

Minutes and proceedings of the meeting of the Town Council of the Town of Hope, Indiana.

Be it remembered that the Town Council of the Town of Hope, Indiana held a public hearing regarding the Hope water utility rates at the Hope Town Hall in said town at 5:33 p.m. on September 21, 2015.

HOPE WATER UTILITY RATES

Jonathan introduced our consultant, Buzz Krohn with O.W. Krohn & Associates. Buzz stated we are from Westfield Indiana and work with cities all over the state. This project is getting ready to go out to bid next month. Trena added the 17th was the first notice and 24th will be the second notice. Bids will need to be received by the 15th of October. Buzz stated we'll be getting bids on this water distribution project. Your water system has been around for a while. It's got some needs for improvements. Engineers have prioritized the project. It's been approved by the State Revolving Fund. All the permitting and so forth is approved. The town's distribution mains are old. They are fully depreciated. You've got a lot of leaks. You've got pressure issues. The age and condition need to be upgraded and replaced. The project will replace about 25% of distribution lines. It's a pretty significant project. These are the oldest mains in town. The line losses and pressure will all improve with result of this project as well as reliability and quality of services. The water rates and charges from municipal utilities are set out in Indiana Code. There are a list of revenue requirements that the code allows to municipal utilities to include in their rates. The revenue requirements built into the rates are: 1) Cash operating costs. This cost includes labor and maintenance of maintaining the distribution system. 2) Purchasing water for resale. Years ago you used to produce your own water. That didn't become feasible anymore in 2005. Now you buy 100% of your water. All those costs from the day to day of operations and maintenance costs, costs of meter and billings administration and so forth. 3) Debt service on bonds. You still have some debt outstanding for the 2005 bond issue. Then there will be a new bond issue for this project. The good news is you already got an OCRA grant for this project for \$550,000 and just recently we found out that we are going to get a \$925,000 grant from the State Revolving Fund supplemental program that they have. Our timing was perfect. The need is here. What they try to do is buy the rate impact down as close to \$45.00 as possible. We're not going to quite get there for \$4,000 gallon average monthly bill but that \$925,000 goes a long way. For a \$3,000,000 project, we are only borrowing a little over a \$1,500,000. The rest of it will be in the form of grants, a forgivable bond participation note program that the State Revolving Fund has. Basically we're catching them at the end of the federal government's fiscal year so we captured some left over money. By our timing being just right, the engineers had to do a heck of a job to accelerate their schedule to get us in this position. I want to recognize their efforts as well. We have a good team working together. Sometimes luck is on our side. Depreciation on the facilities that's another revenue requirement. We are going to partially include that. We're not going to fully fund our depreciation. We are going to fund enough depreciation so we have coverage on our bonds and then hopefully after the project is completed we'll have an interim rate in effect during the construction period and then a final rate after the construction is completed next September sometime. We are looking at depreciation to provide our bond coverage ratio. You have to have a minimum amount of bond coverage to be able to market a bond issue. The lender has to know you have the where with all to pay them back plus certain market of safety in case there is an economic down turn and hope you're not depending on one big industrial user. That you have relatively a large customer base with residential. That's a good thing from the lender's perspective. You have a pretty stable customer base. In fact it's almost identical to what it was ten years ago when we did the last project. The ones we are not

including specifically but we are going to fund debt service reserve and we are going to fund working capital but we're not building in separate revenue departments to fund those. We're going to use our coverage ratio. Our partial depreciation is going to address those. This is all in an effort to keep rates as low as possible. It is still a significant increase. If you look at percentages, it's a significant percentage. If you look at dollars and cents, it may be not as significant but it's significant for many I'm sure. You also have the ability to build in additional funds for extensions and improvements over and above depreciation but we are obviously not going there and we're not going to build in a return on plant. Those are things we're not including in the rates. A little bit of back ground, the present rates were put in place back in 2005 so it's been almost eleven years ago. If you just compound inflation at 3% for that long, that's about 40%. You've had increases in the cost of purchasing water over the years not just because of increases from your supplier but also because of the volume that you're purchasing versus what you used to produce back before the 2005 project. Right now a current average bill for 4,000 gallons is about \$28 a month, the phase one increase will bring that up to \$45. That was sort of a deliberate move to put it at that level so we would be in that funding range for this special supplemental SRF program. That's going to be the initial hit. Phase two increase if we didn't have any buy down from this supplemental program would have been another \$10 a month but with this forgivable bond anticipation note, that \$925,000 supplemental program, that's going to buy down about \$6.00 off of that so that would be a little bit above the \$45.00 a month. It's not going to be that much more than our general rate when the final rate kicks in. It will be a little less than \$49 a month for a \$4,000 gallon average bill. Minimum bills are 2500 gallons are going to be looking at less than that. Again the additional grant had a significant impact but just catching up for eleven years that's a significant amount. Our hope is that between the year that we have under construction with the interim rate we will be able to bolster some of our working capital and start funding that debt reserve. We'll have to start paying interest as we draw down the state revolving loan funds. I did confirm they'll draw the bond anticipation note down first so you won't have to be incurring interest expense right out of the box with the State Revolving Fund. The loan money will come after the forgivable bond anticipation note. I try to use that the same as a grant but that's the terminology they like to use at the State Revolving Fund. When we put these revenue requirements together, you see the first yellow column that sort of shows us where we are with our interim rate. That's where we come up to the \$45 average monthly bill. That's the move that gets us into this level of rate where we qualify for the special SRF program. The minimum charge right now is about \$17.58 that would go up to about \$28 a month on the interim rate. The middle column is what we were looking at before we got the word on this additional \$925,000 of grant money. You can see where those rates would have been significantly more but by buying that rate down, we'll be in much better shape. Mary Price stated I have a print out that also says December 31st 2014, phase one isn't any construction at all. It's just money for the water department and now you've added in debt service and you doubled the amount for extensions and replacements. In this one, two different pages, it was \$23.03 or \$23.10 proposed would give them \$423,000 a year to work with where they are working with \$337,000 on their budget now. That's a \$100,000 increase on \$23. Why did they decide to go to \$28. Why did you add all the extra in there when you didn't have it in your original report. Buzz answered I think the first one didn't have the project factored in at all. We're closing on this project in November. Mary asked does it cost the town of Hope, utility workers. What do they have to pay to close the project. Buzz answered they have to have the rates adopted to close the loan. Mary asked could they adopt \$23 instead of \$28 and still close the loan. Buzz answered not if we want to do it in these two staggered phases. Mary stated well the staggered phase one just seemed like

its all money for the town of Hope, Hope utilities department. Am I correct. Because phase two is when the construction actually starts. Buzz answered no. Phase two comes after the construction. Mary stated then phase two is where all the money for the 2.9 million or 3 million, right. Buzz answered no. Phase one has to happen to apply for it. We're going to start drawing those State Revolving Funds monies down. What was going to be almost 2 and a half million, is now we are only going to borrow 1.5 million. Mary stated I still don't see why they need an extra \$100,000 to do that. Buzz answered I think the report had a column that didn't show the project on there. Mary said it's got OCRA grant phase two, phase two A. It's got all that on there. Its right out of the book I borrowed from Mel Fox. You recommended from your company the \$23.30 and now its \$28. It shows a budget. Of the \$333,000 they run a year and they've got payment for the clerk treasurer in there. They've got payment for the council members in there. There is all kinds of crazy stuff in this operating expenses. Why would the clerk treasurer's paycheck come out of the utilities instead of the General Fund. Buzz answered there's a portion of administration that is always allocated. They split it between the General Fund and the utilities and the council. They split all those administrative salaries. Mary stated according to your records they still had at the end of 2014 had a quarter of million dollars in the bank. They thought they were low because they had \$300,000 the year before. Buzz stated I would suspect that eroded considerably since the first of the year. Mary replied they have had increase losses in water I know. Which you consider they pay \$10,000 for water and sell it for \$27,000. I know that's a gross number of \$17,000 profit. I realize they're all gun hole to go for this. To put in the six inch water pipe but that will leave $\frac{3}{4}$ of the town with four inch water pipe. David stated I can't answer that. The engineer can tell you percentage wise. Some of this is doing away with two inch pipe. Mary said you're increasing it to six. Won't that blow out all the four inch ones. Tony stated no. It's going to increase the water pressure some. We'll limit the pressure from Eastern Bartholomew so we won't have excessive pressure here. One of the other things it's going to do is put another connection by Miller's Merry Manor. We're limiting the pressure from Eastern Bartholomew. Mary stated we'll still have four inch pipes and the state doesn't like that either. Tony answered they will go with four inch pipes. You can still put four inch pipes in. IDEM will still let you do that. Mary clarified so they won't make you replace all of those. Tony confirmed. Most of them is replacing the one, two, three inch, the old 80 year old cast iron. Mary stated I know we have had a lot of breaks. Tony confirmed. Mary stated it's not safe for the drinking water. I still think it's excessive to go on the amount from \$23 to now \$28. It's really, really hard on people that are limited income on the lesser ones, the 2500 ones. The single, old lady that's living in a house. I couldn't possibly raise hers. If I was Mel Fox, they're would be exemptions for these increases for people that's under a certain income. Buzz answered I can tell you why we decided to make the interim rate a little higher than the original presentation. When we found out that the SRF program was available, we wanted to have the interim rate be at a level that got us in line with the SRF grant money. We needed that. To qualify for that program, we needed a \$45 average per \$4,000 gallon rate. We thought that by taking that little bit bigger step in the first phase will greatly soften phase two and it definitely does. We are not funding a lot of other things that we otherwise might have had to add in. Our depreciation is about less than half of what we should be. Mary stated well it's amazing out of the \$3,000,000, almost 1,000,000 of soft charge, not even construction. It's consulting, overseeing, supervising. Buzz answered well this is pretty important health and safety project. You have to be sure it's designed right. Mary stated you would think that your contractors would be capable of that. Buzz said well somebody has to hold their feet to the fire. Strand has done a wonderful job of lining out the pipes why would we have to spend another \$300,000 for another engineering company to do it. In other words they are getting paid

to do the same job. Buzz answered it's not the same job. There is construction engineering where they have to if there are questions that the contractors has, they don't understand something, they have to have an engineer on site to explain how to put it in properly. They also have to have an engineer on site to inspect it to make sure it's constructed because it's all going to be underground. Once it's all buried, you have to dig everything up. Tony added SRF requires an engineer be on site during construction to watch everything. Buzz stated there's a good reason for it to. Mary stated don't you think it would be better to go back to the \$23 and hope for more money to be acquired rather than bump it this big at first. Buzz answered there's not going to be any more money. Mary asked we will go from \$28 we'll go up \$45 and then we are going to \$57. Buzz answered no. You will go to the other yellow column. The final rate is only going to be \$2.40 for the minimum user when you go to phase two. This is all predicated on the bids coming in about where we think they are supposed to come in. We have to make that qualification. That's why the ordinance tonight we went to pay standard labor to make sure that we can reduce that rate ordinance authorizes that middle column for phase two. Since we don't have bids yet and we don't have a written purchase agreement yet with SRF. I confirmed with Bill Harkins who's the director of that program today that we definitely have the \$925,000 earmarked. This is the manner in which it will be drawn down. Mary asked so a person that is a minimum usage would go from \$17.58 to \$30. Janice Whittington stated right now our minimum bill is \$26. That's water and sewer. If you don't raise it enough right now, it will cause phase two to become more. You either pay now or pay later. Buzz stated that's a great way to put it. Mary stated I understood that is only the water rate that was going to go up. The sewer is making a profit right now. The people that's it's going to impact the most won't come here. They're low income. They don't take the paper. They won't know until their water rate goes up. Then it will be too late. There is no exception in here for people to be an exemption or contingencies for them to stay at the lower price if they meet certain critia. Buzz stated you can't have a discriminatory rate. There are social programs available to help those kind of folks. Direct them to the township trustee. The township trustee is the one that administers those kinds of social programs. Mary asked you can't do it through the water utility. Buzz answered no. It is illegal in Indiana to have a discriminatory rate. If you give somebody a discount because of age or income, that discriminates against everybody else. That's the law. I know the numbers seem sensational. They are really pretty low right now. Mary stated they are not as low as Columbus. Buzz answered you can't compare to Columbus. They've got 50,000 people. Mary stated the main reason to move to Hope or live in Hope was it was economical. They just doubled our property taxes for the school, we have no fire department and you're going to jack up our water rates. It's losing its interest out here. Buzz stated you've gone for ten or eleven years without a change. Mary stated that's what Hope does. It never changes. That's what we like. Buzz stated it's a beautiful community. The rates that are in the ordinance are the middle two columns. Once the bids come in and our financing is completed, we'll have the where with all to determine the final rate. If everything comes in on target as we expect right now, we will reduce that phase two to phase two A. We've got the language in the ordinance set up that way to make that without any further ado. That's the rate schedule that we have right now. Right now we do have a water tracker. That's built into that \$7.00 I believe. Again we're not changing the structure. We're just increasing the rates across the board. The first phase is 60%. That's a big, sensational number. For a minimum user its \$10.50 but we're hoping by the time we get to phase two, it's more like \$2 jump instead of a \$6 jump. Janice Whittington stated putting that extra in the phase one now helps the ability to have phase two A. Buzz confirmed. Buzz stated the phase one now will help us to adjust some of the working capital and give us a jump our debt reserve fund because we didn't build in a whole

lot of extra for those issues. We still going to have half of the depreciation funds that probably should be in there. Our hope is when the project is done, they'll be some economies of scale from reduce water purchases that will supplement that \$50,000 allowance for the project. Conrad Powell stated if I understand you correctly, this is one giant meter coming from Eastern Bartholomew and the rates that we pay got to go to pay for that even though we're not using it because of a lot of leakage. Somebody has to pay for it so we've all got to pay for it. The system needs fixed. Buzz confirmed. Your line loss is 30% plus range. Conrad stated that's got to affect the end result. If you've got \$10,000 gallon coming in and \$10,000 gallon going out then you're in business. But if you've got 10,000 gallon coming in and 8,000 going out, you start to lose money. Buzz confirmed. 20% is sort of the rule of thumb. You're going to always lose some. The other piece if there is money left over, we'll want to accelerate meter change out program at the end of the project. If there are funds left over, SRF will often let us do things with those funds. We know we've got major problems with those old distribution lines. Just to summarize, our phase in plan we wanted to get that 4,000 gallons charge to \$45 level so we could show SRF that we are already at that point where we qualify for their supplemental program. There are a lot less strings attached to that money than the hard work Trena had to do to get that OCRA money. A lot of it was just our timing was good. They'll be two separate closings with the State Revolving Fund. There's some other dynamics about this but overall it's a pretty friendly program. The rate that's in the ordinance is an incremental 21.5% but after bids we're going true that up. We anticipate the final rate will only be an 8.5% increase assuming that the bids come in where they are estimated to come in right now. Conrad stated it goes back to paying for what we get. Mary stated they have a twenty year loan to pay off what they are going to spend. Chris Ogle stated if you get that OCRA, you're required to get a certain amount of billing. She wants the minimum bill down. You can't segregate but if you took your minimum bill down to a lower rate, I don't know what the percentage is of your minimum bill. Would that require you to take the 4,000 gallon bill up. Buzz answered we would be changing the structure. Chris asked would that require you to take the 4,000 gallon higher than \$45. Buzz confirmed. If you lower it for one group, you would have to raise it for another group. The other side of that is you would have to have a basis for that. When you are spending this kind of money on basic infrastructure, it would be hard to justify a \$17 minimum charge. Conrad asked you've got wiggle room. Buzz confirmed for phase two. Conrad stated so this maximum could drop in half. Buzz answered if our bids come in low, maybe we could come off of that a half a percent in phase two. Conrad was referring to if we buy less water. Buzz answered we will take a look at that maybe a year or so after the project is completed. We will reevaluate the line loss situation and see where we stand. The SRF is going to rely on the rates we tell them when we close. Before we close we are going to tell them what we are going to reduce that to. If we want to change that too quick, we probably need to keep them in that loop too. They are going to rely on our coverage ratio and they are going to want to have some input there. We're hoping that amount comes down quite a bit. That is probably about 20% of our overall costs. We can't really speculate what that's going to be right now but we're confident that it's going to go down. Tim Shoaf stated we haven't raised our rates for ten years. The water portion of the utility company has been running in red, correct. Buzz confirmed. Tim stated it's not like everything is profit. Part of this is what we should have already been doing to keep from running in the red that increases there. I think I've heard it before and I hope the council has a mark on the calendar that the rates can get reviewed a little bit more often. I think one thing with the sticker shock, it's been so long since we've had a rate study and it hits you all at once. It might be beneficial in the future to with or without a project have a rate increase at a set increments just so we don't get so far in the arrears. Buzz stated if you've got a reason, I would say 18 months or 24

months after that projects done. About every three or four years would be a good cycle to at least look at it. Chris Ogle asked how much cash is built into this raise for the utilities to replace the other 75% of the water lines. Buzz answered the only cash that is not a fraction of that \$50,000 basically. Chris stated I don't understand depreciation on a government item. I understand depreciation with me as a business. I can write it off and depreciate it all out. It's a profit to me but as a government entity what's depreciation do for you. Buzz answered you use for replacements and improvements. \$50,000 is a pretty nominal number for a \$3,000,000 project. There is already a significant investment. Fully fund depreciation we would have to raise the rates further. We're just putting in a fraction of depreciation. We're a municipal utility and the reason municipal utilities are in business is to provide the best quality service at the lowest possible price. They are not in the business to earn profits and pay dividends to shareholders. Any retained earnings stay for benefit of rate payers and citizens. You also wouldn't be eligible for the grant programs. You wouldn't get Trena's OCRA grant, you wouldn't get a 2%, 20 year loan from SRF or the \$925,000 supplemental program. Mark Weber asked when are we looking at phase one to start. Buzz answered it needs to start as soon as practical. After the adoption, the first practical, it will take some time to reprogram the computers, but probably November. Diane added it takes four to six weeks for Keystone to get everything in place. Buzz stated presuming that it gets approved tonight, it's probably going to be the end of November before anybody sees that on their bill. David Clouse stated he would like to comment of the next 75%. My calculations is right now 47% of the total system. If this is going to do 25%, then we've got 75% more. Chris clarified this is phase one of an eighty year old system. David answered no. Chris clarified this is phase one of multiple phases you've already taken care of. David confirmed. This is the worst of the worst. It concentrated on where most of the leaks have been. Jonathan added David has maintained a map where he has pinpointed all of our leaks. He has all the boil advisories we've done and everything. It's a fairly conservative project. Chris stated it's safe to say 60% or 70% of your losses should be gone with project. Jonathan answered that's what we're shooting for.

The Water Utility Public Hearing adjourned at 6:17 p.m.

Be it remembered that the Town Council of the Town of Hope, Indiana also held a public hearing for the 2016 budget at the Hope Town Hall in said town at 6:17 p.m. on September 21, 2015.

2016 BUDGET

Diane Burton stated her proposed budget is as follow: Riverboat Fund \$34,000, Rainy Day Fund \$9,727, General Fund \$541,281, Local Roads & Streets Fund \$83,735, Motor Vehicle Highway Fund \$157,200, Cumulative Capital Improvements Fund \$58,500, Cumulative Capital Development Fund \$46,372 and Economic Development Income Tax Fund \$237,300 for a total of \$1,168,115. Diane stated I provided the council with more forms that gives a breakdown of what's going into that. Some of the council members have already asked me some questions. Does the council have any more questions on the proposed budget. Diane offered copies to others attending the meeting that would like one and asked if anyone else has questions on the proposed budget. Chris Ogle asked the Rainy Day Fund of \$9,000 and some dollars, are you saying you are going to pull this much money out of your Rainy Day Fund and put it in your General budget. Diane stated no it will stay in the Rainy Day Fund. It's been that same amount since I've been clerk treasurer and I think even before that. Chris clarified this is your cash balance in your Rainy Day Fund. Diane confirmed. Chris also stated the Riverboat is pretty much a standard fee.

They've already given that to you, right. Diane answered yes, \$12,000 for the year. We are using quite a bit of the fund for the park project this year. Diane stated there are not a whole lot of changes from last year as far as amounts are concerned. Chris asked do you know when you adopted the Cumulative Capital Development Fund. Diane answered we reestablished it this year which gave an increase to .05 on that. I don't know when it was established. I think it was reestablished in 1996 so prior to that. Jonathan confirmed it goes back a long way.

The budget hearing adjourned at 6:22 p.m.

Be it remembered that the Town Council of the Town of Hope, Indiana also held a called meeting at the Hope Town Hall in said town at 6:22 p.m. on September 21, 2015.

A quorum was declared present based on the presence of the following council members: Jonathan Titus (President), Clyde Compton (Vice-President), Jerry Bragg, Greg Sims and Ohmer Miller. Clerk Treasurer, Diane Burton was also present.

The meeting opened with the Pledge of Allegiance and prayer by Jonathan Titus.

APPROVAL OF THE MINUTES

Minutes 2/2, 5/18 and 8/17

Clyde made a motion for the approval of the minutes. Greg seconded. Motion carries 5/0.

APPROVAL OF THE CLAIMS

Greg made a motion for the approval of the claims. Jerry seconded. Motion carries 5/0.

OLD BUSINESS:

ORDINANCE 2015-04 ESTABLISHING RATES AND CHARGES

Jonathan stated we have our ordinance in regard to the rates and charges. I think everybody was present for that. This is the second reading. We did do a first reading and the ordinance was available at the town hall. Clyde stated I see no way to get around this. As much as I hate to do it as is everyone up here. Water is kind of an essential part of life. We've got to have it. **Clyde made a motion to approve ordinance 2015-04. Ohmer seconded.** Jonathan thanked Mr. Kohn for explaining some of the minutia involved in it that we might not all understand right off the top. I appreciate Trena's work, Cindy's work, David, our engineers. It was a joint project. **Motion carries 5/0.**

PROJECT UPDATES

DRINKING WATER PROJECT

Trena Carter stated now that you have approved the ordinance, I would like to present our contract for services. We, of course, work on the application end and get everything taken care of as far as environmental and now is the time for grant administration and also environment review labor standards for CDBG portion as well as it was also recommended that we do the labor standard for the SRF portion. I have a contract for your approval. It has gone by Cindy for review. The funds are paid from the grant with exception of labor standards SRF portion and that's paid through SRF. The amounts are

\$40,000 for admin, with \$550,000 it could have been \$44,000 (a price break was given), environmental review is \$3,000, labor standards \$5,000, SRF labor standards is \$2,500. All of those items are included in the budget items for the grant.

Clyde made a motion to approve contract. Greg second. Motion carries 5/0.

Trena stated this will all be updated by Strand. We're looking at the project, actually the notice went out on the 17th and I'm assuming it's also going to be out on the 24th. The prebid conference will be next Tuesday with the bid opening on October 15th. Things are moving along very rapidly for this type of project. That's a good thing and as Buzz said that's why you were able to take advantage of the \$925,000 grant. That project is a great project. It will transition to Carrie Riley in our office. She works on the construction end, the labor standards and everything. I can still update you as far as what's going on at the council meetings but know that she will be the face of ARa moving forward with the construction phase.

PARK PROJECT

Trena stated the project is nearing completion. The clock is to be installed after the Heritage Days and the terraced seating is to be constructed after Heritage Days also. There was something unforeseen. With the brick fund raiser, we did not include the additional costs to lay bricks. Randy has received a quote from Nading with a not to exceed cap \$6,045 to do that. What we're hoping is these costs will be offset possible by the town providing some of the in-kind of course will count labor for the terraced seating since the cement poured is the only costs. We're hoping that will kind of balance everything out. I have a change order. The original contract price was \$135,734. The value of the change order is a not to exceed \$6,045 with a revised contract amount of \$141,779. I have that for your review for your action tonight. Clyde asked where is this money going to come from. Trena answered we already have in our budget the entire project, the \$6,000 for the terraced seating which in working with David, it is my understanding he is going to assist with some of the excavating. That costs will replace this cost. We really won't know until we see what that amount is because it is on a not to exceed. If they don't use as much time, they won't bill as much. Randy stated I've been talking to Brian. We've been trying to figure out the best way to lay the bricks to minimize the most cuts. Hopefully we're thinking two days, two and a half days it will be done. If it's two and a half days, we'll probably get billed for three. The bricks will be getting laid tomorrow if you approve it tonight. The goal is to get them laid before this weekend. Ohmer stated we're looking at David doing some of the work. What's the projected costs of your time and labor. We're robbing Peter to pay Paul. David stated there wouldn't be a bill from the utility department. Ohmer stated there would still be a costs. David answered Randy and I have been talking there are two ways to doing it. One that I originally envisioned was an eight inch concrete step. The would be a level with an eight inch step, another level with an eight inch step and it would be curved with one running into the hill and one running off. Then he suggested instead of the step to have a level and then say maybe a 45 degree. This would all be grass. If we can do that and still be able to mow easily, there wouldn't be any costs. We could do it without concrete. I can see three days of labor. Trena stated when we submit documentation for the grant we would also include that as the town in-kind contribution to the project as well. Ohmer asked would you be giving up anything to do this. Do you have the time to do it. David confirmed. Clyde asked Randy did you guys not in selling these bricks reimburse the EDIT fund too. Randy stated we were \$30,000 or \$40,000 short when we started looking at the budget. If we could sell the bricks to close up gap on the shortfall. **Clyde made a motion to accept the change order. Greg seconded. Motion carries 5/0.**

NEW TOWN HALL

Trena stated a couple of weeks I spoke with USDA. They ask what was going on with the new town hall. I told them I was not sure. We need to get the group together and determine how we are going to proceed. They wanted to make sure if we need funds that we can access their community facilities program. Clyde asked the USDA is asking if we needed to use some of their funds. Trena answered when we initially talked about having a new town hall, we approached USDA. They have community facilities grant/loan programs that can be utilized for public buildings. The Community Development Block grant funds through the Indiana Office of Community and Rural Affairs cannot be used for public facilities such as a city hall or a town hall but the Community Facilities through the USDA can be. To initiate that process a preliminary architectural report has to be completed and it has to be signed off on by an architect. If we have a project out there, they want to make sure it's still on their radar. I let them know that as far as I know it is something the town's still interested in. We have not gotten to the next step which is to have a preliminary architectural report completed. Trena asked if the council still had interest. The Clyde confirmed. Tim Shoaf stated we've had a meeting and basically we're just trying to get some numbers to see if it's feasible enough to invest the time and money. Is the town going to be able to afford or what can they afford to put towards it and what monies are available. We're real preliminary in it. Are we looking at \$500,000 or are we looking at \$5,000,000. We want to get that number and say this is something that is doable or we don't really need to be wasting money on architects because it's nothing that we can even possibly do right now. So that's right where we are at. Clyde asked there is a committee that is meeting on this. Mel confirmed. Clyde asked you have no idea on square footage. Tim answered we're basically coming off of what lot size we've got, some rough drawings. We have gotten a rough square footage price on what a building like that would run. It's kind of tedious because you've got to be careful to not get into a position where you got somebody involved that might be wanting to bid on it as far as the architectural work on it or the engineering side of it. We're getting some numbers as far as just roughly per square foot. We know what lot sizes we've got to work within. We're kind of basing it off of what usages we've got right now. We've talked a lot about design. A building that could be added on to if there is more need later on. We need to see what the town can pull out of their budget and make sure it's realistic before we get real invested in it.

OWNER OCCUPIED HOUSING REHAB PROGRAM

The last remaining home has been completed but it is yet to be inspected by the Indiana Housing and Community Development Authorities Inspector. We are in the final stages of that program as well.

UPDATES/REPORTS

CONFLICT OF INTEREST FORM

Cindy Boll stated first off I want you to know that I worked with Ohmer and we have completed the disclosure form that needed to be done and it's been recorded and filed in the appropriate places.

VERIZON CONTRACT

Cindy stated I also have I think some kind of cool, good news. I've got the signed, original Verizon Contract. So, Dave, if you haven't already been contacted, you'll probably be hearing something from that.

PROPERTY CLEAN UP

Cindy stated it is my understanding, I have not been by there, but the Huff property has been considerably cleaned up. Maybe sold or transferred or something like that. Matt and I will talk and check on that and do what we need to do about the pending case. The other thing that I'm kind of tickled to report is that we had a hearing with Mr. Davis last week. Matt was there of course to help me and Mel came as well which was great. The long and short of it is that the court found Mr. Davis to be in contempt of the last court's order to take care of his property. He has been sentenced to 30 days in jail all suspended which means basically as long as he does what he is supposed to do that won't come into play. Mr. Davis will have 48 hours after the date that the order is signed. It has not yet been signed. He will have two days to remove his truck and his trailer. After that time the town has been authorized to remove all the rest of the items and stuff, including the truck and trailer if they are still there. We can scrap it out and get some money for it. The order specifically states that Hope will be held harmless, not be liable for any damage to the property, not meaningful damage. He asked me in the order to tally up the amount of judgements and fines throughout this time period to subtract out payments that Mr. Davis has made, I think he has made one that we got a week before the hearing, and to enter that as a final judgement. He also went ahead, even though we really didn't ask for it, and ordered a limited order and final garnishment against Mr. Davis' wages. He is now employed. He stated this under oath and \$500 in additional attorney fees. We'll probably get that signed order this week. I will get it to Mel and to Diane. I spent a little bit of time going through the file before we went in on Thursday. I said Judge this is seventh opportunity to come to court with Mr. Davis and it's enough. Greg said it's not over yet. The next thing will be the house. We'll have to deal with the house after it's all cleaned up and the house sits there empty. Cindy stated the one thing still hanging from last month and I do apologize for this, is getting the notice to request to bid on 154 Elm. It's on the top of my list now for next month. Clyde asked some of these issues like this has drag on for a year or better. Where does condemn come in. Cindy said condemning can come from a couple of different ways I think. One is the County Board of Health has certain standards that they live by. I think things have to be pretty awful to have a house condemned through the County Board of Health. Chris Ogle added to give you an example there are some in Columbus that has been seven years. Cindy agreed it's not just Hope. It's an issue in a lot of places. Greg said we have a property on Walnut that got condemned. Cindy stated we did pass an Unsafe Building Ordinance a year or so ago. The Davis property might be the poster child to do the first one on that one. We have to understand something. It's not that the Unsafe Building Ordinance or whatever ordinance we have, it's just because it doesn't look good or we don't like how it looks. It truly has to be an unsafe building and have some danger associated with it. Clyde said there has to be something we can do to cut this down because after all this time that you spend and bill us for plus Matt's time. However long he spends sending these certified letters out and all this stuff. There's got to be something we can do to cut through this two or three years or however long this has been going on. It's totally ridiculous. If there is something we can put in our books to speed this up, we need to look at it. Cindy stated I don't disagree with you. My only statement is that when it comes to people's property, sometimes it touchy and it's a long road. A lot of due process. Even if we had something to sort of try to streamline or shortcut, I'm not sure the courts would go for it to be honest with you. At the end of the day, that's where we are going to end up if things don't get done before that point. They are going to make sure that a homeowner has he's or her due process and has had every chance like Mr. Davis to clean up his property. Jonathan stated I applaud what you were able to get done. Thank you very much.

STORM WATER REPAIRS

David Clouse stated you all got a copy of their study. Tony stated we looked at five areas in town. David and I met and went over it. We put together some designs and some preliminary costs estimates. I will tell you my costs estimates are conservative. I feel they're conservative especially if you have a local contractor come in. You are going to get it for less than what it is showing you. I didn't want to come in too low. We talked to Dave and on specifically Hauser Drive we looked at some lower cost inlets. They are not like free cast inlets. Since they are going to be in the yard, they are more of an inline inlet. They are more of a plastic. That helps cut down on the costs. Clyde asked if he could read off the totals. Tony stated they are broken down by project. The first area is the west intersection of Schaefer Drive and Brookside Drive. These are basically the inlets that are failing. Some of them have tried to be patched. This is replacing inlets. The cost is \$29,130. The next one is the east intersection of Schaefer Drive and Brookside Drive. This is where that big sink hole is at. Adding about six inlets. There are two there now. This one is obviously more expensive. It costs \$85,600. The next one is Hauser Drive. This is the long one by the school. This one is the most expensive at \$150,120. This is all new pipe that will go through the front yards. Clyde asked one person that was there. David answered two houses in the middle that are trapped. Tony stated we are going to put a drain in every yard. The driveways are kind of built up. There are no culverts underneath the driveways so the driveways are trapped. About every 500 feet we put in a concrete inlet to make it easier in case it ever got clogged. David clarified they are not the only two that have problems. They are the worst two. Tony stated David had us separate it out because there are a couple of homes that have some damaged asphalt that we had talked about. David wanted us to go ahead and put a park price. It's where the water sits and freezes and thaws and it's all cracked up. We priced it separately because David thought it would come out of the Street Fund. That was \$51,000. We are repairing quite a bit. Tony went over more detail about the process. Maple Street, this is the one that again that the pipes are in pretty bad shape. The inlets are fairly new. They were put in in 2011. This is basically replacing a lot of pipe. The costs is \$81,350. The last one is on Harrison Street. This is the low spot where the three by three concrete is exposed. This would be putting inlets on both sides with check valves. The costs is \$25,500. Each one of those numbers I read off have a 25% contingency. I went fairly heavy on the contingency. The numbers are fairly conservative anyway because we are looking at INDOT numbers, off of their estimating program. Clyde stated basically you are looking at half a million dollars. Tony confirmed. Greg asked how much money we have in the Storm Water. Jonathan stated last time I checked is was like \$180,000. Diane stated I was going to \$150,000. You may be right. I can go look. Not this much. Mel and I talked about looking for some grant possibilities. Is there a priority lists. Tony answered no we didn't put a priority list to it. I would probably default to David. I know the one in the guy's yard is probably priority number one. His garage and house actual flood. David confirmed and added Hauser Drive and east Schaefer and Brookside would be my two priorities. Those are the two that need the attention the fastest. Greg asked about the one at Harrison. David stated that one and the Maple Street flooded in 2008 but haven't since. Discussion and more detail about the problems of the properties. Tony stated to elaborate a little bit on what Diane said in the Community Programs of Rural Development that might be one to look at for rural development. Trena stated they also have a utilities program and with community facilities, you can include sidewalks. Tony confirmed. Tony stated with the water and wastewater program you can just do storm water is a slightly lower interest rate I believe. Trena confirmed. Tony stated we broke them out because like I said when we talked to David early on, see where the numbers would fall. We didn't want it to be one big project. You can quote them out and have some local contractors bid on it. Greg asked David what time frame he was thinking. David

answered obviously the one on Hauser Drive back two months ago when it was raining every day, I had one out about full time one a week and three of those were in the middle of the night. Greg stated he can't get in his house. Discussion. Cindy will check bidding limits. Greg suggested seeking some quotes on the priority projects. Tony stated the other comment I have is once is whoever wins the bid for the water project, this can't go under that project it has to be totally separate and you still have to quote it out to three. Greg suggested going ahead and seeking some grant funds through the USDA. Trena confirmed USDA is loan and grant. They have to have a preliminary engineering report is a requirement. Tim Shoaf asked Hauser Drive is caused by when people did away with the culverts. David confirmed and added when it was built it was a swell that went two directions. Over the years people have filled them in and the driveway culverts that were there have filled in itself so it leaves the guys in the center with no place to go. Tim stated aren't there laws the prevent people from blocking peoples water like that. You can't just go plug up somebodys ditch. The second question is isn't it less expensive to tile it and recreate the swell. Tony said if you recreate the swell, you will be cutting some driveways. We're trying not to do that. Another thing is if they were there, they would have the tendency to fill back in. Tim stated I understand but I think there should be ways to prevent it. Over the years we've spent a lot of town money fixing where people have basically have built dams in their front yard. David stated in today's world that swell would not be approved. Clyde asked David if there were three local companies that you would be comfortable bidding it. David confirmed. David stated two around Hartsville and one around Flat Rock. Jonathan stated I think what we could do is look at one project and then pursue potentially grant money to try to do the rest of it. Clyde agreed. Clyde asked with the \$150,000 that you have in Storm Water, if we spent it all, it gets put back in. Jonathan answered it will take us a few years to build that back up. Clyde stated it sounds like that is an emergency. David asked if they wanted all of them bid or just one. Clyde answered all. David asked if they needed to be separate in order to stay under that number. Tony stated I would just bid one. Cindy agreed. Tony said they are separate areas so you can consider them different projects. Chris asked are those three bidders cable of during water project as well. David answered I don't think any of them could bond high enough for that big of a job. Chris stated you were just talking about piggy backing but I didn't know if any of those guys are capable of it. Steve Robertson stated with INDOT there are so many forms and computer work that has to be done. Contractors take that into account. The overhead for lack of a better term is 10%. INDOT also requires an onsite engineer. Tony stated just to let you know too real quick, there's six contractors that have taken plans out so far on the water project. **Clyde made a motion to seek bids. Ohmer seconded. Motion carries 5/0.** Jonathan stated we definitely want to try and do something. That's why we have that fund, why that money is there but we want to be frugal which I think we usually are. Thank you for your work so far. Randy Sims stated just looking at the overall picture of that area, I think the town should look at including the county and start at the county road and work towards SR 9 because that road is awful narrow once you come off Hauser Drive. 600, you've got drainage problems down there. Just look at the overall picture and make larger improvements. Maybe include some sidewalks for pedestrians. Tony stated Community Facilities for RD will pay for sidewalks as well. Discussion. Greg agreed and talked about number of people walking to the Dollar General Store and there are no sidewalks. We need a flashing light too. A traffic study is what is required. Traffic has increased tremendously with the Dollar General there. It's time to do a traffic study. Randy stated the State at one time had a project out there, they didn't consider the foot project and then it got nixed. Clyde stated that's State nixed it because of that ditch. It would have to have a tile under it and then sidewalk on that. The State road is down that way. When you get across to the other side by the Dollar Store, that's

county. Greg said there has been a lot of changes out there since then. Tim Shoaf stated I know the school too at one time there was talk of doing some sidewalks. It might be time to bring it back up to them. Jonathan stated I've still got their plans on that. Tony stated I think their long range plan is to redo that culvert by the ditch where the buses can drive in and out.

HVFD

Bruce Neal stated I want to thank Jonathan for coming to the department and trying to explain the proposal for funding. I can't say yay or nay but thank you coming. I think you enlightened a lot of people on something we didn't really realize. Thank you for that. Another thing Heritage Days is coming up. We will be, as we've been doing since they started Heritage Days, frying fish in the fire house. I would like to invite everyone over and try us out. We are one of the if not the oldest food vendors for Heritage Days. Come over and see us. Mel added the hours are listed in the HSJ online as on Friday from 5:00 p.m. to 10 p.m., Saturday 11:00 a.m. to 10:00 p.m. and Sunday 11:00 a.m. to 6:00 p.m.

NEW BUSINESS:

PLAN COMMISSION/CONRAD POWELL REQUEST

Jonathan stated last Monday we had a proposal presented from Conrad Powell. It is Robbins, Scott and Aiken Addition to the town of Hope, plat of out lot 17 and part of out lot 18. I can show you all the pictures if you wish to see those. The Plan Commission voted unanimously to send it to the council for approval. Conrad was able to answer every question. He had all of his documentation, the surveyor signed off on it. It's to us now to decide if we wish to accept the Plan Commission recommendation. As that comes from Plan Commission, that is the motion. It doesn't require a second. Clyde asked what is he doing with the property. Conrad answered we are well years, years and years ago about a hundred, I built a barn. I thought the line was one place and it was four feet over. What I'm doing is reestablishing the new line between 17 and 18. We're not moving anything. Jonathan added basically making legal what's already been done. The council looked at the maps. **Motion carries 5/0.** The council and clerk treasurer signed the legal map.

DONATE COMPUTER TO MAIN STREET OF HOPE REQUEST

Mel stated my computer is just a year old. We can't use it here because it doesn't meet government code. I would like to recommend that we donate it to Main Street of Hope because they don't have any equipment, etc. I'm personally going to pay the \$100 to \$200 as my donation to have it cleaned. **Clyde made a motion the donation. Jerry seconded. Motion carries 5/0.**

QUESTIONS/COMMENTS ABOUT SUBMITTED REPORTS

*A Police, Animal Control, Utilities and Town Manager's report has been given to the council prior to the meeting to review and kept on file at the Clerk Treasurer's Office.

Mel introduced our new Animal Control Officer, Sydney Innie. She is just knocking it out of the park. We've become a team of working with Facebook and the community here. When we say we've found a dog or cat, they are amazing how they have come on board. We've reached thousands of people. We've reunited dogs, cats. She has placed many animals in rescue and have already been adopted which saves us that \$48 per animal going to the Humane Society. Jonathan thanked Sydney for attending the meeting so the council could meet her. Greg thanked Sydney for her help when the cat got ran over in

front of his house. Greg asked when we capture a cat or dog and they get impounded, don't we have an ordinance where before the owner picks up their pet, they have to pay a fine. Mel answered yes. We did enact that recently and we held a dog for seven days. Greg asked if this is also for the cats. He stated he has seen on Facebook where they are finding a lot of owners of animals but wanted to know if she is charging them the fine for cats as well as dogs. Sydney answered yes for repeat offenders. Mel stated we are saving lots of money by putting them in rescue.

Clyde asked David if there is any way to put a permanent roof on that cage. David answered the cage itself wouldn't hold the roof. It's just chain length fence posts more or less. Clyde asked if you put 4 by 4 inside. David agreed. David stated when we poured that concrete, we had that in mind. They hoped to eventually put up a shed there. They've added on to it. Originally there's enough room, the drain is off to one side. Greg asked like a lean to or something. David confirmed. Clyde stated I would like to see you look into that. David clarified that the Police Department is over the animal control. Diane stated I know Mel and Sydney have both been working on that as well. I think they are looking at a project possibly next year. Mel confirmed. Mel stated we are going to have to do something short term. Again, we are going to sit down after Heritage Days. What I've looked at is Tony Stewart Foundation does a lot for animals. Matt has found kind of a prefab that we are going to honor Paula with. It's around \$10,000. I'm kind of waiting until after the first of the year to see if Tony Stewart might open it back up for his foundation. We will have to do something. Larry Simpson's mother did donate another kennel. Diane asked didn't you also talk about maybe getting some volunteers to help. Mel said Randy had some ideas too. We talked on the phone the other day again. We are going to have to do something short term for the winter months. I really would like to see something more permanent like a shelter and dedicate it to Paula. I want to reiterate that because of Sydney's work and Facebook we have saved a lot of money just by not paying that fee to Humane Society. We are going to sit down with the C.A.R.E. people too and talk about the spayed neutering program.

Jonathan stated I want to publicly thank our fire department, our police and our utility. I saw all of them early Saturday morning in the rain. I know there were preparations that were done a head of time. I know they are all going to be very busy. I know just in the time I was downtown, Bruce, you guys rolled out twice. I know at least one of them had to do with an injury. I kind of assumed maybe both of them did. A public kudos to all of you because you know the Hope Ride couldn't operate without volunteers but it also couldn't operate without you folks.

Mel stated I forgot to share our cleanup day. Mel asked everyone to raise their hands that helped that day. I posted it on Facebook. I think approximately, I haven't heard back from Heather, the first time we took away about 11 tons of trash. I think this time it was about 15 tons. They have both been very successful. So thank all that worked. We had fun though didn't we.

Randy Sims stated all the council is welcome to sit on the reviewing stage for the parade. Mel stated I've already have it taken care of.

Meeting adjourned at 7:26 p.m.

David Bush
Attest
Greg L.
Clyde Compton
John Smith
John R. G.