

CITY OF WEST LAFAYETTE
COMMON COUNCIL
MINUTES

MAY 1, 2006

The Common Council of the City of West Lafayette, Indiana, met in the Council Chambers at City Hall on May 1, 2006, at the hour of 7:30 p.m.

Mayor Mills called the meeting to order and presided.

The Pledge of Allegiance was repeated.

Present: Griffin, Hunt, Keen, O'Callaghan, Plomin, Satterly, and Truitt.

Also present were City Attorney Bauman, Clerk-Treasurer Rhodes, Director of Development Andrew, Public Works Director Downey, Fire Chief Drew, Police Chief Marvin, and Parks Superintendent Payne.

MINUTES: Councilor Griffin moved for acceptance of the minutes of the March 16, 2006, Special Meeting; March 30, 2006, Pre-Council Meeting; and the minutes of the April 3, 2006, Common Council Meeting. Councilor Satterly seconded the motion, and the vote was AYE.

COMMITTEE STANDING REPORTS:

STREET AND SANITATION: Councilor Satterly presented this report.

In the Street and Sanitation report on the April monthly highlights, all loose yard waste, in other words grass clippings, leaves, small twigs, must be placed in rigid containers with handles. Tree limbs may lie on the curb line. The City does not pick up contracted work by tree services. Be sure to place your trashcans out of the way of your mailbox and driveway. Mosquito season is rapidly coming upon us with all the recent rains. In order to prevent mosquitoes, be sure to empty any pots you have with standing water in them, fill all ruts in your yard, and clean your eaves and downspouts on your home. Replace the water in birdbaths every couple of days. As far as sanitation and recycling, the recyclable sales for the month of April were a little over \$12,000. On the Motor Vehicle Highway Fund activities, the department spent 134.5 hours in street sweeping, and 68.25 hours in pothole patching. That completes the Street and Sanitation report.

WASTEWATER TREATMENT UTILITY: Councilor Satterly presented this report.

In the month of March, the total flow was 328 million gallons, percent treated 96%. There was some overflow at the Wet Weather Facility of 12 hours, four events. Dehart Street 10.25 hours in five events. Quincy Street 0.5 hour during one event. Sewers cleaned-over 1,000 lineal feet, over 11,000 feet were televised to check the condition of the sewers. That completes that report.

Mayor Mills said we will have tonight our annual rate review discussion for the Wastewater Utility, and Gary Malone and Deen Rogers are here from H.J. Umbaugh. Before they start, I just want to take a moment to congratulate them, because Umbaugh has won an award this year. They are, once again, listed as Indiana's leading financial advisor by The Bond Buyer, which is a quite high accolade for being in the top ten in the Midwest. They did, in 2005, more than \$1.6 billion of open market bonds, and that's more than 100

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

individual bond issues. I just wanted to take the time to say congratulations, and thank you for being here to talk about our rate review tonight.

Mr. Malone [H.J. Umbaugh and Associates] said thank you very much for that congratulations. We really do appreciate it, and we really appreciate it the opportunity that the City has given to our firm over many, many years to serve as financial advisor. It means a great deal to all of us. So thank you. Once again, we're back to talk about the wastewater rates. I believe each of you should have received a copy of the report that summarizes the results of our work for this year. This is the same format and same approach as we've taken in the previous years. What I've tried to do this evening, though, is use a PowerPoint just to highlight some of the findings that we've made that we think were most significant. I also, by the way, gave each of you a copy of the PowerPoint, because this has happened before. While Deen [Mr. Rogers] is working on that, I can go ahead and get started, and kind of go through the slides you have in front of you. Feel free to stop me as we go along, if you have any questions. The first slide that you should have in front of you is labeled Operating Revenues and Expenses. This is really extracted from page 3 of the report. But the portion that's shaded in yellow represents the revenues that have been recorded by the utility over the last three years, and the column shaded in green represents the expenses over the last few years. I might point out that between 2004 and 2005, operating revenues increased from about \$6.6 million to \$7.2 million. As you may recall, there was a 12% increase in rates that became effective in July of last year. That accounts for part of it. Although we don't see all those revenues, because, if you also recall, the City reached an understanding with Purdue University that there would be a reduction in the metered flows to account for lost water, so to speak, over the next few years, to give them an opportunity to fully meter their system. And so the increase in revenues probably would have been a little bit higher, had it not been for that offset. The operating expenses increased from \$3.7 million to \$4.3 million. Of this \$600,000 increase, only \$60,000 of this increase is related to what we term cash operating expenses. Those are day-to-day costs to operate and maintain the system. The other \$550,000 increase reflects a charge against depreciation, because, as the City invests more in its plant, the depreciation expenses increase each year. The next slide shows what has happened with the cash investment balances over the last few years. Between 2004 and 2005, cash investment balances grew from \$7.6 million to \$9.6 million. That's about a \$2 million increase. As we'll see in a few slides from now, we'll see that part of the reason for that increase is because monies that had been earmarked for improvements into the collection system and lift stations, not all those monies were spent during that period, but it is an expenditure that you'll expect in the future. We'll also see that the operating expenses were less than budgeted, and most of that has to do with positions that were budgeted but had not been filled during the course of the year, which resulted in savings in operating expenses. The next slide comes from page 5 of the report. It compares the fund balances of the utility at the end of 2005 with the fund balances that are required by the bond resolutions. The total cash investment balances of \$9.6 million are compared to those minimum requirements of \$6.9 million, leaving an available fund balance over and above the minimums that are required of about \$2.8 million. That can be better seen on the next slide, which comes from pages 5 and 6 of the report, of where that available funds come from. Within the operation and maintenance account, if you recall, we need to set aside monies for two months' expenses in that account. That account is fine, it's

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

fully funded. The bond and interest account, we need to set aside money to make sure the bond payments are met. That account is fully funded. The debt service reserve is to set aside monies equal to one year's, the maximum principal and interest payment. That account is in the process of being funded, and all deposits have been made appropriately through the end of 2005. The replacement account, this is the money that's set aside to replace the equipment that was funded through the SRF loans. This account actually has about \$665,000 more than is really needed in that account. Judy [Clerk-Treasurer Rhodes]?

Clerk-Treasurer Rhodes said since you made that statement, I'd just like to make a correction. I want to explain to the Council that when this firm is asked to do the rate review, they communicate directly through the Mayor. They don't communicate with me, with the financial manager of the wastewater utility, and we don't get an opportunity to review this in draft. So I'll have to go ahead now that it's out here. In fact, there's a local equipment replacement fund named by the utility several years ago. It was really a misnomer that hadn't anything to do with the equipment replacement fund of the SRF. After many years, they did separate them, and actually it's just a sub account of the improvement fund. So the \$665,186 is really just part of the improvement fund that's designated for local equipment replacement. It's not part of the SRF program, and that brings that bottom total up there by that amount. So we just had that kind of in a gray area, and it really needs to get accounted for in the improvement assets.

Mr. Malone said that's a good point, but both these accounts are used for improvements, but one is simply tracking what has to be set aside for the SRF account, but that was going to be our next comment—

Mayor Mills said and actually, just to clarify, the financial advisor for the utility does see all of this ahead of time, so you got it a week ago, when everybody else got it. But she was involved in the earlier discussions.

Clerk-Treasurer Rhodes said she told me she had not seen it and was asking me for it. I only know what she disclosed to me.

Mr. Malone said well, moving along. What we tried to do in this next slide, and this you can find in the report on page 19, is we've tried to compare the revenues that have been budgeted for 2005 with the actual results of 2005. We can see that the collections from Purdue, actual collections, are about \$300,000 more than we had budgeted, and the reason for that is the agreement with Purdue did not become effective until October. So it was about a three-month delay, compared to our projection, which led to about \$300,000 more in revenues being collected. The overall variance is about \$266,000, so most of that variance is with the collections from Purdue. With respect to the various expenditures, the operating expenses were about \$273,000 under the budget. As I mentioned a moment ago, about \$200,000 of this difference has to do with payroll costs, and much of this is payroll costs for positions that had been slated and then simply had not been filled. The other large variance is going to be in the area of improvements. As I mentioned earlier, there were some improvements to lift stations that were anticipated that were not made during 2005, but there's still the need to make those improvements at some point in the

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

future. The next part of the study begins looking at what these revenue needs are over the next few years. This next slide summarizes pages 7 through 9, which is the budget of operating expenses, and we begin with the year 2006 budget. That was budgeted at about \$3.2 million, and applied generally a 3% inflation allowance to each year thereafter. We made some adjustments to payment in lieu of taxes that are a little different than that. But we can see from this, we can expect those expenses at that rate to rise from \$3.2 million to \$3.6 million by the year 2009, simply with inflation. On page 10, we again show the amounts needed for equipment replacements each year, and that's shown at \$245,000 annually. All those amounts are detailed on page 10 of the report. Other capital improvements that are not part of the replacement allowance are shown on page 11. Those are shown on this slide to average \$1,430,000 annually. That includes \$800,000 per year for improvements to lift stations and collection system; \$25,000 a year for facility improvements; \$300,000 for equipment replacements—now this is equipment over and above the portion that's included in replacement allowance; \$300,000 for engineering services; and \$5,000 per year for the disconnect program. The next slide, it comes from page 13, and it is an estimate of the annual principal and interest payments on the outstanding debt. Most of the colors up to the gray represent the bonds and the debt that is presently outstanding. We're showing in this slide those payments at about \$2.8 million per year. This assumes that the 1998 bonds are fully drawn. There's still about \$1 million left in that account that has not been drawn down. We've had discussions with SRF, and that's something that should be a priority of the City, to get those monies drawn down, because it's a very favorable interest rate. That interest rate's just 2.9%. The balance of it we can see growing by about \$550,000 in the year 2009, to a total of about \$3.4 million. That is an estimate of the principal and interest payments on the next phase of the financing. That's based on an assumed bond issue of \$13,660,000. You have received approval from the SRF Program on a portion of that \$13.6 million, but not all of it. So the portion that has been approved, which I believe is between \$9 million and \$10 million, that part, the City's at a point where you can move forward and begin to close those loans. The interest rate we've used here is based upon the current SRF rate of 3.33%. Now that rate will likely be changing within the next few days, if it hasn't already. We've increased that by 20 basis points because of a wrap, and we're going to talk about that in just a second, and then we've added another 50 basis points to that rate, because we're not really ready to close the loan yet, and, as we've all seen, interest rates have gone up in the last few months. So we're building in a cushion, in the event that interest rates continue to go up, that we have enough money budgeted to make those interest payments. The SRF Program, or other bond purchasers, would allow the City to structure the payments on this bond issue in one of two fashions. One fashion would be to simply have all principal and interest payments equal each and every year, and that's the amount that's highlighted with the yellow bars. The other way that we could do that is to reduce the principal and interest payments in the earlier years, while the other bonds are outstanding, and, as the City pays off some of its other outstanding debt, increase the principal payments on this bond issue. So when we get to 2007 and 2008, we see very high payments, but that's because those are the years that the other bonds are completely paid off. So if we were to do that, this is what it might look like, on this next slide. The option of wrapping the new bonds around the old bonds is shown in the area with the green bars. And while we can see it's not quite level, it's fairly level during the first ten years of the bond payments, and then it drops slightly. The other alternative is, if

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

we were to pay this bond off with level payments, it would view as in the gold bars, and so we'd have much higher payments over the next ten years, and then as the other bond issues were repaid, the total principal and interest payments would decline. What this might look like—and this slide is going to be a little different than the one that I gave to you, as on our way over here, I had Deen [Mr. Rogers] make a couple changes that I thought would better illustrate what we're trying to explain. This schedule shows, in the first line, the average principal and interest payments while the principal is paid on both bond issues. So what we would have is an average payment with a level debt service of about \$980,000 per year on the new bond issue. If we defer the principal, we can reduce that payment to about \$550,000 a year, which creates a savings, or we can reduce the payment, in other words, by about \$425,000 annually. By reducing that payment by \$425,000 annually, we could avoid a 7% change or increase in rates. Now, there is a cost to that. It's just like anytime you push debt out into the future, you're going to pay additional interest, and by wrapping the debt, it would cost the City about \$2.8 million in additional interest over the life of the bond issues, by paying the higher interest rate and by pushing those payments out into the future. But we also have to realize that dollars that we pay 20 years from now aren't the same dollars that we have today, and so we use a technique called present value. And we've used a discount factor of 5%, which I believe is the same factor we used last year, just to give us a sense of what those payments mean in terms of today's dollars. And if we discount those payments back in today's dollars, we could find that both of those are fairly comparable. Since the SRF Program is a subsidized program, we would suggest that, if possible, trying to utilize the State's dollars as long as possible, and that frees up dollars you have to invest and that you don't have to collect from ratepayers. The next requirement is to fund a reserve account, and over the next few years, those payments into that reserve will amount to about \$200,000 per year. In 2010, the existing bonds will be fully funded, and that payment will go away at that point in time. If you recall, the reserve account has to be built up over a five-year period. The next slide comes from page 15, and this shows the projected annual revenues with—this assumes a 10% increase that's been adopted by the Council already, and this assumes that that increase goes into effect July 1, as scheduled. It also assumes that in 2006 and 2007, the flows from Purdue continue to grow at 7.5% per year. This is an assumption that the University has given to us. In 2008, they should have all their flows fully metered, and so we'll be able to tell exactly what those flows should be at that point in time. But on this slide, we can see that those revenues, excluding interest, grow from \$8.2 million to about \$8.9 million annually. Interest income is a little over \$400,000 per year, in addition to that.

Councilor Griffin said Gary [Mr. Malone], since we last discussed these things, Purdue has been getting more of its buildings metered, I believe. Is that correct?

Mr. Malone said that's my understanding.

Councilor Griffin said and so, based upon that, are we pretty secure with the estimates that Purdue is giving us, in terms of that increase in flow?

Mayor Mills said well, we agreed to give them two years to meter all the buildings—

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Griffin said right, yes.

Mayor Mills said and Wayne Kjonaas, the vice president for physical facilities, told me a couple weeks ago that they are on track to having that done on time, so I think we're comfortable with taking their projections until—

Councilor Griffin said so that's about 8%—

Mayor Mills said that time that they actually—

Councilor Griffin said what percent?

Mr. Malone said 7.5% per year.

Mayor Mills said have everything metered.

Councilor Griffin said okay. Thanks. Could you also, just briefly, give a little bit more background on your choosing 5% for calculating the present value of money? I know we did it last year, I know you used that same number last year, but could you give a little bit more background on choosing that number?

Mr. Malone said the 5% is just an estimate of the cost of capital for local government. If you were to go out in the market and issue bonds traditionally, the interest rate would be about 5%. At the City of Noblesville last week, we issued 20-year bonds for that city, and the interest rate was 4.61%. Another way to look at it might be the rate at which the City could invest funds. That's another way that it's sometimes done as well, and that's probably in that 4%-5% range, too, I would guess.

Councilor Griffin said thank you.

Councilor O'Callaghan said so, Gary [Mr. Malone], could you just go back to that slide again for just a second, and make sure I got all the new numbers on my— Yes, thanks.

Mr. Malone said I can email a copy of this to the Mayor's office tomorrow morning, too.

Councilor O'Callaghan said so it's just the ones in the top line that have changed?

Mr. Malone said the very top line. That's the only ones that have changed. This next slide compares the annual revenues, including the interest income that's shown in the gold, with the annual revenue needs of the utility shown in green, over the next few years. Assuming that the rates are increased on July 1, in 2006, we would expect that the revenues would exceed the expenses by \$361,000; in 2007, it would exceed the expenses by about \$521,000; in 2008, it would exceed the expenses by \$91,000; but, in 2009, you see a shift, where the expenses would begin to be greater than the revenues at that point in time. What happens to fund balances, and, again, these fund balances may be reduced, if the City gets caught up on replacing some of its lift stations, that money could go down quicker than what's shown here. But we're showing that the funds, over

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

and above the reserves, are projected to grow from \$2.8 million to \$3.8 million by 2009. The debt service coverage, and if you remember, that's the factor that bond buyers, including the State, looks at to make a decision on whether or not the bonds can be purchased, we know that that number has to be at least 125%, and we can see over the next couple of years, it's closer to 178%, dropping down to 159% in 2008 and 154% in 2009, so in each of those years, the coverage is greater than the minimums that are set forth by the State. I did ask Deen [Mr. Rogers] to add one other slide, and I believe the Mayor has distributed this—

Mayor Mills said I did.

Mr. Malone said in paper version—

Mayor Mills said that's at your bench tonight, this next piece of information.

Mr. Malone said we were asked what happens if the rates are not increased, what would happen? And so this is really the same information on the expenses that we saw earlier, and the only adjustment we've made is simply not increasing rates by 10% in July of 2006. And so we can see in this slide that, in 2006, revenues and expenses are fairly equal. In 2007, we would expect expenses to be about \$268,000 greater than the revenues, but then by the time we get to 2008, we can see that shortfall growing to \$735,000. Again, in 2009, we can see that deficit growing to about \$915,000. Ironically, even with those deficits in the year 2009, you'd still have 128% coverage, but your revenues simply wouldn't be sufficient to cover those needs.

Mayor Mills said so, if I can interrupt for a second, Gary [Mr. Malone]. This is the one sheet that you were given tonight that Gary is talking about this.

Councilor O'Callaghan said it says "page number 15" on the bottom.

Mayor Mills said right.

Mr. Malone said you might make a note on the top, that this is with no rate increase at all.

Clerk-Treasurer Rhodes said and so the deficit between revenues and required would have to be met by the reserve fund—

Mr. Malone said fund balance. That's correct. And that's also shown on your schedule, too, the resulting reduction in fund balances, and you can see that that would drop to \$900,000 of the available funds.

Councilor Plomin said does this not include the proposed bonds?

Mr. Malone said yes, it does.

Mayor Mills said okay, questions for Mr. Malone?

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Plomin said I didn't want to interrupt your presentation, so I saved them up.

Mr. Malone said sure.

Councilor Plomin said starting on page 12, the comparison of the bond repayment for 2006 over—this is the one that compares wrap to level debt for only the 2006 bonds.

Mr. Malone said I've got that slide in front of me, if you want to—

Councilor Plomin said is the City required to pay on the bonds, if it's not drawn the funds yet?

Councilor Hunt said no.

Councilor Plomin said and when will the funds be drawn, and how is that timed through this project?

Mr. Malone said we made some assumptions on how those funds might be drawn. That'll show up in the interest payments in the very early part of these schedules, and then, later on, when the principal starts being repaid, we've assumed that the funds have been drawn down at that point in time. Occasionally, you'll find where there's been delays in a project, and you'll actually sometimes see folks making principal payments when they've not drawn down all the bond proceeds.

Councilor Plomin said when do we expect to draw this fully?

Mr. Malone said Deen [Mr. Rogers], do you recall offhand?

Mayor Mills said David [Public Works Director Downey] can probably speak to this. David [Mr. Downey] gave a very thorough presentation at Pre-Council about the projects and the timing of the projects.

Mr. Malone said we've assumed a two-year construction draw in these numbers, and if you could find the other report on page 12 of the other report, you can see how interest payment due January 1 is \$6,000, and then you see it growing each six months, until July 1, 2008, it reaches \$275,000. So that's how—there are numbers behind this schedule that show how we've assumed those funds to be drawn down.

Councilor Plomin said so that's how it reflects in 2006 and 2007 and 08, the payments are lower than in the out years?

Mr. Malone said right, and it shows that because you're not paying interest on the money that's not being drawn down.

Councilor Plomin said okay. On page 13, this is all bonds—?

Mr. Malone said that's correct.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Plomin said that the wastewater utility has?

Mr. Malone said well, that's all the bonds of the wastewater utility. And this one, if you look closely, it really shows two different scenarios. The part that is shaded in gold, that assumes that we repay the 2006 bonds in equal annual payments, so we have level debt service payments, and that's why you see the little bump-up in the earlier years, because that gold line's being pushed up because the green line's a little bit higher, because you've got existing bonds that are outstanding, and you'll have some of those bonds being paid off in 2017. The green line is what would happen if the 2006 bonds, if we defer some of the principal payments until the other bonds begin to be repaid. That way, we can reduce our—

Councilor Plomin said so which bond expires in 2017?

Mayor Mills said the 1994 bonds, the last payment is July 1, 2016, and then the 1998 bonds, that bond matures July 1, 2020. The 2001 bonds, that bond matures July 1, 2022. And so, as these other bonds start reaching their final maturity, then we can start paying more principal on this bond. By doing that, we can keep the total payments more level and reduce the debt service needs today, which means you have to have lower utility rates to be able to pay the debt service on the bonds.

Councilor Plomin said okay. And we've had a pattern of having a new bond every three to four years. Does this include any future bonds that we may anticipate needing?

Mr. Malone said well, this includes about \$13.6 million of bonds yet to be closed. The City's received approval on about \$9 million to \$10 million of that amount, and hopeful that the rest will be approved. But the entire \$13.6 million is included in that number.

Mayor Mills said one of the things Mr. [Public Works Director] Downey talked about on Thursday at the Pre-Council was the projects, the Western Interceptor and the digesters are part of the approved part of this bond. And the North River Road Interceptor, which he also talked about, is part of this, but not approved yet.

Councilor Plomin said okay. So do we have a 2009 bond or a 2012 bond that we expect to—?

Mr. Malone said no, they're all embedded.

Councilor Plomin said come before the Council in the future?

Mr. Malone said it's all included. The Council adopted a bond resolution that authorizes borrowing up to a certain level, and these are simply components of that. It would allow for bonds to be issued in series.

Mayor Mills said I think your question is, "Will we not have future bond issues?" and, of course, we can't answer that. We are nearing the end of our improvements for our long-

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

term CSO control plan, but, as the City grows, or as infrastructure ages, of course we'll have new issues that we'll have to deal with. This is the majority of the improvements for our wastewater utility, and, we hope, the majority for quite a few years. But there will be, you know, ten years in the future, of course, there will be additional infrastructure needs. We can't say we won't have another bond issue before 2028. It's not realistic.

Councilor Plomin said going back to page 12, the only reason this stays so flat is because in 2027, 2028 we have a bond expiring, our payment is significantly dropped—

Mr. Malone said that's correct.

Councilor Plomin said except for this wrap, which would maintain that level payment for another two years, and then after that, there would be no more bond payments, no more obligation for the utility at all.

Mr. Malone said for the bonds that are currently outstanding.

Councilor Plomin said and then future bonds, we don't know about.

Mr. Malone said correct.

Councilor Plomin said slide 14. The present value question is a little unique in this situation, because we don't invest at 5%. What would we invest our cash at in the four years instead of the 5%?

Mr. Malone said [to Mr. Rogers] do you recall what the—?

Councilor Plomin said don't we get around 4%?

Mr. Malone said it's probably close to 4.5% to 5% would be my guess.

Clerk-Treasurer Rhodes said it's higher than that now. It's probably close to 5% at this point. We've had discussions about this present value, because it isn't like we're going to raise rates, hold the money, and invest it, versus not raising rates. So when you're talking about present value, you're talking about two different pockets here. I don't think we're like a business that would hold the capital and invest it. We would actually, if we had level debt service, we'd be raising rates on people. It's kind of hard to use the present value. You know that present value number, that's a small variance there, a small adjustment in the present value will make it look better, will make it look worse.

Mr. Malone said I think the point of this—and those are excellent points—but the present value is simply a tool. I think for us to sit here and not recognize that a dollar we receive or have to pay 23 years from now is the same as a dollar we pay today, that doesn't make sense. And so we use present value, just to recognize the fact that dollars aren't worth as much, if for no other reason for inflation. That's another way that some people sometimes look at it, but it's simply a tool to view what are these dollars worth generally today, and to equate—right now, we have a savings. So if we wrap the bonds, you'd save \$400,000 per

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

year for a period of time, that could go to reduce rates, but there's a cost of that, and one of the costs is look at the total payments over the life of the bonds, which is \$2.8 million. But that's not really fair to look at it that way, because those are dollars that the City won't spend for several years, and so we need to find a way to bring that back to a more fair comparison. And so, from my perspective, if it shows \$100,000 positive variance or \$100,000 negative variance, the answer is still the same, because it's the relative difference between that and the \$2.8 million. I think at that point, it's just another way for us to say, "Does this really make sense in the world that we live in?"

Councilor Plomin said well, the present value calculation really does two things. It reduces the value of the money in the out years when we're paying more than we would have otherwise—

Mr. Malone said that's exactly right.

Councilor Plomin said and it increases the value of the money in the years where we save by doing a wrap.

Mr. Malone said present value—

Councilor Plomin said and by doing that second half of the calculation—

Mr. Malone said creates a higher weight for dollars today.

Councilor Plomin said where you increase the value of your near money in the near future, it may not be applicative in this situation, because we are not run like a business, we're a government entity. It wouldn't be the same investment tradeoff.

Mr. Malone said well, I don't know. I think you could also argue though that the folks— what do you do if you have to run up your credit cards to pay other bills, that if you didn't have the sewer bill at that level, you could've used it to pay something else, if you're a homeowner. You have choices to make. You can take extra cash and invest it on your own, or do other things with it. As I said, it's not a perfect technique, it's simply a way to kind of draw some reality into the calculation. And it's not really a case where we weight higher, where we increase the value of the savings in the earlier years. It's more of a case you don't discount it as much.

Mayor Mills said I think Councilor O'Callaghan has a question.

Councilor O'Callaghan said well, just to this discussion, the point that was more important to me was that it would have avoided an additional 7% rate increase, so it's that if we didn't do it this way, we might need a 7% additional rate increase.

Mr. Malone said right.

Mayor Mills said others? Mr. [Councilor] Plomin.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Plomin said what was the Purdue flow growth rate that was used when we talked about these bonds the first time around? I can't remember, and I don't have it in front of me. I should have brought my notes.

Mr. Malone said do you recall, Deen [Mr. Rogers]? I thought we used a growth factor.

Councilor Plomin said I thought that it was level, and we were experiencing a decline, but to be conservative, we assumed a—

Clerk-Treasurer Rhodes said here's the 2004 report, unless it was revised after this—

Councilor Plomin said my memory could be wrong.

Mr. Malone said according to this, we just assumed no growth in the flows, but there was a subsequent adjustment to that, to reflect a change in the billing practice, where there was a 10% reduction in their metered flows, to compensate for unaccounted for water flows.

Councilor Plomin said why then on slide 16 do you predict a 7.5% Purdue flow growth?

Mr. Malone said actually, we don't predict a 7.5% increase in flows.

Mayor Mills said that's Purdue's.

Councilor Plomin said that's Purdue's.

Mr. Malone said but Purdue—

Councilor Plomin said but previously, you've argued—

Mr. Malone said we've tried to create a better dialogue—

Councilor Plomin said the conservatism principle would cause you to assume no flow growth. So which is it?

Mr. Malone said that's what we would typically do, but in this particular instance, Purdue had indicated that there was growth in their system and the things that they were doing, and they felt strongly that that growth would materialize, and for that reason, we built those numbers into this forecast. But that is a good point, because that means that if that flow does not materialize, then the revenue estimates that you see—

Councilor Griffin said are even less.

Mr. Malone said are not going to be as strong as what's predicted and those revenues will be less.

Councilor Plomin said I see. I think that's all I have.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Mayor Mills said other questions for Mr. Malone?

Clerk-Treasurer Rhodes said I do, once the Council is done. This is the second loan that you've presented as a wrap, a balloon payment. I think most people at home will understand a balloon-type payment mortgage. This is structured like that, really, not making significant payments on the principal until late in the life of the loan. Most people understand that. Most people also understand that there's a good reason why people just don't go from one balloon loan to another balloon loan, and the reason is something that nonprofits or accounting people in government would call interperiod equity. Present value alone is not the reason for structuring a balloon-type payment. It can't be sufficient. There are other factors that play into that, one of which comments are that we're going to have ongoing, probably, debt requirements for the utility. The facilities that we're constructing have lifetimes, and some of them, in fact, will be over before the debt is even paid on a balloon loan. We've already experienced that with some of our facilities constructed with the '94 bond issue. Those facilities have to be replaced, and we're still paying for the loan. But on the balloon loans, when you're paying late, you're going to have perhaps more of that occurring, in which you're actually paying for something that's already ended its useful lifetime. That's another concern why people don't do the balloon-type financing, in very simple terms. The other thing has to do with shifting the debt to the government of the future, the citizens of the future, because right now, if this loan is a wrap, I figure that we're going to have about \$26.04 million in this wrap—I'm going to call it balloon, because that's kind of a simple term, it's not quite the same, but the major payment of principal at the end—and the prior loans, which were not structured like that, amount to \$25.94 million. So we've got about \$26 million that was structured, we paid level, and then we've got, again, the same amount, even more, \$26 million, that's structured to be paid at the end. There's going to be three municipal elections between now and then. We're three Councils and administrations away from the payoff on these loans, and we're making a decision now. We started at the end of '04, we're doing it again. We're making a decision that we are going to go into the future, and we're going to load this debt out there. This Council has never done that before. It's one of the things we need to think about, along with the present value. No one's going to argue in terms of making capital investments at the present value, but there may be some other factors here, when we think about how far we're going out in the future, and the fact that we're very much changing the debt structure of how we're paying for the utility. We're paying it to avoid a 7% increase, when we've just gone through a series of—was it 10%, 12%, and 10% increases, and that was just the last three years, and we certainly have been through that ramp up again. For some reason we are saying, "Well, for a 7% increase, we're not going to have a more level debt or a graduated debt." There's a range between the full extreme of having major payments at the end, and having \$5,000 a year until the first 7 or 8 years of the loan. Clearly, in there there's some different debt structures that might be favorable. On top of it, we've got in here about \$1 million still left on that 1998 issue, still showing in the debt service. Certainly we're going to use those dollars, they're cheap dollars, compared to borrowing new dollars, so that means we're talking about closer to having, you know, really in terms of capital available to the utility, closer to \$14.66 million, really not \$13.66 million. But remember that we talked about that last year, that debt was not drawn down. There's a note in your amortization table on that, so those funds are

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

also available. Another factor in our thinking might be that there's just been recent legislation, House Enrolled Act 1102, which provides for alternative assessment financing for municipal sewage works. Basically, it allows a new form of raising money for sewage improvements. That might be useful. It allows you to have an assessment on property owners, in terms of extending facilities or building new facilities in the areas where we're growing. That's a new financing mechanism that's just been available, so we might not have to hold the amount of cash reserves that we're holding now. A final point, in terms of all the things that we ought to consider, is that our present means of financing lift stations in new areas is a developer assessment fee, which doesn't recognize present value. I've raised that before. The money that we spend today is not discounted, and future payments are actually in future dollars, so it's a tremendous discount, a loss to the City in its investment by financing these new facilities with the current structure. We are emphasizing how important present value is in considering our debt structure, yet when we turn around, we're trying to raise money for expanding the system in new areas, we don't even want to talk about present value. I think that's an issue that's at least worth a review and a discussion. I don't see why the two points of view should be so disparate, that present value should carry the day in terms of the debt structure, but don't talk to me about it in terms of this developer impact fee. I just don't think it makes sense. So, in terms of how the debt is structured, my opinion was last year and still is the Council could well spend some time deliberating on this, thinking ahead, not making the choice alone on the present value or 7% now and in the future. I urge you again to spend the time, to perhaps have a work session, and spend some more time discussing this, before we finally determine what debt schedule would be appropriate. Thank you.

Mayor Mills said and that is part of the reason we're having this first discussion in May, so that you do have time to ask questions or get together, talk about whatever you want to. This new rate wouldn't take effect until July 1, like it always does, so we have May and June to decide how you want this to be done. Other questions for Mr. Malone?

Councilor Plomin said I have one more that came up.

Mayor Mills said okay. Mr. [Councilor] Plomin.

Councilor Plomin said back on slides 9 and 10, equipment replacements and capital improvements, if you can just explain—because we talked about drawing the additional service from the early bond, to replace some items and improve facilities, what restrictions govern these funds?

Mr. Malone said this first fund on page 9 is an equipment replacement fund. This is really designed to replace those components of a project, like equipment, that doesn't last the life of a bond issue. That forces you to set aside money to be able to pay for that equipment replacement as that replacement is needed. And so that came from the old US EPA, when their construction grants program required the funding of equipment replacement allowance, and that same theory carried forward to the SRF Program. That's what this is to pay for, is to fund the replacement of equipment that's funded through those loans. The second one is for ongoing capital improvements that's not contemplated or built in to the other projects of the City, that are being funded through the SRF Program.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

These are more day-to-day projects, ongoing improvements to the collection system, to lift stations, things such as that. With respect to the \$1 million, Dave [Public Works Director Downey], correct me if I'm wrong, but I believe that is part of the funds needed to complete the remaining phase of this project, so it is accounted for.

Public Works Director Downey said right.

Councilor Plomin said okay. Thanks.

Mayor Mills said other questions? Thank you.

Mr. Malone said thank you very much.

Mayor Mills said all right. Again, the reason to do this tonight was to give you time to look through all of this and, if you have other questions, I hope you'll let us know. Contact my office and we can certainly have anything answered for you that you need answered or additional information provided, so that between now and the June Council meeting, you can have the information you need to have.

There was no further discussion.

PUBLIC SAFETY: Councilor Keen presented this report.

For the month of April, the West Lafayette Police Department handled just under 1,500 calls, which was up probably close to 20% from the month previously. I think Grand Prix had a little bit to do with that. I did get an opportunity to ride with West Lafayette this year. It was quite informative. It was time well spent, I think, to see what the officers do on the street on a day-to-day basis, and how they handle calls, and it was an interesting time. During that same time period, the West Lafayette Fire Department, their call level was, I think, less than expected as well, with the decreased activity with Grand Prix, I think, enforcement efforts were well underway and I think that the presence by the Police Department did help to reduce the amount of extracurricular activity. Kudos to you guys. During April, the West Lafayette Fire Department had a number of training opportunities. Just looking down through here, there's probably 40 different firefighters who went to a number of different training seminars for a number of different drills and strategies and tactics for residential fires, team searching, rapid intervention team combat drills, there's just so many different things in here, and I think that goes back to one of the goals of the Fire Department is to increase training for their officers, and I applaud the Chief for his efforts to get that done. That concludes my report.

PURDUE RELATIONS: Councilor Plomin presented this report.

Good luck to everybody on their finals. This is finals week for all Purdue students. The classes have ended, and so many whose finals end earlier in the week will be moving out, so please be prepared to see many moving trucks and pickup trucks and cars loaded with things parked alongside the roads. Show some care. Graduation is in two weeks, and afterwards, I encourage all West Lafayette residents to come out of their homes again. It's finally safe to come and shop in the Village. Thank you. That concludes my report.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Mayor Mills said I would just add that Jonathan Foltz was here from PSG and left during our last discussion. He's got a final tomorrow. I know he wanted to be here and thank the Council for allowing him to speak every month. He's been a great addition, he really's been very actively involved, and we're looking forward to him being the PSG president and working with him next year. So thank you.

PARKS AND RECREATION: Councilor Hunt presented this report.

The Great Annual Garlic Mustard Pull in Michaud-Sinninger Wood on the 23rd. I would warn all of you to be on the lookout for this very invasive weed. It's about 18 inches tall, it has lovely lacy green leaves, you might think it's a nice addition to your garden until it takes it over. It has little white flowers now that are going to spread some seeds around. Look for garlic mustard, please. The Farmers' Market's going to open this Wednesday at 3:00 p.m. in Cumberland Park. It goes through October 25, that's always exciting. This is our second year. The Cub Scouts from Cumberland School will assist in the Arbor Day Celebration on May 5. A guided hike of the Celery Bog Footpath will take place on May 12, 1:00 to 3:00 p.m. at Lilly Nature Center. Meet there, please. It's a 1.5-mile footpath, and it will offer viewing from the new wildlife viewing deck. The next Park Board meeting will be May 15 at 4:30 at Lilly Nature Center. That concludes my report.

Mayor Mills said I will just add a little bit to that, too. I was out on Friday of last week, on one of those nice afternoons, and I went to the Celery Bog Nature Center, because I hadn't seen the viewing platform, and one of our local artists in residence, Jeff Klinker, was out there painting on the viewing platform. He told me he'd been out there for three hours, and he did an incredible oil painting of the bog area, which I hope we'll see in one of the art shops in town, but it's being very well used. It was really nice to go down the trail and see somebody out there with their easel set up, painting away. Just thought I'd throw that in. It's a great addition, Joe [Parks Superintendent Payne], to the Celery Bog Park.

DEPARTMENT OF DEVELOPMENT: Councilor O'Callaghan presented this report.

The Redevelopment Commission met on Monday, April 17, and INDOT has indeed approved the Sagamore West plan for lights and banner poles. So that was a long time coming, but we're excited that that will be installed along Sagamore Parkway from Win Hentschel to Yeager, and then on to Nighthawk Drive. That will use some KCB and Sagamore TIF funds. So, by going out to Win Hentschel, get to use KCB, since Sagamore doesn't have all that much in it. That should be completed by late summer or early fall of '06. Landscaping the midway spot, that's essentially from State Farm to Car-X, that's the next project, and that will involve a lot of tree planting. And also working on a short piece of trail from the end of Nighthawk to Sagamore Ridge apartment complex. That will be in the right-of-way, so we don't have to wait for INDOT for that. Still in the plan are the gateways and the pedestrian crossings. The Sagamore Parkway Task Force did recommend countdown lights at those pedestrian lights, but it doesn't look like INDOT is too interested in those, so we'll have to see what we can do with that. On the Salisbury Street Project, the new utility poles will be taken out of the sidewalk, so that might make for some traffic congestion, so be aware of that on Salisbury Street. The next Redevelopment Commission will be May 15 at 12:30, not at 12 o'clock. I'll also note that of the seven companies that received funds in the latest round of funding for the 21st

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Century Research and Technology Fund, three of them were in West Lafayette and one in Lafayette, so we're very excited about that. And then I'll also note that the Department of Development will submit the 2006-2007 one-year action plan, in cooperation with the City of Lafayette to HUD. They'll submit that in May, and that one-year action plan will allocate the \$450,000 in CDBG funds for the next year. That's it.

PERSONNEL: Councilor O'Callaghan presented this report.
I think I'll defer to talking about the personnel manual.

BUDGET AND FINANCE: Councilor Truitt presented this report
It's getting close to that time of the year again for our budget process. There's been no schedule released yet, as far as the budget is concerned, but we anxiously await the start of that process. I would like to read a statement, though, however, in regard to our own Clerk-Treasurer Judy Rhodes, who was recently recognized at the annual conference of the Indiana League of Municipal Clerks and Treasurers in South Bend on April 26 for the achievement of the Second Level of the Master Municipal Clerk Academy. This program is sponsored by the International Institute of Municipal Clerks, which is the leading professional organization for municipal clerks for cities and towns worldwide. The Academy offers continuing advanced education for clerks, and recognizes high-level achievements beyond the attainment of the Certified Municipal Clerk designation. Clerk-Treasurer Judy Rhodes was accepted into this Academy in the year 2000. I think the great news of this award is that she was only one of four Clerk-Treasurers in the entire State of Indiana that was recognized at the conference. I think we're all very lucky to have Judy as our Clerk-Treasurer of West Lafayette. Congratulations, Judy. That concludes my report.

REPORT OF APC REPRESENTATIVE: Councilor Griffin presented this report.
I've been a part of the Transportation Study Committee, and the 2030 Transportation Plan, believe it or not, is in the process. We plan in rolling five-year increments, 25 years ahead, and, in fact, there will be two public meeting to discuss the 2030 Transportation Plan. One of them is a special meeting that's been requested that we put on, requested by the Federal Highway Administration. That is this coming—not tomorrow, but a week from that—Tuesday, May 9. It will be at the Area Plan Commission, and so that's the Citizen Participation Committee Meeting. I do not have a time for that; I'm sure that that'll be made public. On May 17, at the actual Area Plan Committee meeting, there will be another public hearing formally, to discuss the 2030 Transportation Plan. It is important to us, of course, as we look at what direction development takes place, as we look at how the Transportation Plan is going to support those things in all directions around Tippecanoe County. It includes [US] 231 plans and the plans right through the center of the City here, with the Salisbury plans, and so forth. Thank you.

Mayor Mills said I'm going to guess that that's probably 7:00 p.m. meeting, since most of the APC meetings are 7. Thank you.

REPORTS OF SPECIAL COMMITTEES:
Councilor O'Callaghan said I might just mention the West Lafayette Youth Council, they've been very busy this month. They did distribute recycling door hangers that the Street

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Department developed. They targeted an area identified by the Street Department that could use a bump up in recycling. So they did that on the Friday that they were off from school, and then that evening had a dress rehearsal—or tried to have a dress rehearsal, that was also the tornado incident—for their talent show which they had on the following Friday, April 21. And then, active again May 13 will be their Kiddie Carnival that they'll put on at Cumberland School for all youngsters. They've got each of the clubs at the high school to sponsor a booth, so they'll have different carnival-type games for the kids. That'll be on May 13.

Mayor Mills said thank you. We very much appreciate their hard work in putting the door hangers on for the recycling efforts, too. It's great of them to give their hours for City service.

PUBLIC RELATIONS:

Employee Service Anniversaries

Mayor Mills said this month we have only one employee service anniversary, and that's Cindy Loerbs-Polley in Development, five years. I took advantage of her expertise today. She was helping me put a grant together for the Farmers' Market, and it wouldn't have gotten in on time, if it hadn't been for Cindy. She's a very valuable employee to the Department of Development and all of us.

West Lafayette Community Beautification Award

Councilor Keen said this month, the West Lafayette Beautification Award goes to State Farm Insurance on Northwestern Avenue. I think that anyone who's driven past there can see the beauty of what they do on either side of the building. You can drive by on Kent or on Northwestern Avenue, and they do an absolutely wonderful job. One of the things that I think is somewhat unique with State Farm is they actually have incorporated part of the trail system that runs past their building into their landscaping, and so I think that that was unique and interesting for them to do that. They have a campus that's 26 acres, and over 18% of that is landscaped, so that is far and above what the requirement is, and you guys do a wonderful job. Mr. [Ted] Fenstermacher is here tonight to accept the award, and we do have a beautiful photo here, too. Councilor Hunt put this together. It's kind of a collage of the area over there on both sides, and you can see the trail system here that goes through it, and how they've incorporated that. So, if Mr. Fenstermacher would like to come up.

Mr. Ted Fenstermacher said the best speech is a short speech, so I will say we appreciate the recognition, and it's been a pleasure being part of this community.

Mayor Mills said thank you very much.

City Attorney Bauman said I might add, State Farm is one of the number of businesses in that area that worked closely with the City and the Development Department and Parks Department on that trail project and donated easements and right-of-way for it. We appreciate that.

Mayor Mills said thank you very much. Congratulations.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Student Ideas for Master Plan Wabash River Enhancement

Mayor Mills said I'll just mention one other thing before we move to the financial report, and that is around the room, we have boards up from the Wabash River Enhancement Corporation. These are the student projects that the landscape architecture students did at Purdue, part of their master plan for the riverfront. They've been downtown in Lafayette, and it's our turn to have them in City Hall for a while, so that people on our side of the river can take a look at the work. Kim Wilson's landscape architecture class did a great job in pulling together some ideas for our riverfront development. I urge people to take time to look at them. They'll be here in the courtroom, and some are out in the hallway. We'll have them probably for at least a month, so there'll be plenty of time to stop by and look.

FINANCIAL REPORT: Clerk-Treasurer Rhodes

Clerk-Treasurer Rhodes said you have your cash transaction reports for April. The main highlight I wanted to point out there was that personnel expenses for the General Fund are running 7% higher than last year. You have in your folders the State Board of Accounts prescribed reports for the month as well. I wanted to just take a moment to address something that some of you may have seen on the news tonight. You may have already noticed you received mailings on from the State. That is the "2% circuit breaker," also part of House Enrolled Act 1001. Property owners would receive a credit if their net property tax exceeds 2% of the property's gross assessed value. That's the premise of this legislation. The law doesn't allow municipalities to raise additional revenue or borrow funds to offset a loss from applying the "2% circuit breaker." So, unless there's an alternative means to raise revenue, municipalities would be forced to reduce their budgets. The law will be in effect for residential—and that's not just homesteads, but all residential property—due and payable in 2008, unless there's an ordinance to limit it to homesteads, and for all real and personal property by 2010. What I noticed tonight on the TV news was that the Tippecanoe County Auditor had done preliminary evaluation of the impact of the "2% circuit breaker" in our county. He used the assessments '05 pay '06. He estimated that a little less than \$1 million would be lost in revenue to local governments. He didn't say that 83% of that impact, or \$800,000 will be lost to West Lafayette.

Councilor Truitt said how much?

Clerk-Treasurer Rhodes said \$800,000.

Councilor O'Callaghan said 80%?

Clerk-Treasurer Rhodes said 83%. And this is almost a reverse situation of the inventory tax deduct. The estimated impact on Lafayette is only \$168,000. Now, this loss in revenue is spread among all the overlapping tax districts. That means in our City, the municipal rate, the school rates—both corporations—the library, etc. The City rate is about 26%, 27% of the total rate, so that would be our direct impact of the \$800,000, but that would be underestimating it, because it will be primarily a benefit to commercial rental property owners, the large commercial apartment owners, and they are heavily the

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

properties that are in our TIF districts as well. So we'll see a strong effect there. A lot of things are going to happen in the next couple years with reassessment trending, with the Legislature coming back and perhaps giving localities different tools to address the revenue loss. But I urge the Council to begin to communicate with your counterparts across the river, and certainly with the County, so that there's a full understanding of the situation on the tax base in West Lafayette. We need to do a better job of communicating what's happening in the entire tax base, so we can make the best decisions for the future of the entire County. Thank you.

Mayor Mills said I'll just add a couple comments to that, because we have been talking about this since the Legislature finished this year. We certainly know this is coming. We were discussing this with Mr. Malone and Mr. Rogers earlier this evening, and they are looking at very complete impacts on us as a City, particularly on our TIF districts, because those will be seriously impacted by the "2% circuit breaker." The Indiana Association of Cities and Towns has a finance subcommittee that worked on this all last year, in putting together alternative revenue options for cities and towns, and weren't very successful in getting the Legislature to help us in that regard, but we've already met once this year in a separate committee meeting, and the executive committee has already discussed this this year, so it is something we're very concerned about, we're working on. We have another meeting scheduled in a couple weeks. I do encourage you, as the Clerk-Treasurer suggested, to really read and learn as much as you can about this, because it will have serious financial impacts on our budgets if changes aren't made in the Legislature in the next session. So the more you know and understand now, the better job you'll be able to do in lobbying next spring when we're going to need serious help at the State House to have changes made by our legislators. Thank you for bringing it up tonight. It's an important issue that we'll be talking about and learning more about in the next several months.

Councilor Plomin said before we move on, can I ask a question?

Mayor Mills said certainly.

Councilor Plomin said this is, as you say, the opposite of inventory tax. Does this mean that there's an opportunity to raise COIT or EDIT to cover the gap that this may leave in the City budget?

Clerk-Treasurer Rhodes said at this point, there was no provision in the legislation for a way to raise funds. Clearly, the Mayor's alluding to a lobbying effort. I strongly suggest it be a united one, but we're going to have to do our homework first as a County and understand each of the jurisdictions, to form the best plan, rather than reacting immediately. In fact, the inventory tax deduct legislation was changed in the Legislature in this session. It would have allowed us to provide the benefit to all residential property, I believe, not just homesteads. It also provided for action by June 1, a little bit later than the date that we were perhaps concerned about. So the best plan will be if we all put our heads together, and that means really understanding how the tax base is functioning in this County, just like Lafayette needs to understand how our tax base is functioning and *vice versa*, and the County officials, and I think that if we had a work group that would

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

meet regularly on those issues, the mayors, the councils, and finance officers, I think we'd make some real progress and perhaps be very effective in targeting what we need to do in the State Capital to have the best options for our County.

Mayor Mills said I will just add something else. The mayors and the County Commissioners have actually had quite a bit of discussion about this topic already. And we did, last session, the county commissioners association was also very actively following this legislation and, although we did not get them to really participate with us, they are certainly very aware of what's going on and we hope to be more successful in presenting a united front this next year. Very good comments.

Councilor Plomin said does this include taxes from jurisdictions, schools, and library boards?

Mayor Mills said yes.

Clerk-Treasurer Rhodes said correct.

Mayor Mills said and that's why it's such a weighty issue, because there are all the jurisdictions will be affected.

Clerk-Treasurer Rhodes said but just like it was largely an impact on Lafayette with the inventory tax deduct, in which 85% of the problem was really in two taxing districts in Lafayette, it looks like same amount, in this case, is going to be West Lafayette's problem.

UNFINISHED BUSINESS:

Ordinance No. 29-05 An Ordinance To Annex Certain Lands To The City Of West Lafayette (1173 acres) (Submitted by the City Attorney) Councilor Griffin read Ordinance No. 29-05 by title and moved that it be passed on second and final reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said this is the annexation ordinance. Tonight is the second reading of this ordinance, and I will just take a moment to remind you, I think everybody hasn't forgotten, but we've had a gap of time, that we are annexing 1,173 acres, 222 parcels, mostly farmland with some residential. The current population is about 150 citizens. The zoning is residential and a little bit of industrial, and that industrial will no doubt need to be changed to residential or office research. This property will be added to Council Districts 4 and 5, and just a reminder that the annexation does not change school boundaries or library districts. I will also remind people that land use does not change with annexation. Farmland will still be farmland, and will still be used as the property owner desires. What will change will be the services that people pay property taxes for. The services will, we think, increase over what people are receiving now, and the property taxes, of course, will go up a bit to pay for that increased service. The new property will be provided with Police and Fire Department response, and first responder service from the Fire Department. Curbside trash and recycling service, snow removal, the normal street services that citizens in the City receive. Again, those parcels will now be part of the City limits that include, I think, a wonderful parks and expanding trail program. We do have

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

some existing development already in this annexed area, Prophet's Ridge and the beginnings of Lauren Lakes. There will be future development, other phases of Lauren Lakes, and the Purdue Research Park, the third phase of the park. There are future east-west collector roads that are planned by the County for this area. We can talk in more detail, if there are questions. You've seen the fiscal study early on. Mr. Malone and Mr. Rogers are still here tonight and can answer any questions in that regard, but I will remind you that annexation has been suggested in the last three Strategic Plans, and it certainly gives us a role in shaping the development of the property that is now north of the City. I will stop there, and ask for questions or comments from the Council. Anyone? Councilor Plomin.

Councilor Plomin said what are the requisite percentages of voluntary participation in the annexation from residents and landowners?

Councilor Hunt said 51% of the land.

City Attorney Bauman said the required?

Councilor Plomin said yes.

City Attorney Bauman said 51%.

Councilor Hunt said of the land.

Councilor Plomin said of the landowners.

Councilor Hunt said owners of the land.

Councilor Plomin said acreage?

City Attorney Bauman said yes.

Councilor Plomin said and how much of this is owned by Purdue?

Department of Development Director Andrew said 315 acres.

Councilor Plomin said 30%

Department of Development Director Andrew said 315 acres.

Councilor Plomin said about 30%.

City Attorney Bauman said I think that includes both Purdue Research Foundation and Purdue University.

Mayor Mills said and Purdue.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Plomin said what about the real estate developers? Does that make up 51%? The situation here is we have 150 people who are being annexed because the City says it's a good thing and because Purdue University wants to voluntarily agree to annexation. And so lots of people who are dissatisfied with this don't have the opportunity to speak up for themselves, even though by a population standpoint, they may be far and away against it. I haven't heard anybody come to the Council and say, "Please annex," except Purdue. I don't think we should be doing this, without at least 50% of the people consenting.

Mayor Mills said well, the areas of Prophet's Ridge, those developers asked to be annexed into the City. The developers on the east side of 75—75?

Councilor Griffin said 75 East.

Mayor Mills said asked to be annexed. So the people in Prophet's Ridge were provided sewer service because the developer asked to be annexed into the City.

Councilor Plomin said but what about the residents, though?

Mayor Mills said in Prophet's Ridge?

Councilor Plomin said in the whole annexed area. This annexation is drawn to specifically exclude large residential properties and specifically include tracts of land that may be developed in the future.

City Attorney Bauman said exclude large residential properties?

Councilor Plomin said there is, I see, a development— I can't see the streets. Shepherd's Point?

Councilor Satterly said Shepherd's Point at 500 North.

City Attorney Bauman said the reason that was excluded is because that is already served by another utility.

Mayor Mills said American Suburban.

Councilor Plomin said that's fine. Part of this is served by American Suburban already, isn't it?

City Attorney Bauman said no.

Councilor Plomin said are we allowed to annex part of the area served by a different sewage districts?

City Attorney Bauman said part of it is in what they had filed as a service territory with the IURC. We are allowed to annex that, and then can serve that area. The Shepherd's

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Point subdivision was not included because it is actually already served.

Councilor Plomin said but I see here, the big graph, talking about property taxes, City valuation, and how annexation will cause reduction in future property tax rates.

City Attorney Bauman said correct.

Councilor Plomin said not sewage. We're not talking about sewage. People who are not annexed right now are currently being served by West Lafayette, and, if I'm not mistaken, I think areas of West Lafayette are served by American Suburban.

City Attorney Bauman said I don't believe so.

Mayor Mills said no.

Councilor Hunt said you're not getting the water company, it has a similar name, mixed up, are you?

Councilor Griffin said yes, he is.

Mayor Mills said those areas that are being annexed will be served by our sewer utility, our wastewater utility.

Councilor Plomin said okay.

Councilor Hunt said the water company really doesn't—

Mayor Mills said I guess I don't know what you're question is.

Councilor Plomin said my response is this doesn't have anything to do with sewage. It's got everything to do with property value and keeping property taxes low in the City, as our expenses go up, and to control the development of some of this farmland. We can do all of this because 51% of the landowners are Purdue University and some developers, where the regular folks who are going to be having to pay their property taxes at City rates and are going to have to abide by City laws where they're actually living on farmland, have little or no say about it. And I don't think that's the right thing to do, so I won't vote for this.

Councilor O'Callaghan said do you think it was not right of the developer to let them know that they had already made that arrangement?

Councilor Plomin said do you remember the meeting last month, when people came to the Council and said, "I had no idea when I bought my house that it would become part of the City." ?

Councilor O'Callaghan said right, and the developer did know that.

Councilor Plomin said the developer did—

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor O'Callaghan said the developer had made that arrangement.

Councilor Plomin said but the people who are paying the taxes and who will be voting for us in the next election don't have a say. They weren't informed.

Councilor O'Callaghan said they were not informed by the developer.

Councilor Plomin said that's what they said.

Mayor Mills said and that, unfortunately, may be the case. I think, if you think about it and you buy a house in an area that City sewer is provided, and you are not in the City limits, you have to stop and wonder whether you're going to be in the City limits, because very few municipalities provide sewer service without the intention of annexing. Why would we do that? That doesn't make sense. So that's a very normal occurrence for the City to provide a service with the intent to annex, and that's why—

Councilor Plomin said so you're saying, "Buyer beware."

Mayor Mills said well, I guess I am, but I mean it's not—it wasn't a secret is what I'm saying.

Councilor O'Callaghan said and I agree that the developer should have told those people that were buying their property. That would have been their role, to tell them that. I agree.

Mayor Mills said and I think one of the items that you're overlooking is we are going to provide great Police and Fire service, we are going to provide first responder service, and, yes, people will be paying more property taxes. That's absolutely the truth, but they will be receiving services for that. We're not just taking their property into the City without the provision of services.

Councilor Plomin said but to say that we'll be providing great Police and Fire protection, there's still law and order in these areas—

Mayor Mills said sure there is.

Councilor Plomin said right now. It's not rampant wild fire or gang problem in this proposed annexed area.

Mayor Mills said I'm not suggesting that.

Councilor Plomin said to say that the Police don't do a good job here, or the volunteer fire department isn't providing adequate service for the no population, the very sparse population in this area, misleads people.

Mayor Mills said well, I'm not trying to mislead people, but I think if you think about it

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

realistically, even the very wonderful volunteer fire service that we have in the township cannot provide the same response time that our Fire Department can, because they're volunteers. And they have to leave wherever they are to arrive at the scene. Our firefighters are in the station, ready to go, as soon as the call comes in. And the Police service is the same. We have officers here in town. The County Sheriff's Department do a wonderful job, but they don't have the number of people spread in the entire County that we have as a City Police force to provide service. Again, yes they are getting services, but we feel that the services they will now be getting as City residents will be improved. Councilor Griffin.

Councilor Griffin said well, I think we've talked over the past couple of years with Chief Drew about response time and how critical response time is to saving a home from being, basically, completely enveloped in flames, not only the home, but saving the lives of people within the home. Again, this is a logistical limitation. It's not a case that, as has been said numerous times, the township fire departments do an excellent job, when you look at how far the trucks have to come from to get here, just if there were someone stationed there. The time, I think, would push the limit of what we've been quoted many times of what it takes to protect a building. And what's important also is the first responder, in that if we look at the statistics of, if you have a heart attack, if your heart stops, you have to have your heart started within four minutes, if you're going to survive. That can be done. That's the goal of our City services, and I think it's been demonstrated many times that that's what our City services provide. When you just look at the number of County Police cars that there are spread throughout the County on any given Saturday night or any other day or evening of the week, the logistical challenges of having a response to a serious home medical emergency, they do not compare with the service that would be provided if this area were served by West Lafayette.

Mayor Mills said I appreciate—

Councilor Griffin said and although the short-term is that we say, "Well, I don't want to pay," I don't want those people to have to pay more either, but it is a part of the growth of West Lafayette, and it's a small price to pay for saving lives and homes. I'm fine, thank you, Mayor.

Councilor Plomin said I don't want to say that the City isn't providing good services or we don't have a great Police and Fire Chief. I mean, you guys do a great job. There's no question about it. I just question the motives and the circumstances around this annexation, and really think that the people who live in this area ought to be voluntary, and not just the land.

Mayor Mills said I appreciate that comment, Mr. [Councilor] Plomin.

Councilor Satterly said let me make a comment about provision of sewer service. Without the City providing that sewer service, Prophet's Ridge would not exist, because the County would not allow such a development on septic tank systems. The lots are much too small, and so, without the provision of City sewers, Prophet's Ridge would not be there at all.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Plomin said how much of the sewage is borne by the ratepayers, and how much is borne by property tax dollars? Which of the costs of providing the—?

City Attorney Bauman said you just saw the presentation of that tonight. Ratepayers pay for the wastewater treatment services.

Councilor Plomin said and ratepayers are the people in Prophet's Ridge. Inside the City or outside the City, if you get the sewage service, you pay for it at the City rate.

Mayor Mills said that is true.

Councilor Keen said Madam Mayor.

Mayor Mills said yes, Councilor Keen.

Councilor Keen said I think one thing that hasn't really been talked about a lot here is that, I think for this entire area, growth and development is inevitable, whether it be done as part of the County or as part of the City. And I think when we annex, that does a couple things. Number one, yes, there's going to be increased costs to the people who live in that area now, but I think that the increase in the value of their property, I can't help but think that the value of their property will increase over time, as development occurs, and people who own large portions of that can sell that off to different entities and those kinds of things if they so desire, and I think the opportunity is there to at least get some kind of increased value for their property. I think for the City's point of view, I think the benefit is going to be able to control that growth, in developing it in a way that is favorable to the City as well as to the residents who live there.

Mayor Mills said other comments from the Council? We'll take comments from the public, if anyone would like to come to the microphone. Mr. and Mrs. Wiggins? Anyone else. All right, are you ready for the question then?

Councilor Plomin said is this the final vote?

Mayor Mills said yes, it is.

Councilor Plomin said okay.

There was no further discussion.

The roll call vote:

<u>AYE</u>	<u>NAY</u>
Griffin	Plomin
Hunt	
Keen	
O'Callaghan	
Satterly	

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Clerk-Treasurer Rhodes said the record should reflect that Councilor Truitt abstained from the vote.

Ordinance No. 29-05 passed on final reading, 5-1.

Mayor Mills said Mr. [City Attorney] Bauman, would you just remind us of the time sequence on the annexation process, please.

City Attorney Bauman said there will be publication of the annexation ordinance, and then it will become final in 90 days.

Clerk-Treasurer Rhodes said excuse me, to make sure that I said it correctly, perhaps I should have said that Councilor Truitt recused himself from the vote, rather than abstain. I stand corrected.

Mayor Mills said Mr. Malone and Mr. Rogers [both from H.J. Umbaugh and Associates], thank you very much. I appreciate you being here.

Mr. Verl Wiggins said could I ask when it takes effect?

Mayor Mills said 90 days after the publication date, so we will publish it in the next several days, and then it will take effect.

Mr. Wiggins said okay.

NEW BUSINESS:

Ordinance No. 13-06 An Ordinance Providing For Temporary Loans From A Fund Having Sufficient Balance To A Depleted Fund (Submitted by the Clerk-Treasurer) Councilor Griffin read Ordinance No. 13-06 by title and moved that it be passed on first reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said this is an ordinance to make a temporary loan from the Wastewater Treatment Utility to the General Fund. Tax bills and our first revenues from those tax payments are late this year, and we need about \$1.5 million to basically fund our budget, certainly our personnel parts of the budget, for the next several months. So that is what you're approving here. Any questions?

There was no discussion.

Ordinance No. 13-06 passed on first reading, 7-0.

Councilor Griffin said I move to suspend the rules and consider Ordinance No. 13-06 on final reading at this time. Motion was seconded by Councilor Satterly.

Mayor Mills said all right. We have a motion to suspend the rules and have the final reading on Ordinance No. 13-06.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

The vote on the motion to suspend the rules passed unanimously by voice vote.

Councilor Griffin said Ordinance No. 13-06 is now on the table for final reading, and I move for passage of Ordinance No. 13-06 on final reading and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said any further discussion?

There was no discussion.

Ordinance No. 13-06 passed on second and final reading, 7-0.

Ordinance No. 14-06 An Ordinance To Amend West Lafayette City Code Chapter 60.00 Concerning The Requirement Of An Information Sheet To Be Posted With Fire Alarm Control Panels (Prepared by the City Attorney) Councilor Griffin read Ordinance No. 14-06 by title and moved that it be passed on first reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said Chief Drew is here and asked for this ordinance. Chief Drew, do you want to just come and make a few comments, answer any questions?

Fire Chief Drew said the goal of this ordinance is to provide the Fire Department with a tool that we can use, that allows us a quick reference summary information sheet on the specifics of the alarm system within each building. There's obviously a lot of common ground between the alarm systems, but there are some important differences from one building to another, and we want to make sure that those are outlined and readily available and understood by us, as we respond. An example would be the entire building may be one zone, whereas we go to another building and that building may be divided into ten zones. We want to make sure that it's clear when we go there how many zones are in that building and what those zones are, so if it says we have trouble in zone 4, that it's clear where zone 4 is. That is usually the case, but not always the case. So we want to make sure that that's covered. And then there's cases where we also want to know the limits of that system, and if there are areas of that building that may appear to be covered but are not. For example, if a complex has Building A, B, and C, and we go to the alarm panel, we want it clearly stated that the alarm panel that we're looking at covers which buildings. Does it cover Building A, B, C, or all three? We want that to be very clear. What it is not is a requirement for the business owners to retool their alarm systems or to invest any money in their alarm systems at all. It's just an information sheet that clearly explains what the capabilities and limits of that system is.

Mayor Mills said and allows you to provide faster response.

Fire Chief Drew said correct, yes.

Mayor Mills said okay, questions for the Chief?

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Keen said I just have one question. The intent of this ordinance, it seems to be unclear, and I know this is kind of a silly argument, as far as whether or not the system is actually tied in to the Fire Department directly or not. I know that there are businesses that exist that just have an internal system within their own building that doesn't dial in or call in to the Fire Department, and then there's others that do. Is the intent of this to cover all of those, or just the ones that dial into the Fire Department directly or to an alarm company? Do you see what I'm saying?

Fire Chief Drew said the systems are tied in, or they go to the alarm company and the alarm company notifies our dispatch. Can you explain again?

Councilor Keen said I have been in buildings before that have fire systems and alarm systems that are not tied to an alarm company or the Fire Department. They're just an in-house kind of a thing. Not monitored would be the other way to put it. Is the intent of this to cover those, as well as the ones that are monitored?

Fire Chief Drew said yes, any building that has an alarm system. The intent is to clearly identify what the capabilities of that system are. The intent is not to modify the capabilities, but to clearly identify what those capabilities are, and then to include any specific information that might vary from one system to another, such as an abbreviation that is used. It might mean one thing at one building and it might mean something else at another building.

Councilor Keen said I guess my question would be then does anybody else see a need for modifying this at all, to make the distinction that whether it's a monitored or a non-monitored system? Because that was a concern that I had.

Fire Chief Drew said I don't see where that would be necessary.

Councilor Keen said okay.

Fire Chief Drew said it doesn't specifically say "monitored systems."

Councilor Keen said I just see that as a possible question coming up in the future, and if it does, we can deal with it.

Fire Chief Drew said okay.

Mayor Mills said Councilor Hunt.

Councilor Hunt said I had a concern at Pre-Council, when you were at your training, Chief Drew. This all falls apart if that sign or the zone map is not where you're going to look for it, so I'm sure you've thought about how you can make sure it doesn't leave the area, it doesn't walk away, it doesn't get taken someplace.

Fire Chief Drew said yes. We need to make sure that it's securely posted, right by the alarm panel, so that it doesn't walk away or get ripped off the wall. So we can protect it,

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

for instance, by putting a hard plastic over the top of the sheet and screwing it to the wall. That would be one way to do that.

Councilor Hunt said thank you.

Fire Chief Drew said yes.

Councilor Griffin said from the practical standpoint, would it be useful to have a copy of these zone maps at all of the stations, so that when the particular building was identified, that that zone map could be on the trucks?

Fire Chief Drew said at the fire stations?

Councilor Griffin said is that a practical possibility? I mean, I have no idea what volume of alarmed buildings we're talking about here.

Fire Chief Drew said yes. That is a possibility, yes. We can actually take a copy of this information sheet and put it with our preplans and with our building maps—

Councilor Griffin said it would actually allow *en route* planning with the Fire Chief, I suppose, to see if it's zone whatever, it allows whoever's going to be in charge of the scene—

Fire Chief Drew said the most useful place to put it would be on each truck, because on the trucks we have maps of the various buildings and it could go right there with it.

Mayor Mills said okay, anything else? Councilor Plomin.

Councilor Plomin said I have one. I actually mentioned that to the Chief, as we were walking into the Council Chambers today. What will this ordinance accomplish that wouldn't be accomplished by a nicely worded letter to the property owners?

Fire Chief Drew said it will give uniformity in the sheet itself. So whether it's on the south end of town or the middle of town or the north end of town, we have a sheet that is the same throughout the town, so that if one owner wants to write it up one way and another owner writes it up another way, it may become confusing. It can eliminate that confusion.

Councilor Plomin said has there been an effort to not make— I mean, there's a \$250 fine, if you don't comply with this, but has there been an effort with a less harsh manner, just being cordial and mentioning this to—

Fire Chief Drew said the Fire Inspector has actually started talking with some of the building owners, and the alarm companies. Yes, I don't think there will be any harshness required in this, because there's no— We're not asking for the changing of systems, we're just asking for some time to be taken to gather the system information and to put it together. I don't expect there to be any need for harshness, in almost all cases.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Councilor Plomin said okay, thank you.

Councilor Griffin said one goal of this is to protect our firefighters. There are lots of other goals, but one goal of this is to make it safer for our firefighters to their job.

Fire Chief Drew said right. Any time we can get to a fire quicker, that makes it safer for us, yes.

Mayor Mills said thank you.

Councilor Hunt said and not just for firefighters, but the people that are living or residing or in that.

Councilor Griffin said I wasn't trying—

Councilor Hunt said I know.

Councilor Griffin said I'll stop right where I was.

Mayor Mills said anything else?

There was no further discussion.

Ordinance No. 14-06 passed on first reading, 7-0.

Councilor Hunt said may I ask a question? If we suspend the rules, can we get this in effect earlier, or is that—?

Mayor Mills said are you in a rush to have this done? You can still work on it before the next Council meeting. Do you want us to—?

Fire Chief Drew said there's no rush, because we're also waiting on the State, for their approval.

Mayor Mills said so we'll just take it up then. But thank you for asking.

Resolution No. 10-06 A Resolution Requesting The Transfer Of Funds (Police, Development) (Prepared by the Clerk-Treasurer) Councilor Griffin read Resolution No. 10-06 by title and moved that it be passed on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said this is a request to transfer funds in the Police Department from Salaries, Full-time \$10,600 to Clothing and Uniforms, and in the Development Department from Repair Services \$60 to Tires and Tubes. The transfer in the Police Department is to purchase some replacement vests for some of our officers, including our Special Response Team, and as I mentioned in Pre-Council, the costs of the vests has climbed exorbitantly this year, and so we're going to need additional money, in addition to that

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

which was already set aside for the vests, just to be able to go ahead and purchase them. The Chief is here, and so is Mr. [Department of Development Director] Andrew from Development, if you have questions. Any questions?

There was no discussion.

Resolution No. 10-06 passed on first and only reading, 7-0.

Resolution No. 11-06 A Resolution Authorizing The Filing Of An Application With The U.S. Department of Housing And Urban Development, For Community Development Block Grant Funds, As Provided In Title I Of The Community Development Act of 1974, As Amended (Submitted by Department of Development) Councilor Griffin read Resolution No. 11-06 by title and moved that it be passed on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said this is our yearly resolution to use our Community Development funds to file that program. Mr. [Department of Development Director] Andrew is here, if you have questions. I'll just mention something that's in the resolution itself, that it's our 32nd program year for Community Development Block Grant Program. I think we've used those funds very, very well in 32 years. Questions for Mr. Andrew? Any comments? Councilor Plomin.

Councilor Plomin said I think that the City of West Lafayette improperly uses the false poverty of zero income students to take limited Community Development Block Grant funds from communities that need it more than we do. And so I won't vote for this.

Mayor Mills said I have to say, Mr. [Councilor] Plomin, that the Housing and Urban Development Department of the federal government is pretty particular about how these funds are used, and, trust me, we wouldn't be getting the money if we didn't meet the guidelines. Those guidelines have been changed, actually, in the last year. Correct me if I'm wrong, Mr. [Department of Development Director] Andrew, but we are going to actually lose some of our funds and fall out of the target area, because they have removed student incomes as part of the qualifying numbers. But I will say that we're not the only university community that is sorry to see those funds change with the use. We have used them well, and we have used them for a lot of infrastructure improvements in the neighborhoods close to campus, particularly. And we've used them to provide social services to our entire community. We've used them very well, and some of them have been used for housing for low to moderate income families, and since that's the number one priority for this program, I think not many people could argue with the way we've used those funds. They've been very appreciated. Councilor Griffin.

Councilor Griffin said so the concerns that Mr. [Councilor] Plomin raises, since the students are no longer included in those calculations— Am I understanding correctly?

Councilor Hunt said next year.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Mayor Mills said well, Mr. [Department of Development Director] Andrew can probably give more information, but they have changed the guidelines now, as of this past year, for—

Department of Development Director Andrew said the focus now is on home ownership, and that's part of the reason we're working in New Chauncey. We're not looking at critically at student populations now, but the main thing is the low/mod benefit, regardless of whether they're students. I mean, they qualify.

Councilor Plomin said but none of the money goes there.

Department of Development Director Andrew said you've got Bloomington, you've got Ann Arbor, we've got University of Illinois— I mean, this happens.

Councilor Plomin said the things students need the most, the ones that live in my district, are new sidewalks—

Department of Development Director Andrew said Matt [Councilor Plomin], I would suggest that they show up at the hearings. Because we don't hear them—

Councilor Plomin said the students voted for me, and I'm here to represent them.

Department of Development Director Andrew said well, they don't show up at the hearings, so for the panel that makes the recommendations to how this money is to be spent. This is a citizen-driven panel. They make recommendations.

Councilor Griffin said hasn't there been improvement from these funds, south of Fowler?

Department of Development Director Andrew said yes.

Mayor Mills said yes.

Councilor Griffin said quite a bit.

Department of Development Director Andrew said a significant amount.

Councilor Griffin said significant amount. South of Fowler, south of Wiggins.

Department of Development Director Andrew said most of it's spent in that area.

Councilor Hunt said may I?

Mayor Mills said yes, Councilor Hunt.

Councilor Hunt said I've gone to these hearings for the CDBG, where you listen to the social service organizations present their concerns and their limited requests for funds, and it kind of breaks your heart to see so many people homeless in this community. I'm

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

always pleased with the funding of those agencies. Also, if you're looking for low-income housing or the first house you buy, it just helps you economically to be able to buy a house.

Department of Development Director Andrew said starter homes

Councilor Hunt said and they're starter homes, and not mega-mansions or McMansions, I guess as they're called now. And students are buying houses.

Department of Development Director Andrew said student couples. We have, mainly in the older part of town, trying to maintain the neighborhood.

Councilor Hunt said well, they're buying some in my neighborhood, too. I'm impressed with our wise use and the efforts that go into just helping people buy homes.

Councilor Griffin said well said.

Councilor Plomin said the best way for new homeowners to afford property in New Chauncey is to rent out the bedrooms and help supplement their income with some rental income. Price for a modest home in New Chauncey is well above \$150,000.

Mayor Mills said I wish that were true.

Councilor Griffin said no.

Councilor Plomin said I was walking, and—

Councilor Griffin said that's not the case.

Councilor Plomin said that is the case. And it's not practical to work within this program and afford a house at that kind of level in New Chauncey. It just doesn't make any sense. The level to which we fund social services is paltry sum, compared to the level that we fund New Chauncey—

Mayor Mills said there are restrictions—

Councilor Plomin said because of the restrictions placed by HUD. If we could work to better improve sidewalks in more heavily pedestrian traveled areas, like the "island" or south of State Street, then this money would be better spent in my opinion.

Mayor Mills said I appreciate your comments, but again the directives from HUD are directed to neighborhoods, providing housing and providing stability to neighborhoods, so it's not just to redo a sidewalk. It's actually to redo a sidewalk with the intent of protecting that neighborhood.

Councilor Plomin said of course, yes.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Mayor Mills said all right. Any other comments or questions?

There was no further discussion.

The roll call vote:

<u>AYE</u>	<u>NAY</u>
Griffin	Plomin
Hunt	
Keen	
O'Callaghan	
Satterly	
Truitt	

Resolution No. 11-06 passed on first and only reading, 6-1.

Resolution No. 12-06 A Resolution To Approve Updates To Certain Policies Contained In The Personnel Manual For West Lafayette City Employees (Prepared by the City Attorney) Councilor Griffin read Resolution No. 12-06 by title and moved that it be passed on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said thank you, Diane [Human Resources Director Foster], you've been very patient tonight. We are updating our personnel policy manual. Ms. Foster has been working on this very diligently for at least a year, and she is here to answer questions. You all received copies of it prior to tonight, so you had plenty of time to look over it and see if you had questions or concerns. We have several other sections that we are still working on, but this is the majority of the hard work has been done. We are finally reaching the point where we will have consistent policies throughout our departments. I want to thank Diane for all the hard work that she's put into it. She's a one-person HR department, as you know, and so it's very difficult to work on these really large projects with any continuity, because she keeps getting interrupted by the day-to-day problems that crop up in every department. Are there questions for Diane?

Councilor Truitt said I have one question, Diane [Human Resources Director Foster], 27.01 is missing a letter E. I was concerned if that was just a typo, or if something was—I mean, it's not a big deal, but it's just a grammatical, or if you're like me, you were formatting and couldn't—I can never figure out how to get that letter back in there sometimes, so...

Councilor Hunt said it goes from D to F.

Councilor O'Callaghan said it's on page 11.

Human Resources Director Foster said formatting was a bit of a challenge.

Councilor Hunt said the topic changes at the "city's," I think.

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Human Resources Director Foster said it appears as if that should be an E. I'll double-check that.

Councilor Truitt said you proud of me for catching that, though?

Human Resources Director Foster said very.

Councilor Truitt said that means I was reading it.

Councilor Satterly said yes, Randy [Councilor Truitt]. You and—

Councilor Truitt said no one else caught it, so I'm pretty—

Human Resources Director Foster said it's after an after-prom weekend, and I'm not wearing my glasses, so I don't want to say one way or the other right now. Thank you.

Mayor Mills said anything else? All right.

Clerk-Treasurer Rhodes said I'd just like to make one comment. There is one other piece of legislation that has been initiated because of the change in the personnel manual. The Board of Works was asked to amend the salary ordinance for the Wastewater Utility at the April 25 Board of Works meeting, to add one new section and to revise one section. The addition of the section was caused by the consolidation of separate departmental policies into one City policy, and that would be Section 4 has been added. As you can see, the section in bold, Additional Statements, is simply a rewording of what already existed, and there's been no substantive changes. Because the Board did not approve this until after the filing date for the agenda, you'll be seeing this piece of legislation as Ordinance No. 15-06 at the next Council meeting.

Councilor Keen said I did have one other comment about the personnel policy.

Mayor Mills said Councilor Keen.

Councilor Keen said I hate to even bring this up, actually. On page 21, under the Street and Sanitation employee rules and regulations, it does talk about the non-smoking policy, but that was just for Street and Sanitation. I didn't know if you were going to incorporate that in the rest of the manual for everyone else.

Human Resources Director Foster said there definitely will be a policy, Citywide, that will be applied—

Councilor Keen said is that going to be in a future edition of this?

Human Resources Director Foster said it will be, and, actually, I hope that I'll be coming back, there'll be another revision yet that I'd like to have effective January '07, that will deal with the section on the vacation policy. Certainly the smoking policy which will be enacted the same time for City employees as it will be in effect—

COMMON COUNCIL MEETING MINUTES, MAY 1, 2006, CONTINUED

Mayor Mills said every other public space.

Human Resources Director Foster said right, in July.

Councilor Keen said okay.

Human Resources Director Foster said that was something that already existed, and we didn't remove it, but yet there will be one to replace it at some point.

Councilor Keen said I just wanted to make sure it was going to be Citywide, not just in Street and Sanitation. That was the only thing I was concerned about.

Mayor Mills said we will. Thank you. All right. Anything else?

There was no further discussion.

Resolution No. 12-06 passed on first and only reading, 7-0.

COMMUNICATIONS:

CITIZEN COMMENTS:

Councilor Hunt said may I make a comment?

Mayor Mills said certainly.

Councilor Hunt said we need to vote tomorrow.

Mayor Mills said very good. We do need to. Primary election is tomorrow. Don't forget to vote. A good reminder. Thank you.

ADJOURNMENT:

There being no further business at this time, Councilor Truitt moved for adjournment. Motion was seconded by Councilor Satterly and passed by voice vote, the time being 9:32 p.m.

Respectfully submitted,

Judith C. Rhodes, Clerk-Treasurer
Secretary of the Common Council