Subject to approval at the May 3, 2010, Common Council

CITY OF WEST LAFAYETTE
COMMON COUNCIL
PRE-COUNCIL MINUTES
APRIL 1, 2010

The Common Council of the City of West Lafayette, Indiana, met in the Lower Level Conference Room at City Hall on April 1, 2010, at the hour of 4:30 p.m.

Mayor Dennis called the meeting to order and presided.

Present: Bunder, Burch, Dietrich [arrived at 4:47 p.m.], Hoggatt, Hunt, and Keen.
Absent: Thomas.

Also present were City Attorney Burns, Clerk-Treasurer Rhodes, City Engineer Buck, Housing Program Coordinator Dixon, Police Chief Dombkowski, Street Commissioner Downey, Fire Chief Drew, Human Resources Director Foster, Parks Superintendent Payne, Marketing and Grants Administrator Shaw, and Assistant City Engineer Thompson.

Mayor Dennis reviewed agenda items.

UNFINISHED BUSINESS: None.

NEW BUSINESS:
Ordinance No. 07-10 An Ordinance Providing For Temporary Loans From A Fund Having Sufficient Balance To A Depleted Fund (WWTU to General Fund and Parks & Recreation Fund) (Prepared by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 07-10 by title.

Councilor Burch asked what the money will be used for. Clerk-Treasurer Rhodes replied that it would be used for cash flow purposes, paying bills and meeting payroll, until the City receives additional revenues and its tax draw.

There was no further discussion.

Ordinance No. 08-10 To Amend Certain Portions Of The Unified Zoning Ordinance Of Tippecanoe County, Indiana, Designating The Time When The Same Shall Take Effect (UZO Amendment #64) (Submitted by Area Plan Commission)

Mayor Dennis read Ordinance No. 08-10 by title.

There was no further discussion.

Ordinance No. 09-10 An Ordinance Authorizing The City Of West Lafayette, Indiana To Issue Its "Economic Development Revenue Bonds, Series 2010 (Westminster Village Project)" And Approving Other Actions In Respect Thereto (Sponsored by Mayor John Dennis)

Mayor Dennis read Ordinance No. 09-10 by title.

Councilor Hunt requested a review of the ordinance.

Ms. Denise Barkdull [Ice Miller LLP], bond counsel for Westminster, explained that the bonds would be tax-exempt issued by the City, the proceeds of which would be lent to Westminster Village for their project. The City is acting as a conduit, lending its ability to borrow at a lower tax-exempt interest rate to businesses in the community that qualify. The City has no obligation to repay and the bond does not affect the City's credit. Previously, regulations controlling bond issues were such that nonprofit transactions took a portion of the municipality's bank-qualified bonding authority. As a result of the 2009 stimulus bill, that regulation was removed, and nonprofit entities have their own $30 million allocation per year. Currently that is scheduled to expire at the end of 2010. Westminster has sent a proposal to various lenders to purchase the bonds, as this will likely be a bank-purchased transaction. Those bids are due by April 16, so by the meeting of the Economic Development Commission on April 29 and the Council meeting on May 3, the lender should be known.

Mr. Tom Pearson [Chairman, Westminster Board of Directors] introduced other representatives of Westminster: Dave Luhman, Vice-Chairman; Ken Burns, Finance Committee Chair; Vicki Gregory, Executive Director; Steve Haben, Facilities Chair. Mr. Pearson described the project and showed a diagram to illustrate it.

Councilor Bunder mentioned that Westminster does pay PILOT, payment in lieu of taxes, funds. Mr. Pearson said that Westminster had increased that amount by 50% about a year and a half ago, noting that Westminster values the fire and police services that are utilized.

Councilor Bunder asked if Westminster is unique in paying PILOT funds, or whether University Place also contributes to the City. Clerk-Treasurer Rhodes responded that Westminster is unique. She added that University Place was founded as a for-profit organization and obtained nonprofit status, citing its similarity to Westminster, and has not made donations. GreenTree is a for-profit enterprise, so pays taxes.

Mayor Dennis said that Fire Chief Drew and Police Chief Dombkowski have done some preliminary assessments of runs and the impact of the project.

Councilor Hunt expressed thanks for Westminster's participation at the Farmers Market, their help with the trails, and other community involvement. Westminster was an early Beautification Award winner.

Councilor Hunt asked about the number of new beds in the healthcare facility. Mr. Pearson said that the current bed count is 58, and that will grow to 73 when the project is completed.

Ms. Barkdull clarified that the addition of the 15 beds in the nursing facility, making renovations to social center, refinancing some existing debt, and have set aside funds for land acquisition for future expansion. Those elements make the $20 million bond request.

Councilor Hunt stated that she liked having a rehabilitation unit on the west side of the community.

Clerk-Treasurer Rhodes asked if there were a use of funds schedule available. Mr. Barkdull answered that it will be in one of the attachments to the ordinance, cautioning that no bank has yet been selected, so that may change, tailored to the bank's requirements. Councilor Hunt asked City Attorney Burns whether Ordinance No. 09-10 will be amended before second reading as a result. Mr. Burns responded that the Council is authorizing up to a certain amount under certain conditions. He noted that in the second WHEREAS, there is an Economic Development Commission meeting that will be held with a public hearing conducted at that, and the EDC will be taking action also. That meeting is scheduled for April 29. Ms. Barkdull noted that the EDC meeting is prior to Pre-Council and the final Council reading of this ordinance. There will be a revised document to comply with statute. The bank-negotiated items, such as interest rate maturity dates and redemption features, not enumerated do not affect the City. The ordinance will authorize the parties who would make any additional changes.

Councilor Bunder asked for clarification that the Council has done this sort of thing previously with Westminster. City Attorney Burns answered that the Council has done this with the prior managers of Westminster.

Mr. Burns asked, if there were 10 other organizations which requested $20 million projects, would there be anything that would prevent the City authorizing those requests. Ms. Barkdull answered that they would have to be nonprofits, have to qualify for tax-exempt. With the change in the 2009 stimulus bill, each nonprofit gets its own $30 million per year to issue bank-qualified bonds to be purchased by banks, and it does not affect the City.

Councilor Bunder questioned whether anything bad happened to the City when the prior Westminster group "went away." Clerk-Treasurer Rhodes answered that the Council approved Ordinance 16-79 in 1979, and documents in her office indicate that there was a foreclosure in 1981, but there was no detriment to the City with that transaction. Ms. Barkdull added that the City does not have to repay that, nor does it affect the credit rating.

Councilor Hoggatt asked why the City's name carried any weight. Ms. Barkdull responded that the federal government has restricted organizations who can borrow on a tax-exempt basis, but they recognize the benefit of economic development. One of the "carve-outs" of governmental entities borrowing tax-exempt, but they allow governmental entities to benefit businesses in their areas by lending them their tax-exempt borrowing ability under very limited circumstances. Nonprofits are included, and cities can loan their ability to borrow tax-exempt to nonprofits in their area. There are certain other for-profit areas—small manufacturing companies, solid waste, etc.—but it is very limited except for nonprofits. It is a way that the federal government has recognized a community incentive by helping nonprofits and businesses in their area, but it is limited in nature.

There was no further discussion.

<u>Resolution No. 03-10</u> A Resolution To Approve The West Lafayette Public Library Capital Funds Project (Prepared by the Clerk-Treasurer) **PUBLIC HEARING**

Mayor Dennis read Resolution No. 03-10 by title.

Councilor Hunt asked whether the WLPL Capital Funds Project will increase taxes. Mr. Nick Schenkel [Director, West Lafayette Public Library] responded that the request is for the same amount as last year, the tax rate will remain the same.

Clerk-Treasurer Rhodes asked if the rate is capped, so that if the assessed valuation rises, the rate is adjusted down, so that the revenue is constant. Mr. Schenkel answered that that is the case, that the rate is capped at $0.013. Clerk-Treasurer Rhodes added that a number of cumulative rates function to fix the amount of collections, so that $0.013 is adopted for this particular assessed valuation, but if the AV rises, the DLGF reduces the rate, so that there is a constant amount collected.

Clerk-Treasurer Rhodes asked how much it will cost the Library to put the "P" back in the parking garage sign. Mr. Schenkel responded that he would address that, but that "P" is a popular letter in our community.

There was no further discussion.

Resolution No. 04-10 A Resolution Appropriating Insurance Recovery Received For Damage to City Property (Prepared by the Clerk-Treasurer)

Mayor Dennis read Resolution No. 04-10 by title.

Clerk-Treasurer Rhodes explained that this is a re-do because the receipt was adjusted for another fund.

There was no further discussion.

COMMUNICATIONS

►Councilor Dietrich stated that the Budget and Finance Committee meetings would begin in the next few weeks. He will work with Clerk-Treasurer Rhodes to schedule these.

►Councilor Hunt called attention to the Tippecanoe County Recycling Guide which was provided by Wildcat Creek Solid Waste District. The new West Lafayette flyer for recycling and trash pickup will be sent soon, since the comingled recycling program begins the week of April 13. There is a recycling/composting/comingling workshop at the Lilly Nature Center on Wednesday, April 21, from 7:00 to 8:30 p.m.

ADJOURNMENT:

There being no further business at this time, Councilor Burch moved for adjournment, and Mayor Dennis adjourned the meeting, the time being 4:57 p.m.