

CITY OF WEST LAFAYETTE
COMMON COUNCIL
MINUTES
AUGUST 7, 2006

The Common Council of the City of West Lafayette, Indiana, met in the Council Chambers at City Hall on August 7, 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, Truitt

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

MINUTES: Councilor Griffin moved for acceptance of the minutes of the June 29, 2006, Pre-Council Meeting; and July 3, 2006, Common Council Meeting. Councilor Satterly seconded the motion, and the motion passed *viva voce*.

COMMITTEE STANDING REPORTS:

STREET AND SANITATION: Councilor Satterly presented this report.

On the July monthly highlights, Milestone Contractors have finished resurfacing the streets for 2006. Adjusting manholes is now in progress, so watch for the cones and other things in the roadway where the manholes are being adjusted. Fairfield Contractors continue reconstruction of curbs and sidewalk Safety Improvement Project on Salisbury Street. Morton Salt had the low bid for road salt at \$46.37 per ton. Even though it's the middle of August, we look forward to the snow. This is \$2.42 higher than last year; not good news. People moving in and out at the end of the summer session, plus the heat has caused overtime in the Sanitation Service. A few notes concerning things that are placed at the curb for Sanitation Department to pick up:

Trash and garbage must be placed in containers; the weight limit is 50 pounds. Nothing longer than four feet or six inches in diameter—we're talking about tree limbs, things of this sort.

Carpet should be cut in six-foot lengths, rolled and tied.

No concrete, brick, sod, dirt, or demolition debris.

No refrigerators, air conditioners, freezers, or dehumidifiers. If you have this type of item, you can call Wildcat Creek Solid Waste District at 423-2858 for disposal of these items and other hazardous chemicals.

Latex paint cans should be filled with kitty litter to dry the paint, and left at curbside with the garbage on your pickup day, and the lid is to be taken off the paint can.

Call the Sanitation Department at 775-5242 for pickup of metal items.

Used motor oil, oil filters, and antifreeze can be brought to the Recycling Center on South River Road.

Any contracted work—that is, if you are paying someone to do your work—they must remove the trash and brush from the project that they've been contracted to do.

That finishes that report.

Mayor Mills said thank you, Councilor Satterly. I'll just take a minute to encourage the Council to drive around in the next several weeks, because our Street Department employees are working very, very hard—our Street and Sanitation employees—right now, and it's been

extremely hot, as you well know. They are putting in considerable overtime, but take a drive down some of the alleys in the New Chauncey Neighborhood and some of the other neighborhoods that have particularly a lot of rentals. I think you'll be surprised at what you see, how much is at the curb or how much is on the alley. Sometimes the whole property line, from fence to fence is full of trash, and our guys can spend, you know, 20, 30 minutes at a single property, just picking up the trash that tenants leave when they move out, so I think it gives you an appreciation for the great job they do. They pick up everything, they haul it all away, and often it's in very adverse condition this time of year. So I'd just like to say a special thanks to all of them for the great job they're doing in keeping our City streets clean.

WASTEWATER TREATMENT UTILITY: Councilor Satterly presented this report.

The June highlights: total flow at the Sewage Treatment Plant was 216 million gallons; that's 80% of design capacity. The average flow was 7.2 million gallons per day. We had 2.43 inches of rain during June. The Combined Sewer Overflow during the month of June was 0.056 million gallons. The percent treated in the Plant was 99.97%. The digester renovation is in the planning stage. Bar Barry and Green Meadows Lift Stations renovation is in the design stage. The North River Road Interceptor is to be evaluated in August. Smoke testing presently is underway in the Green Meadows Subdivision. You might ask what smoke testing is. This is where they put a smoke into the sewers to see where there might be illegal taps into the sewer, or whether there are leaks in the sewer. They're trying to determine where water is infiltrating the system, because we don't want to treat stormwater at the Sewage Treatment Plant. The Stormwater Survey is online, and you can get the results from the survey taken at the Tippecanoe County Fair at the email address don.emmert@in.nacdnet.net. I'm sure you didn't get all that. That's okay.

Mayor Mills said it's on the website.

Councilor Satterly said it's on the website. The Wastewater Treatment and Sanitation cleaned 2,641 lineal feet of storm sewers, televised a little over 1,000 lineal feet of sanitary sewers and 5,000 lineal feet of storm sewers, replaced 12 manholes and repaired three catch basins, and did 11 sewer taps. That completes that report.

Mayor Mills said I'll add a thank-you to the Wastewater Utility employees who are also raising all those manhole covers, because as the resurfacing is being finished, they, of course, have to go out right away and raise all those manholes. It is a very warm time of year to be doing that. They're doing a great job.

PUBLIC SAFETY: Councilor Keen presented this report.

The month of July, I've got several items on both reports. I'm just going to review a couple of these, though. For the Fire Department, we had a \$3,600 refund for some repairs on one of our fire trucks. It was an insurance claim and that has, hopefully, very well negotiated and taken care of there. Good job done there. Also, [Fire] Chief Drew has applied for a grant that would pay for radios for additional firefighters in the '07 budget. It would also pay for a backup generator for either Station No. 1 or Station No. 3. The likelihood of getting the grant is good. One of the other things that Chief Drew is looking at is a compressed air foam system. I think this is an exciting technology. If anyone knows anything about fires, I know they use foam on grass fires sometimes and fuel fires and electrical and so on. But it's technology that they're going to be taking a real hard look at. Basically what it is is compressed air and foam in a hose

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line, instead of just water. It has a lot of real potential opportunities, but the cost, obviously, is the big drawback. It's about \$45,000 a truck. Firefighter safety is improved, firefighter efficiency is improved, and water damage can be significantly reduced in many instances. Apparently, the State of Texas has passed a law requiring reduction in insurance premiums for residents whose fire departments are equipped with this system, so that's definitely a good move. In the Police Department, a couple of things. Everyone knows the department has lost their dog Fonske on July 14. Hopefully, everyone will remember Fonske for all the outstanding work he did for the department and the community. We are currently looking into getting another canine unit up and running, and hopefully that will be done very soon. Apparently, the insurance company's going to be issuing a check for replacement for at least part of that process. One other thing that I would like to talk about is that the West Lafayette Police Department has started taking applications for the first Citizens' Police Academy. This is kind of an exciting thing. Lafayette Police Department has had this program in place for a couple years anyway. The Citizens' Police Academy is a completely volunteer organization. It is part of the Homeland Security; it comes out of that program. They're going to start taking applications for that. It's an 11-week program that will meet one night a week for approximately two to three hours. The program will cover a variety of topics, including dispatch, communications, training and the field training program, patrol, traffic law, criminal investigations, drug investigations, canine, crash investigations, and several other things. The program will start on Wednesday, August 30, and end on November 8. Anyone who would be interested in applying for this needs to do that quickly, actually, because the class is filling up. They can apply at the Records Division between 8:00 a.m. and 4:00 p.m. Monday through Friday. This is a really good program to help the average citizen be able to help out their Police Department and their Fire Department. The Fire Corps is another part of this whole thing, which is yet to be developed within the West Lafayette area, but I know that there's inroads for that, too. But that completes my report.

PURDUE RELATIONS: Councilor Plomin presented this report.

It's the beginning of August right now, and students have already started moving in. Most of their leases ended or began on August 1 or 15, so if you haven't experienced it already, you will experience some traffic- and moving-associated inconveniences in the coming weeks. Classes start a week from Monday, and Boiler Gold Rush is beginning either this week or Saturday. The President of Purdue Student Government Jon Foltz has been in Australia all summer. He's returning soon, and will be here, I'm pleased to announce, next month to deliver the PSG report for September. This concludes my report.

PARKS AND RECREATION: Councilor Hunt presented this report.

The two festivals held in July in the Tapawingo area, River Fest and Dancing in the Streets, were really quite successful, but it really rained hard at one time. I don't know how many of the rest of you got very, very wet when it really rained hard. So that was mostly successful. The reconstruction of the plaza at the west end of Myers Bridge is nearly complete. The fountain is operating, at least it has been the several times I've been down there. It's really pretty. It still is fenced, I believe, but it should be operating daily sometime after this week. The Lincoln Park plan that had some holdups because of the historical home there, that plan is being completed. They had a public meeting on July 12, to talk to some people that live nearby about the development and they included their comments in some of the new development, so that should begin within a few weeks. At Cumberland Park, the men's and coed softball tournaments are underway. They play serious softball in those leagues. Recreational youth soccer begins this month. The last month to enjoy the pool this year is August 13, that's very soon. The Global

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Fest will be one day this year, September 2 at Morton Community Center. The Greater Lafayette Community Foundation has awarded \$4,000 for this festival, and that's great. The next Park Board meeting will be August 21 at 4:30 in City Hall. That concludes my report.

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

The Redevelopment Commission met on July 17, and discussed the lighting project on Sagamore West which is progressing. Most of the underground portion is completed, and they still hope to have that done by fall. Also, the median planting is progressing, and INDOT's actually going to pay about a third of the price of the landscaping in that median, and the Parks Department will take over the maintenance. However, the gateway signs were not approved by INDOT, and now there's an empty desk where the approval needs to come from, so that's a little bit disheartening, because we would have liked to have that all completed as part of the Sagamore Parkway Task Force. The Nighthawk Trail extension has been submitted to INDOT, and this will connect the sidewalks to the apartment complex up there, and get us really close to having a crossing over up by the bridge, which is, again, something that the Sagamore Parkway Task Force recommended. Councilor Hunt mentioned the Tapawingo Plaza project being completed and the fountain has been turned on since that Redevelopment Commission meeting. The Commission did pass a resolution releasing \$18 million of assessed valuation from the KCB TIF District to the overlapping districts. Now this doesn't mean that those districts will get more money, but they could realize a small decrease in the tax rate, and this is an indicator of the success of the redevelopment in that area in attracting businesses and generating more revenue. I guess finally I'd like to mention that the 19 universal access ramps which will be installed along Indian Trail, that's being paid by CDBG funds, the Community Development Block Grant, and the neighbors are very pleased to have those access points put in.

Mayor Mills said thank you. I will just add the gateway projects on Sagamore Parkway will happen; they just won't happen this fall. We must wait for the INDOT permit, and that will likely be spring next year, by the time we start on those.

PERSONNEL: Councilor O'Callaghan presented this report.

We do have the salary ordinances tonight, to vote on. This does reflect a 2% salary increase. And I guess I'll also mention that the personnel department, our HR person, is working towards an evaluation tool for performance based raises, perhaps using a model like Purdue does with a quarterly assessment of some of the aspects of the jobs and related to specific parts of the strategic plan.

BUDGET AND FINANCE: Councilor Truitt presented this report.

We have a large number of activities tonight surrounding the budget, so I will defer most of my comments, but this evening, we will be going through the first reading of the budget ordinance, followed up with a couple of Budget and Finance Committee meetings on August 10 at 7:00 p.m. and August 24 at 7:00 p.m., then again in September, we will move into the second publication or reading of the budget. I look forward to a presentation this evening and a discussion. That concludes my report.

REPORT OF APC REPRESENTATIVE: Councilor Griffin presented this report.

At a meeting last month of the Area Plan Commission, there was considered a rezoning just outside of West Lafayette City limits. I think it's of interest to our citizenry. This was a Planned

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Development. It was a gated community designed primarily for college students, close to the intersection of Lindberg and Klondike. It was the opinion of the majority at least of the Area Plan Commissioners that this rezone was not appropriate for that location, and so it was turned down by the Area Plan Commission. Of course, the County Commissioners have the final say on that. I think what's important here is that everything that comes to this body here, as far as rezoning, does first go to the Area Plan Commissioners, and I think that what this reflects is the fact that those who are involving themselves in rezoning and in redevelopment and development around the County are watching very carefully what we need to do for controlled growth for the long-term health of our community.

Mayor Mills said thank you.

Councilor O'Callaghan said the Commissioners did deny that this morning.

Mayor Mills said they voted today?

Councilor O'Callaghan said they voted against it.

Councilor Griffin said it was this morning?

Councilor O'Callaghan said yes.

Councilor Griffin said good.

Mayor Mills said good, thank you. Good to have the update.

REPORTS OF SPECIAL COMMITTEES: None.

PUBLIC RELATIONS:

Employee Service Anniversaries

Mayor Mills said we have only one employee service anniversary for August, and that's Dave VanVactor from the Police Department, who has been with us for 10 years. We give our thanks and congratulations to Dave for his great service to the City.

West Lafayette Community Beautification Award

Councilor O'Callaghan said I'm very pleased to announce that the winners of the August 2006 West Lafayette Beautification Award are Patrick and Becky Beck of 2717 Covington. Patrick and Becky do their own garden maintenance and landscaping. This garden features many interesting trees, including a large sweet gum and a smoke bush. The Beck's garden features perennials that range from shade-loving hostas to tall, sun-loving yucca. Stones and stone formations add bold texture, and two large and mature Boston ferns spend the warm months in the shady front yard. The Beck's garden reflects their hard work and dedication. We certainly do offer our congratulations to Patrick and Becky, and if they'd like to come up, I'll present this certificate. Typically, we have pictures to present the award winners, but since it's been so hot lately, Becky and Patrick thought a little bit later might be better for the picture, so Councilor Hunt will take that picture later on. This is the vote of our appreciation for all the work you do to make our community more beautiful.

Mr. Patrick Beck said thank you.

Ms. Becky Beck said we appreciate it.

Councilor O'Callaghan said sure, thank you. If you'd like to say a few words. Becky [Ms. Beck] said you might, Patrick.

Mr. Beck said I will pass.

Councilor O'Callaghan said thank you.

FINANCIAL REPORT: Clerk-Treasurer Rhodes

Clerk-Treasurer Rhodes said you have received your State Board of Accounts reports, as well as the Summary Cash Transactions report this evening. If there are no questions, I'll defer discussion, because we have the budget to take up later this evening. Thank you.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

Order of Business

Mayor Mills said we are going to go a bit out of order and take Resolution No. 18-06 first, so that Sally Byrn [President and CEO of SSCI, Inc.] doesn't have to sit here through all the budget discussion. I'm sure she'd like to go home after a long day.

Resolution No. 18-06 A Resolution Approving The Designation Of An Economic Revitalization Area For Property Tax Abatement For SSCI, Inc. (Prepared by the City Attorney) Councilor Griffin read Resolution No. 18-06 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 Mr. [Director of Development] Andrew or Mr. [City Attorney] Bauman.

City Attorney Bauman said this is the same matter we heard last month, but unfortunately last month, I had made a mistake in the preparation of it and had not followed the recommendation on the period of time that the Economic Development Commission had made. I apologize for that. We have instituted new procedure in my office, where we have prepared complete forms with all the options and blanks to fill in, rather than reusing a past form, and so we shouldn't have that happen again. I think you're familiar with the story of SSCI, which is an astonishing success story, and that was why they were recommended for approval by the Economic Development Commission. They've grown rapidly, with a significant employee base of high-paid employees who are performing high-tech work for the pharmaceutical industry and we then would have a public hearing and the confirmatory resolution, as required by State law, next month.

Mayor Mills said all right. Are there any questions or comments?

Councilor Plomin said this is truly a success story, and we appreciate all the hard work SSCI has done for the community and will do in the future. They bring great jobs to the community,

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high-paying jobs, and we want that work to continue, certainly. I'm planning on voting for this, but I'd like to say a few things. It's appropriate that we're talking about this today, when we're talking about the budget and the impact on property taxes also, and, if we need to, in the future, maybe reevaluate the places we will tax in West Lafayette. Right now, non-TIFd residential areas bear the cost of running the City, of the Police and Fire, sanitation, and all of the other services we provide. Jobs are certainly important, but it's also important to strike a balance between taxing business and taxing individuals and homeowners. So this is an appropriate tax abatement, and I hope we continue to build on our strong tradition of jobs in West Lafayette, but we may need to give better consideration in the future to future tax abatements.

Mayor Mills said I take your point. I think it's a great point. I'll just remind you that we just passed through \$18 million in assessed valuation for that reason—

Councilor Plomin said that's terrific.

Mayor Mills said to relieve the burden on the taxpayer, but we do want to keep that TIF strong, because that's how we do provide incentives to great companies to stay in our City and keep those great jobs here.

Councilor Plomin said is that \$18 million a permanent reassign to the General Fund, or is that—
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Mayor Mills said it's just pass-through of assessed valuation, and that is decided on a yearly basis. That is dependent on, of course, what outstanding bond issues we have to cover in the TIF District.

Councilor Plomin said what do we have to do to make that permanent?

City Attorney Bauman said I don't think you can make it permanent, legally—

Mayor Mills said it's a yearly decision.

City Attorney Bauman said because of the way the statute works. The increment in the area has been pledged in support of the bonds, and to reduce the pledge would be a violation of the covenants of the bonds, but on a yearly basis, we are permitted to evaluate and pass-through monies that won't be needed to meet the obligations, including those bond payments. I think the anticipation is that we would be able to continue to do that pass-through in the future.

Mayor Mills said I think you can be assured that the Redevelopment Commission is interested in passing through assessed valuation every year they can.

Councilor Plomin said that's terrific. Thanks.

Mayor Mills said thank you. Good comments.

Councilor O'Callaghan said also, from the discussion that I alluded to at the Redevelopment Commission meeting, they take very seriously having enough in the TIF District to pay off the bonds. We do have some bonds in that particular TIF District now, and to be able to do the

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infrastructure that we want to do, so it wasn't lightly done, and some more reluctant than others, but were very willing to do this when they were assured that there was enough money to cover what projects they have on line, and also to have some flexibility for some projects that come up that they're not sure about, and to be able to take advantage of something like the Butler/Sikorsky deal. So it's very important that we keep funds in there as well.

Mayor Mills said and we'll talk about this a little further, when we do have the budget discussion, because we're going to use our Tax Increment Finance dollars very well next year. We'll talk about that when we get to the budget. Any other discussion or questions?

There was no further discussion.

Resolution No. 18-06 passed on first and only reading, 7-0.

Ordinance No. 19-06 An Ordinance Fixing The Biweekly Salaries Of Appointed Officers, Employees And Members Of The Police And Fire Departments Of The City Of West Lafayette, Indiana For The Year 2007 (Submitted by the Mayor) Councilor Griffin read Ordinance No. 19-06 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 you have the ordinance in front of you. As Councilor O'Callaghan pointed out earlier, this does include a 2% salary increase for all of our employees this year. I wish it could have been more, because people work very hard and put in great service, but we do have budget constraints, and I think we were fortunate to do 2%. Are there any questions or comments from the Council?

Councilor Truitt said there's been a couple statements in regard to the merit pay, performance-based, I guess, policy. Is there any way that Ms. [Human Resources Director] Foster could provide, or someone provide an update in regard to where we do really stand with that and what the thought process is there?

Mayor Mills said we actually had that discussion at Pre-Council. We are working on that. We have a draft vehicle that we are going to pass out to all the department heads. We also have just recently gotten from Purdue a great set of documents that they use. As Councilor O'Callaghan pointed out a few minutes ago, what we like about what the University is using is they do quarterly reviews of employees, and those are based on different things each quarter, but focused around their strategic plan for the University, and how each job promotes or supports that strategic plan. I think it's appropriate for us, since that's our basis for budgeting and movement, whatever we do is based on our citizen-driven Strategic Planning. So she is working on it. As you know, she is a single-person department, and she spent a great deal of time this year working on updating the personnel manual, which we talked about several months ago. So this is her priority now, performance appraisal. I think you'll see something yet this fall, but she is one person who takes care of all the claims and the personnel issues for our entire City.

Councilor Truitt said so the process will be department head review, feedback, and then delivery to the Council?

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Mayor Mills said right, yes.

Councilor Truitt said something along those lines, or the Personnel Committee, or something.

Mayor Mills said right.

Councilor Truitt said all right, thank you.

Mayor Mills said any other questions or comments?

There was no further discussion.

Ordinance No. 19-06 passed on first reading, 7-0.

Ordinance No. 20-06 2007 Wastewater Treatment Utility Salary Schedule As Submitted By The Board Of Public Works And Safety For Approval By The Common Council Of The City of West Lafayette, Indiana (Presented by the Board of Public Works and Safety) Councilor Griffin read Ordinance No. 20-06 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 a similar ordinance for the Wastewater Utility. As you know, the Utility is a separate entity from the City, its own board and employee ordinances for salary. Again, the employees of the Wastewater Utility receive 2% salary increase. Are there any questions or comments?

Clerk-Treasurer Rhodes said the Board of Works will be approving this before the second reading.

Mayor Mills said thank you. Any comments?

There was no further discussion.

Ordinance No. 20-06 passed on first reading, 7-0.

Ordinance No. 21-06 An Ordinance To Set The Biweekly Salaries Of The Elected Officials, City of West Lafayette, Indiana, For The Year 2007 (Prepared by the Clerk-Treasurer) Councilor Griffin read Ordinance No. 21-06 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 a similar ordinance to set the salaries for myself, the Clerk-Treasurer, the City Judge, and all the Councilpersons. Two percent for those of us, besides the Council, and the Council salary is staying the same as it was last year. Any questions? Any comments?

There was no further discussion.

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Ordinance No. 21-06 passed on first reading, 7-0.

Clerk-Treasurer Rhodes said this ordinance will be advertised, as required by statute.

Ordinance No. 22-06 An Ordinance Appropriating Monies For The Purpose Of Defraying The Expenses Of The City Of West Lafayette, Indiana, For The Fiscal Year Beginning January 1, 2007, And Ending December 31, 2007, Including All Outstanding Claims And Obligations, And Fixing A Time When The Same Shall Take Effect (Submitted by the Mayor) Councilor Griffin read Ordinance No. 22-06 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.

Councilor Griffin said I would move for amendment by substitution of the changes that are presented to us tonight, with some changes on page 2 of 6 in the Police Department, Personal Services, making a change in the total General Fund, then on page 4, some changes in the Cum Cap Development Fund. I believe those are the changes in the amended City Budget. Motion was seconded by Councilor Satterly.

Mayor Mills said all right. Thank you very much. As Councilor Griffin pointed out, there is a change in this ordinance from what we discussed at Pre-Council. We made some corrections to the Police Salary in the 100s, and we also made additions to the Cum Cap Development Fund, which is under Section 7. You will see those changes highlighted in bold and the changes struck through on both of those. We're going to have a short presentation. I'd like to talk a little bit about the budget before we actually have the discussion. We're about to get geared up here.

Councilor Plomin said is there a motion on the table to amend by substitution?

Mayor Mills said yes.

Councilor Griffin said yes, and seconded.

Mayor Mills said thank you, Councilor Plomin. We have a motion on the table to amend by substitution this new version of the budget.

The motion to amend Ordinance No. 22-06 by substitution passed on voice vote, 6-1.

Presentation on Proposed 2007 Budget by Mayor Mills

Mayor Mills said I want to start tonight by just thanking the department heads for their really excellent work in 2006 to provide us with the great services. We have been working within budget constraints for the last several years, and we will continue in that light for a while, but they've really done a great job of providing service to us, and worked very hard, all of them, this year, to keep the increases minimal. We knew we had some big obligations facing us in 2007, and I think they've really done an excellent job in this budget this year. I also want to take the time to thank the Clerk-Treasurer and her staff. There is a lot of time and effort spent this time of year, in pulling together the numbers and the forms and a great deal of paper that changes very rapidly. They've done a wonderful job, as always. There were a lot of extra hours and weekend work on Saturday morning last weekend, a week ago. There were quite a few people

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in the Clerk's office, compiling the budget books, so the Council could have them in a reasonable time, to have time to study the changes. Thank you very much for all the assistance.

I'm going to start tonight by just reminding you that our budget every year is based on our citizen-driven Strategic Planning process that we go through. The department heads and I take those initiatives that come out of the Strategic Plan and we put together priorities, we put together a capital improvement program based on those priorities, and then each year we really put the budget together based on both of those. I just want to remind people of this quote that came out the 2003 Strategic Plan that encourages us, as a community, to expand to the north and west. This year, in 2007, that initiative from the Strategic Plan will figure very highly in this budget. Our priorities will still remain in 2007 as they have in many years, to focus on public safety, on quality services, on investment in our infrastructure in town, and this year, for the first time in quite a few years, on planned growth through annexation. This is the map of the annexation area, and I think it's important to put this up. We've talked about the annexation through the last six months, and we often showed just that top third of the map, in the blue hash-marked area, which is the annexed area, but I think you need to see it in relation to the entire City. We are annexing an area that's about a third of our current acreage of the City now, and so in 2007, it will be our challenge to provide the same time of good City services that every other area of the current City limits sees in that new one-third area that we're adding. I want to remind you also that there are advantages to annexing, not only do you have to provide services, but there are some real advantages that come to us as a City. With the growth of acreage, we will have good growth to our assessed valuation. This is just a chart that shows how the assessed valuation is expected and, of course, this is just a forecast of how we expect the growth to occur, knowing what the development is that's planned for the area that we are annexing. But you can see that the assessed valuation grows considerably, from about \$1 billion to \$1.7 billion by 2020. The annexation, besides adding the assessed valuation of the City, also has the advantage of beginning to stabilize our property tax rates. You do this by realizing efficiency of scale in providing the services. In this graph, you can see that the blue bars on the left are the property tax rate that we are enjoying now, and how that rate would continue to go up over the next 20 years. The purple bar on the right is what happens to the property tax rate with annexation, so you are providing those services over a larger population and, again, realizing efficiencies of scale. We will support the annexation in 2007 using strategic cash reserves that we are fortunate to have as a City; using a great number of Tax Increment Finance dollars, we have a very healthy TIF District in the Kalberer/Cumberland/Blackbird TIF, and we will use those dollars well this year, to finance this annexation; and we are doing it also by very minimal budget increases in other areas of the budget this year. Again, public safety remains a priority this year, as always. We are adding six additional personnel, three police officers and three firefighters. The police officers will be added in January, the firefighters will be added the first of July. We will be buying two new fire engines this year. One will be placed in the new fire station that will be built in this new annexed area, Station No. 3. It will be paid for, as will the fire station, with the Tax Increment dollars from the Blackbird/Cumberland TIF. We are also, at the same time, adding a new fire engine to Station No. 1. It's the oldest engine we have, and it's been in the shop for repairs many, many times this year, too many times, and so we will use the Levee/Village TIF to buy a new fire engine for Station No. 1. We will add four replacement police vehicles this year. We try to add vehicles every year, to replace those with the largest number of miles. This year, we will add three, to replace old ones, and we will add one new vehicle for that newly-annexed area. We

will be redistributing our police districts with this annexation, and so we'll need a new car to provide service to that new district in the City. This is just a simple breakdown of the budget, and, as always, I'll remind you that public safety is a huge part of our budget for the City of West Lafayette. 46.6% in this 2007 budget. You can see that we will spend about 12% of the budget on roads and streets. This is anywhere from resurfacing to really road projects to sidewalks, curbs, universal access ramps. We are going to put a priority that infrastructure. 4% for the Sanitation Department. EDIT is about 10% of this year's budget, and not only do we economic development with those monies, but now we are using some of those monies, unfortunately or fortunately, for operating costs for the City. Last year, the Legislature made that possible, so that now cities can use Economic Development Income Tax dollars for any municipal need. It's kind of a blessing and a curse. It gives us flexibility to use those dollars for whatever we need them for, but it also, I think, prevents us from using all those dollars from economic development, like we'd really like to be able to do. Again, 6.5% will go to the Parks this year, and maintaining the wonderful trails and recreation spaces that we have, and 21% of the budget is for other, and that basically is everything else in City Hall, the other departments here. So there is the 2007 budget breakdown for this year. I'll remind you again that the Strategic Plan guides our budget priorities every year. The 2005 Strategic Plan encouraged focus on transportation infrastructure, particularly pedestrian accessibility, and so we have dedicated a great deal of money this next year for resurfacing, sidewalks, curbs, and universal access ramps, and signal and sign upgrades. We will take advantage of our Major Moves dollars that we have gotten from the lease of the Toll Road, and we will use \$450,000 of our Wheel Tax monies for these projects. We, I think, have done a great job in the last two years of strategically managing our pension obligations, and last year we were fortunate to be able to take our Rainy Day monies and the extra COIT distribution and put those toward our pension obligations. Because of that, we find ourselves in a very comfortable position this year. We certainly have continuing pension obligations. This year, the combined obligation between Police and Fire is about \$1.5 million, as you see there, an increase of about \$500,000 over 2006. But I'll remind you that some of that obligation is supported by dollars from the State, and only about \$250,000 this year will come from property tax. Again, with the annexation, we will feel the impact of additional personnel, the three new police officers in January. You can see the salary that three probationary officers will use in one year. The three new firefighters in July. This year, we are moving two of our full-time Parks employees from the Nonreverting Operating Funds—those are funds that are generated by revenues that are brought in to the Parks Department, but those are shrinking revenues, and we find ourselves having to consider moving employees that have been paid on what I guess I'll call "soft" money back into the General Fund this year. In essence, we are adding two additional Parks employees to the General Fund, because we will move those people out of Nonreverting Operating. Again, we are giving a 2% salary increase for all City employees. An encouraging piece of news that I think you've probably heard about or read about in the newspaper, as a County, as the three government entities, the West Lafayette City government, Lafayette, and Tippecanoe County, we are investigating and are moving forward on what we are calling the Tippecanoe County Government Insurance Trust. We are going to start purchasing health insurance together. We are going to pool our employees and pool our resources. This year, we most likely will just purchase health insurance as an entity, but the goal is next year to be totally self-funded and have self-funded health insurance for our employees. Not only will we, we feel, be able to offer our employees better quality health insurance, a wider variety of packages for them to choose from, but we will recognize considerable savings in purchasing as a larger number of employees. So we're looking forward to that. I think it's another great example of how we

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cooperate so well in our community. You'll be hearing much more about that as we move into next year. I want to remind you, having seen all this and how the budget will increase with annexation, that we still are very, very fortunate in West Lafayette. We enjoy one of the very lowest tax rates in Indiana, and of Third Class Cities, we are the lowest of comparable cities of 15,000 population or more. It's been amazing through the process of getting to know some of the other mayors in other cities, and people are very impressed at the quality of life we manage here with such a low property tax rate. I want to show just two other graphs. This is appropriations per capita. Levy per capita, again. In all three of these areas, property tax rate, appropriations per capita, and levy per capita, we are in the lowest 10% in the State for Third Class Cities. And except for, in this one, I think it's Frankfort that is lower than we are, but we are certainly efficient, we provide very good services for very little money per person.

Discussion

Councilor Satterly said did you say Third Class Cities of over 15,000? What's the upper limit for a Third Class City?

Mayor Mills said 30?

City Attorney Bauman said 5.

Mayor Mills said 35,000.

Councilor Satterly said so it's 15,000 to 35,000?

Clerk-Treasurer Rhodes said there's actually no limit. It's up to the city if they wish to convert to a Second Class City when they reach 35,000.

Mayor Mills said there are towns who are greater than 35,000 population.

Councilor Satterly said that are Second Class?

Mayor Mills said no, towns, instead of cities.

Councilor Satterly said oh, towns.

Mayor Mills said this is just a comparison of the 2006 budget and the 2007 budget, and I wanted to show the annexation costs there, as a little bit on the pale blue at the top, just to point out that, if you take out the salaries for the Police and Fire and you take out the one police car that really is going to be dedicated to that new district, it's almost half of the increase in this year's budget from last year's. About \$317,000 is just for that basic annexation cost, and that's just salaries and that one car. It's nothing more than that.

Councilor Truitt said what was that number again?

Mayor Mills said it's in the handout that you got. \$317,377, I believe. This is a comparison of the 2006 and 2007 total budget. The previous slide was just the General Fund dollars. This is the total budget for 2006 compared to 2007. I've broken out here the cost of annexation, those road projects that I talked about earlier, and the pensions. The road projects this year are \$1.54

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million, so it just gives you a feel for how much money we really are dedicating to infrastructure. If you take out those monies that we're investing for future growth in annexation, roads, the budget in 2007 is only 2.78% higher than last year. Again, we have worked very hard to keep the budget low this year. We know that we have annexation costs that we're going to have to handle next year, and I think we've done a great job of keeping the increase very, very moderate. I'll just finish by saying I seriously believe that this 2007 budget is really a strategic investment of resources for the future of the City. We will see a lot of changes happen this year, and I think we are prepared to meet those changes and bring in a large new portion of the City, and do a great job of providing services to those new citizens. Thank you. I'll stop there, take any questions, and then we'll start discussion. The Council got the PowerPoint as a handout, and, again, I hope that if you have questions about it later, you won't hesitate to ask. Questions or comments about the PowerPoint or any thing I said in the PowerPoint, before we start looking at that budget itself?

Councilor Hunt said may I make a comment?

Mayor Mills said yes, Councilor Hunt.

Councilor Hunt said you mentioned and you clarified, I just wanted you to clarify it again, about the two Parks employees. They're not new employees? You just moved them where their salary comes from?

Mayor Mills said they are not new employees, correct. Again, the NRO Funds are decreasing in the last several years, and we have used those very well, to pay salaries for Parks employees, but we are finding now that we need those monies for operating monies, and so we're moving two of our Parks employees back into the General Fund, where they originally were paid.

Councilor Satterly said could you mention what the income is? What the sources are for the NRO?

Mayor Mills said Joe [Parks Superintendent Payne] can do a better job than I can, but it's all the programs, the classes—

Councilor O'Callaghan said fees.

Mayor Mills said the pool, what else, Joe [Parks Superintendent Payne]?

Parks Superintendent Payne said also the Skating Center, and the revenue goes into the General Fund. The others that they Mayor mentioned go specifically into NRO, primarily the courses, programs, and classes.

Mayor Mills said other questions?

Councilor O'Callaghan said may I ask a specific question? I already asked questions about the proposed police budget, how that's different from what was originally proposed, and I appreciate your answering those questions. But I didn't ask about the Law Enforcement Continuing Education. That fund, what you've put in there is more than what [Police] Chief Marvin recommended taking out from there—

Mayor Mills said yes.

Councilor O'Callaghan said and I wonder if you could explain that.

Mayor Mills said the Clerk-Treasurer looked at those funds that the Chief had allocated for the appropriation this year, and the Police Department was under the impression that the revenues were down considerably. But Judy [Clerk-Treasurer Rhodes] said that actually there are more monies there than the Chief thought. We have used those monies in the past to help pay for the items that are listed on your sheet—training, travel, that sort of thing. We'd like to continue to use those monies for those needs, instead of moving all those costs into the General Fund, so there were more monies than the Chief thought were available, and so that's why some of it was moved out of the General Fund into Law Enforcement Continuing Education.

Councilor O'Callaghan said good, thank you. And those funds are things from court fees, permits, crash reports, ID checks, and things like that, for VIN numbers?

Clerk-Treasurer Rhodes said the three main sources are crash reports, motor vehicle ID checks, and a \$3 fee on all court cases, whether they're heard in City Court or heard in the County court system, if they originate with one of our officers.

Mayor Mills said any other questions specifically?

Councilor Truitt said are we just focusing on general questions now, or what's the strategy here?

Councilor Plomin said is this the presentation still?

Mayor Mills said no, I mean we can discuss the ordinance, we can discuss the presentation, whichever you prefer.

Councilor Truitt said what is the—just for my records—the source of the graphs that you used for the presentation? Where did that information come from?

Mayor Mills said it depends on which graph you're talking about. The annexation graph you've seen before—

Councilor Truitt said yes.

Mayor Mills said that was from the fiscal plan from Umbaugh—

Councilor Truitt said mainly those city ones.

Mayor Mills said the city ones, all that data is from the DLGF, the Department of Local Government Finance, from 2005, so those are 2005 numbers from the Department of Local Government Finance.

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Councilor Truitt said any logic in regard to the cities picked? I know that there's a lot of them to choose from.

Mayor Mills said Third Class. I asked for data from all the Third Class cities, and what was put on the graph was cities over 15,000 population.

Councilor Truitt said all right.

Mayor Mills said it's as current data, I think, as is available from the Department of Local Government Finance.

Councilor O'Callaghan said and as comparable, too, because we wouldn't really want to compare to cities that were smaller than 15,000.

Councilor Plomin said right, so this has comparisons like East Chicago—

Mayor Mills said well, it does—

Councilor Plomin said Crown Point, Crawfordsville, cities that really aren't like West Lafayette. But, okay.

Councilor O'Callaghan said but it's every city that's over 15,000.

Mayor Mills said what would you compare it to, Mr. [Councilor] Plomin? I mean, there aren't a great number that are like West Lafayette, and that's why it's—

Councilor Plomin said I'd compare it to other cities in the County, other jurisdictions in the County, other cities and jurisdictions in the collar counties.

Mayor Mills said we don't have a comparable city in our County—

Councilor Plomin said I think when people move to—

Mayor Mills said of comparable populations.

Councilor Plomin said West Lafayette or choose to move to this area, get a job with one of these many fine companies in the Research Park, they pick a place to live based on the cost of living there, including the property tax rate so we need to be competitive in that kind of market.

Councilor O'Callaghan said actually, when we compare the West Lafayette city tax rate to the Lafayette city tax rate, I think the West Lafayette city tax rate itself is lower than Lafayette city tax—

Councilor Griffin said it is.

City Attorney Bauman said two of those cities on that chart were from collar counties, being Frankfort and Crawfordsville.

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Mayor Mills said I think you can see them all with bar graphs there, and how they compare to us. I don't think there's any hidden data there, it's just cities over 15,000 that are Third Class.

Councilor Plomin said yes. It is what it is.

Mayor Mills said okay, any other questions or comments?

Councilor Truitt said the levy per capita chart here—there's so many different inputs in regard to this, though. Correct me if I'm wrong here. Our array of funds, if you want to call it that, could be totally different than East Chicago. I would guess that East Chicago is the way that it is because its mix of residential and industry is different than ours. And there's no way really to weed through that—

Mayor Mills said absolutely. I mean, you could look at Lafayette and say the same thing. They have a greater industrial base than we do.

Councilor Truitt said almost three times.

Mayor Mills said and your levy is certainly impacted by that.

Councilor Plomin said I'm interested in seeing what the population figure is that we used to calculate the per capita tax rate, the per capita appropriations.

Mayor Mills said I can provide you with all of the chart. It's all entered into a worksheet on Excel, and then a graph is formed. It's the numbers that came from the DLGF, came directly from DLGF.

Councilor Plomin said okay, thank you.

Mayor Mills said other questions about the budget?

Councilor Truitt said are there any expenses not included in the budget today that should be reflected—i.e., is the healthcare cost? I know we have a renewal coming up.

Mayor Mills said no, thank you. I'm glad you didn't forget about that. The health insurance costs that are included in the budget today do not reflect any increase. That wasn't added, because we don't know exactly where we will be, because we are working on this Insurance Trust. We know what our rates at Arnett were projected to be for next year, but until we've decided how we will purchase health insurance this year, those are not included. So that number will change. We will have health insurance costs in there.

Councilor Truitt said now, we do have some for 2007, we do have some of the—let me come back to that—

Councilor O'Callaghan said just to that point, we did talk about, at Pre-Council, that even though we would be purchasing insurance as an entity with the various jurisdictions, and hopefully going toward self-insurance with those combined entities, the each individual entity could still decide for themselves how much they would pay for the employees' insurance, as opposed to

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the employee paying. So we would still have those controls, so that we could control the cost to us, based on what percentage of the plan that we provide for our employees and what percentage they pay for.

Mayor Mills said right. The advantage of this is each government entity will be able to underwrite for their employee pool as they see it. Initially, we will not all be necessarily—now, we might, but we won't necessarily—have the exactly the same plans. We will offer a menu of plans and, again, each city or the County can underwrite a certain proportion of the costs for their employees. The goal, of course, is, finally, will be a small menu of plans that all of our employees will choose from, so that is the way we can recognize the greatest savings as a Trust.

Councilor Truitt said this Trust is in the early stages?

Mayor Mills said yes.

Councilor Truitt said no numbers have been thrown around? One of the scary things is the experience mods of the different entities. I have no idea what the County— My gut would tell me that their experience mod is different than ours, based on the number of employees—

Mayor Mills said right.

Councilor Truitt said that they have, but that could be different. Are we too early to look at any of that?

Mayor Mills said I don't think we're too early, but through these early discussions, we have learned that if you have over 1,000 employees—and, collectively, we will have over 1,000 employees—the very best way you can purchase health insurance is to have a Trust and be self-insured. And so that is our goal. We are trying to address those issues. The County is already self-insured, and they have outstanding obligations that they have to deal with, before we can form a new pool and purchase together. We will all be committed into investing a certain amount of money upfront, and this may be, you know, over two years, so that we can fund that self-insurance pool. Those are the details to be worked out. I think we are all convinced, and Clerk-Treasurer Rhodes and [Human Resources Director] Diane Foster have been part of the subcommittee for the City of West Lafayette, who are looking at the self-insurance. I think we are all convinced that it will be in our best interests in the long term. It is not a process that you undertake lightly, and it certainly isn't a process that you undertake for the short-term. You don't do it if you're only interested in being self-insured for a year or two. That will not be a good investment of time or dollars. It's for the long haul that we'll look at this.

Councilor Truitt said well, once you enter in, then you have the tail to worry about going forward. That up-front payment that you just talked about, that would be reflected in the 2008 budget, or who knows how we're going to handle that?

Mayor Mills said I think that's a little early to say, and maybe the Clerk-Treasurer can answer that, but I don't think we know those details yet.

Councilor Satterly said and we have how many employees?

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Mayor Mills said we have about 185.

Councilor Truitt said back to my healthcare question that I wanted to check my numbers. If I go back and I add 151 and 152 in the Clerk-Treasurer budget and the Sanitation budget, the “new” employees are included in these numbers for 2007, as far as—is that correct?

Mayor Mills said yes.

Councilor Truitt said so when we say that it’s not included in the budget, we could be looking at another \$100,000, if there’s a 10% increase? Is my math—?

Clerk-Treasurer Rhodes said we have budgeted—

Councilor Truitt said what are you looking at, 151 and 152?

Clerk-Treasurer Rhodes said yes.

Councilor Truitt said \$503,500 and \$434,250, plus a little—

Clerk-Treasurer Rhodes said there’s about \$50,000 in Sanitation. There’s around \$900,000, not quite \$1 million. It’s probably nine hundred—

Councilor Truitt said \$986,250.

Clerk-Treasurer Rhodes said \$990,000 budgeted between the Clerk-Treasurer’s budget for health insurance and Sanitation, both of those being the two budgets that have health insurance premiums in the property tax funds. We have, of course, the expenses for employees in MVH, EDIT, Wastewater Utility as well. But at budget time, we were particularly focused on the property tax funds.

Councilor Truitt said so what was our increase last year? 13%, something like that?

Mayor Mills said 12% or 13%.

Clerk-Treasurer Rhodes said we carry health insurance for comprehensive medical, dental, and vision, and not all of those renew annually, although we did have a change in carrier of dental. The net effect was a little bit less than what you described, because of the packaging of those three main benefits. That would be a ballpark, but I would like to check the figures before I told you exactly for the same roster how much our costs increased. A bit lower than what you said.

Councilor Truitt said the only reason why I’m concerned about it, is that, as you know, and you might want to talk about this more, but we are investing, by using our fund balances, which I’ve been vocally concerned about for a long period of time. We’ve gone from \$2.5 million to \$1.5 million, now down to \$320,000 at the end of the year, and I’m just getting a little skittish when I see a potential \$100,000 plus number that we haven’t accounted for, at least I couldn’t find it, so we’re getting down to the skinny of these numbers, and I’m just a little—

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Mayor Mills said and you know, as always, that those are conservative numbers. We'll have reversions, we'll have cuts to the budget this year. We'll reduce the budget before we're finished with 2006. I think, realistically, that number in the operating balance will be a lot closer to \$1 million at the end of '07, than what you see on your sheet, because we're always conservative in those estimates. And, yes, you're right, we are using cash balances, but this Council voted to annex, and the only way we can support the annexation until we start receiving those new property tax revenues in June 2008 is to use some of this cash reserve in a strategic way that we have set aside. And that's, again, why the increases in the rest of the budget were so minimal this year, because we know we are going to use cash reserve.

Councilor Plomin said what happens in June 2008?

Mayor Mills said we will get out first property tax revenue from the annexed area.

Councilor Plomin said do we expect to have an excess levy appeal?

Mayor Mills said we will, no doubt, file for an excess levy appeal for— If you look at the financial plan that Umbaugh did for us, they forecast that we could do about a \$500,000 appeal, which would be about half the cost of providing services to that area, but we wouldn't file that appeal until September of next year, September 2007. And we would get the first new property tax revenues as our allocation in June 2008, so until that happens we have to pay for this annexation, again, using some of our strategic reserves.

Councilor Plomin said so for those playing at home, the State caps our levy.

Mayor Mills said right.

Councilor Plomin said at a certain rate per year. It can't grow more than—

Councilor Satterly said not a rate, so many dollars.

Clerk-Treasurer Rhodes said it's actually a rate.

Mayor Mills said and it's capped at 4% this year.

Councilor Plomin said okay. And so then, by annexing, what we can do is go over that, because it costs us extra money to service the annexed area.

Mayor Mills said that's right.

Councilor Plomin said and so not only are we growing at the maximum, we're growing at the maximum with a plan to blow the caps next year and file an appeal.

Mayor Mills said I wouldn't call it "blowing the caps."

Councilor Plomin said I would. They're caps, and they're being blown.

Mayor Mills said half a million dollars isn't "blowing the cap," Councilor Plomin.

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Councilor Plomin said can I have half a million dollars? It's a lot of money.

Mayor Mills said absolutely. You just saw why we need it from that budget.

Councilor Plomin said I know. I'm making the point that, you know, it's funny seeing stuff from this side of the Council. And every year since I've been on the Council, the budget comes down from the Mayor's office and it's bigger and bigger and bigger every year. It's supposed to be smart and sound and reasonable, but it just keeps growing at the maximum, and the money that we have run the City with well this year isn't enough for next year or the year beyond. And I understand things increase in cost, but in this presentation here, you split the budget out, and you divided out roads, which is interesting. Because in 2006, we paved a lot of roads and we built a lot of new sidewalks. We're building them on Chauncey right now and Salisbury, in the New Chauncey Neighborhood. But you put it in here, so we're going to spend this much more on roads next year than we did on this year.

Mayor Mills said Mr. [Councilor] Plomin, let me just make a few points.

Councilor Plomin said okay.

Mayor Mills said first of all, the roads are gas tax dollars, MVH, LRS, the LOHUT money, the Wheel Tax, the Major Moves money that comes from leasing the Toll Road. Those are not property tax dollars, and those are dollars that people pay, taxes people pay in gas tax, for roads. So it's expected to take those monies that people are actually giving in revenues to the City and build the infrastructure, repair the infrastructure. I just wanted to make a point of how many dollars we are spending this year on those infrastructure improvements, and, again, those are initiatives that are outlined in the Strategic Plan, which is citizen-driven. These are projects that people want to see happen.

Councilor Plomin said it's a lot of dollars—

Mayor Mills said secondly, I will remind you that the property tax rate was flashed up there. We are in the lowest 10% in the State for property tax. You say that we tax our maximum levy every year, and absolutely we do. In the '60s, we froze our property tax levy, self-imposed, and it's taken us 40 years to try to bring that property tax level into a reasonable balance, so that we actually can provide services to the citizens. So we do take our maximum levy every year. As you know, it's under \$300,000 in new property tax dollars. And with the cost of gasoline and the cost of fuel, we couldn't survive as a city unless we took the maximum levy.

Councilor Plomin said okay, I understand that.

Mayor Mills said \$300,000 is not a lot of money.

Councilor Plomin said but let's look, though, you say we're getting extra money from LOHUT, we're getting extra money from Major Moves, we're getting extra money from EDIT, we're getting extra money from the sales tax increase that happened a few years ago. We're getting a lot more money from a lot more sources in the State, and, at the same time, we're getting more money from more sources, we're decreasing our savings accounts and all of our fund

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balances, and we are overspending ourselves, so we're going to end up in a situation in a couple of years— I know that it was \$500,000 we were going to put into the pensions, but now it's going to be \$250,000. And we're going to end up hitting that wall next year or the year after, and some real tough decisions are going to have to be made.

Mayor Mills said we are putting only \$250,000 of property tax money into the pensions, because we are comfortable that we have the money in there we need. So we are using property tax dollars for other needs, for this next year. Again, when those new property tax revenues come in from the annexed area, we will be building up cash reserves, like we have in the past. We are not going into a spending spiral. We have kept the budget very level this year. We are having costs for annexation, which all of you voted to annex that new area into the City—

Councilor Plomin said I didn't vote for it.

Mayor Mills said that's the only way we can finance it.

Councilor Plomin said the back of my envelope calculations says we're growing this budget around 15%.

Mayor Mills said it says what?

Councilor Plomin said we're growing the budget around 15%. What's the budget growth right now?

Mayor Mills said we're not growing it that much.

Councilor Plomin said I look at these graphs, and this one says it's around \$16.5 million, and the other one says it's over \$18.5 million. And so that seems like 15%.

Mayor Mills said the total increase, with the annexation costs in there, is 14%.

Councilor Plomin said 14%. I apologize.

Mayor Mills said again, I said if you take out the annexation costs and the road projects, it is less than a 3% increase in the budget. Less than 3%.

Councilor O'Callaghan said that 2.87% also includes moving two salaries from NRO to the General Fund as well, correct? That \$98,000 from those—? Was that included in that, or is that just the General Fund, or is that all of them?

Mayor Mills said that's only annexation costs, that—

Councilor O'Callaghan said no, I mean in the amount that's left, that's not included in the annexation or the other. That's what I was thinking, that that \$98,000 was also within that 2.8%, but it may be that the 2.8% that you presented was for all funds, not just General Fund.

Mayor Mills said yes, no, the 2.8% is for all funds. The General Fund was 3.6%.

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Councilor O'Callaghan said so that's that difference there.

Mayor Mills said 3.75%.

Councilor O'Callaghan said 3.75%, thanks. I guess I would also like to point out that in March of '06, we had a great presentation by Mr. [City Engineer] Buck about the capital projects that we are doing, and that the community wants and are excited about, and that's why we have that money in there, \$1.54 million for street projects. I'm very excited about, and I think that's something that our citizens expect from us.

Mayor Mills said and something we haven't talked about. If you look at your sheet that lists the levy and the property tax rate, you'll see that the increase is very small this year for a change in property tax. Two-cent increase in the property tax rate per \$100 of assessed valuation, so— Look on Section VII-2 in your budget book, where it gives the estimated 2007 levy and the estimated tax rate, and the tax rate is, again, going up two cents, from \$0.7387 to \$0.7595, so a very small increase in the property tax rate. Other questions?

Councilor Keen said I had a couple questions, if I could. On the annexation for next year, what's the approximate new assessed value that's going to be coming in from the annexation area?

Mayor Mills said that will depend on the build-out next year, or in the interim between now and next year.

Councilor Keen said what was the forecast that you worked on with that?

Mayor Mills said I can't tell you that off the top of my head. You have that graph from the Umbaugh fiscal plan.

Councilor Keen said my point is, I don't recall that amount as being a great amount, and we've been talking here like this new tax revenue that's going to come in in '08 is going to be some big amount, and I don't believe it's really going to be that big of an amount, based on the added AV for next year. And also, in line with what Councilor Plomin was saying, if you look at our revenues for next year, they're actually down by \$13,000 on the property tax funds, and down by almost \$300,000 overall. And so I do think we need to take that into consideration. In your presentation tonight, you talked about the pension funds, and you say we have a combined obligation of \$1.465 million?

Mayor Mills said right.

Councilor Keen said and we are contributing out of property tax funds, \$250,000—

Mayor Mills said right.

Councilor Keen said how much more, by other sources, is being contributed to that?

Mayor Mills said well, the difference, you know, we get— The pensions are supported by the State. Fifty percent—

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Councilor Keen said so the State's going to give us \$1.2 million—

Mayor Mills said 50% of the pensions is supported by the State—

Councilor Keen said for that next year?

Mayor Mills said you have the—

Councilor O'Callaghan said those numbers are in the handout that you have.

Mayor Mills said you have the great handout that the Clerk-Treasurer made you on the pensions. You can see where all of the different revenues come from.

Councilor O'Callaghan said it was just right inside your budget book.

Clerk-Treasurer Rhodes said we would expect to see revenues of about \$890,000 for both pension funds next year. \$250,000 would be property tax funds.

Councilor Keen said so you're saying \$890,000 total?

Clerk-Treasurer Rhodes said yes.

Councilor Keen said so that's still going to leave roughly—

Clerk-Treasurer Rhodes said we are expecting \$560,000 to be pension relief, which is cigarette tax, largely, from the State, distributed to provide somewhere about 50% of the actuarial estimated pension obligation.

Councilor Keen said but that, again, is included in that \$890,000?

Clerk-Treasurer Rhodes said correct.

Councilor Keen said so that still leaves about \$600,000—

Clerk-Treasurer Rhodes said well—

Councilor Keen said in obligations not covered by those, covered by anything we have.

Clerk-Treasurer Rhodes said yes, and you can see that we are utilizing the—

Councilor O'Callaghan said Police PERF.

Councilor Truitt said Police PERF.

Clerk-Treasurer Rhodes said we have nearly \$700,000, a little bit less than that, in accounts, equity investment accounts, that we placed with PERF, to be managed in Indianapolis, several

years ago. And we are going to be using about \$135,000 of one of those, the Police Pension sub-account.

Councilor Plomin said this PERF account is like a savings account that we have in store for pension obligations?

Clerk-Treasurer Rhodes said the money represents the estimated pension relief that was paid out, to bring us current back about 2001. Prior to that, we always paid in arrears. The State went ahead and brought cities current, and at that time, Mayor Margerum and I, with the consent of the Council, agreed to place those accounts in the PERF system and keep them there, to provide assets when we needed. We knew that we would have a cohort of firefighters that would retire within about five years of receiving the money, and that has proved to be true. The money was meant to be held as a reserve. Frankly, we're at a point, with the plan for annexation and the bringing on of personnel, there's really nowhere else to go. There isn't another source of revenue. I have one or two in mind, but I'd like to visit several facilities in town and talk about some of our non-profit facilities making a contribution to the City. I think it's long overdue. But barring that voluntary approach, we have to fund our obligations with money that we control. We control these accounts.

Mayor Mills said and we've been very fortunate to not dip into those before this time, and we are not dipping into the Fire PERF this year. We are saving that still, because we know that outstanding obligation still remains. These funds were designated for pension relief, and we are starting to use them this year.

Councilor O'Callaghan said and we did talk about this at Pre-Council, with the handout that the Clerk-Treasurer presented to us and that we were using about a third of the Police PERF account, because that's a known roster, which will only decrease with time, but not touching the Fire PERF, so that we will be ready to meet the retirement obligations of those firefighters, and that these numbers were based on actual experience in the last 18 months, and the roster of the DROP firefighters, so these are very carefully thought out ways to meet the pension obligation, but also allow us to use the strategic use of all the funds that we have for the planned growth and for the capital projects that the community wants.

Mayor Mills said I think the Clerk-Treasurer is always very cautious and conservative in the use of these, and I think she would say she's comfortable with what we have planned this year, so—

Councilor Plomin said I think you should let her say that.

Mayor Mills said well, she can say that.

Clerk-Treasurer Rhodes said I have—

Mayor Mills said she did say that at Pre-Council.

Clerk-Treasurer Rhodes said I did explain that the plan here would guarantee that we could meet the obligations of any of the firefighters who might choose to retire, despite changes in those retirement plans, and that's where we have the greatest uncertainty. But you've also heard me say tonight there's nowhere else to go, except the one source I've mentioned. When I

hear discussions like that, it makes me feel that we need to move ahead with that in a more concerted and focused manner. I will get on my soapbox and say we provide great City services to a number of facilities in town that are not housing individuals on a charity basis. These are individuals that have resources to live in particular facilities. They are tax-exempt. They live in our community because of the fantastic first responder service they get from the Fire Department, and many of the other quality of life service amenities that we're able to provide with tax dollars. Realistically, we need to have them contribute, like all other citizens, to maintaining the services that they enjoy. Clearly, we are fortunate in that several years ago, we had a payout from the State, we have a nest egg that we may draw on now, but it's a one-shot nest egg. We've got to think again about the issues of funding these quality City services for entities that are tax-exempt.

Mayor Mills said other questions?

Councilor Keen said I just wanted to agree with Councilor Truitt on a couple of things that he had said. One was the increase in healthcare costs. I just think we should have, at least budgeted for some kind of an increase in this budget, instead of just holding off and thinking we're— At least that would have given us a better feel for where we could be. And the biggest concern I have is with the decrease in our reserves. Two years ago, we had \$2.5 million. This year, we're down to \$1.5 million. For next year, we're going to be down to \$300,000. Yes, that's what they're there for, to use them when we need them, but I'm wondering if there wouldn't be— I just think it's irresponsible to run our reserves down that low, regardless of what kind of amenities we're providing. And, yes, we do provide a lot of services to the people. We have great employees. Sometimes I think we need to look more at needs versus wants. There's a lot of things I'd like to do with my property, but I can't do them all this year or next year. I have to wait and save my funds, and to let our reserves get down that low, I think that is just irresponsible, in my opinion.

Mayor Mills said I will say again, Councilor Keen, that this is a very conservative, low estimate of where we will be at the end of the year. If you'll look at your budget sheet, historically through the past years, you'll see that every year, we end up with more in the cash balance than is forecast, and we do that on purpose, to forecast low. We will have reversions, we will be cutting this year's budget before the end of this year. We are not going to be at the \$300,000 cash balance mark at the end of 2007. As far as the health insurance is concerned, we will have health insurance numbers from the Trust conversations by mid-September, and so before the final vote of the budget, you will have numbers included in this budget. That's not going to be left out.

Councilor Truitt said back on this appeal.

Mayor Mills said yes.

Councilor Truitt said levy. So if we use—if you—and maybe Judy [Clerk-Treasurer Rhodes] might be able to help me here, math-wise, is that for every \$100,000 of the appeal levy is a one-cent tax?

Clerk-Treasurer Rhodes said well, we expect to have about \$1 billion in assessed valuation, if our assessed valuation goes up about 1%. I was hoping for that, at least. So one penny on the tax rate gets you \$100,000.

Councilor Truitt said so that would equate to, if it's \$500,000, that would be just a hair under 7% tax increase?

Clerk-Treasurer Rhodes said well, \$500,000 would be five cents.

Councilor Truitt said five cents, right. But if you put it on top of our current rate right now, you're going from \$0.76 to \$0.81, to keep the numbers. Is that right?

Mayor Mills said well, you're not going next year.

Councilor Truitt said no, but I'm saying when the time comes, I mean, it's a 5-cent per \$100 assessed valuation increase, so we're going to have our normal maximum—I mean, we set that—maximum increase, plus we will have that addition, right? And that's forever?

Mayor Mills said right.

Councilor Truitt said I just want to make sure that I'm understanding these numbers. And the other thing I want to make sure everybody's aware of is this—has there been any planning on this—I hate this name—the Circuit Breaker Tax Credit? The only reason why I bring it up, I know it's not until 2010, but we're talking about significant dollars again there, both in our regular tax base, as well as our TIF.

Mayor Mills said we are not going to be— You've got a handout on the 2% Circuit Breaker and how it affects. We are not going to be impacted, I'll say significantly, but, of course, \$200,000 is significant to us, I think.

Councilor Plomin said but \$500,000 isn't.

Mayor Mills said I'm sorry?

Councilor Plomin said I'm sorry.

Mayor Mills said we are not going to be impacted like some communities but, again, that's an issue that we are aware of, we will follow. It won't impact us until 2010, if it stands as it is now, but I can tell you that it's the number one issue for the Indiana Association of Cities and Towns this year is to get the Legislature to look at that piece of legislation, because even though it won't affect our municipal tax rate greatly, if the School Corporation were to have a bond for a new building, we would reach that 2% cap very quickly, and then we would be impacted. The unfortunate thing with the legislation, and it affects every taxing entity in the County.

Councilor Truitt said I guess the only thing I would like request that we do, and it doesn't have to be accounted for in this budget process, but I think it would be prudent for us very soon to start thinking about, because we can't deal with revenue shortfalls by raising taxes or doing anything else, it's by changing our changing our spending patterns and using our fund balances. So

when I look at our fund balances, again, it's just that building concern that I have, so I would like to see us be as proactive as we can. I know you're on top of it in regard to this, but when you start looking at all these different things popping into the budget, it becomes a little concerning.

Mayor Mills said and I think that's— Part of the reason I looked at two years' budget this year, 2007/2008, is because the annexation is affecting us, the Circuit Breaker is affecting us, and you can't do a budget just for one year, without looking down the road and seeing where you'll be next year.

Councilor Truitt said now, to Councilor Keen's question, I don't remember what that number is in that fiscal plan, as far as growth is concerned. Does anybody have their fiscal plan? Do you, Patti [Councilor O'Callaghan], in that big stack of stuff?

Councilor O'Callaghan said no. This was a different thing that I brought tonight.

Councilor Truitt said I want to say it's like—isn't it like 160—?

Clerk-Treasurer Rhodes said 167 houses a year.

Councilor Truitt said okay, what is our plan, if we don't hit those numbers? We're building a fire station, we're buying new engines, we're hiring all these individuals, and I know—it says right here, just like you showed, it's part of our Strategic Plan. So I'm not doing this to discount the annexation, but what I am trying to promote is that we just think about the "what-ifs." And that's our job, to not micromanage, but to think—

Mayor Mills said and that's why we're using the Tax Increment Finance dollars for those, because it's a steady revenue source, we have those dollars, we can use a bond to build the station, we are sure that we have the revenues from that TIF that will cover that bond. All that work has been done ahead of time, so we know those dollars are there. We know how much money we can spend on the station and the truck, and we've planned accordingly. We've had Umbaugh look at the TIFs and look at what revenues will be available and will still leave us dollars available in that TIF for another great company like Butler Engineering that comes to the Research Park. So we are going to make—

Councilor O'Callaghan said plus, it's your job to make—

Mayor Mills said we are going to make very, very good use of those TIF dollars this year.

Councilor O'Callaghan said yes, it's your job to make sure that development happens.

Councilor Truitt said that's exactly right. Now, what is Umbaugh's role? Or what has been Umbaugh's role in this budget process, compared to past years? Nothing?

Mayor Mills said nothing, I mean, except for last year, giving us the long-term—

Councilor Truitt said cash flow.

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Mayor Mills said forecast of cash. We will meet, the Clerk-Treasurer and I are meeting with Page Gregory from Umbaugh next week to discuss the annexation, filing an appeal, what's necessary, the details, so that we are prepared, when and if we decide to file that appeal. And, again, we would not do that until September of 2007. But we want to know in plenty of time what is necessary.

Councilor Truitt said is that meeting open to the Council members?

Mayor Mills said sure.

Councilor Truitt said well, it's kind of interesting. I mean, it's a big deal.

Councilor Plomin said if we could step back to the issue of TIF.

Mayor Mills said sure.

Councilor Plomin said I see that we're purchasing two fire trucks and a fire station with TIF dollars, and I think this brings up an issue. I love that we can afford to do it. It's terrific. What about oversight of the Redevelopment Commission monies that are being spent? It's starting, it's been for some time, and it's continuing to be a major source of spend for the City, and a major source of— It used to be just for development and just for—

Mayor Mills said this is for development, Councilor Plomin.

Councilor Plomin said just for attracting businesses and economic development in that manner. Now it's stepped over the line into public safety and essential City services.

Mayor Mills said this it to provide the services for a developing area.

Councilor Plomin said it does fit the legal requirement, and there's definitely hurdles to cross there, but we need to take steps in the future to bring more of these big spend items under Council jurisdiction, in my opinion.

Councilor O'Callaghan said it is under your jurisdiction, in terms of it's in the budget, and we're voting on it—

Councilor Plomin said it's actually not in the budget.

Councilor O'Callaghan said and we're voting on the budget. I'm really excited that we're able to have the source of revenue for the fire trucks and the fire station. I know [Fire] Chief Drew has been trying to—and [Fire] Chief Ford before him—has been trying to put money aside for fire trucks, and usually it takes years to save up the money for a fire truck. And it's just outstanding that we have the ability to purchase those when we need them from these funds.

Mayor Mills said and with the cost of those vehicles—\$300,000, \$400,000, \$500,000, \$700,000 for the aerial truck—it's not practical to put that money aside and save it, in some respects, for a truck, because it's money that's sitting there—

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Councilor O'Callaghan said there, and you need to use it.

Mayor Mills said that can be used for another need, so we're very fortunate to have a very healthy TIF in both areas that we can use. We're going to be very careful. You know, we have so many projects that we enjoy doing for economic development, but we do have the cash, particularly in the Levee/Village TIF. It will be tight. We'll have to manage our projects, but we manage our project timing anyway, based on the revenues in those TIFs. We will just put a truck in, and it will certainly save us from having to use property tax dollars to buy equipment.

Councilor Plomin said the only question is about oversight—

Councilor Griffin said it's being overseen, if I may.

Mayor Mills said absolutely, by the Redevelopment Commission.

Councilor Plomin said by one elected official.

Mayor Mills said and, Councilor Plomin, those meetings are always open to the public. There are people that come to every one, to listen, to comment. It certainly isn't a closed process.

Councilor Plomin said I would never accuse that—

Councilor Hunt said I'd like to make a comment.

Mayor Mills said Councilor Hunt.

Councilor Hunt said I believe those meetings are open, and there's a group of Councilors that are on that. I hate to ask you a personal question, sir [Councilor Plomin], but do you go to the Development and make your thoughts known?

Councilor Plomin said I'm actually not on the Redevelopment Commission. I'm on the—

Councilor Hunt said Department of Development. That's what the meetings are—

Councilor Plomin said I'm on the Development Council Committee. It's a different group.

Councilor Hunt said but Councilor O'Callaghan goes to those meetings as a member and reports back, and you can go to any of those meetings.

Councilor Plomin said Councilor O'Callaghan has never called a Department of Development Council Committee meeting.

Councilor Hunt said well, but that's not Parks Board. I mean, I've never had a Parks Board, but I go to the Parks Board and know what's going on in that Committee. I mean, it takes a lot of time to do that.

Councilor Plomin said right.

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Councilor Hunt said and you find out what's going on. I think that's the role of these—

Councilor Plomin said and as a retired nurse, I'm sure you have the time to do that.

Councilor Hunt said excuse me, sir [Councilor Plomin]. I'm extremely busy. Let's not go into that.

Mayor Mills said let's keep our remarks addressing the budget. Are there other questions or comments?

Councilor Hunt said I have a couple more comments. Number one is—excuse me, I'd like to recover just a second—the Circuit Breaker concerns me. The Legislature is very heroic in saving property tax dollars and it does cut down and make the cities be a problem. I think the Redevelopment Commission does make a lot of—they have some conscientious people on there that volunteer their hours and are very conscientious about that. The annexation, I hope with Purdue's expansion of the Research Park, will certainly bring us some jobs. That's extremely exciting, and the fact that I think they're going to help us with the land for the new fire department. I spent some time the other day at Station No. 1, where the firemen have worked very hard to upgrade that very, very old building that was built in 1917, and they've put in lots of hours of their own labor to update it, and I think [Fire] Chief Drew has been very economical in all his work. In addition, he reported to us many times about the fire truck that's at [Station] No. 1, that's been in Lebanon—or maybe it's at [Station] No. 2, I don't know where it is—but it's been all over to try to get it fixed, and he worked to get some insurance money.

Fire Chief Drew said the \$3,600 was an actual refund from the truck manufacturer and the people who did the repair work, yes. And the truck you're referring to is Station No. 1. There was a point not too long ago where we had three breakdowns, if I remember correctly, in one month, two of them at a fire scene.

Councilor Hunt said thank you very much. So there's lots going on be economical with lots of funds.

Mayor Mills said thank you. I didn't mention the Research Park, and I should, because it certainly is a large portion of that area that we annex, will be the third phase of the Research Park. I know we've talked about it before, but last year, there were 500 new jobs in the Research Park, and it was an amazing year for them. They anticipate the need for several hundred thousand dollars of new space for companies, and actually we're talking about using some of the Certified Tech Park funds to build a new facility that will allow them to move people out of the Purdue Technology Center into a new facility, and bring new people, graduate new people into the Purdue Technology Center. It's a very quickly expanding area, and we're been very fortunate to keep our great companies there and grow them there in the Park and keep those jobs in West Lafayette and Indiana. All right, other specific questions about the budget? It's a lot of material. I know some of it is new as of this week, but most of it you've had for a while now, and time to study. Again, we will not file this budget until close to the end of September, so we will have time for many more questions and more discussion. We'll have a public hearing. Any other questions? Comments?

There was no further discussion.

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

The roll call vote:

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

Ordinance No. 22-06 (Amended) passed on first reading, 4-3.

Ordinance No. 23-06 An Ordinance Setting The Tax Levy on Property and Tax Rate for the 2007 City Budget (Prepared by the Clerk-Treasurer) Councilor Griffin read Ordinance No. 23-06 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 as always, we advertise the tax levy and the tax rate high, so that we are able to collect all of the funds that should come to the City. We've discussed this a little bit at Pre-Council. Are there questions about this, Ordinance No. 23-06? No questions? No comments?

Clerk-Treasurer Rhodes said just to remind the Council members, we've already referred to that page in your book. VII-2 has the estimated tax rate information.

Mayor Mills said thank you.

There was no further discussion.

The roll call vote:

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

Ordinance No. 23-06 passed on first reading, 4-3.

Ordinance No. 24-06 To Amend Certain Portions Of The Unified Zoning Ordinance Of Tippecanoe County, Indiana, Designating The Time When The Same Shall Take Effect (UZO Amendment 51) (Submitted by Area Plan Commission) Councilor Griffin read Ordinance No. 24-06 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 Councilor Griffin, do you want to give us a few comments about this?

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Councilor Griffin said yes. This pertains to some minor changes in the zoning ordinance. It's wording of a few areas regarding Planned Development. These changes are necessitated by 2006 Senate Enrolled Act 35, which impacts Planned Development. They are simply two sections in the ordinance that are referred to there. In a couple places, it's as simple as replacing the word "submission" with the word "application," and it's to make sure that our ordinance is consistent with the State law.

Mayor Mills said any questions for Councilor Griffin?

There was no further discussion.

Ordinance No. 24-06 passed on first and only reading, 7-0.

Ordinance No. 25-06 An Ordinance To Amend Ordinance No. 46-04 (Submitted by the City Attorney) Councilor Griffin read Ordinance No. 25-06 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 Mr. [City Attorney] Bauman, would you like to give us the background, please.

City Attorney Bauman said I'd be delighted to. Part of this ordinance is like Ordinance No. 24-06, in that there are some things that have changed at the State Government level, which required a change in the Financial Assistance Agreement under which we participate in the State Revolving Loan Fund. That change was before, this was done through the Indiana Bond Bank. Under the Daniels administration, they've reorganized the different financing activities of the State, and it's now under the Indiana Finance Authority. So that is something that's been changed in the agreement. For reasons that are less clear to me, they have changed the title of the City from a Qualified Entity to Participant. The other significant item in here is the information concerning the specific digester project, and a lot of that is contained in Exhibit A1, at the back of the Financial Assistance Agreement. Also, the Exhibit B2 sets forth the specific principal payment schedule for the bond issue that relates to that digester project.

Mayor Mills said I will remind you that the State Revolving Loan Fund made some changes to that bond repayment schedule during the SRF closing, so that's why you're seeing those differences. Any other questions?

Councilor Truitt said so this is doing some housekeeping, mainly, right?

City Attorney Bauman said part of it's housekeeping because of changes—

Councilor Truitt said at the State—

City Attorney Bauman said at the State level.

Councilor Truitt said at the State level.

City Attorney Bauman said the other part of it is setting forth the specifics of the digester project and the payments, then, that relate to that.

Councilor Truitt said and this went back to what you and I had talked about, which we haven't hooked up on with one another yet. Remember, at the last Council meeting, you said you were going to call me to go through this. Don't you remember that?

City Attorney Bauman said I remember we talked about it.

Councilor O'Callaghan said I thought I clarified it for you enough, I guess.

Councilor Truitt said no, he took my phone number and said, "I'd call you." But that's—

City Attorney Bauman said I'm sorry. The project, again, it's also a reflection of those items that were in the Preliminary Engineering Report that Greeley & Hansen—not Greeley& Hansen—

Councilor Truitt said but I know who you're talking— and it went from the fact—

Mayor Mills said Wessler & Associates—

Councilor Truitt said that we didn't have the PER for the—

City Attorney Bauman said correct.

Councilor Truitt said okay.

City Attorney Bauman said and we'll have yet probably a third stage of this, which may be the North River Road Interceptor work, but, again, until they study that and decide what needs to be done and prepare a Preliminary Engineering Report, which gets approved by the State—

Councilor Truitt said right.

City Attorney Bauman said at Indiana Department of Environment Management, we won't know the specifics of that.

Councilor Truitt said but as a bottom line, as a body, we approved the cumulative offering. We came in with a larger bond amortization schedule, which got reduced to this \$8 million, instead of the \$12 million. Is that correct? I just want to make sure—

City Attorney Bauman said well, we can only borrow the money—

Councilor Truitt said which we have a PER for.

City Attorney Bauman said exactly.

Councilor Truitt said and since we didn't have the PER, even though we approved it, thinking that we had it—is that right?

City Attorney Bauman said well, no. We went ahead and approved it, since we knew these three projects were all going to be included—

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Councilor Truitt said but you can't draw the money until you have the PER.

City Attorney Bauman said well, actually, it goes beyond that. You don't really draw the money. They pay the vendor, so we don't—

Councilor Truitt said okay, that was a poor choice of words, but I know—

City Attorney Bauman said well, it's sort of like a construction loan on a house. They'll pay the bills.

Councilor Truitt said yes, okay.

Councilor O'Callaghan said I did bring the ordinance that we approved back in December, so that if you wanted to compare it. That project description wasn't very—

Councilor Truitt said right.

Councilor O'Callaghan said very detailed, and it's more so now.

City Attorney Bauman said and we'll have the same thing, I would anticipate, in regard to the work on North River Road. We'll know generally that the problem is infiltration and inflow, but after they do more engineering work, then we'll have the specifics of what that is and how it will be addressed.

Councilor Truitt said what the scope will be.

City Attorney Bauman said yes.

Councilor Truitt said thank you.

Mayor Mills said other questions?

There was no further discussion.

The roll call vote:

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

Ordinance No. 25-06 passed on first reading, 6-1.

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Ordinance No. 26-06 An Ordinance Requesting The Transfer Of Appropriations (Clerk-Treasurer, City Hall, Police Merit Commission) (Prepared by the Clerk-Treasurer) Councilor Griffin read Ordinance No. 26-06 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 thank you. This is an ordinance to transfer monies from the Clerk-Treasurer's budget in the General Fund, \$15,000, to City Hall for Institutional Supplies, \$5,000, and then \$10,000 for the Police Merit Commission. Are there questions?

Councilor Truitt said are we done with the Police Merit Commission?

Mayor Mills said we have bills that will—

Councilor Truitt said no, I mean—let me rephrase the question. Do we have the cumulative total yet, of what this recent activity cost us as a City that we didn't budget for, obviously. Last time we talked, which was March/April, it was like \$90,000. Is that correct?

Councilor O'Callaghan said well, actually, last time we talked was at Pre-Council, and the Clerk-Treasurer gave us the numbers for the Weast hearing was \$7,785, and for the new counsel at Ball Eggleston was \$2,062, and so most of that \$15,000, but she did tell us that—

Councilor Truitt said what's the grand? Judy [Clerk-Treasurer Rhodes], do we have any totals, I guess is my question?

Councilor Keen said overall.

Councilor Truitt said overall.

Clerk-Treasurer Rhodes said the total legal bill for the hearings which began last year and including the prosecution and investigation from the City Attorney now totals \$124,156.24. In addition, there's another \$2,062.50 of legal expense recently for the new counsel who has only partly billed through the middle of June, and we're expecting another bill shortly. And an additional \$15,079 billed from the City Attorney's office, which involves a variety of issues related to the Police Merit Commission. Part of the time when they didn't have an attorney, part of the time when they did, when he was advising the [Police] Chief. The total legal expense, beginning with the hearings and the most recent bills, is \$129,235.24. That's the legal expense. I did a preliminary add-up of salaries involved with this some time ago, and that was approximately \$14,600. In addition, since then, there is probably another \$4,000 of salaries, \$3,000 of salaries that haven't even all been billed in the budget yet. I've gotten close to about \$190,000 so far, since the FOP trip last fall. If you look at our balance, we would have 50% more money in the General Fund, and so it's been very serious episode in the history of the City, and one that I think we all heartily wish will come to a close, because clearly we can't sustain this kind of expense. We're talking about expanding the City by one-third, but we need to have reserves and resources available for those important things. I'm sure the Council and the Mayor, we're all of the same mind, that we see that this isn't our future.

Councilor O'Callaghan said and the specifics to this ordinance that you told us at Pre-Council was that, even though those numbers you quoted us for the Weast hearing and for the new

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

counsel, was almost this \$15,000. You felt that we would have all the money needed to meet the obligation for the remainder of the year.

Clerk-Treasurer Rhodes said it's my hope that this will take care of both legal expenses and, I hope, some other expenses they may have in this budget through the rest of the year. If they continue to work through their procedures and don't encounter any further difficulties.

Mayor Mills said any questions?

There was no further discussion.

Ordinance No. 26-06 passed on first reading, 7-0.

Clerk-Treasurer Rhodes said may I ask that the rules be suspended on account of bills that we owe for institutional supplies for City Hall, primarily, at this point.

Councilor Keen said so move. Motion was seconded by Councilor Griffin.

Mayor Mills said all right, we have a motion to suspend the rules and hear this for the second reading tonight.

The voice vote was unanimous. The motion for suspension of the rules to consider Ordinance No. 26-06 on second reading passed.

Second Reading of Ordinance No. 26-06, An Ordinance Requesting The Transfer Of Appropriations (Clerk-Treasurer, City Hall, Police Merit Commission) (Prepared by the Clerk-Treasurer) Councilor Griffin read Ordinance No. 26-06 by title and moved that it be passed on second reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said any other comments or questions?

There was no further discussion.

Ordinance No. 26-06 passed on second reading, 7-0.

Resolution No. 19-06 A Resolution Requesting The Transfer Of Funds (Engineering, Sanitation, EDIT, Cumulative Firefighting Building and Equipment, Cumulative Capital Improvement) (Prepared by the Clerk-Treasurer) Councilor Griffin read Resolution No. 19-06 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 resolution for transfer of funds. In the General Fund, in the Engineering Department, from Contract Services to Blueprint & Photo, \$200; Sanitation Department from Salaries - Full Time and Salaries - Part Time to Gasoline \$15,000; from Economic Development Income Tax, from Salaries - Part Time \$11,000 to Contract Services and Land Acquisition; from Cum Firefighting Building & Equipment Fund from Repairs - Building

& Structures, \$18,100 to Building Improvements; and in the Capital Improvement Fund, from Repairs – Building & Structures \$1,900 to Building Improvements also. Are there any questions?

Councilor O'Callaghan said so all those questions were resolved that we can do this by a resolution, rather than an ordinance now?

Clerk-Treasurer Rhodes said referring to the legislation we previously acted on, Ordinance No.—

Councilor O'Callaghan said no, this resolution. What I'm saying is that this can be a resolution now, rather than an ordinance like we had to do last month?

Clerk-Treasurer Rhodes said to review the discussion we had last month: discussion focused on the new procedure, which we again used for Ordinance No. 26-06 this month. For convenience last month, we had combined those actions that we needed to do by ordinance with those that we could do by either ordinance or resolution. This month, I split them, and I'm still awaiting a written response from DLGF on whether they would reconsider the resolution—

Councilor O'Callaghan said the resolution, so we can do it all.

Clerk-Treasurer Rhodes said situation. Yes.

Councilor O'Callaghan said instead of suspending the rules and doing the second reading.

Clerk-Treasurer Rhodes said yes.

Mayor Mills said other questions?

There was no further discussion.

Resolution No. 19-06 passed on first and only reading, 7-0.

Councilor Hunt said thank you for keeping us, Clerk-Treasurer Rhodes, thank you for keeping us informed of all the confusion. I eagerly await that legal advice.

Clerk-Treasurer Rhodes said actually, I think I convinced somebody on the phone, but doggone it, then he wouldn't put it in writing.

Resolution No. 20-06 A Resolution Confirming The Designation Of An Economic Revitalization Area For Property Tax Abatement For QuadraSpec, Inc. (Prepared by the City Attorney)
Councilor Griffin read Resolution No. 20-06 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 all right. Mr. [City Attorney] Bauman.

City Attorney Bauman said previously, we had a preliminary resolution, then we had a public hearing and a confirming resolution. There was an error in the confirming resolution, in Section 2, regarding the period of time, and this is simply correcting it. The equipment will be for a seven-year period of time, except for certain computer equipment which is three-year equipment to begin with. So that will be for three years.

Mayor Mills said questions for Mr. Bauman?

Councilor O'Callaghan said and this indeed is the same as the preliminary resolution?

City Attorney Bauman said yes. The preliminary said 10 years, and I think that was related to some confusion. When they originally came in, they were asking for an abatement up to 10 years, which included real estate, and what we decided was that the real estate, since they're located in the Purdue Technology Center, is not really an issue with them as a taxpayer, and the Council has actually previously granted a tax abatement to PRF that owns that building. So it turns out we're really just dealing with the equipment here.

Councilor Truitt said Mr. [City Attorney] Bauman, Section 2, can you expand on the statement, it says—not that we don't trust Josh [Director of Development Andrew]—but it says, "The Director of Department of Development is allowed to authorize in writing substitution, modifications...which are not substantial in nature." And I'm just kind of curious, from an accountability standpoint for Josh as well as for us, what does that "which are not substantial in nature" actually mean? I mean, when does he feel—or maybe Josh can answer that. Does that ever come up, or is that—?

Director of Development Andrew said on an annual basis.

City Attorney Bauman said and that language has been in these for 20 years, 30 years.

Director of Development Andrew said they submit a compliance with Statement of Benefits. So every year they come back to us, to tell us, "Did we meet the goals, or did we not meet the goals? If we didn't, why?"

Councilor Truitt said right.

City Attorney Bauman said I think, you know, they come in, they give us their best guess of this is the equipment and how much we expect. Frankly, this is one of those cases where we probably hope they're wrong, in that they're growing so quickly—

Director of Development Andrew said they're low.

City Attorney Bauman said they may invest more.

Councilor Truitt said right, okay.

Councilor O'Callaghan said and each year when they do that, Mr. [Director of Development] Andrew provides us with a copy of the Statement of Benefits.

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

Councilor Truitt said with the report, yes. I'm aware of all that.

Clerk-Treasurer Rhodes said I have a question. This follows up the discussion we had at Pre-Council. My question was about the necessity for a public hearing on this confirming resolution. If I understood your statement at Pre-Council, it was that, as the preliminary or declaratory resolution was correct and the error was in the confirming resolution, we did not need to re-advertise the public hearing. Is that—perhaps I've not understood that correctly, because the declaratory resolution says 10 years and this resolution says seven years and then three years.

City Attorney Bauman said I think the reason we don't need to have another notice and a public hearing is the confirming resolution, as corrected, is not enlarging anything beyond what was proposed in the preliminary resolution.

Clerk-Treasurer Rhodes said that's more clear.

Mayor Mills said thank you. Other questions?

There was no further discussion.

Resolution No. 20-06 passed on first and only reading, 7-0.

COMMUNICATIONS:

West Lafayette School Activities

Mayor Mills said I will make one announcement, that the West Lafayette School Parade is this coming Thursday, leaving from Kingston Drive, next to Happy Hollow School, and the Fall Sports Banquet is following that parade at the High School. That's the only one I can think of right now.

Thank you to Clerk-Treasurer Staff

Clerk-Treasurer Rhodes said I would just like to have one communication. That is, that I wanted to thank the Mayor for her remarks regarding the work of my staff, specifically Mary England and Heather Kidwell and Gail Thayer-Copeland, who came in that Saturday. Thanks especially to Gail. You will probably notice that we've been able to put much of the detail of the budget linked to the budget ordinance on our website, and we invite both those attending tonight as well as those listening at home to check that out and get a chance to really look over the details before, of course, we invite you all to come to the public hearing at the Council meeting in September.

Mayor Mills said thank you. I appreciate the comments about having that information available on the website. We are trying to make just about every public document we have now available for citizens on the website. So please take advantage of that. All of our planning and the capital improvement program is all on the website. It's updated daily, and so there is a great deal of information available. I'll remind you that the public hearing for the budget is September 5 at 7:30 here in this room. Thank you.

CITIZEN COMMENTS: None.

COMMON COUNCIL MEETING MINUTES, AUGUST 7, 2006, CONTINUED

ADJOURNMENT:

There being no further business at this time, Councilor Truitt moved for adjournment. Motion was seconded by Councilor Griffin and passed by voice vote, the time being 9:45 p.m.

Respectfully submitted,

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