

CITY OF WEST LAFAYETTE
COMMON COUNCIL
PRE-COUNCIL MINUTES
December 29, 2009

The Common Council of the City of West Lafayette, Indiana, met in the Lower Level Conference Room at City Hall on December 29, 2009, at the hour of 4:30 p.m.

In the absence of Mayor Dennis, Councilor Burch called the meeting to order and presided.

Present: Bunder, Burch, Dietrich, and Hoggatt.

Absent: Hunt, Keen, and Thomas.

Also present were Clerk-Treasurer Rhodes, Street Commissioner Downey, Fire Chief Drew, WWTU Director Henderson, and Director of Development Poole.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

Ordinance No. 01-10 An Ordinance To Extend The Time For Repayment Of Temporary Loans Outstanding From 2009 (Prepared by the Clerk-Treasurer)

Councilor Burch read Ordinance No. 01-10 by title.

Clerk-Treasurer Rhodes explained that State statute allows for temporary loans from the Wastewater Utility to City funds for cash flow purposes. During 2009, several temporary loans were utilized, with the stipulation that they were to be repaid by December 31, 2009. Due to delays in remittance of property taxes and other revenues by the County, it is not possible for the City to meet its obligations and repay the loans. Statute allows the loans to be extended upon action of the Council and the Board of Works. The extension requested is to March 31, 2010, by which time the Auditor should have disbursed all funds. The total amount outstanding to the General Fund on December 31, 2009, will be \$2,000,000, and Parks & Recreation will have a \$300,000 temporary loan balance from the Utility. The statute requires that the Council declare that an emergency exists in order to allow the extension.

Councilor Dietrich asked what would happen if the revenues were not forthcoming. Clerk-Treasurer Rhodes answered that the Council could extend the deadline again, to June 30, if that were to happen.

Councilor Burch asked if two readings would be needed. Clerk-Treasurer Rhodes responded that it would be necessary.

There was no further discussion.

Ordinance No. 02-10 An Ordinance Requesting An Additional Appropriation – Fire Pension Fund (Prepared by the Clerk-Treasurer)

Councilor Burch read Ordinance No. 02-10 and observed that Clerk-Treasurer Rhodes submitted an amendment to the ordinance.

Clerk-Treasurer Rhodes requested that the Council amend the ordinance by substitution. Her explanation addresses specifically the amended version of the ordinance. The 2009 budget for the Fire Pension Fund was insufficient to meet the pension obligations, due to a drop in the roster later than anticipated. Therefore, pensions in December exceed the appropriation. There is sufficient cash balance to meet the obligation. In the Police Pension Fund, there was a shortfall of \$0.36. Neither amount is material, but is the role of the Council to authorize all expenditures. The Clerk-Treasurer requested that the Council authorize the expenditures that were made on behalf of the Pension Funds and approved by the Pension Secretaries, the Clerk-Treasurer, and, in the Police Pension Fund, the Mayor, as well, in December. The action is retroactively effective to December 15, 2009 and is requested to be ratified by the Council.

Councilor Bunder moved to amend Ordinance No. 02-10 by substitution. Councilor Dietrich seconded. The motion passed by unanimous voice vote.

There was no further discussion.

Ordinance No. 03-10 An Ordinance To Approve Blanket Bond Coverage For 2010 (Prepared by the Clerk-Treasurer)

Councilor Burch read Ordinance No. 03-10 and asked Clerk-Treasurer Rhodes to explain the ordinance.

Clerk-Treasurer Rhodes explained that, since 2007, the City has utilized insurance to meet the bonding requirements for public officials. The Clerk-Treasurer, the City Judge, the Court bailiff, the Pension Secretaries, the Redevelopment Commissioners, and the Utility Director are all required to be bonded, because of their appointed positions. Additionally, all employees who handle money ought, by good business practices, be covered by crime insurance. The policy that the City has had in place and renewed since 2007 meets the requirements of the State to serve in place of separate public officials surety bonds. It is more cost effective for the City to use insurance than to have separate bonds. Each year, the Council must approve the policy. The Clerk-Treasurer provided the 2009 policy and background material. Both the Mayor and the President of the Council sign the document, then it is recorded.

Clerk-Treasurer Rhodes stated that the maximum by statute that a public official who handles money must be bonded for is \$300,000. While this may not be adequate for an operation the size of the City, the blanket bond meets that, and crime insurance and the rest of the policy exceeds the limits. Council approval of the ordinance is necessary to demonstrate that City officials are covered and properly bonded at the beginning of the year.

Councilor Dietrich asked whether the premium is \$1,126. Clerk-Treasurer Rhodes responded that that was the amount, adding that the premium is prorated among the various units in the City, primarily the Utility and the Clerk-Treasurer's Office. Councilor Burch asked if the premium payment is made annually. The Clerk-Treasurer responded that it is an annual payment.

Councilor Dietrich raised several questions about the specific coverage and recovery. Clerk-Treasurer Rhodes responded to those. To help address Councilor Dietrich's questions, Clerk-Treasurer Rhodes said that she would ask John Willis, the Executive Vice President of MBAH Insurance, to speak at the Council meeting on Monday.

Councilor Hoggatt offered a “friendly” amendment to correct two errors in Section 1. By agreement of those present, the corrections will be made before Monday’s meeting.

There was no further discussion.

COMMUNICATIONS

► Street Commissioner Downey announced that snow removal began on Saturday at 1:00 a.m., and employees were on the road to Monday at 3:00 p.m. So far as he was aware, there were only three citizen concerns

ADJOURNMENT:

There being no further business at this time, Councilor Bunder moved for adjournment, and Councilor Burch adjourned the meeting, the time being 4:46 p.m.