until it is rolled into permanent financing. Bill asked how long the term of the BAN would be. Ms. Haase stated we would adopt a bond and a BAN ordinance all at once; that would allow us to do both. We would look at getting approval for two years of BANs. The rate ordinance has phased in increases; it gives us the maneuverability to do the permanent financing sooner if the market is up. The permanent financing will be a bond with a twenty year term. Ms. Haase explained the Phase I increase will do the following:

	Annual Amount needed
Build up depreciation to a balance of \$300,000.00 over 3 years.	\$79,126.00
Provide an annual amount for depreciation expense (replacement) needs	\$50,000.00
Additional working capital needed annually for operating expenses	\$13,749.00
Interest on Bond Anticipation Note	\$25,000.00

The percentage increase required to fund the above needs is 29.04%.

Larry asked what happens to the \$79,000.00 after we build up the depreciation to \$300,000.00. She explained the Phase III increase requires an analysis and report to the council no less than 30 days before Phase III takes effect. The council would determine at that time if that amount is still needed.

Phase II has an additional 1 million dollar BAN; making the total BANs at 2 million. The second BAN would depend upon how far we are with the project. Phase II would have a 5.86% increase.

The Phase III increase is 31.31%. Kathy questioned if can do Phase I & Phase II the first year. Ms. Haase advised we could; it was noted the three phases were done to lessen the impact on the sewer

customers. Larry asked about the scope of the project. Jeremy explained two engineers looked at the plant to get preliminary numbers; that estimated cost was 3.25 million including equipment replacement. The committee moved the equipment out of the long term financing, leaving an amount of \$2,760,000.00. Ms. Haase explained an interest rate of 4.75% was used for the bond, however, she does expect the interest rate to be lower. Three phases were proposed to buy us time; we can issue the bonds sooner if we are ready. Discussion followed about the increases. The increase for an average customer using 4,000 gallons would be \$6.94 in Phase I. Larry asked about a family of four; Julie calculated the increase at about \$10.00. Discussion followed on rate scenarios and how our rates compare to area communities.

Brian stated the main reasons we looked at three phases is because we have immediate needs for about one million dollars. If we wait for the PER to be completed and for SRF approval, we may be looking at the end of the year before we can start anything. With the one million in Phase I, we can fund the clarifiers, UV system, and belt press. Year 2 we could potentially follow the PER so we qualify for SRF. Phase III gives us the mechanism to stop, slow down, and possibly change the final cost. More discussion followed on possibly combining Phase I and Phase II, Ms. Haase explained the reasoning and flexibility for three phases and benefits to the utility customers.

Ms. Haase noted her Exhibit I shows where our rates would be if we had increased the rates each year by the CPI. Bill asked if other communities are increasing their rates annually by the CPI. Ms. Haase stated she is seeing it more and more. Bill asked if it is worth considering; Ms. Haase stated it could be decided annually rather than tie it to the CPI. It was noted we should be looking at rates every three to five years to avoid large future increases.

Brian stated if the council agrees with the philosophy, we need to adopt the ordinance. Larry made a motion to adopt Ordinance 2014-3 on First Reading; Paul seconded. Bill commented no one likes to increase rates. Larry stated it is the council's responsibility; it is what we have to do. Five voted for the motion; none against. The motion carried.

Jeremy advised we must have a PER (preliminary engineering report) if we want to finance through SRF. He has two quotes, but would like to verify what is included in each quote. Larry moved to approve an amount not to exceed \$25,000.00 to prepare the PER; Paul seconded. Five voted for the motion; none against. The motion carried.

Julie announced the Public Hearing and Second Reading and Adoption will be held on April 15, 2014. She has received proposals from two bond counsel firms. Ice Miller proposed from \$26,000.00 to \$29,000.00. Barnes & Thornburg proposed from \$20,000.00 to \$23,000.00. Paul moved to approve the proposal for Barnes and Thornburg for an amount not to exceed \$23,000.00; Bill seconded. Five voted for the motion; none against. The motion carried. Henry was authorized to sign the document.

## DEPARTMENT REPORTS

### TOWN MANAGER

Henry reported there were questions on the sign design for the Industrial Park; he provided a handout with answers to those questions. Troy Graham, the engineer who designed the sign, was present; he went over key points in his design. It will have steel columns with stainless panels for visibility. It will be a sail shape sign with self powered solar. Foundation, panel features, and the numbers of lots were discussed. After more discussion, Paul made a motion to approve the solar powered 24 foot sailboat design for a cost not to exceed \$56,000.00; Larry seconded. Five voted for the motion; none against. The motion carried. The sign will be submitted to EDA so it can be paid from grant funds.

Henry continued with his report. He submitted an application to have the Industrial Park designated as a shovel ready site. He advised there are several legislation issues of concern; he will advise next month.

Henry reported an annexation request has been received from Paula Kehr-Wicker and Robert Wicker of 4572 E Fox Run Dr. The Public Hearing on the annexation request will be held next month.

#### POLICE

Police Chief Tony Ciriello reported there were 359 calls for service last month. There were seven accidents and five arrests.

Tony stated we have had problems with officers leaving the department after a short time. He presented an employment contract he would like to use as part of the hiring process. Tony noted the contract is used by another agency and has held up in court; Vern has also approved it. Officers are paid while attending the Law Enforcement Academy; the cost is \$7,728.00 with the minimum wage removed. If an officer is discharged or leaves prior to three years, the officer would be required to repay a prorated amount of the cost. Salaries would be updated every year, and Tony would like approval to use the contract as part of the hiring process. Paul moved to accept the employment contract; Bill seconded. Five voted for the motion; none against. The motion carried.

Tony distributed a proposal he is working on for some traffic changes in Oakwood. Some narrow streets would be changed to one way, with parking on one side of the street. Paul questioned the amount of room. Tony explained guests may be a problem, but there is currently overflow parking. Larry suggested checking with Larry Lane before putting it in final form. Paul would like to make sure the overflow parking is available. Tony will talk with JR Parent.

Tony requested permission to purchase two new vehicles. He would like to trade in two cars for two new Dodge charger police cars. The list price is \$32,120.00 for each; the state bid price is \$22,263.00, for a total \$44,526.00. With the trade ins, the total cost would \$27,526.00 from Sorg Dodge, with delivery in four to six weeks. Paul moved to approve the purchase of two vehicles from Sorg Dodge for a cost not to exceed \$27,526.00, with delivery in six weeks. Julie is authorized to write a check upon delivery. Larry seconded. Five voted for the motion; none against. The motion carried.

Tony asked if there were any ADA complaints; there were none.

#### PARK

Park Superintendent Chad Jonsson announced they are working on getting the snowflakes down; all but three have been removed. Easter Egg Hunts are scheduled for April; on the 11th, there will be a hunt for middle school kids at 9:00 p.m. after the dance. On Saturday the 12th at 10:30 a.m., there will be an Easter Egg Hunt for ages 5th grade and under that is sponsored by the VFW.

Chad advised he is getting a list of things that need to be done at the ball park. Bill asked about agreements for the ball park. Chad explained a limited use agreement was created for the two primary users; those groups will have priority for use of the fields. Wawasee Youth Baseball League will use it primarily in the summer, and PeeWee Football in the fall. An outside group can do a tournament if it does not conflict with the scheduling for the primary users. Chad is also working on a canoeing program; he is working with WACF to use their canoes. It will be held on about six dates each summer.

#### PUBLIC WORKS

Jeremy Sponseller, Public Works Director, announced the vac has been received. They will start using it on debris and sand in the storm drains.

Jeremy reported there was a brief discussion last month on radio reads. He described the present system where we walk to read each meter. There are issues reading this way, such as the time it takes. Also, this year we have had to estimate three months in a row. Utility Supply is the supplier for these radio read meters; their software support is in house and accessible. We are currently purchasing meters that are compatible with this system. Larry asked about the time it takes to read meters. Jeremy stated it takes two men two days to read meters; the radio reads would be completed in two hours. Jeremy advised meters have a useful life of 10 years. A regular meter is \$103.00; with a radio head, it is \$203.00. Jeremy explained the meters in Oakwood are not compatible with our system; all readings must be written down by hand. The fiscal plan for Oakwood included replacing all of the meters. The quote from Utility Supply for \$39,164.00 is less than what was budgeted for replacing the Oakwood meters. He noted we have 1,400 meters; Jeremy proposed we replace 140 per year. Meter replacement is a perpetual expense. He would like to purchase the equipment and start replacing the Oakwood meters with radio reads. We would then replace the meters in the rest of the town; Jeremy added the neptune meters we have now can be upgraded to radio read for \$100.00. He provided a printout to show how the radio read meters can be used for leak detection.

Bill moved to approve the quote from Utility Supply for \$39,164.00; Paul seconded. Five voted for the motion; none against. The motion carried.

CLERK

Clerk Treasurer Julie Kline asked the council to formally approve the adjustments for the freeze warning that was issued February 12. Larry moved to approve water and sewer adjustments; Bill seconded. Five voted for the motion; none against. The motion carried.

Julie announced they are working with Invoice Cloud to access and pay utility bills online.

TOWN ATTORNEY

Town Attorney Vern Landis had nothing further to report.

DISCUSSION FROM THE FLOOR

None

OLD BUSINESS

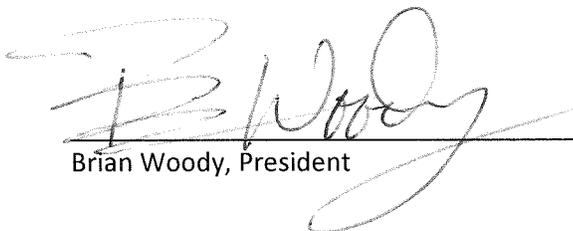
None.

NEW BUSINESS

Brian reported the construction at Fire Station #1 has begun; the fire department needs \$6,915.33 for phones and radios to go upstairs. It will be paid from the Equipment Replacement Fund. Bill moved to approve the purchase; Kathy seconded. Five voted for the motion; none against. The motion carried.

Paul moved to adjourn the meeting; Brian seconded. Five voted for; none against. The Syracuse Town Council adjourned at 9:03 p.m.

ATTEST:

  
Brian Woody, President

  
Julie Kline, Clerk Treasurer