

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 called meeting at the Hope Town Hall in said town at 5:30 p.m. on October 5, 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.

Purpose of meeting: Working Session.

The meeting was called to order by Jonathan Titus.

HOPE VOLUNTEER FIRE DEPARTMENT

Jonathan Titus stated the purpose of this working session tonight is that Mr. Miller wanted to suggest some things regarding trying to reach a resolution with the fire department. I would like to make an opening statement. Obviously, we are here now in October because things have not worked out before and this is just my personal opinion, this is not the Council's opinion, I feel like there has been enough demonization on both side, from this side of the table and from that side of the table and I'm not comfortable with it anymore. I want us to be respectful of each other. We can disagree but we need to stay respectful tonight.

Ohmer Miller stated I felt like when I was given this job as a trusted servant of the community, it is my responsibility to support the community in the best way that I see possible. That is what I'm doing here tonight. My goal is to support the community. I know this is an emotional issue with a lot of people and I know it very well could not be resolved tonight but these are strictly my comments. Based on my understanding of the MOU, that is a contract that is designed that goes a little bit beyond a handshake. That's preliminary to a contract. I am under the impression that the Hope Volunteer Fire Department has had a contract. Once you have had a contract, there is no need for an MOU. You are beyond that. The MOU, in my opinion, that was presented to the Hope Volunteer Fire Department was a contract of adhesion. It guarantees no payments of funds to the Hope Volunteer Fire Department. It limits the funds garnered by the Town of Hope and is not a viable solution to the situation. I have a concern about the Fire Department Advisory Board at this date when we are in the 10th month and they have not resolved the problem and that they are not an effective group for solving the community problem. I felt like the Fire Department Advisory Board, it appears to me their goal is to break the Hope Volunteer Fire Department and their goals do not benefit the community. I see it causing dissension among the members of the fire department and the community at large. I also don't feel like there has been the transparency that people have said we need in this community. The Hope Volunteer Fire Department, in my opinion, has continued to provide service to the Town of Hope, they continued to maintain the current ISO rating of a protection class 6, which is very important to any of us that live in the community because this is what your insurance rates are based on, the protection class, your ISO rating. They have remained committed to the task despite the diversity in the fire department, the advisory board has created. When we talk about the responsibilities of the Town of Hope, if the Town is incorporated, they

are required to provide a fire department. Now, all of you that have a copy (outline document from Ohmer) of this, you noticed that I changed that because after I reviewed this, I found out that what I put down there initially is not correct. Jonathan corrected, fire protection. Ohmer stated this service has been provided for several decades and that is an implied and an expected. So, it is an implied consent and an implied service and it is expected by the community at large. My expectations of the Town of Hope, or this Council, is to meet the terms of the contract and pay the bill. It is not up to us to dictate who the members of the fire department are. It is not up to us to dictate how they spend their money and we do not have the right to micro-manage the fire department in any way. When we look at the impact of withdrawal of service by the Hope Volunteer Fire Department, it effects the ISO rating, the protection class, and it can, in fact, cost you more money to live in this community. It would be a possible tax increase and you would have to get coverage for fire protection or service in another area and it is going to put the Town at risk for liability claims in the case of a loss and that would be property or a personal loss. In the result of a loss, if we fail to provide this implied service to the members of the community, the Town Council, the Town of Hope officers and the elected officials and pertinent committee members, could most likely and would probably be named in a suit. I don't know about the rest of you on this board, but I am increasing my personal umbrella up to \$2 million dollars tomorrow because I want to be covered. When we looked at starting a fire department and if the community would decide to do that, we are looking at a minimum of \$3 million in equipment, \$1 million in a building and \$500,000 annually in manpower. The ongoing cost is unknown. My solution to this is maintain the existing fire department. Pay them. If there is a problem with it, do a study to determine if a change is needed. Study the needs of the community at large and what the cost would be to the taxpayer. That's all I've got. I didn't come up here tonight to make friends. I'm up here to resolve a conflict and I'm up here to resolve a problem.

Jonathan stated, for clarification, on one issue, per Indiana Code 36-8-2-3, and this is a quote, "a unit, town, may establish, maintain and operate a fire fighting and fire prevention system and may provide facilities and equipment for that system". You stated, Mr. Miller that this is something we have to do. That's not the way I read that code right there. Mr. Miller said, okay. Jonathan continued, it is a may establish. When I study that code, what I find is that is a choice that we do when a Town is incorporated. The proposed Town must agree to provide six municipal services out of a list of eleven. The Town does not have to choose to provide fire protection. We may enter into an agreement with the Volunteer Fire Department to provide fire protection for the private and public property of the Town. The consideration for the contract between the Town or Unit and Volunteer Fire Department must include the following payment amounts, and that would include the insurance premiums, clothing allowances, automobile and some other allowances that are required by the statute and I've got those numbers, but it gets into the minutia of that situation, so, I think that's something that needs to be clarified there. Another clarification before we begin discussions here, there was a question brought up at a Council Meeting in August, you may remember, as to whether or not an MOU was a document that could be used and we have it in writing from the State Board of Accounts that "they will recognize a contract or an MOU. During an audit we would examine for compliance with whatever document existed". They would audit to it as long as it was agreed to and signed. When I was one of the first ones to suggest the MOU, I saw it as a temporary agreement. I did not see it as a long term agreement. I think it would be best for all of us, speaking to you folks as well, if we had a contract as we have had in the past. My concern was that we were not, It didn't seem we were capable of reaching an agreement at that time

because some of our concerns as to the legal situation that the fire department found themselves in and so the idea behind it was we could sign it, maintain it for this year, possibly even into next year, with the goal being that we would go back to a contract, at least that was my thought process behind it. I think that was Paula's at that time, and I believe that Mel and Diane worked in good faith, along with Cindy, to see what we could do to reach a means of establishing a revenue stream for the fire department. I could tell you that a number of people called me and asked questions about it, not just members of the fire department, but members of the community, and I appreciate that because it forced me to do some more research and to clarify exactly what we could and could not do. So, on that aspect, Ohmer, I respectfully disagree with you. I do think at this time, at this juncture, that the MOU is the best thing for the Town of Hope and the taxpayers that I represent. But I am firmly committed, I've got another year on this Council, I'm firmly committed to working towards getting back into an agreement with them such as we have had in the past. I see this as a temporary means to an end. I see it, from my perspective, and we have disagreed on this, I see it as a good faith effort to try to provide some of the revenue stream because you are absolutely correct, they have continued to maintain the service, they have answered calls, they have done the job without the funds from us, utilizing only what they have had in their savings, from fund raising, what they have had from donations and the township funds that they have received. Those would be two points of clarification that I would like to make to begin with. You had suggested that, perhaps, there are parts of the MOU that we could modify?

Ohmer stated, I want to disagree with you on one point before we go any farther. If you had provided that service in the past, it is implied that that service will be continued, so even though you state that we do not have to provide it, if it has been provided, it is implied that it will be provided. I don't think we can cut it off without really facing some retribution. Jonathan said, okay. I won't disagree with that point.

Jonathan asked Clyde as a business owner of the community and a past, experienced board member to give his thoughts and feelings at this point. Clyde responded, well, I would have to say what your comments was I would totally agree. Now, what Ohmer has presented, you started off mentioning that the MOU that we presented was one-sided. To me, this is one-sided. Everything that you have listed here is one-sided. Number one, you stated no payment of funds, we offered them \$17,250 a quarter which they have not even voted on or apparently won't even allow their members to vote on. That really bothers me, too. The expectation of the town, you are saying not to dictate who the members are and not to micro-manage. I don't know anybody up here who has even attempted it. This equipment and stuff to start your own fire department, where did you get those figures at? Ohmer responded, I spoke to a fireman from another community. Do you have better figures? Clyde responded, we have to our availability, through Reedy Financial Group, who is experienced in doing this kind of stuff so I think before we cast out figures we need to get absolute dollars. If we are even considering doing our own fire department, we need to get those figures. These here, to me, are just off the wall. So, I totally disagree with this stuff here. I do agree with Jonathan, of everything he said, and if they don't even want to vote on it and allow their members to vote on it, that's their problem. We have offered them money, we will pay their bills, it goes back to we are not going to pay for that fire department that they started and is still sitting there and still \$100,000 or more to finish it and facing a lawsuit. We can't give them that money for a quarter and put the people here in Town after we have already paid them, and they go

belly up then we don't have the money to do anything else. So, I think the MOU that we offered them is still the best solution and I totally agree with Jonathan.

Jonathan asked Clyde if you would be willing to consider, perhaps an adjustment or two to the MOU. Clyde confirmed. Clyde stated I really don't know what adjustments you are talking about because they, in over a year, haven't said anything to even do anything, but the one thing I do disagree on is the quarterly payments. I think if we are going to do anything, we do it month by month and then we also need to have an out in 30 days if they are to fold that we can get out of it. So, yes, I definitely would but they have to start talking too. It's not just us.

Greg stated he agreed with what Jonathan and Clyde said. Greg asked Randy if the MOU had already been voted on. Randy answered yes. Randy stated it has been voted on by the membership. Three people voted on it and voted against it. Nobody voted for it. Some did not vote. Ed Stone stated if they don't vote it means no according to their by-laws. Jonathan stated at the invitation of the fire department, they allowed me to come and talk to them about the thought process behind it. A couple of questions came up that I could not answer. I think that is where some of their concern comes from. I still think the MOU is the right thing but I do hear their concerns with a couple of issues. The concerns were claims that needed to be paid monthly and reimbursement for past claims. There is language in there about the ambulance service which needs to be taken out since ambulance service is no longer provided. Jonathan stated we specified insurance on the current building. According to the state statute, the way I read it, if they do gain possession on the new building, we would have to pay insurance on that because it would be their property at that point. Jonathan asked Cindy for confirmation. Cindy answered I think that is the intent of it. Jonathan stated that adjustment would potentially need to be made in the future. Clyde asked about the loss of the ambulance service and the fact that they will now be only doing half of the job. He wanted how that will affect the contract amount. Jonathan stated I don't believe we contract for ambulance service. The township does. Bruce Neal confirmed. Clyde replied it states seven times in this contract they will supply ambulance service. Randy Wood answered we ask the town for money to provide for our ambulance service and the town denied us the extra money to help run it. The township should have had no problem providing us money to run that ambulance. Jerry stated I agree with what Jonathan said. This has gone on too long in my opinion. I agree with the MOU. I agree with the modification to go monthly. I agree with Clyde. I can't see using tax dollars to pay the legal position they have got themselves into.

Jonathan stated the Fire Department Advisory Board is moving to more of emergency services counsel. The intent behind that originally was a good thing. I know Randy in particular suggested an alternative to that when he and I talked about the makeup of that committee. When Paula shared with me the list of those members, I thought it was a pretty good cross section of the community. I can't say that it's been ineffective. My guess would be in some areas it probably has been effective. As far as working this out, not necessarily. That's an issue. Jonathan asked Ohmer why he felt the MOU should pay CPA expenses. Ohmer answered they have to be able to do their paperwork. Any group like that has to have people to support them. Jonathan asked Kenny Chandler what services he provided. Kenny answered that he does not do the daily. A summary is given to him and he uses that to prepare the tax return. Kenny stated he spends twenty to twenty-five hours preparing the tax return. If an MOU is going to be used, there is going to be more time to prepare that tax return. It depends on what detail Diane will provide us

allocated by expense category that I would need to combine with what the department has paid. Kenny does not charge the fire department. Kenny stated if you went to an outside CPA firm their fees are going to be substantial. I'm not sure I am going to be in the position to do it because I think it is going to be complicated. Greg stated he felt CPA fees should be paid. The council agreed.

Jonathan stated I have gotten phone calls, I've gotten emails, I've gotten visits from people who say just give them their money and let them go do their job and other people say don't give them the money. It saddens me that we've gotten to this point. We need to try to come together. There is too much at stake here to continue to let this go on. There has been too much finger pointing from both sides. What we've got in the MOU is that we would not pay the legal fees, expenses currently associated with the new building, loans or mortgages, CPA expenses. Maybe we can change the CPA expenses. Greg asked do you have there what the fire department wants. Randy answered yes. You've received a contract from our attorney. Greg asked which is basically the contract we have had for years. Randy stated it is reworded. It is written to benefit you guys also. It has been added in there a committee that you guys appoint a person, we appoint a person, and then those two people appoint a person which to me would be fair. Greg asked why don't you folks want the MOU. Randy answered part of the problem is the money that is left at the end of the year goes back into the town fund. If one year we go over our budget, are we allowed to come to the town to get part of that town money? Probably not. Greg stated this is not a long term MOU. It is just something that is needed right now to get us through to the next level. That may be immaterial. Randy stated I don't understand why an MOU compared to a contract right now. Randy questioned why they wanted to know where the fire department's money goes when they don't normally asked subcontractors where their money goes. Jonathan answered because it's for a specific service. Randy stated the first of the year you asked for all the paperwork that we have and we provided you with that in hopes to get a contract. Everything you have asked us to do, we have provided to you. We have asked for a negotiation on a contract in June. In July I asked at the meeting for a negotiation. All of you stated you could probably do that and then turned around and refused to do it. You guys want everything and expect us to step up to your side. Clyde stated I don't see where this is going anywhere. It is going back and forth with the same crap. Greg stated at that meeting I stated that a working session was needed. Jonathan stated there was never a refusal. Greg asked Mel what documentation we received from the fire department. Mel answered we asked them to give us an independent audit of their records. All we kept getting was their budget. Randy stated did we not go over and above what we had to provide you with. We provided you with a town budget, the township budget, we provided you with every penny that we had which we did not have to disclose our township money. We did not have to disclose our fund money but we did. I'm not here to argue. I'm here to get a point across just like you guys are. Kenny Chandler asked I provided copies of 2012, 13 & 14 tax returns with all the detail behind it that I used to put it together. How many of you have seen that and have reviewed it in detail. Mel answered you should have seen 2014. Paula had it. Two of those had to be withheld because on the front it says for internal use only not for public. The only one you all got was 2014 because Bruce and Kenny signed off on it at the Fire Department Advisory Board Meeting. Jonathan stated they have tried to provide us with everything but not timely based on initial request. What would you be willing to agree to so we can reach some kind of resolution tonight? Bruce asked is there a guarantee after the litigation is over with, can we get a contract. Jonathan stated it would be my intention that we would move in that direction. That's one vote. I believe a contract is where we should look to go once we get passed where we are at right now. The rest of the council agreed. Kenny asked

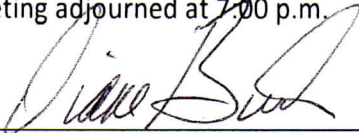
how can they go about retaining an attorney to help them with this suit if you are not going to help pay legal fees. Greg suggested they sell the ambulance or other equipment. Bruce answered we do have people looking at it now. Some of the members would like to keep it as a rescue truck. If that's something we have to do to survive, if we can sell it and keep our head above water, we plan on selling it. Clyde asked about the extra \$30,000 they would have due to the difference in the truck that they purchased and the insurance money they received on their truck that was wrecked. Clyde suggested they use these funds to pay their attorney. Clyde stated it should not come from the town. Jonathan agreed that he is not comfortable with using the taxpayer funds. Jonathan stated I am willing to discuss some of these other things to try to be a little more compromising here. I want to resolve something tonight. Randy stated we do not have time to do that in this meeting. That can be an all-day thing. Bruce discussed some of the situation with the ambulance service. Bruce stated they are still responding with basic life support. The ambulance service hasn't totally gone away. Clyde stated the last contract stated you would make at least 50% of all ambulance dispatched runs in the town of Hope. Bruce stated I think we've followed that. Randy added over and above. Randy discussed a conflict with one of their members and one of the town council's members. Randy stated we got rid of our problem even though he is an excellent person for what he done. You started an advisory board and put the town council's member, who they felt was a problem, on the advisory board. Ed Johnson asked to address that. Ed stated two different people from the town asked me to be on the advisory board. I have been on the fire department for 53 years, chief for 30 years. We have worked well with Hope. This advisory board that I was appointed to, to me was worthless because we had three people on there that they was going to tell everything and they weren't going to listen to anyone else that was on the advisory board. I don't think you are always getting told the whole story from the advisory board either. I have talked to all of you at different points. We haven't had any disagreements on what we've talked about. Right now you are drying the fire department up. You are going to be without a fire department that has been here for 70 years. I'm not blaming the town board. I'm not blaming Mel. I'm not calling any names. I think you have to quit acting like kids and act like adults. Sit down here and work this problem out. If it takes all night, it takes all night. This town is so torn up right now. I'm only a three year member of this town but I've lived in this community for 73 years. I've never seen this town in such an uproar as it is in right now. We are spending money out here on the park like its water. You're not asking the right questions. I'm not against anybody that's here. Ten months you guys have been fighting over this. I think it is time. You on the town board are elected by the members of the community. You are elected to serve that community that you are elected for. If you can't do that, get out of here. Quit wasting the town's time and money. Jonathan asked Ed if he thought the advisory board could function if some adjustments were made. Ed stated I think we will be okay since we switched to emergency services. I don't want to tell the fire department what to do but I don't want to see them fail. My heart is in the fire department. Mel shared who is on the advisory board: Ed Johnson, John Beeker, Rick Everroad, Matt Tallent, Bruce Neal, Chad Emmitt, Adam Mathis, Georgia McCarty, Jim Tedder, Jerry Bragg, Tim Shoaf, Diane Burton and Mel Fox. Randy stated my problem is with the one person on it. There has been a conflict between him and the fire department since the situation happened two or three years ago. I have no problem with the others that she mentioned. Bob Mayes asked if it was correct that the fire department has asked for the same contract that they have had for the last three years and haven't receive any increase for the last three years. Jonathan stated they did receive an increase last year and we have preliminarily budgeted an increase for next year as well. It was the same figure for at least two years. Bob stated he thought it was unfair for the fire department to not get an increase. Bob stated otherwise I don't have a

solution but I think the fire department has been more than fair. I've been practicing public accounting for more than 70 years. I will guarantee that accounting fees for the taxes that this institution has to prepare are going up tremendously this year. The IRS is levying penalties on 501C3s at a tremendous rate. If a 501C3 does not file the required return timely, they lose their status. If this happens to the fire department, there would not be a legal entity. A 501C3 is not easy to get in the first place but it's almost impossible to get it back when you lose it. Bob said if he was the fire department, he would request to get the federal governments stated rate of inflation which they say runs between 1 and 2%. Jonathan stated Ed did come in and ask for an increase and we did refuse it at least once. There was one year where we essentially held the line on the budget for everything because of concerns. You have valid points. Tom Miller stated I want to encourage you personally. I spent a number of years as an elected official. There is life after public service. I've been to meetings that have gotten ugly like what you were describing earlier where people have lived together all their life and all of a sudden they are mortal enemies. I have had threats made to my family. You have to have broad shoulders. I'm holding a well-worn copy of something I know we are proud of around here. The reason I know we are proud of it is because we've got nicely framed pages out of it on the walls. On this issue there are a list of names of people involved in Town Comprehensive Plan. Listed are council members: Jonathan Titus, Shawn Lange, Tim Shoaf, Greg Sims, Paula Pollitt, Shirley Robertson was the Clerk-Treasurer. The next page has a list of a lot of the people that are here: Randy Sims, Matt Galbraith, Paula Pollitt, Greg Sims, Bruce Neal, Earl Mayes, Ed Stone, Bud Herron, David Clouse, David Webster, Howard Downey, Ken Sims, Larry Simpson, Rick Everroad, Shirley Robertson, Steve Robertson, and Trena Carter. Some of these people aren't with us anymore. Interestingly enough a lot of these people that were all supportive of this document are on different sides of this issue. All of these people that worked together so well for this town to provide this document that we use a lot. I only marked two things in this document that I want to share tonight. Section 1-4 Public Facilities and Services: The town has and intends to provide fire protection which is number one on the list. Tom read the information it stated about the fire department and protection. It also stated the town has discussed potentially relocating the fire department elsewhere but no site has been identified. Everybody agreed with this at that time. We've moved in that direction obviously but are off on some contingents. Tom stated the second thing he wanted to share is under Policies and Objectives, there are a list of things the committee considered attributes to our community. Listed is maintain the town services for residences and businesses. Item D states continue to support police department and volunteer fire department and ambulance service. Above that under Maintain and Services, Objective 2 was consider a town manager position. This is how far we've come. There was a point and time we were proud of our fire department. It's reflected here. Everybody on this list was all on the same side. I think we need to get back there. The one issue that seems to keep coming up is attorney fees. You guys have your attorney here and you're paying her with taxpayer's dollars. The reality is you need good legal advice. These guys need legal advice as much as the rest of us. If anything I think we would want them to be able to afford good legal advice because we are supportive of the fire department. We're proud of the fire department. I'm not taking a position on what is going on with their building and what happened with them and their contractor. All I know is it was mentioned in this comprehensive plan as a future dream of this town to have a new fire department building somewhere. Our fire department was trying to get that done and they have ran into some problems. I can tell you with 100% certainty there is no building project ever that doesn't run into problems that requires some legal help. I think that it's more important we get on the same page and be part of the solution. I appreciate you're service. I know what's involved and how personal it gets.

Jonathan suggested there be a follow-up session. I think we still lean heavily on an MOU as a temporary solution but I am willing to consider some of these changes. I think other members have some things to think about at this point. I've always tried to bring people together and that's probably why I have lost sleep. I'm trying to figure out what can be done. How can we make this work? I've spoken with Randy. I've spoken with Bruce on a couple occasions. Jonathan felt the rest of the council might want some time to think about the changes. The council agreed on a follow up meeting. Clyde asked when the Fire Department Board was formed. Jonathan answered it was agreed to at the last contract. The council president primarily fills the positions of that committee. Clyde asked what the purpose of the board was. Jonathan answered the original purpose was advisory. The idea was they would work with them in an advisory capacity and bring some suggestions to them on how they might improve those type of things and bring some ideas to us as well. Clyde stated I don't see where they are doing anything. I was elected ten months ago and I haven't heard anything from an advisory board one way or the other. Why don't we just get rid of it? Jonathan stated we could consider that going forward. Mel stated we sit in here and focus on the negative. There has been so much good happen in this community. You should hear on all the comments especially from the seniors talking about the benches and the flowers. The events are getting more people here. One of those being because I'm driving social media marketing. There is a Facebook page called Only in the Nation and they break it up into the state. This last weekend, the title of it was "Ten Places if You Want to Get Away From it All". They listed ten towns, Hope was number five. We have over 2,000 people following the Town of Hope Facebook page. Jonathan thanked Mel. Nellie stated if you guys want to continue to discuss things tonight, I'm sure the rest of us would be happy to leave. Nellie said I love this town and I want to see everything get worked out. Shirley Robertson stated I want to share ten years ago tonight about this time our fire department and those who were able to be on the ambulance, arrived at my home and here sits the results of that. John had an aneurism rupture. They were the first on the scene. The police department was there immediately. Our ambulance was right behind. They beat Columbus there. In two months' time the fire department fought the fire that destroyed Steve's home. The Robertson's owe a lot to this community. All things set aside sometimes we make errors when we choose people to represent us. When we do that, the best thing to do is remove it. I think you know there are some people on the advisory board that are not neutral. The council still decided to schedule a working session to continue negotiation. Clyde stated it's still my opinion that even though I would love to see this resolved, we need to look at the possibility of a plan B. Clyde suggested we have Reedy Financial see what a fire department would cost the town. We're responsible for taking action. The meeting is scheduled for Monday, October 12th at 5:30. Greg asked if it's needs to be public meeting. Cindy answered yes if three or more members are attending. If one or two people were appointed to do the negotiation, it wouldn't necessarily have to be in a public meeting. Jonathan asked if the public has the right to speak at the meeting. Cindy stated the public has the right to attend. Jonathan stated I appreciate these folks more than you know. Sometimes I think it is best if we focus on us quite honestly. John Clark stated it is my understanding an executive session can be used if you are negotiating a contract. Cindy answered we took pretty tight look at the executive session statute and struggled to find a place to put it with the council all together. Jonathan stated we have tried to be as transparent as we can most of this time. I'm never afraid to state my opinion. I would hope they would have enough respect for an individual that if they disagree, it's a respectful disagreement. I feel like we've headed in that direction tonight. I feel like there have been good comments from the community members that addressed that. Bob May brought up the cost of personnel to operate a fire department. He provided some information about the high cost and

expenses. Ohmer stated I want to thank everybody who participated in the meeting. I appreciate everybody's support. I came here with an agenda tonight to try to get some of this resolved. I feel like we've made a lot of headway. I appreciate everybody here. I want to thank you for coming.

Meeting adjourned at 7:00 p.m.



Attest

