

Subject to approval at the July 2, 2012, Common Council Meeting.

CITY OF WEST LAFAYETTE
COMMON COUNCIL
PRE-COUNCIL MINUTES
May 31, 2012

The Common Council of the City of West Lafayette, Indiana, met in Council Chambers at City Hall on May 31, 2012, at the hour of 4:30 p.m.

Mayor Dennis called the meeting to order and presided.

Mayor Dennis explained that the purpose of Pre-Council meetings is really for administrative processes. Items on the agenda are reviewed and any questions that come up are addressed without really getting into the meat of what is on the agenda. This is so that the Council Meeting runs more smoothly.

Mayor Dennis announced that the June 4th Council meeting location had been changed to the West Lafayette High School auditorium in order to ensure the safety, comfort, and visibility for the expected large crowd. The meeting will be held at the usual time of 6:30 p.m.

Councilor Hunt asked if the map to West Lafayette High School could be put on the City website. Information Technology Manager Newman said he would take care of it, but clarified that it was actually already on the website. Councilor Burch confirmed the map was there.

Mayor Dennis said the notice of the meeting location change has already gone out to the media and there are signs posted on the doors notifying the public of the meeting change in case someone comes for the meeting and did not know of the location change. He asked Information Technology to make a note on the City website to direct the public to the map.

Present: Bunder, Burch, Dietrich, Hunt, Thomas, and VanBogaert.

Absent: Keen

Also present were City Attorney Burns, Clerk-Treasurer Rhodes, Public Works Director Buck, Police Chief Dombkowski, Street Commissioner Downey, Human Resources Director Foster, Fire Chief Heath, WWTU Director Henderson, Parks Superintendent Payne, Information Technology Manager Newman, and Director of Development Poole.

COMMITTEE STANDING REPORTS

Mayor Dennis asked if everyone would be agreeable to simply noting that the Committee Standing reports will be on file with the Clerk-Treasurer's Office and not actually giving the report at the Council meeting. The Councilors agreed. The Beautification Award would remain on the agenda.

REPORT OF APC REPRESENTATIVE

Mayor Dennis noted that in talking with Councilor Keen regarding his inability to attend Pre-Council this month, Councilor Keen indicated there was nothing to report with regard to the Area Plan Commission (APC) meeting except that there will be discussion regarding the projects at 720 Northwestern and the Schroeder project.

Economic Development Attorney Tom Brooks commented that he was told that the June APC meeting should be the longest APC meeting in history, with many West Lafayette projects up for discussion.

SPECIAL REPORTS AND NOMINATIONS

Mayor Dennis asked if the Councilors would be agreeable to address these two items at Pre-Council. The Mayor took the unanimous consent of the Council to address the 2012 Tax Abatement Compliance review and the nomination to the Human Relations Commission at Pre-Council.

2012 Tax Abatement Compliance Review

Director of Development Poole explained that the 2012 Tax Abatement Compliance Summary has been filed with Tippecanoe County. He said he was happy to report that the City has nine tax abatements and all of them are within compliance. We had one active abatement naturally expire in 2011. When an application is filled out for tax abatement, there is a statement of benefits included. Of the nine abatements that are active, there was a total listed estimate of 934 created jobs. On the CF-1 forms, in which the created jobs are actually reported, there were a total of 1,089 created jobs. It is good news that more jobs were created than originally anticipated.

Councilor Thomas asked if there hadn't been a company out of compliance on Director Poole's last report. Director Poole responded that there was a company that had sold off some of their assets, then sold themselves, and then decided not to be actively engaged anymore so they self-terminated their tax abatement. Purdue Research Foundation (PRF) voluntarily withdrew one of their abatements as well, which took the list down to nine active abatements.

Nomination To Fill Term On Human Relations Commission

Councilor VanBogaert explained that David Rosenthal, who is currently the Secretary of the Human Relations Commission, graduated from Purdue earlier in the month and moved to Washington, D.C. Councilor VanBogaert thanked Mr. Rosenthal for his service on the Commission since the student position on this Commission was created in 2007. Councilor VanBogaert said Mr. Rosenthal has really gone above and beyond what people expected in that role in actively helping the Commission conduct its business. Several students were identified last semester as possibilities for the position. Laura Blackburn has expressed interest in the position and is very qualified for the role. She has served in several legislative intern positions including the US Congress and the Indiana House of Representatives. She is currently a part-time information technologist for Purdue University in addition to being an undergraduate student in the Political Science Department. She helped develop the first online reporting system for discrimination and harassment complaints at Purdue University. Councilor VanBogaert nominated Laura Blackburn to fill the remaining term on the Human Relations Commission for David Rosenthal.

Councilor Dietrich seconded the motion.

Councilor Bunder asked when Mr. Rosenthal's term ends. Councilor Hunt responded that she believed they are three year terms, so the term would end in 2013.

Councilor VanBogaert reported that Laura Blackburn plans to be part of the History PhD program at Purdue University so she will be around for several more years.

Clerk-Treasurer Rhodes called the roll call vote:

	AYE	NAY	ABSENT	ABSTAIN
Bunder	✓			
Burch	✓			
Dietrich	✓			
Hunt	✓			
Keen			✓	
Thomas	✓			
VanBogaert	✓			

Clerk-Treasurer Rhodes stated that the vote was 6 AYES and 0 NAYES.

Mayor Dennis announced that Laura Blackburn has been unanimously appointed to the Human Relations Commission.

UNFINISHED BUSINESS

Ordinance No. 11-12 An Ordinance Authorizing the City Of West Lafayette, Indiana To Issue Its "Economic Development Revenue Bond, Series 2012 (Faith West Project)" And Approving Other Actions In Respect Thereto (Sponsored by Mayor Dennis)

Mayor Dennis read Ordinance No. 11-12 by title and asked for comments or questions.

There was no further discussion.

Ordinance No. 12-12 An Ordinance To Establish The Cumulative Capital Development Fund And Readopt West Lafayette City Code Provisions Concerning The Fund (Submitted by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 12-12 by title and asked for comments or questions. He noted that both Ordinance No. 11-12 and Ordinance No. 12-12 will be second and final readings.

There was no further discussion.

NEW BUSINESS

Ordinance No. 13-12 An Ordinance Requesting An Additional Appropriation For The General Fund And The Fire Pension Fund (Prepared by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 13-12 by title and asked for comments or questions.

There was no further discussion.

Resolution No. 09-12 A Resolution Appropriating Insurance Recovery Received For Damage To City Property (Prepared by The Clerk-Treasurer)

Mayor Dennis read Resolution No. 09-12 by title and asked for comments or questions.

Clerk-Treasurer Rhodes noted that funds received were from an accident involving a police vehicle.

There was no further discussion.

COMMUNICATIONS

► Clerk-Treasurer Rhodes explained that when the Council met following the last Pre-Council meeting for a work session on the 2013 budget, she gave them a preliminary review of the City's cash position as of the beginning of the year. At that time, the City had not received the circuit breaker report from the Auditor, but there were estimates based on calculations from the abstract billing that was prepared in early April. By the beginning of early May, the Auditor had related that over 4,000 corrections to parcel classifications were received from the Assessor. The effect of that was significant, in terms of the fact that the circuit breaker increased for the overall county, but the effect on West Lafayette was going from a circuit breaker that was about the same from 2011 to 2012 to going to a circuit breaker that was almost 50% higher, nearly a \$230,000 loss of levy. Clerk-Treasurer Rhodes said she believes we are among the top rungs of municipalities affected by circuit breaker. She reported that she has re-run the numbers of the worksheet she previously gave the Council and would like to give the revision to the Council members tonight for review. Between the General Fund and the Rainy Day Fund we are still mid-20% to 24% cash reserve. The impact is that the circuit breaker took about 2% off what was about a 22% to 23% reserve in the General Fund. In addition, our additional appropriation increased a little bit over what we had discussed at the end of last budget work session because of an additional retirement in the Fire Department that was unexpected. The main cost, to revisit those items again, is separation payments for the retiring firefighters. Clerk-Treasurer Rhodes said she wanted to insure the Council members had the new figures before the discussion of additional appropriations was held on Monday. She offered to stay after the Pre-Council meeting to review the new worksheet and answer any questions.

Councilor VanBogaert asked if Judy had the figure for the cash reserve percentage the state recommends. Clerk-Treasurer Rhodes responded that she was recently at an Indiana Association of Cities and Towns (IACT) budget workshop and they indicated 15% would be acceptable.

Councilor VanBogaert asked if we are still in excess of that. Clerk-Treasurer Rhodes responded that we are well in excess of that and are very financially sound. However, it should be noted that circuit breaker has not plateaued. It appears to be increasing.

Mayor Dennis noted that due to the circuit breaker the City has lost revenues of over \$1.7 million. Clerk-Treasurer Rhodes confirmed that to be true.

Councilor Dietrich asked if the 4,000 corrected properties are still in flux or if their assessment classification has been decided upon. Clerk-Treasurer Rhodes responded that her understanding was that the changes occurred when the properties were identified as having improper classifications. When the proper classifications were entered, she suspects they were changed from the 3% cap on commercial business to the 2% cap on commercial residential (non-homestead) real estate. Clerk-Treasurer Rhodes reminded everyone that most of the City's assessment is commercial residential (non-homestead) real estate. When that was all entered the increase in circuit breaker for the county was less than the increase for West Lafayette circuit breaker.

Attorney Burns asked how much bigger the county's budget was compared to the City of West Lafayette. Mayor Dennis responded that the county budget is three times bigger than West Lafayette's.

Clerk-Treasurer Rhodes noted that county-wide, the effect of the circuit breaker change was \$180,000, and yet the City of West Lafayette went up \$230,000, which shows the tremendous impact in West Lafayette.

Councilor Bunder asked for an example of one of the reclassifications. Clerk-Treasurer Rhodes said she did not have that answer. She offered to make an inquiry with the Assessor asking if she can characterize the changes in properties for West Lafayette. She made note that the abstract billing does not actually change, so when changes are made there are several different pieces of the puzzle to look at to try to make sense out of what actually occurred. It is not all held in one report format. Clerk-Treasurer Rhodes added that from looking at parcel detail on the TIF report, there was at least one parcel which was discovered to have never been billed at all for at least three or four years. Now the bill has been sent and will be paid. The system is being combed through. The position the City of West Lafayette has found itself is a very unusual situation.

Councilor Bunder asked whether it was important to know this. Clerk-Treasurer Rhodes responded that the most important information to know was whether the change is permanent or whether this is an indicator of volatility and we can expect to see these kinds of corrections every year. It is difficult to do budget planning in a very volatile adjustment and property classification situation. Clerk-Treasurer Rhodes said that as far as she could tell if this is a permanent change, barring appeals, our circuit breaker will be closer to three quarters of one million dollars rather than one-half of one million dollars in our levy. She said she will follow-up with any overview that can be provided.

Councilor Bunder asked if we could find out whether the changes made reflect trends from residential to commercial or commercial to some other grade and might be permanent changes that would be interesting to know. Clerk-Treasurer Rhodes explained that when you see a circuit breaker increase it is reflective of properties being moved down to a lower bracket – from 2% to 1%, or 3% to 2%. An example would be a property without a homestead going to a property with a homestead. However, given the West Lafayette tax base, Clerk-Treasurer Rhodes felt to make that kind of huge swing, it is more likely reflective of properties going from commercial business classification to commercial residential (non-homestead), than properties going from commercial residential (non-homestead) to homestead.

Councilor VanBogaert asked if a student apartment complex would be a commercial property. Clerk-Treasurer Rhodes responded it would be non-homestead, which holds the 2% tax cap. However, there was some discussion in the past about whether the building fell within the 2% tax cap and the parking lot fell within the 3% tax cap. She said she would try to get some kind of report on what is the primary change within West Lafayette.

► Councilor Hunt reported that the annual Art in Bloom tour will be on June 23rd from 10:00 a.m. to 3:00 p.m. and begin at Covenant Presbyterian Church, with art for sale in the gardens. Mayor Dennis said he will be unable to attend due to participating in a triathlon that weekend.

► Councilor Dietrich asked if he could assume the Council can learn a lesson from the Economic Development Commission and not entertain questions or comments as to the legality of the tax abatement. Mayor Dennis said he would address that at the Council meeting.

ADJOURNMENT

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