

COMMON COUNCIL
TUESDAY, AUGUST 12, 2014
7:00 P.M.

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

Council Members

Nicole Penrod – Present
Ben Romine – Present
William (Bill) Simpson – Present
Daniel Weigold – Present
Jacie Worrick – Present

The Columbia City Common Council met in regular session with all members present, Mayor Daniel presiding.

MINUTES Motion was made by Ben Romine to approve an overview of the July 22, 2014 meeting minutes as presented, Nicole Penrod seconded the motion, all voted aye.

SEWER RATE INCREASE DISCUSSION Mayor Daniel advised it was requested at the last meeting to have a public meeting to discuss the sewer rate increase, specifically the two different methods; a flat \$13.00 increase now and a second option of \$7/\$6/\$5 increase over the next 3 years. He stated this was mainly to pay for the Long Term Control Plan that was coming up; design in 2017 and construction in 2019.

Lee Baatz of 804 Wexford Court and non-City member of the Utility Rate Advisory Board discussed their recommendation. He explained the Board was brought a series of financial reports to review, discuss and make a recommendation. He stated their recommendation to City Council was rate increase scenario #3 which was the \$7/\$6/\$5 phase in plan. He shared there were two deciding factors for recommending a rate increase at this time; the operating fund as of December 31, 2013 was at a deficit of \$231,252.00 and the initial cost projection of this plan was projected at \$9,585,000 and if in a deficit situation we would not get a very favorable interest rate. He advised by doing a phase in now and improving the financial condition of the sewer utility, when going before the bonding agency we would get a more favorable rate and save the customers more over the long run. He advised that was his reason for supporting a rate increase at this time.

Leanne Shoppell of 343 N. Chauncey Street advised she was attending the meeting uninformed but was looking for information, wanted to share information as a homeowner and business owner. She was unsure if the public had a breakdown of what was going out, being paid. She stressed that she appreciated the sewer being taken away from her home but as a realtor many times people will see our utilities and are flabbergasted; we are known as a very expensive City. She felt the rates might lead to some of the home foreclosures as people cannot pay their mortgage and utility bill. She advised she bought the apartments above The Nook and Karma and was trying to improve them but with these bills it was very hard. She felt if there was

something they could see showing where the money was going; it seemed like the City was getting so much money from all the users. Ms. Shoppell felt the public probably had no idea of the expenses.

Don Langeloh of 660 W. Park Street appreciated the notice that was sent out and shared that we were not the only City or Town going through this. He stated what he looks at is the \$13 million we need yet to generate so our rates maybe won't go up. He advised Leanne was right in that people look at our rates; there are 8 or 9 stores empty now and to keep the rates up he felt there would be a lot more as it really affects the business people as much as the residential people. He questioned with the State sitting on \$2 billion if Mayor or Council have gone down to talk with our Senators. Mayor Daniel advised he has had discussions with our State Senator, our State Representative, and shared that we were not unique but felt there was a fear of doing an earmarking because it would open the flood gates to all of the communities dealing with this. He promised when it was time for construction we would be applying for grants at the state and federal level to try to get help on funding that would cut down on future rate increases. Mr. Langeloh suggested all the Cities and Towns going through this form a coalition; he stated they cannot keep passing this stuff down while everybody else sits back. He questioned if they had looked at places they could cut in the City to throw a little cash into this endeavor; every penny and dollar adds up. He felt whatever the City could do everyone would appreciate and was sure they would be keeping tabs on where things were going.

Steve Schmitt of 738 S. Columbia Parkway questioned how long of an abatement we had with SDI. Mayor Daniel advised the City did not have an abatement with SDI but the County did and was unsure what the time frame was. Mr. Schmitt confirmed they went into our sewer system. Mayor Daniel advised that was correct. Mr. Schmitt questioned why they would not get the brunt of the bill; they put in probably more sewage and water than any other corporation. Mayor Daniel advised with the rate increase they would certainly pay for a large portion, substantial a lot more with the gallonage that they use. Mr. Schmitt questioned as citizens how they would know that. Mayor Daniel advised the best answer he could give was that SDI was a heavy user; he thought he tried to mention in the letter that was sent out that those who use more would pay more and those who use less would pay less.

Sharon Moore commented that after 1 million gallons the rate goes down for large users so did not think they got hit harder but were getting a break. She stated after 1 million gallons the rate goes to about 1/3 than it is regularly. Steve Schmitt noted that the citizen's rate goes up if they use more. Mayor Daniel advised that was something they could certainly look into and appreciated her bringing that to his attention.

Sharon Moore of 1280 W. Westgate Avenue questioned what the increase would do to the flat rate users. She stated they were annexed several years ago and had the option of not tying into the water but if they did not tie in then they were billed on a 1" meter which was a flat \$55.55. She advised they were being penalized for being annexed and not tying into the water. Rosie Coyle advised it was her understanding those would not increase. Ms. Moore expressed a concern with SDI as they do pump millions of gallons of sewage and are the ones who get a break in the end. She stated the more they use the better break they get and it was not fair for the residential people to pick up the tab. She also questioned if the sewage treatment plant gets use

of storm water as well. Mayor Daniel advised the wastewater department gets a subsidy from the storm water department in the range of \$250,000 per year. He stated that was a decision made by the previous Council and instead of raising sewer rates at that time, because of the influx of storm water into the sewer system, storm water would compensate for that. Ms. Moore questioned where the remainder of the storm water money goes. Mayor Daniel advised he could not necessarily speak to the revenue of the storm water but we were in the midst of an \$800,000 storm water project on South Elm, South Oak and South Walnut, we have the \$250,000 per year going from storm water to sewage, we also have a contract with the Soil & Water Conservation District, a portion goes to support the storm water superintendent. Dan Weigold added some of that money goes towards maintaining the drains within our City limits. Ms. Moore advised sometime she, and probably most everybody, would like to see where \$3.5 million was going per year. Ben Romine shared that \$1.8 million goes towards paying the bonds, about ¼ goes towards payroll and benefits and the remaining ¼ goes towards operating expenses. Ms. Moore felt they should really take a look at the big users; it was not fair for the residential people to continue to pay for the big manufacturing people who get breaks left and right.

Michelle Patton of 737 S. Columbia Parkway shared that she just moved back into Columbia City from living 21 years in Thorncreek Township. She advised her sewer bill in Thorncreek Township was \$21.00 per month; they had the opportunity when the sewer system was first put in to pay a larger sum up front and maybe this was something that could be done for the citizens of Columbia City. She explained if they paid a larger amount up front then their monthly bill was less than those who did not pay as much up front; those people were at about \$50 per month. Ms. Patton agreed with Don and Leanne in that we need to look at the future; we had a large portion of the community that were senior citizens and on fixed incomes. Mayor Daniel questioned Ms. Patton how she might see something like this working in this situation. Ms. Patton felt it could be offered but they would have to sit down and figure out what percentage would be need to be paid upfront to offset the cost and how many we would have to have to make it work. She suggested talking with the Tri-Lakes Sewer District on how they figured it. Ben Romine advised Big Lake was putting in a sewer system and could maybe also talk with them.

Don Langeloh questioned if anyone had thought about talking with SDI to let them what we were doing and to see if they would be willing to help out. He advised those people were open to talking and have done quite a few different things and felt they might negotiate.

Bill Simpson questioned in the Tri-Lakes Sewer District if they did not have to do improvements. Mayor Daniel advised they were not a MS4 community so were not storm water separation. He guessed that they did not have CSO's because they do not have a storm water collection system and could be a portion of the difference but it was his understanding that the County was being considered as a MS4 County in the very preliminary stage.

Nicole Penrod advised all of Council had to pay too and did not feel any of this was small. She explained this has been going on for many, many administrations; nothing was done early on which was why there was such a big impact now. She appreciated what was being said but what they have to look at is what kind of increase are we going to do and would like opinions on that. Michelle Patton advised if we have to do one she would suggest the 7/6/5. She understood we

have to do something but also felt the big corporations who are not even in the City limits need to pay their portion.

Mayor Daniel shared that there were many communities that were charging a premium to individuals outside of municipalities for sewer, water, etc. and 2 years ago there was a movement in legislature that tied the hands of municipalities as to how much extra could be charged on top of what was being charged to City users. He explained there was a bill filed and passed and we are capped at the percentage amount we can charge outside users more than City users. He shared this was merely information to say we have a little working against us in Indianapolis as well.

Ben Romine liked the idea of putting money down up front and locking in rates; that would be less money we have to bond, less interest we would have to pay and the utility customers were paying less in rates. He advised we would have to look to see if, statutorily, we could do that. Dan Weigold questioned if that would be for new or existing users. Ben Romine advised it would be existing users; if he, as a homeowner, wanted to pay \$2500 towards this project and lock in his rate for the next 5 years he would know then what his rate was going to be. He advised this could stand for SDI, REMC or whoever would want to put money up front. Nicole Penrod confirmed that discount would go with the house and not the owner. Ben Romine advised that would be correct.

Mayor Daniel advised this was not something this group wanted to do. He stated Umbaugh, who did our rate study, suggested we raise rates last year but Council really felt strongly that it was not the right time; however, he did not believe there would ever be a right time. He felt they were all to the place where the longer they wait, the harder the hit and during the water rate increase he and the Council heard the phase in approach was the way to go.

Michelle Patton questioned if we had someone who looked into grants. Mayor Daniel advised we would be going after grants when it was time for projects but 9 times out of 10 the grants available were for actual projects and not for future. He advised we do have an individual who does grants for us or looks for grants; the last phase of this project was somewhat funded through a grant from the State.

Richard Watkins of 602 W. Ellsworth Street questioned if we would be paying a higher interest on this part of the project or would it be about the same. Mayor Daniel advised the interest rate would be determined at the time we would take the bond out. Mr. Watkins felt going forward we needed to look at the middle and be fair to all people; support the low income and the fixed income. He suggested trying to find middle ground on this.

ORDINANCE 2014-13 ORDINANCE VACATING ALLEY – 3RD READING Motion was made by Ben Romine to read Ordinance 2014-13 by title only, Dan Weigold seconded the motion, all voted aye. Rosie Coyle read Ordinance 2014-13 an ordinance vacating an alley in the City of Columbia City, Indiana.

Attorney McNagny advised all 4 residents received their notices.

Motion was made by Bill Simpson to approve Ordinance 2014-13 on 3rd and final reading, Nicole Penrod seconded the motion, Penrod, Simpson, Weigold and Worrick voted aye, Romine abstained.

DEPARTMENT REPORTS Department reports were given by Terry Wherry, Mike Cook, Mike Shoda, Mark Green.

Jacie Worrick questioned if they were looking to open the pool next year. Mark Green advised they were. Jacie Worrick questioned if they looked at the losses from this year. Mark Green advised the Park Board had not seen the final numbers yet. Jacie Worrick stated with what they were just talking about and with that type of loss on the pool she had a little problem with opening. Mark Green advised it was definitely down this year. Ben Romine felt it would be nice to have those numbers before they do the budgets too.

Reports were also given by Kelly Cearbaugh and Jeff Walker.

Having nothing further to discuss the meeting was adjourned.

Mayor Ryan Daniel

Attest:

Clerk Treasurer Rosie Coyle