

September 27, 2018

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 Curtis presiding and members Pharr; Williams; Hoehn; Clements; and Higgins attending. Others attending were Attorney Higgins; Supt. Gray; Chief Alldredge; Chief Dixon; Comm. Dieterle; Debbie Bennett Stearsman and Wylie Ziegler – Economic Development Coalition of SW Indiana; Tim Steele; Barry Cox; Alexa Cox; Andy Ozete – Farmer Scott Ozete Robinson & Schmitt, LLP; Charlene Baldwin; Patti Green; Boy Scout Troop; Paula Rudibaugh; Nancy Sexton; and Jeff Woodford.

Mayor Curtis called the meeting to order by leading the group in the Pledge of Allegiance, and by stating members were emailed 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 Higgins moved the reading of the minutes be waived and they be approved as presented. Seconded by Board member Pharr.

Mayor Curtis asked if there was any discussion ?

There was none.

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

Mayor Curtis requested action on the claims presented.

Board member Williams moved the claims presented be allowed for payment. Seconded by Board member Clements.

Mayor Curtis asked if there was any discussion ?

There was none.

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

Mayor Curtis stated they will now hear the report of the Water Superintendent.

Supt. Gray stated they had a large main break on 2nd Street but has been repaired and everything is running as well as can be expected.

Mayor Curtis asked if there were any questions ?

There were none.

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

Clerk-Treasurer Sitzman replied not at this time.

Mayor Curtis asked if there were any Legals for consideration ?

There were none.

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

There was no response.

Mayor Curtis asked if there was any Old Business ?

There was none.

Mayor Curtis asked if there was any New Business ?

There was none.

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

Board member Williams moved the meeting be adjourned. Seconded by Board member Pharr.

Mayor Curtis 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.

Bill Curtis, 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 Curtis presiding and members Pharr; Williams; Hoehn; Clements; and Higgins attending Others attending were Attorney Higgins; Supt. Gray; Chief Alldredge; Chief Dixon; Comm. Dieterle; Debbie Bennett Stearsman and Wylie Ziegler – Economic Development Coalition of SW Indiana; Brian Bullock; Tim Steele; Barry Cox; Alexa Cox; Andy Ozete – Farmer Scott Ozete Robinson & Schmitt, LLP; Charlene Baldwin; Patti Green; Boy Scout Troop 375; Paula Rudibaugh; Nancy Sexton; and Jeff Woodford.

Mayor Curtis called the meeting to order by stating members were emailed 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 Williams moved the reading of the minutes be waived and they be approved as presented. Seconded by Councilman Clements.

Mayor Curtis asked if there was any discussion ?

There was none.

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

Mayor Curtis stated they also received the minutes of their Special Session.

Councilwoman Higgins moved the reading of the Special Session minutes be waived and they be approved as presented. Seconded by Councilman Clements.

Mayor Curtis asked if there was any discussion ?

There was none.

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

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

Comm. Dieterle stated he has no report.

Chief Alldredge stated he has no report.

Chief Dixon stated he has no report.

Supt. Gray stated they have been busy and have now flushed 2,375 feet of sewer main.

Mayor Curtis asked if the Clerk-Treasurer had any Communications for the Council ?
Clerk-Treasurer Sitzman replied not at this time.

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

Attorney Higgins stated they have several items this evening, the first being the 1st Reading of the Ordinance Establishing Appropriations and Tax Rates for the City of Mount Vernon, for the Year Ending December 31, 2019.

Councilman Williams moved the ordinance pass on first reading. Seconded by Councilman Clements.
Mayor Curtis asked if there was any discussion ?

There was none.

Mayor Curtis requested a roll call vote.

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

Pharr – yes; Williams – yes; Hoehn – yes;
Clements – yes; Higgins – yes.

Mayor Curtis stated the motion carried unanimously.

Attorney Higgins stated the next item is the 1st Reading of the Ordinance Establishing Salaries and Wages for the Appointed Officers and Employees of the City of Mount Vernon, for the Year Ending December 31, 2019.

Councilman Williams moved the ordinance pass on first reading. Seconded by Councilwoman Higgins.

Mayor Curtis asked if there was any discussion ?

There was none.

Mayor Curtis requested a roll call vote.

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

Pharr – yes; Williams – yes; Hoehn – yes;
Clements – yes; Higgins – yes.

Mayor Curtis stated the motion carried unanimously.

Attorney Higgins stated next is the 1st reading of the Ordinance Establishing the Salaries of the Elected Officers of the City of Mount Vernon, for the Year Ending December 31, 2019, and Payable from the General Fund, Water and Sewer Utilities.

Councilman Williams moved the ordinance pass on first reading. Seconded by Councilman Clements.
Mayor Curtis asked if there was any discussion ?

There was none.

Mayor Curtis requested a roll call vote.

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

Pharr – yes; Williams – yes; Hoehn – yes;
Clements – yes; Higgins – yes.

Mayor Curtis stated the motion carried unanimously.

Attorney Higgins stated the next item is a Public Hearing that is to be held for the application of a CDBG Grant.

Mayor Curtis opened the Public Hearing on the proposed water project at 8th and Wolflin. Wylie Ziegler approached and stated she is with the Economic Development Coalition of SW Indiana and they are helping the city apply for grant funding on the project, and as a requirement, they need to conduct two Public Hearings. The grant would come via OCRA, for water system improvements. She continued by stating the grant is a \$600,000 grant, with the city match being \$680,000, which would come from water funds. She stated detailed minutes are being recorded currently, verbatim, for the grant application submission. She gave the following timetable for the project:

PROJECT COMPLETION TIMETABLE

<u>TASK</u>	<u>DATE</u>
Environmental Review Process	Ongoing
Public Hearing #1	September 27, 2018
Submit Proposal	October 5, 2018
Site Visit with OCRA	TBD
Public Hearing #2	Late November 2018
Submit Grant Application	November 30, 2018
Notice of Grant Award	January 9, 2019
Sign & Return Grant Agreement	January 9, 2019
Finalize Design	March 2019
Receive Environmental Release	March 2019
Design Approved & Submit Permit Application	April 2019
Advertise for Construction Bids	May 2019
Receive Sealed Bids for Construction	June 2019
Permits for construction obtained	July 2019
Obtain Release of Funds	July 2019
Award Construction Contract(s)	August 2019
Hold Pre-construction Conference	August 2019
Start of Construction	September 2019
Complete Construction	April 2020
Receive and Disburse Final Drawdown	May 2020
Submit Close-Out Documents to OCRA	June 2020

Ms. Ziegler stated the city match of \$680,000 will be divided into \$340,000 for Construction Costs; \$290,000 for Professional Fees; \$5,000 Labor Standards; \$3,000 for Environmental Review; and \$42,000 for Administration. Total cost of the project - \$1,280,000.00. Again, with city match of \$680,000 to come from the Water Utility Funds. She then asked if there were any questions ?

Brian Bullock approached and explained exactly what the project entails, which is replacement of the main from Main Street to Wolflin, south to 4th Street. Currently the main is old cast iron, dating back to 100 years in age. There are leaks in the line, mineral deposits, and over time this reduces the diameter of the pipe itself from the build up of crustaceans. They only have two options to fix this: pipe bursting, underground, which would cost more, around \$1.4M; or the new 8" pipe, an upsue for the area. He stated hydrants will also be replaced along the main and a few others may be added. He asked if there were any questions ?

Ms. Ziegler asked if there are build up issues ?

Mr. Bullock replied yes and what that does is reduces capacity. Even the feeder lines are reduced.

Councilwoman Higgins asked the size ?

Supt. Gray replied 12" on both sides.

Councilman Hoehn added, with a 6" flow.

Supt. Gray stated the line dates back to 1886, it is cast iron, so that flow could actually be down to 3", they just are not sure. But it will be replaced with 8" line.

Councilman Hoehn replied that is a substantial increase.

Supt. Gray agreed and added he has been concerned with fire protection in that entire area for years.

Ms. Ziegler asked if there any questions anyone has, or if anyone present lives in the area and has had problems ?

Councilman Clements asked the phases of construction.

Mr. Bullock replied install new pipe sections, make the connections as they go, and do this all under pressure as to avoid a boil order. They will then do pressure tests on the services, reconnect to the new main, and then restore the pavement.

Councilman Williams stated the old main is cast iron, what will it be replaced with ?

Mr. Bullock replied new PVC pipe with a thicker wall.

Councilman Williams asked if the PVC will also collect deposits ?

Mr. Bullock replied not as much.

Supt. Gray stated since the new filtration system has been in place they actually put out cleaner water.

Mr. Bullock agreed.

Councilman Pharr asked how many homes this main serves ?

Mr. Bullock replied there are 80 services on that line, but there are feeder lines, so more than 80.

Mayor Curtis added that main also includes Southwind Apartments.

Supt. Gray added basically an area from 10th Street to 4th Street, including West Elementary School to Main Street.

Councilman Williams asked from where the funds will come ?

Supt. Gray replied the Water Works Improvement Fund.

Ms. Ziegler asked if there have been any fire issues there ?

Chief Dixon replies yes and added as long as he can remember there has been inadequate fire protection in the area. They have had two major fires that were greatly affected by the lack of water. He stated they have had to rely on the county departments and Countrymark as time is always of the essence. He added the city has needed this for decades, and it is very much needed by the fire department as well.

Ms. Ziegler asked about a school in the area ?

Chief Dixon replied yes there is an elementary school, as well as an apartment complex, Southwind.

Ms. Ziegler asked if there were any other comments ?

Attorney Higgins stated, as a member of the school board, she can say that West Elementary has the largest enrollment in the Metropolitan School District. She added she supports this project and the increased fire protection that it will afford. She added she is hopeful that this will garner favorable consideration.

Ms. Ziegler stated there is another hearing in late November and they really need to hear some residential concerns to submit with their documents. She added information on the project will be available at City Hall on October 5.

Mayor Curtis stated if there were no other comments, he will now close the Public Hearing.

Attorney Higgins stated they are now on Item e. on the Agenda, 1st Reading of the Ordinance Vacating the Alley Beginning at Mulberry Street and Ending at Locust Street and Parallel to and Located Between 4th and 5th Streets Within the City of Mount Vernon, Indiana.

Ms. Bennett, Ms. Ziegler, and Mr. Bullock left the meeting.

Barry Cox, Alexa Cox, and Andy Ozete approached, and Mr. Cox stated his boss, Alexa Cox is here representing LEXICO, and he will also be representing WSI, who will be a tenant on the property. Council asked police, fire, water, and sewer if there was an issue with the alley vacation request? Councilman Williams stated it sounds good to him.

Councilman Hoehn stated this is for the north/south alley, and asked about the east/west alley ? Mr. Ozete replied that is not really platted, there will have to be a private easement.

Councilman Hoehn asked if Mr. Cox currently owns that entire square ?

Mr. Ozete replied yes.

Attorney Higgins stated notice to utilities needs to be given and all of those have received notice.

Mr. Ozete added Vectren and AT & T understand the request and they are on board.

Attorney Higgins stated LEXICO is asking that utilities be located underground, which is a little different from what the Council has dealt with before.

Councilman Williams asked if this vacation request is dependent on zoning ?

Mr. Cox replied they are in the process of wrapping that up actually. They would like to get started soon.

Mayor Curtis asked if he can assume that silence means there are no issues ?

All Department Heads replied that was correct.

Mr. Cox stated if LEXICO can do anything to help improve the water service in Mount Vernon that would be a good thing.

Supt. Gray stated there is a sewer main in the east/west alley, and to the north. The water mains circle the block.

Mayor Curtis asked if anyone else had any concerns ?

There was no reply.

Councilman Hoehn moved Council allow this vacation and approve the ordinance on first reading.

Seconded by Councilman Pharr.

Mayor Curtis asked if there was any discussion ?

There was none.

Mayor Curtis requested a roll call vote.

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

Pharr – yes; Williams – yes; Hoehn – yes;

Clements – yes; Higgins – yes.

Mayor Curtis stated the motion carried unanimously.

Attorney Higgins stated they will need to conduct a Public Hearing on this, October 25 at 7:00 pm, at which time they may pass on final reading. Second reading will be held October 11.

Councilman Williams asked if LEXICO will be increasing employment ?

Mr. Cox replied yes.

Attorney Higgins stated they can now move to item f. the Tax Abatement Request from LEXICO.

Mr. Ozete stated the area in question is not suitable for local development, and there has been none in more than 30 years, which causes tax stagnation. He continued by stating WSI is an industrial transport service that offers to its employees insurance, profit sharing, wages at or above the average in the industry, vacation, sick time, holidays, and 401k. He stated they currently employ over 2,500 personnel in 19 states, Canada, and Mexico. Since being in Posey County they have offered warehousing, distribution, transportation, information systems, asset management, contract manufacturing, manufacturing support, value added services, engineering, design-build construction, and maintenance support. What they are proposing for Mount Vernon is an 18,200 sq. ft office complex, located behind the Sullivan House, with a new parking lot for 53 vehicles, as well as new formal garden between the Sullivan House and the construction. What they are asking of the City is to vacate the existing alley (preserve the underground PUE, above ground utilities to be provided

easement until relocated), and tax abatement (new real estate improvement abated/phase in, existing taxes to be paid as is). They are asking the County to consolidate all parcels to one, re-zone property on north side and single south side residential property to office and obtain variances from parking/setback consistent with site plan. He continued by stating the property has become undesirable for normal development or occupancy because of lack of development, no growth, and deterioration of improvements, character, age, and substandard buildings, along with other factors that have impaired values and prevented normal development. There have also been no recent developments on the property, or adjacent properties, which stagnates the tax base. No commercial buildings have been located on the property for over 30 years, and there are five undeveloped lots also located on the property. He concluded by stating that the new complex will house the National Operational Headquarters of Mt. Vernon for WSI, which is currently located in Greenville, SC. If this is not approved, over 40 headquarters personnel jobs would be relocated to Greenville if the headquarters would have to be built there. Jobs and payroll of over \$4.2M would be moved into downtown Mount Vernon and preserved for Posey County. LEXICO needs the city's help to make this project a reality.

Councilman Williams stated he is familiar with tax abatement, and WSI and Mr. Cox have done a lot for the community, so whatever Council can do to help him make this work, he feels they need to do.

Councilwoman Higgins stated as a member of the Historical Society, she is glad to see the Keck (Sullivan) House will be preserved.

Mayor Curtis asked if Council had any questions ?

Councilman Pharr stated it looks to be a wonderful plan and he so happy that this is being considered.

Attorney Higgins stated Council needs to decide if this could be designated an ERA (economic revitalization area) ? She added they have made their presentation, Council then makes their findings, and LEXICO answers any questions if Council has any. If there are no questions, they can move on Step 2. First, Step 1:

1. The area has become undesirable for, or impossible of, normal development because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of the property.

Pharr-yes; Williams-yes; Hoehn-yes; Clements-yes; Higgins-yes.

Mr. Ozete stated they are seeking abatement purely on real estate, at \$6M, no equipment or technology.

Attorney Higgins asked Council if they have enough information to go forward on the ERA Worksheet ?

Council unanimously agreed that they did.

Attorney Higgins the continued down the ERA worksheet as follows:

REAL ESTATE

3. Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.

Pharr-yes; Williams-yes; Hoehn-yes; Clements-yes; Higgins-yes.

4. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonable expected to result from the proposed described redevelopment.

Pharr-yes; Williams-yes; Hoehn-yes; Clements-yes; Higgins-yes.

5. Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonable expected to result from the proposed described redevelopment or rehabilitation.

Pharr-yes; Williams-yes; Hoehn-yes; Clements-yes; Higgins-yes.

6. Whether any other benefits about which information was requested are benefits that can be reasonable expected to result from the proposed described redevelopment or rehabilitation.

Pharr-yes; Williams-yes; Hoehn-yes; Clements-yes; Higgins-yes.

7. Whether the totality of benefits is sufficient to justify the deduction (from real property tax deductions).

Pharr-yes; Williams-yes; Hoehn-yes; Clements-yes; Higgins-yes.

Attorney Higgins stated notice will be served now to everyone in that block of this ordinance, and then a public hearing will be held on October 25, 2018. She then asked Council the period of time for the abatement, the schedule, or phase-in ?

Councilman Williams questioned their options.

Attorney Higgins replied it is 10 years on real estate and 20 years on equipment.

Mr. Ozete stated Mr. Cox would ask for and prefer 10 years.

Councilman Williams stated he has no problem with that, and that a 10% increase each year.

Attorney Higgins stated it would actually be 90, 80, 70, etc.

Councilman Williams agreed.

Councilman Hoehn questioned what would be the most advantageous for LEXICO ?

Mr. Cox replied construction will start January 2019 and be complete by January 2020, so 0 for the first two years would be greatly appreciated.

Councilman Hoehn questioned a set amount.

Councilman Williams stated starting after completion of the project would be beneficial.

Attorney Higgins stated they can work through that with the assessor.

Mr. Ozete added the longer they have up front, the better.

Councilman Williams stated so the first three years would be no abatement. Rather pay what they currently pay.

Mayor Curtis agreed and added unless the assessment changes.

Councilman Hoehn agreed, whatever the current tax is.

Attorney Higgins reiterated that they will lock that assessment (2018) in for three years and allow no new assessment for that time, then the following seven years how would Council like that to be phased in ?

Councilman Williams replied the first three years, zero additional tax, then year three phase in over the next seven years.

Councilman Hoehn stated the first of the three will be 2019 assessment, then seven year phase in.

Mayor Curtis stated that is what now needs to be determined.

Councilman Hoehn questioned Mr. Cox.

Mr. Cox replied zero (current) for three years, then 15% over the next seven years.

Attorney Higgins added LEXICO will also need to file the SB-1 annually.

Mr. Ozete replied it is on file.

Attorney Higgins added that the one she had was blank.

Mayor Curtis stated zero on the new part for three years, then 15% for the next seven years.

Mr. Cox agreed.

Mayor Curtis stated they can confirm this at the next meeting and review.

Attorney Higgins stated it will be evenly abated after three years.

Councilman Williams moved the abatement be granted with no new tax for the first three years, then divided evenly over the next seven years. Seconded by Councilman Clement.

Mayor Curtis asked if there was any discussion ?

Attorney Higgins added standard conditions, annual compliance and forms, and out of pocket costs will also apply.

Mr. Ozete stated once the building is built and they file the necessary forms, they would like to not have to come back every year, once the investment is made.

Attorney Higgins agreed, but added the SB-1 will need to be filed with the county, the initial investment is on real property

Mayor Curtis requested a roll call vote.

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

Pharr – yes; Williams – yes; Hoehn – yes;

Clements – yes; Higgins – yes.

Mayor Curtis stated the motion carried unanimously.

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

There was no response.

LEXICO and their representatives left the meeting.

Mayor Curtis acknowledged Boy Scout Troop 375 and added he was sorry this meeting has been so long and invited them to come back.

Mayor Curtis asked if there was any Old Business ?

There was none.

Mayor Curtis asked if there was any New Business ?

There was none.

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

1st District Councilman Pharr stated he has no report.

2nd District Councilman Williams stated he has no report.

3rd District Councilman Hoehn stated he has no report.

4th District Councilman Clements stated he has no report.

Councilwoman-at-Large Higgins stated Christmas on Main Street had their first meeting and she believes this is going to be a fantastic event with the changes they are implementing. Folks are excited.

Mayor Curtis agreed and then added he would like to thank all of the city employees for their hard work during the recent 4" rain and the issues that came with that. Again, thanks to all. He then stated if there was no further business, he entertains a motion to adjourn. Councilman Hoehn moved the meeting be adjourned. Seconded by Councilman Pharr. Mayor Curtis 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.

Bill Curtis, Mayor

ATTEST:

Cristi L. Sitzman
Clerk-Treasurer