

COMMON COUNCIL
TUESDAY, APRIL 23, 2019
6:00 PM

Mayor Ryan Daniel – Present
Clerk Treasurer Rosie Coyle – Present
Attorney Marcia McNagny – Present

Council Members

Walter Crowder – Present
Nicole Penrod – Present
Jennifer Romano – Absent
Tad Varga – Present
Daniel Weigold – Absent

The Columbia City Common Council met in regular session with all members except Jennifer Romano and Daniel Weigold present, Mayor Daniel presiding.

MINUTES Approval of the March 12 meeting minutes were postponed.

Motion was made by Tad Varga to approve an overview of the April 9, 2019 meeting minutes as presented, Nicole Penrod seconded the motion, all voted aye.

OW KROHN – WATER RATE UPDATE Buzz Krohn with OW Krohn reviewed a PowerPoint presentation with Council regarding the financial status of the utilities, specifically the water utility. He shared the utility revenue requirements were a little different than the general fund. He advised we really do not have much control over the money received from the State; whereas, with the utilities there was a little more control at the City Council level.

Buzz advised overall we were in very good shape but the water utility still had issues with low working capital; the debt reserve was fully funded and we are funding the bond payment fund but there was not a lot to work with beyond that and is why he was focused on the water utility.

Buzz explained, particularly on the water side, most of the cash on hand was restricted in some fashion. He advised it was either locked into bond savings funds or debt reserve, none of which was available for operations. He advised of the \$600,000.00 total dollars in all of the water utility funds as of the end of the year, only about \$20,000.00 was really available for operations.

Buzz felt the working capital was the biggest concern and also the debt coverage ratios. He explained the net revenue should be a minimum of 125% of the annual bond payment and we were a little shy on that in the water department.

Buzz noted a list of projects Mike Shoda prepared. He advised the Well 8 repair needed to be done immediately but the other projects were probably looking at 2 – 3 years. He shared there would be a little relief in sight after 3 years one of the bonds will pay off so will have that extra cash flow. He advised there was a little of \$600,000.00 worth of projects they need to address.

Buzz shared they tried to come up with a range recommendation that would at least hit the minimum coverage ratios. He stated they talked about doing a 3 year phase in approach; although a one step process would probably be best. He reviewed the schedule showing the bond payments and noted in 2022 the payments would drop about \$140,000.00 per year. He advised if timing works out right that we could spread some of the projects out 3 years there should be additional cash but in the meantime if something needed to be done quicker we could probably consider short term borrowing without going through the hoops of doing a bond issue for a relatively small project. He noted after October 1, 2021 the requirement would drop on the annual debt service requirement.

Buzz reviewed the revenue requirements that were presented at the Mayor's retreat. He advised we have really held the line on cash operating expenses which is a positive thing. He shared they looked at the average revenue over the last few years of \$100,923,000.00. He noted it was up a little in 2018 but we really need a 25% across the board increase to fund the revenue requirements. He shared that percentage sounds high because the rates were relatively low; right now for a minimum user of 2,000 gallons they were paying \$12.62 and for an average user of 4,000 gallons they were paying \$21.54. He noted these were some of the lowest water rates in the State. He shared even with a 25% increase with a phase in rate we still needed to take a pretty big jump right now and felt it would be worthwhile to consider doing it in just one step.

Mayor Daniel explained when the Utility Rate Advisory Board reviewed the options it was their recommendation to do a one-time increase. He shared it did sound like a lot but at the end of the day it was a \$5 increase. He noted it has been 7 years since the water rates have been touched. Buzz added this would basically be an inflationary adjustment.

Mayor Daniel questioned with the project list Mike Shoda provided would it change the benchmark. Buzz stated given fact that we do not have to do everything tomorrow he felt this would be fine. Mayor Daniel shared if we decide to absorb a rate increase this year then again in 3 years we would get a mini rate increase, not through an increase to the customer but because we would not be paying \$100,000.00 + in bond payments so effectively that becomes working capital for the water utility.

Buzz reviewed the proposed rate increase. He noted for an average user of 4,000 gallons the increase would be about \$5.76.

Buzz noted every community has their own unique set of facts and circumstances and cannot always make a decision just because of somebody else's rates. He advised it is nice to know where you stand and in this case Columbia City would still be on the low end of all the rate comparisons.

Mayor Daniel felt Council needed to really start thinking through this. He shared if we would have a major water main break we would be in trouble financially. He noted it had been 7 years since we have reviewed and done anything with our water rates and felt it was really something that needed to be looked at. He stressed that nobody ever wants to raise rates but in the next month or two need to start moving towards a vote one way or another.

TAX ABATEMENT REQUEST: INDIANA MUNICIPAL POWER AGENCY

Riley Hollenbaugh with the Whitley County EDC was present to discuss the tax abatement request. He reviewed the cost benefit analysis and noted in the second year we would break even; it was an \$8 million investment into equipment for solar panels to create an electric generating facility in Armstrong Industrial Park. He explained even though it would not generate new jobs, CAGIT and CEDIT it would help to keep electric utility rates low, progress the City into the future and prepare for environmental standards that will probably be coming. He felt this would help attract new types of businesses who would take advantage of that.

Emily Williams with IMPA distributed and reviewed information on the solar park and project details. She advised to date they have 20 solar parks generating about 48 megawatts around the State and would be looking at 4.6 megawatts at the Columbia City solar park. She shared the site would have about 15,000 solar panels sitting on 30 acres. She noted all of the power generated from this solar facility would be interconnected with Columbia City's distribution system and would stay in Columbia City. She advised this system is designed to never go outside of Columbia City's distribution system which sets them apart from some of the solar developers.

Ms. Williams advised they would like to request tax abatement on the personal property. They were looking at about \$228,000.00 being paid over the abatement period and about \$50,000.00 annual payment thereafter.

Walt Crowder noted the ability for the power to attach to our grid. Ms. Williams explained all of the power coming from this facility would go right to Columbia City's power grid.

Rosie Coyle questioned how much of an affect the solar parks have made on the communities they are in. Ms. Williams explained they size the parks so that the power stays local; how much energy being produced depends on the sun and the load is at the time.

Mayor Daniel advised he and Nicole Penrod met and scored the abatement. He shared they scored a 15.7 which is well above the 8 point threshold and was being recommended for a 10 year standard abatement.

RESOLUTION 2019-10: DEDUCTION OF ASSESSED VALUATION Motion was made by Tad Varga to read Resolution 2019-10 by title only, Nicole Penrod seconded the motion, all voted aye. Clerk Treasurer Rosie Coyle read Resolution 2019-10 a resolution approving the deduction of assessed valuation for personal property improvements within the Economic Revitalization Area in Columbia City, Indiana.

Mayor Daniel read the findings for the abatement.

Motion was made by Tad Varga to approve the findings and Resolution 2019-10 for a 10-year standard abatement, Nicole Penrod seconded the motion.

Walt Crowder questioned if there should be something in the findings that this project should be completed within 5 years. Rosie Coyle noted in their application it states 2020. Ms. Williams advised that was an estimate but if there could be a cushion that would be helpful, even if a 2 year window. Mayor Daniel suggested adding that when approving the Statement of Benefits.

Upon the motion, all voted aye.

STATEMENT OF BENEFITS – IMPA Motion was made by Walt Crowder to approve the Statement of Benefits for a 10 year abatement with a maximum time period of 15 years, Nicole Penrod seconded the motion, all voted aye.

ORDINANCE 2019-07: DOOR TO DOOR SOLICITATION – 3RD READING Motion was made by Nicole Penrod to read Ordinance 2019-07 by title only, Tad Varga seconded the motion, all voted aye. Clerk Treasurer Rosie Coyle read Ordinance 2019-07 an ordinance regulating door to door solicitation and peddling for the City of Columbia City, Indiana.

Motion was made by Tad Varga to approve Ordinance 2019-07 on 3rd and final reading, Nicole Penrod seconded the motion, all voted aye.

ORDINANCE 2019-2: MOBILE NON-FOOD VENDORS – 1ST READING This ordinance was tabled until the next meeting.

ORDINANCE 2019-08: AMENDING ANIMAL ORDINANCE – 1ST READING Motion was made by Tad Varga to read Ordinance 2019-08 by title only, Nicole Penrod seconded the motion, all voted aye. Clerk Treasurer Rosie Coyle read Ordinance 2019-08 an ordinance amending Chapter 90, animals, of Title IX of the Code of Ordinances of the City of Columbia City, Indiana.

Mayor Daniel explained the change was to take American Pit Bull Terrier and Pit Bull out of the ordinance to create a non-specific breed ordinance.

Motion was made by Tad Varga to approve Ordinance 2019-08 as first reading, Nicole Penrod seconded the motion, all voted aye.

ORDINANCE 2019-09: SPECIAL EVENTS ORDINANCE – 1ST READING This ordinance was tabled until the next meeting.

PLAN COMMISSION APPOINTMENTS Motion was made by Tad Varga to nominate Chip Hill to the Plan Commission, Nicole Penrod seconded the motion, all voted aye.

DEPARTMENT REPORTS **Mark Green** – CPR training for full time staff, baseball & softball games starting, Aquatics Facility set to open May 25 at noon, gardeners working on landscaping, update on asphalt at pool for pickle ball & basketball courts and skating rink, update on engineering firm selection for the park expansion at the high school property. **Kelly Cearbaugh** – sidewalk & curb project awarded to JB Concrete. **Mike Cook** – update on replacing HVAC unit at headworks building, mowing, update on SDI force main project, improvements to Towerview Drive lift station. **Scott Leatherman** – update on 5 new police officers, update on dispatch center and Gina’s office.

YOUTH COUNCIL Tyler Sinegar was present representing the Mayor’s Youth Council and gave an update on what they have been doing.

MAYOR REPORT Mayor Daniel reported the Tree Board met and approved the contract for tree planting. He advised he would be presenting to the high school regarding the Youth Council; had ribbon cutting at the United Way and lunch with the Mayor on Facebook would be Thursday.

Having no further business to discuss the meeting was adjourned.

Mayor Ryan Daniel

Attest:

Clerk Treasurer Rosie Coyle