

Town Council Meeting
Monday, January 27, 2014
6:00 P.M. Town Hall

Edinburgh Town Council met in a regular session on Monday, January 27, 2014 at 6:00 P.M. at the Town Hall, 107 South Holland Street, Edinburgh, Indiana.

President Hoffman called the meeting to order and led the Pledge of Allegiance.

President Hoffman thanked everyone for coming.

Members answering roll call were: Councilman John Drybread, Councilman Jeff Simpson, Vice President Curtis Rooks, Councilwoman Kami Ervin and President Ron Hoffman. Also present were Town Attorney Dustin Huddleston and Clerk Treasurer Scott Finley.

President Hoffman said next on the agenda were the minutes of the Council Meeting of January 13, 2014. Councilman Rooks made a motion to approve the minutes as submitted. Councilman Simpson seconded. Unanimous.

President Hoffman said next on the agenda were claims and handed it over to Clerk Treasurer Scott Finley. Mr. Finley said everyone should have received a copy of the claim docket for the month of January. He said he had signed off on all the claims in that docket and passed them on to the council for approval. Councilwoman Ervin made a motion to approve the claims as submitted. Councilman Drybread seconded. Unanimous.

President Hoffman said next on the agenda was Ordinance 2014-2 Salary Amendment. Councilman Drybread said when the original salary ordinance was passed they failed to increase the assistant electric superintendent's salary. The amendment bumps that range up fifty cents. It had been several years since it had been changed and it was overlooked this year.

Mr. Finley added that there was an administrative error on the part time employees wages on the original salary ordinance as well. The range should have read "minimum wage to \$12.00/hour." This would mostly effect the summer part time employees at the pool and the golf course. That correction was also made in the amended salary ordinance.

Councilman Rooks made a motion to approve Ordinance 2014-2. Councilwoman Ervin seconded. Unanimous.

President Hoffman said next on the agenda was Resolution 2014-2 Bartholomew County Edit Capital Improvement Plan. He asked Councilman Drybread to explain the ordinance.

Councilman Drybread said this resolution must be done every two years. It earmarks what the money received from the Bartholomew County EDIT fund can be used for. The funds have been set aside to continue remodeling the Blue River building.

Councilwoman Ervin asked what that building will eventually be used for.

Councilman Drybread said the idea is to get the building rehabbed so it could be either sold or used as incubator office space.

Councilman Simpson made a motion to approve Resolution 2014-2. Councilman Rooks seconded. Unanimous.

President Hoffman said next on the agenda was Resolution 2014-3 Shelby County Edit Capital Improvement Plan. He again asked Councilman Drybread to explain the ordinance.

Councilman Drybread said again the resolution earmarks what the money received from the Shelby County EDIT fund can be used for. The funds have been set aside for maintenance at the golf course. The club house is in need of new carpet, a new security system, and the heating and cooling system needs updated. Also, the fence around the maintenance barn needs some repairs.

John Rondot asked how much money comes from the EDIT funds from Shelby and Bartholomew Counties.

Mr. Finley said from Shelby County the town receives approximately \$1,700 per month and from Bartholomew County it receives approximately \$2,000 per month.

Mr. Rondot asked if that was constant from year to year.

Mr. Finley said it is a set amount for the year but it may fluctuate a little from year to year.

Councilman Rooks made a motion to approve Resolution 2014-3. Councilwoman Ervin seconded. Unanimous.

President Hoffman said next on the agenda was Resolution 2014-4 Municipal Vehicle Lease Agreement. He asked Councilman Drybread to address the resolution.

Councilman Drybread said the Water Department just purchased a new pick-up truck to replace the 1996 pick-up they had been using.

President Hoffman asked where those funds would be coming from.

Councilman Drybread said it would be paid for from the water operating fund.

Councilman Simpson made a motion to approve Resolution 2014-4. Councilman Rooks seconded. Unanimous.

President Hoffman said next on the agenda was John Bodine - LB Mold Tax Abatement Discussion.

John Bodine said he wanted to start by saying he really liked his company being in Edinburgh. The company has been in Edinburgh for the past 18 years and have always been taken care of by the town. He gave a brief description of his company. The company makes molds that aluminum is poured into to make wheels for automobiles. His company is the only one in North America that still makes wheel molds. The others have gone out of business due to the production being sent overseas. In the last 8-12 months the company has begun to fall behind in the technology aspect and it is important in the industry to not get so far behind that you cannot catch back up. The company relies a lot on up to date technology. The company currently has 14 employees and looks to hire two more with the acquisition of the new equipment. The company will be doing away with 6 outdated machines and bringing in 6 new high-tech machines. Mr. Bodine said the company is a family owned company and he does not want the company to go away after he retires. When he does retire he plans on the company staying in the family.

Mr. Finley said there was a staff report on the tax abatement in the council packets. Wade Watson had asked him to discuss the report as he could not attend the meeting. He said the anticipated equipment cost is \$1.5 million with a requested abatement of 10 years. As Mr. Bodine said they are looking to add two new employees with salaries of \$50,000 each. The company has no current active abatements but it has had some in the past. The area is already and Economic Revitalization Area so there is no need to go through that process. The town has in the past granted abatements for 5 years because that is what Indiana Code allowed. It now allows 10 year abatements on personal property and the percentages of the abatement can be decided on by the council. The staff recommendation for the abatement is approval with an abatement schedule of 100% in year 1, 80% in year 2, 60% in year 3, 40% in year 5, and 20% for each year after with year 11 being the first year of full property tax.

Councilman Simpson made a motion to approve the abatement as recommended by the staff. Councilman Rooks seconded. Unanimous.

President Hoffman said the council also need to vote to allow Mr. Huddleston to draw up the resolution for the abatement. Councilwoman Ervin made a motion to allow Mr. Huddleston to draw up a resolution for the aforementioned abatement. Councilman Simpson seconded. Unanimous.

President Hoffman said next on the agenda was Mr. Steve Ruble with Strand Engineering with a Storm Water Discussion.

Mr. Ruble said he was present to talk about the Storm Water Utility. He said in his presentation he would give some background of storm water, explain the steps involved in implementing a storm water utility, the rate calculation used, acceptable uses of funds, and some tips for storm water operations. He began by showing a map illustrating the pipes and outfalls that are used to collect storm water runoff. The town is currently funding the storm water utility through tax dollars. Charges are based on assessed property value. So if \$.22 of the towns entire portion of property tax is used for storm water, a \$100,000 home would pay \$22 per year regardless of its impact on the storm water system. In this case you may end up with residential units making up 46% of the usage but funding 80% of the expenditures. A storm water utility will charge on usage and match up those percentages. If residential units make up 46% of the usage, they should pay for 46% of the expenditures. This is done by establishing an ERU or equivalent run-off unit. The cost charged to each household or business will be a fee, not a tax. This means the money collected can only be used to fund storm water needs.

Mr. Ruble continued by explaining where Edinburgh was in the storm water process. He said currently the town is just getting into the implementation part of the process. This presentation is part of that process by giving some public information. The town has gone through a rate study and determined its annual storm water budget to be approximately \$166,000. After the rate is implemented an account will be set up for the funds and the charge will be put on the users utility bill.

Mr. Ruble then explained how different users would be assessed. This would be based on a property's impervious area. Impervious area consists of rooftops, parking lots, sidewalks, driveways, and other places where the storm water hits and cannot soak into the ground. It then runs off into the street and into the storm sewer system. Residential units would be considered one ERU. An ERU relates a commercial property to an average residential property. A study was done on residential units to find the average impervious area. In Edinburgh an ERU equals 3,225 square feet. Non-residential parcels were assigned an ERU based on the amount of impervious area the property has. A property with 14,000 square feet of impervious area would be considered 4.36 ERUs. A rate per ERU is then established based on the revenue needs. This comes from the established annual budget divided by the towns total ERUs. That number is \$36 per year or \$3 dollars per month. All residential properties will have a flat fee of \$3 per month. Non-residential properties will be assessed based on the impervious area. If the property has 100 ERUs, the charge would be \$300 per month.

Mr. Ruble showed a slide outlining the acceptable uses for storm water revenue. Those uses included public education outreach, salaries and labor, vehicles and equipment, technical administrative analysis, storm water infrastructure, employee training, and program development and implementation. He also gave a few tips on storm water utilities. The program cost must be reasonably related to the value of service provided. The amount charged must be proportional to storm water run-off. Funds cannot be used for general revenue purposes. The funds must be dedicated to storm water. He gave a brief conclusion and opened the floor for questions.

Councilwoman Ervin asked if the \$3 rate was what they had come up with for the community.

Mr. Ruble said the town actually had H.J. Umbaugh do a rate study to find what rate the town needed to be charged.

Councilman Drybread said after the flood of 2008 it was found that eventually the storm sewer system will need to be improved. The funds coming in at this \$3 rate are not going to fund that type of project so eventually more funds will be needed from somewhere. There are currently no funds for this unless a grant can be secured.

Councilwoman Ervin said she looks at some of the businesses in town that are already paying numerous fees. Businesses with a large amount of impervious are will be hit pretty hard with this.

Councilman Drybread said the other thing is a lot of storm water issues are now mandated. The MS4 group meets every month and discusses issues with the storm water utilities. Edinburgh is currently the only town in Johnson County without a storm water fee. \$3 also would be one of the lowest fees charged in the county. Umbaugh had said \$5 would be a good place to start but the town decided it needed to be done in increments. Schools and churches would also be effected. Nobody is exempt because it is not a tax. He said they will try to meet with as many business owners as possible to educate them on why the fee is being implemented.

John Bodine said where his business is located they do not touch a storm sewer and the property has its own retaining pond. He believes there will be some business owners not happy about this fee. He asked if the council believes it is right that those businesses be effected.

Councilman Drybread said he believes when you look at how it is figured it is fair.

Mr. Ruble said in these scenarios the run-off may not necessarily run into an inlet box that then goes to a pipe but it is running off into some type of drainage system whether it is the sewer system or a roadside ditch. It all has to be operated and maintained.

Councilman Drybread said it is a discussion that will need to be had with the business owners and get their point of view on the matter.

President Hoffman said it is a good point and as the process progresses there will be meetings with business owners to discuss the fee. They are more than welcome to express their feelings on the matter and the council will be happy to listen.

John Rondot asked who would figure the square footage and how.

Mr. Ruble said that has already been done by Ladd Engineering. They used updated aerial photography and traced all the impervious areas. They then calculated the square footage from those maps.

President Hoffman thanked Mr. Ruble for his presentation and thanked everyone for their comments and concerns.

President Hoffman said next on the agenda was the Timbergate Annual Report by Mr. Wayne Gibbs.

Mr. Gibbs said he handed out a copy of the 2013 annual report to each of the council members. He showed that in 2013 the revenues were \$919,509. That number is in line with the revenues for the past few years. It is down a little from 2012 when the weather was perfect for golf year round. Golf course numbers state and nationwide were down in 2013 compared to 2012. Expenses for the year were \$1,349,000 which leaves a shortfall of about \$430,000. Taking the bond payment from that number leaves a net loss of about \$29,000. The next slide showed a breakdown of where the revenue numbers came from. The green fees were down drastically from 2012 mainly because of the poorer golf weather in 2013. Green fees also drive the rest of the numbers. When more customers are able to golf they spend more in the snack bar and in the pro shop. He said the simulator numbers continue to rise and he expects that to continue as more and more people visit and realize the course has that option.

Councilwoman Ervin asked if there were any maintenance costs associated with those as of yet.

Mr. Gibbs said the only maintenance has been replacing a few light bulbs. He said he does anticipate having to purchase some new courses for them as people are getting tired of the same courses over and over. That can be up to \$4,000. He continued to the next slide which outlined how many rounds of golf were played at the different rates. There were a total of almost 23,000 rounds played in 2013. That was down from 25,000 in 2012 but still well above the state average for the year. His next slide showed a breakdown of the expenses for the year. The biggest expense is always the bond payment of about \$450,000 per year. The next largest number goes to payroll and benefits at 31%. Of the \$1,349,000 in expenses, revenues paid for \$969,988 and tax dollars paid for the \$379,788. He showed the budget history of the course and how it has decreased over \$100,000 in the last 5 years. The final slide showed the improvements done to the course in 2013. Those included a new range cart, repair of the planter box, seal coating the parking lot, and renovating the pump house and on-course restrooms. He opened the floor for questions from the council. Being no questions he thanked the council for their time.

President Hoffman thanked Mr. Gibbs for his presentation.

Council Comments

Clerk Treasurer Finley passed out a copy of the 2014 budget order 1782 notice. He said the only cut that was made was to the Parks Department. That cut was just over \$10,000. He said he wanted to point out the tax rate from each county. The Bartholomew County rate in 2013 was 2.2856 and for 2014 it is 2.2062. The Johnson County rate in 2013 was 2.2438 and for 2014 it is 2.1836. The Shelby County rate for 2013 was 2.2698 and for 2014 it is 2.1880.

Mr. Finley said he and John had been speaking about disconnect procedures. Looking through our procedures there is no real policy in place for what to do as far as disconnects go and what temperature is acceptable to disconnect a customer for lack of payment. Now that dispatch has moved to Johnson County the town needs to decide whether or not to perform after hours disconnects and reconnects. He said in short he believes a policy needs to be in place for electric and water disconnects to protect the town. He asked for a motion for himself, John Drybread, and Mary Patterson to work on a policy and have it drafted by Mr. Huddleston.

Councilwoman Ervin made a motion to allow the staff and Mr. Huddleston to draft a utility policy to put before the council for approval. Councilman Rooks seconded. Unanimous.

Mr. Finley said that Mr. Watson also wanted to make sure that the council asked Mr. Huddleston to get started on the contract between the town and the general contractor that would be working on the grain elevator demolition. Bids have not been accepted yet but the contract needs to be ready for when a bid is accepted. It is important the town does not miss any of the deadlines because the town could then lose the grant.

Councilman Simpson made a motion to allow Mr. Huddleston to draft a contract between the Town of Edinburgh and the general contractor that will be selected for the demolition of the grain elevator. Councilman Drybread seconded. Unanimous.

Public Comments

Ron Hazlegrove said he was present on behalf of the Lions Club to ask for help funding the 2104 Fall Festival.

President Hoffman asked what the town had given in the past for the festival.

Councilman Drybread said usually \$3,000 is given to help with the festivities.

Councilman Drybread made a motion to set aside \$3,000 for the Lions Club to help fund the 2014 Fall Festival. Councilman Rooks seconded. Unanimous.

John Rondot said he believes the town needs to have a very good explanation of how the storm water fee process works because it is more complicated than just a flat fee. He believes there are going to be a lot of questions and the council should be ready for them.

Being no further business or comments, Councilman Simpson made a motion to adjourn the meeting. Councilman Drybread seconded. Unanimous.

EDINBURGH TOWN COUNCIL



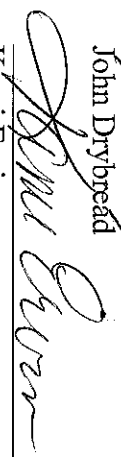
Ron Hoffman, President



Curtis Rooks, Vice President



John Drybread



Kandi Ervin



Jeffrey A. Simpson

ATTEST:



Scott Finley, Clerk-Treasurer