

December 11, 2014

The Common Council met as the Water Utility Board at 7:00 pm on the above date in the Meeting Room at City Hall Annex with Mayor Tucker presiding and members Jeffries, Fuelling, Hoehn, Curtis, and Higgins attending. Others attending were Chief Beloat; Chief Dixon; St. Comm. Dieterle; Supt. Givens; Supt. Gray; Attorney Higgins; Larry Williams; Nancy Sexton; Jim Cameron – H J Umbaugh & Associates; Tom Hogan – Johnson Controls, Inc.; and arriving during the meeting, Lois Gray – Posey County News.

Mayor Tucker called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. He added if not, he entertains a motion to waive their reading and to approve the minutes as presented.

Board member Curtis moved the reading of the minutes be waived and they be approved as presented. Seconded by Board member Fuelling.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker requested action on the claims presented.

Board member Fuelling moved the claims presented be allowed for payment. Seconded by Board member Higgins.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Lois Gray arrived at the meeting

Mayor Tucker stated they will now hear the report of the Water Chairman

Chairman Curtis stated he does not have a report.

Supt. Gray stated he has signed the paperwork for the Invoice Cloud and they are ready to proceed. He then stated he had a bid on a backhoe – a CAT for \$124,000.00; but he has now found a John Deere for \$83,000.00 – through the State Bid.

Chairman Curtis stated he does not have to get three bids by using the State Bid.

Supt. Gray replied that is correct.

Chairman Curtis stated the backhoe operator really likes the John Deere. He added the paperwork will be at the next meeting.

Board member Fuelling asked if it extends ?

Supt. Gray replied yes, it extends.

Mayor Tucker asked if there were any questions of Chairman Curtis or Supt. Gray ?

There were none.

Mayor Tucker asked if the Clerk-Treasurer had any Communications for the Board ?

Clerk-Treasurer Sitzman replied not at this time.

Mayor Tucker stated they are ready for the Legal portion of the Agenda.

Attorney Higgins stated Jim Cameron with Umbaugh is here. As the Board is aware they are considering a project at the water department and Umbaugh was retained to study the rates that will be needed to support the project.

Mr. Cameron stated they conducted a rate study in conjunction with the projects that Mount Vernon is looking at currently – an \$11M project. He handed out packets to the Board consisting of the figures from which the study came, and referred to page 3 which illustrates BANs (Bond Anticipation Notes) and Bonds. He stated Umbaugh is recommending BANs then Bonds for the project, which consists of five parts:

- New 4 MGD rated filtration system, with two (2) Trident Filtration units
- New UV disinfection system
- New Elevated water storage tank on the water distribution system
- Update WTF's electric service, resizing to 1600 amps
- SCADA upgrades

Mr. Cameron then stated page 4 is the amortization schedule, and they are anticipating that interest rates will increase the next year, though they are not sure how much. He stated page 6 shows the cash operating expenses, which for the test year is just about \$1.5M. He continued by stating page 9 is the revenue requirements page. In the test year the city's now biggest consumer, Valero, was not on line, though they are now. He stated if they do no project, the recommended increase to the city's current rates would be 17.3%, or \$4.88. If the Board would choose to go with Bonds only, the increase would be 58.5%, or \$16.47. For Phase I with the BANs and Bonds they would be looking at 6.7% increase, or \$1.89 and for Phase II, 12.6%, or \$3.79 increase. Pages 11 and 12 are the city's current rates and proposed rates.

Board member Hoehn questioned page 9, Phases I and II, one has a date of 2015 one has a date of 2016. Will the project be complete by 2016 ?

Mr. Cameron replied he believes the project will be done by then.

Board member Curtis replied no, it should take 18 months.

Mr. Cameron added the rates need to be in place when bonds are sold.

Councilman Hoehn asked if the first column is where they are currently ?

Mr. Cameron replied yes, based on the test year, without Aventine, which left, and has now been replaced with Valero coming on line.

Board member Curtis stated last year they had \$66,000 excess expenses over revenue without Aventine on board.

Board member Hoehn added Valero came on strong and backed up some.

Board member Curtis agreed.

Mr. Cameron stated page 21 shows that without the rate charge, they are operating at a deficit, before Valero.

Board member Hoehn questioned the 17% on page 9.

Mr. Cameron that is the test year, without Valero.

Board member Hoehn stated then it is actually somewhat better than that.

Mr. Cameron replied yes.

Board member Hoehn added they are reflected in the going forward figures.

Mr. Cameron added they currently use 500,000 gallons per day estimated in Phase I. In Phase II they are estimated at 1M gallons per day. He then stated page 14 shows the current rates vs the proposed rates; pages 15-16 take into consideration the fire protection charges; and page 17 is a graph of rates now, where the city would fall against other communities for Phase I and Phase II. He added these other communities may also be going through a rate increase as well in the next few years. He then stated pages 18-29 are financial statements for years 2011 – 2014. Page 24 are cash balances on hand, of which they had adequate cash on hand. He then stated page 26-29 is their current outstanding bond and interest payments and lease purchases. He then asked if there were any questions ?

Board member Curtis asked if the other communities Mount Vernon is being compared to have rates that include fire protection surcharges ?

Mr. Cameron replied he does not believe so.

Board member Curtis stated with doing Phase I they would be still be in the middle of the pack of the other communities.

Mr. Cameron agreed.

Attorney Higgins asked if there were any other questions ?

Board member Hoehn stated after all the bonding is done and the dust is settled, what would be total amount of debt to the water department ?

Mr. Cameron replied they currently have \$16.5M outstanding in bonds and a lease of \$1.2M. The new bonds add \$11.5M which would bring that up to between \$27 and \$28M. He then stated page 5 includes principal and interest payments through 2036.

Attorney Higgins stated this gives the Board an idea of the impact of going forward with the project. She added Supt. Gray, Board member Curtis and JCI have gotten together and fine tuned the project – a turn key project – down to \$11M. If the Board moves forward, this will be the rate. Again, if they move forward with JCI on the project as scoped, they will then draw up a contract and marry the project to the financing and BANs will be issued after the first of the year.

Board member Curtis stated at the last meeting he recommended a different process to get the project done – competitive bidding. He stated since then he has been in numerous discussions with JCI. The project started at \$12,293,000.00 – they do now have a firm offer to the complete the project at \$11M. He then stated they can not do it cheaper otherwise. JCI guarantees it. There will be no Change Orders. Whatever is in the contract is what the city will have. Again, he stated he does not feel they can do it any cheaper way. There has been a lot of give here. There are assurances that they no change whatsoever in the scope, materials, filters, end product, contractors, or engineers – for \$11M. He then moved they proceed, pending legal review and the financials. Seconded by Board member Hoehn.

Mayor Tucker asked if there was any discussion ?

Board member Jeffries stated page 9 – Column 1 is if they do no project at all – they would still have to have a rate increase ? He added the BANs/Bonds – the increases are cumulative. He wanted to see the impact on an average resident - \$5.70 increase. Seems anti-intuitive to him.

Board member Curtis asked if the last increase was in 2009 ?

Mr. Cameron replied yes.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Board voting as follows:

Jeffries – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Attorney Higgins stated a contract and timetable will be forthcoming and bond counsel is waiting.

Board member Curtis stated they have practiced due diligence and now it is time to move forward.

Board member Hoehn added it isn't a horse race.

Board member Jeffries agreed and added they can take their time.

Mayor Tucker asked if anyone in the Audience wished to address the Board ?

Tom Hogan approached and stated he would like to thank the Board for their confidence in JCI. They have fought hard for this. This was a corporate management decision to continue to invest in the community. Board member Curtis and Attorney Higgins worked hard on this. Some have asked if this will be the same project. He can reply with a resounding YES. They have been sharpening their pencils to give them a project they can hang their hat on and continue to win awards. He then thanked the Board again and wished everyone a Merry Christmas.

Mayor Tucker asked if there was any Old Business ?

Board member Fuelling stated he wanted to thank Mr. Hogan and JCI for the project at Riverbend Park – making it green with the LED lights. It looks great and he appreciates it.

Mayor Tucker stated under New Business is a decision on the Christmas Day meeting. Board member Fuelling moved the meeting be canceled. Seconded by Board member Jeffries. Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker stated if there was no further business, he entertains a motion to adjourn. Board member Curtis moved the meeting be adjourned. Seconded by Board member Fuelling. Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously and adjourned the meeting.

John Tucker, Mayor

ATTEST:

Cristi L. Sitzman
Clerk-Treasurer

The Common Council met immediately following the Water Utility Board on the above date in the Meeting Room at City Hall Annex with Mayor Tucker presiding and members Jeffries, Fuelling, Hoehn, Curtis, and Higgins attending. Others attending were Chief Beloit; Chief Dixon; St. Comm. Dieterle; Supt. Givens; Supt. Gray; Attorney Higgins; Larry Williams; Nancy Sexton; Jim Cameron – H J Umbaugh & Associates; Tom Hogan – Johnson Controls, Inc.; and Lois Gray – Posey County News.

Mayor Tucker called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. He added if not, he entertains a motion to waive their reading and to approve the minutes as presented.

Councilman Jeffries moved the reading of the minutes be waived and they be approved as presented. Seconded by Councilman Fuelling.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker stated they will now hear the reports of the Standing Committees.

Street & Light Chairman Hoehn stated he has no report.

Comm. Dieterle stated he has no report.

Mayor Tucker asked if there were any questions ?

There were none.

Police & Dog Chairman Jeffries stated he has no report.

Chief Beloit stated he has no report.

Mayor Tucker asked if there were any questions ?

There were none.

Fire Chairwoman Higgins stated she has no report.

Chief Dixon stated he has no report.

Mayor Tucker asked if there were any questions ?

There were none.

Sewer Chairman Fuelling stated he has no report.

Supt. Givens stated he has no report.

Mayor Tucker asked if there were any questions ?

There were none.

Mayor Tucker stated they have the Financial Report for November before them and any questions could be directed to Clerk-Treasurer Sitzman.

Mayor Tucker asked if the Clerk-Treasurer had any Communications for the Council ?

Clerk-Treasurer Sitzman replied not at this time.

Mayor Tucker stated the first item on the Legal portion of the Agenda is the first reading of the Ordinance to Amend the Zoning Ordinance of the City of Mount Vernon, The Town of Cynthiana, The Town of Poseyville and Unincorporated Posey County Chapter 153-Zoning Code, Section 153.181-Purpose, Section 153.183(J)-Parking Surface, and Section 153.245-Variances.

Larry Williams approached and stated he is filling in tonight for Mrs. Bourne of the Area Plan Commission, who had a prior commitment. The Area Plan Commission recommended this unanimously at their meeting and will require all new parking surfaces to be made of all-weather materials. He added any older parking lots will be grandfathered in.

Councilman Jeffries asked what exactly is the issue they are trying to address with this?

Mr. Williams replied gravel parking lots.

Councilman Hoehn added agriculture driveways.

Councilman Jeffries asked if there was any change for the town ?

Attorney Higgins replied for manufacturing yes. Most commercial lots have to have a required number of spaces and they will all have to be all-weather surfaces.

Councilman Hoehn moved the ordinance pass on first reading. Seconded by Councilman Curtis.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Jeffries – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried unanimously.

Attorney Higgins stated the next item is the final reading of the Ordinance Establishing Salaries for the Elected Officials for the City of Mount Vernon for the Year Ending December 31, 2015, payable from the General Fund, and Water and Sewage Utilities.

Councilman Curtis moved the ordinance pass on final reading. Seconded by Councilman Jeffries.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Jeffries – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried unanimously.
Clerk-Treasurer Sitzman added it will be numbered 14-25.

Attorney Higgins stated the next item is an end-of-the-year clean up transfer resolution. She added this is not new money, it is realigning the money in budgets to make them all whole for the end of the year. Councilman Hoehn moved the Resolution to Transfer in the General, Park & Recreation, and Park & Recreation Non-Reverting Funds be approved. Seconded by Councilman Fuelling.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Jeffries – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried unanimously.

Clerk-Treasurer Sitzman added it will be numbered 14-26.

Attorney Higgins stated the next is discussion on an Additional Appropriation out of COIT for 2015. Clerk-Treasurer Sitzman stated their employee health insurance premiums really spike this year at renewal with Anthem. At that time, they had decided to go with a different carrier, even after being with Anthem for 11 years. They will now go with Humana. She stated single coverage was going to be around the \$770 mark. If Council will recall, last year the city received a \$59,000 premium rebate from Anthem, which she applied to the COIT share of the premium so employee out-of-pocket would not go up. Mayor Tucker in the 2015 COIT budget raised the amount on health insurance to \$300,000, or \$25,000 per month. With Humana, to not affect employee out-of-pocket expenses, the COIT amount would be around \$29,000 a month. She is asking if Council would consider making a one time additional appropriation in January out of COIT for \$50,000 to help with the employee insurance. She stated any raise the employees received was basically eaten up by the increase and this would allow their out-of-pocket premium to stay the same, at least for the next year.

Council all agreed to the additional appropriation.

Attorney Higgins stated a letter needs to be sent to all employees explaining to them that this may not happen again next year, and any increase could potentially be passed on to them.

Council concurred to move forward with additional appropriation.

Attorney Higgins stated the next item is approval of Agreements in Lieu of Annexation for Countrymark and GAF. She added they have been in negotiations with both for some time now, and have had agreements with both since 2006. She added she has a signed agreement back from GAF, and a verbal OK from Countrymark, but no signed agreement yet. She then stated for 2014, Countrymark will pay \$67,350 and GAF will pay \$58,140. She further stated currently Countrymark pays \$40,500 and GAF pays \$38,596. There will also be a 3% increase in each over the next three years.

Councilman Curtis moved Mayor Tucker be permitted to sign the Agreements in Lieu of Annexation with GAF and Countrymark, when it is received. Seconded by Councilman Jeffries.

Mayor Tucker asked if there was any discussion ?

Councilman Hoehn asked the Assessed Value on those ?

Attorney Higgins replied net assessed taxes on Countrymark are \$96,220.

Councilman Hoehn asked if that is the county amount, and not an anticipated annexed amount ?

Attorney Higgins replied no, that is the amount if annexed in. For all of their properties. For GAF it would be \$83,060, including all of their tax units. Countrymark also has some tax abatements in place. She stated they would be paying 70% of what they would be paying if they were annexed. She then reminded Council if there were to annex them, the city would then also be required to provide them all necessary services.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Jeffries – yes; Fuelling – yes; Hoehn – no;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried.

Mayor Tucker asked if anyone in the Audience wished to address the Council ?

There was no response.

Mayor Tucker asked if there was any Old Business ?

Councilman Curtis stated he has received two different phone calls on parking issues. The ones is at Bliss and Lower Main Street. He stated they have had this one before and they let it ride, now there are more issues. Some are parking there over night. They have been asked to consider two hour parking limits.

Councilmen Fuelling and Jeffries agreed.

Councilman Hoehn asked how they plan to enforce that ?

Councilman Curtis replied by ordinance with a penalty. Write a ticket.

Councilman Hoehn stated someone has to measure the two hours.

Councilman Jeffries stated someone sees a car, if it isn't moving, call the police.

Councilman Curtis stated if they put a sign up indication two hour parking, people will probably adhere to it.

Councilman Fuelling stated there is plenty of parking down there.

Councilman Curtis suggested they let the management of the Landing know this is going on as well.

Councilman Jeffries stated something has to be done down there at some point.

Councilman Hoehn asked about the lot that is down there.

Councilman Fuelling stated yes there is a lot down there, a gravel lot.

Councilman Curtis relied it is a quarter block actually.

Councilman Hoehn asked who is doing the complaining ?

Councilman Curtis replied the businesses.

Councilman Hoehn stated they should probably address both sides of the street.

Attorney Higgins stated on the south half of the block, between Water and W.2nd Street, both sides of the street, two hour parking.

Councilman Jeffries stated they also have an issue with boat trailer parking as well.

Councilman Hoehn stated hopefully when the lot where the Armory was opens up, that will change the dynamic.

Councilman Curtis stated the other area is 9th Street and Lower New Harmony and Mill Street, the 5-way stop area. He added he received a call from the MSD of Mount Vernon about issues with busses being able to make the turn there due to vehicles parked along the sides of the streets. Especially from Lower New Harmony to 9th Street, headed west. The request from the school was No Parking from the intersection to the alley. Also, James Street at 9th Street going south – they want the No Parking increased by about a car length.

Councilman Fuelling agreed.

Councilman Jeffries stated they probably need to validate that this is still an issue.

Councilman Curtis stated the school called him three days ago.

Councilwoman Higgins stated there are a lot of kids waiting at 8th and James for the bus in the morning since they removed the 9th Street stop.

Councilman Hoehn asked if the residents there are having issues ?

Councilman Curtis stated that is what the school said.

Councilman Fuelling stated he would they have a pick up at 9th and James instead of 8th and James, as it is a much busier street.

Councilman Hoehn stated they need to have Attorney Higgins write up the ordinance and then anyone who wants can remonstrate.

Attorney Higgins stated they need to extend on James, east and west, towards 8th Street, on both sides, 20 feet.

Mayor Tucker stated under New Business is action on the Christmas Day meeting.

Councilman Fuelling moved the meeting be canceled. Seconded by Councilman Hoehn.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Councilman Curtis stated they need to make an appointment the Area Plan Commission for 2015 and as Councilman Hoehn was on this year, he has asked that he do it again. He then moved Councilman Hoehn be appointed the APC for the year 2015. seconded by Councilman Fuelling.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Attorney Higgins left the meeting.

Mayor Tucker stated they will now hear the reports of the Districts.

1st District Councilman Jeffries stated in reference to the street lights, he has walked between 16 and 18 miles and has found issues with 21 lights. He added he will send a memo to Vectren.

2nd District Councilman Fuelling stated he has no report.

3rd District Councilman Hoehn stated the Street Department is finishing up a drain line at the old Russell Trailer Park and Venice Ave area. Hopefully this will eliminate any water issues they have been having. Again, this is being done in-house.

Mayor Tucker stated Comm. Dieterle and his department should be commended for their efforts on this.

Councilman Hoehn asked about the possibility of contacting Vectren about LED lights in the street lights, to cut costs.

Mayor Tucker replied there are over 400 street lights in town, and they pay \$110 per light. That is a good idea.

4th District Councilman Curtis stated he has no report.

Councilwoman-at-Large Higgins stated Christmas on Main Street was fantastic and next year will be even bigger and better.

Mayor Tucker stated they met with Josh Appleton from Earth Services last Friday concerning the Main Street demolitions. They are moving forward but not until the first or second week of January. It will be a three to five week project, and weather could also be a factor. He added they will be saving bricks for anyone interested.

Mayor Tucker stated they need to consider a Mayor Pro Tem for 2015. This year's Mayor Pro Tem is Councilman Curtis.

Councilman Fuelling moved Councilman Curtis be appointed Mayor Pro Tem for 2015. seconded by Councilwoman Higgins.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker announced the following appointment for 2015:

Street & Light	Councilwoman Higgins
Fire	Councilman Hoehn
Police	Councilman Jeffries
Sewer	Councilman Fuelling
Water	Councilman Curtis
Solid Waste	Councilman Fuelling
Bd of Works	Councilman Curtis and he is flipping a coin over the other

Mayor Tucker stated if there was no further business, he entertains a motion to adjourn.

Councilman Fuelling moved the meeting be adjourned. Seconded by Councilman Jeffries.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously and adjourned the meeting.

John Tucker, Mayor

ATTEST:

Cristi L. Sitzman
Clerk-Treasurer