

Town

TOWN OF ADVANCE

PUBLIC HEARING AND YEAR-END SPECIAL MEETING – MINUTES

LOCATION: ADVANCE FIRE DEPARTMENT

December 30, 2019

7:00 PM

112 N. Main – P. O. Box 67 Advance, IN 46102 Phone: (765) 676-6611 – Fax (765)
676-6696

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Council Members: Matt Johnson, Melody Fry, Dale Thompson, and Jim Caldwell

Clerk Treasurer – Shari Johnson

Marshall: Brad Thomas

Attendees:

Council Members: Matt Johnson President, Dale Thompson, and Jim Caldwell.
Melody Fry – absent.

Clerk-Treasurer: Shari Johnson

Marshall: Brad Thomas

Others in attendance: JR Shelton, Rick Jones, Telena Jones, Kerri Cole, Jeff Hopper, Keith Cromwell, Lindsey Hurless, Ben Truitt, Maria Truitt and Legal Counsel, Amy Nooning.

President Johnson called to order the Special Meeting at 19:01.

Pledge of Allegiance

Rules of Order

President Johnson opened the public hearing. He stated times to discuss concerns regarding the increases were 3 minutes the first time, 2 minutes the second and 1 minute the last.

Steve Brock with Therber, Brock and Associates:

Mr. Brock presented the information for the Waste Water Treatment Plant improvements, funding sources and the new rate ordinances for water and waste water.

Mr. Brock noted that initial work proposal was presented in 2014. In 2019 an updated PER report was presented. Since 2014, the sewer utility has declined to \$56,000. Gary Ladd, town engineer, had cited deficiencies in the sewer utility.

The rates need to be sufficient enough, to cover the bond and deficit in the sewer fund. There is a \$1.484 million dollar project. The SRF has committed \$675,000 towards the project and OCRA will be funding \$700,000 leaving a bond amount of \$109,000 with a 2.5% interest rate over 20 years. To be able to fund this project, 4000 gallon \$57.85 current to \$75.82 for operations, repair and replacement. The minimum is less. Mr. Brock stressed that we cannot get the funding from SRF and OCRA unless rates are raised. As of June 30th the sewer utility was in the negative of \$56,000. This hearing was to explain why there was a need to raise the rates.

CT Johnson stated we won't be notified about the OCRA grant until January 9, 2020. CT Johnson also stated that the end of June the town was in the negative was \$141,000, but questioned if Mr. Brock was calculating all funds for the sewer balance and he advised yes.

Mr. Brock stated we were a good candidate to receive OCRA funding; however, SRF was awaiting word from OCRA on the grant.

Construction BIDS have not been obtained. Pre-closing with SRF will be January 14, 2020. SRF is a draw bond, and disbursement requests are forwarded to SRF.

Mr. Brock stated he was there to answer any questions and concerns from the Town.

President Johnson opened up comments from residents and reminded there was a 3 minute time to speak.

Lindsay Hurless questioned that the bills could be increased in January 2020 with the billing received by January 10th and the town wouldn't know if the town has received the funding from OCRA January 9, 2020 and how could this work? Mr. Brock stated the SRF funds have been committed but we won't know about OCRA until January 9, 2020. Billing wouldn't reflect increase until February bill for January consumption. Ms. Hurless also questioned if there were other municipalities applying for the grant? She was advised by Council yes.

Discussion ensued.

CT Johnson stated that the rates needed to be submitted to the software company and this process is lengthy, and the rates may not be reflective until March. Mr. Brock stated Keystone usually needed 45-60 days to update rates.

Councilman Caldwell stated that improvements had to be done, as IDEM had cited the town and was pressing the town to make improvements.

Mr. Brock stated that the rates needed to be updated before the loan with SRF could be closed.

Councilman Caldwell stated that the rate increases need to be done at least every 3 years and Mr. Brock concurred. Mr. Brock stated utilities are enterprise funds and are self funded. No revenue comes from taxes and comes from user fees. Water has to be spent in water, sewer for sewer etc. The rates have not been adequate in the past to support the utilities.

President Johnson stated in 2017, rates were raised and have been working to improve the funds. Repairs have thrown the utilities in further debt.

Councilman Caldwell stated the plant is 25 years old and is in great need of repairs.

CT Johnson stated past rates studies didn't project for the future and funds should have been placed in depreciation for future needs.

Mr. Brock presented the water rates to place the water utility in a positive cash flow. The rates need to support operations, repairs and replacements. SBOA requires town to have positive cash flows and doesn't like to see repeat deficiencies in funds.

Councilman Caldwell the rates will be reevaluated in a few years and rates may go down. The town is working to improve efficiencies in the utilities.

Mr. Brock stated he could deliver worksheets to the Clerk's office for anyone to review.

CT Johnson stated the difference of the minimum rates were not much.

President Johnson stated we have had a repeat finding with SBOA the last 3 audits.

Mr. Brock discussed the improvement of funds and that the rates need to be sufficient enough to support the budget and funding our short-term asset replacement.

Discussion ensued.

Councilman Thompson made a motion to close the public hearing. Councilman Caldwell seconded. All in favor, motion passed.

Councilman Caldwell made a motion to adopt Ordinance 2019-08 An Ordinance Amending the Rates and Charges for the Sewer Works Utility. Councilman Thompson seconded. All in favor, motion passed.

Councilman Caldwell made a motion to adopt Ordinance 2019-09 An Ordinance Amending the Rates and Charges for the Waterworks Utility striking Owners Shall Be Responsible for any unpaid bills from Renters. Councilman Thompson seconded. All in favor, motion passed.

Clerk-Treasurer – Shari Johnson:

Councilman Caldwell made a motion to approve 26 pay periods, not 27, for 2020. Councilman Thompson seconded. All in favor, motion passed.

CT stated that recommendations for codification needs to be submitted by the beginning of February.

Councilman Caldwell made a motion to approve the CT to do inter-fund transfers per SBOA audit: \$11,000 from General and MVH to the Electric Utility for street light rental, \$20,833 from the General Fund to the Water Utility for Hydrant Rentals, and \$7501.67 to the General Fund from misappropriation to a DNU fund. Councilman Thompson seconded. All in favor, motion passed.

Councilman Thompson made a motion to approve funds to be transferred in the Park Funds from appropriation 101001363 Park Maintenance to Park Buildings 103001420 for \$5065.00. Councilman Caldwell seconded. All in favor, motion passed.

CT Johnson stated the last audit is available to view.

Councilman Caldwell made a motion to approve the IMPA dedicated services agreement. Councilman Thompson seconded. All in favor, motion passed.

The January Council meeting was being moved to January 14, 2020 due to a conflict with the IMPA Legislative dinner.

CT Johnson stated there were compliance issues with IDEM and two forms needed to be signed by the Council President. Councilman Caldwell made a motion for P. Johnson to sign IDEM forms for Town engineer. Councilman Thompson seconded. All in favor, motion passed.

Councilman Thompson made a motion to approve payment to Hopper Excavating for storm drain repair in the amount of \$1812.00. Councilman Caldwell seconded. All in favor, motion passed.

Councilman Thompson made a motion to approve Ordinance 2019-01 for zoning to be changed to 2019-01-Z. Councilman Caldwell seconded. All in favor, motion passed.

Councilman Caldwell made a motion to approve IDEM. Councilman Thompson seconded. All in favor, motion passed.

Old Business:

iCloud and Itron tabled until January.

Legal Counsel Nooning spoke to the Century Link reply to the pole attachment rates. The current attachment rate of 1.52 and they want a cap 2%. Councilman Caldwell stated that Century Link should have been paying to attach to the town's poles for years. Every 5 years these rates need to be recalculated.

Councilman Thompson made a motion to accept Century Link's proposal of 1.52% pole attachment with a cap of 2% and a floor of 1.52%. Councilman Caldwell seconded. All in favor, motion passed.

Mr. Hopper stated there were old lines on poles and discussion determined that Century Link needed to take down old lines.

Employee Handbook recommendations was tabled until January.

New Business:

Ordinance 2019-07 reflective of HB 1347 was tabled until January 2020.

Council to review Conflict of Interest with President Johnson and CT Johnson tabled until January.

Councilman Thompson made a motion to approve the 3rd quarter tracking factor of .005250 and the 4th quarter tracking factor of .004922. Councilman Caldwell seconded. All in favor, motion passed.

President Johnson read Resolution 2019-03.

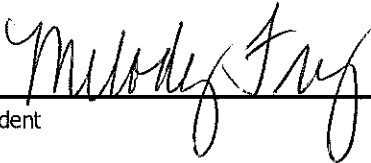
Councilman Thompson made a motion to suspend the rules and consider Resolution 2019-03 on its first reading. Councilman Caldwell seconded. All in favor, motion passed.

Councilman Thompson made a motion to approve Resolution 2019-03. Councilman Caldwell seconded. All in favor, motion passed.

Councilman Caldwell made a motion to adjourn the meeting. Councilman Thompson seconded. All in favor, motion passed.

Meeting adjourned at 20:06.

X 
Clerk Treasurer

X 
President