

Approved at the November 3, 2008, Common Council meeting.

CITY OF WEST LAFAYETTE
COMMON COUNCIL
MINUTES
OCTOBER 6, 2008

The Common Council of the City of West Lafayette, Indiana, met in the Council Chambers at City Hall on October 6, 2008, at the hour of 6:30 p.m.

Mayor Dennis called the meeting to order and presided.

The Pledge of Allegiance was repeated.

Present: Bunder, Burch, Hunt, Keen, Roales, Thomas, and Truitt.

Also present were City Attorney Burns, Clerk-Treasurer Rhodes, City Engineer Buck, Police Chief Dombkowski, Street Commissioner Downey, Fire Chief Drew, Human Resources Director Foster, WWTU Director Henderson, Parks Superintendent Payne, and Director of Development Poole.

MINUTES: Councilor Keen moved for acceptance of the minutes of the September 4, 2008, Pre-Council Meeting, and the September 8, 2008, Common Council Meeting. Councilor Truitt seconded the motion, and the motion passed *viva voce*.

COMMITTEE STANDING REPORTS:

STREET, SANITATION, AND WASTEWATER TREATMENT UTILITY: Councilor Bunder presented this report.

Well, let's just do one announcement while everybody's still here and the cameras are rolling. 2008 DeTrash the Wabash, Saturday, October 11, 9:00 to 1:00. Volunteer registration for DeTrash crews, Riverside Skate Park, 8:30 to 9:00. We will give you trash bags and gloves, but you have to give us the gloves back.

PUBLIC SAFETY AND ORDINANCE: Councilor Keen presented this report.

Thank you, Mr. Mayor. For the month of September, it was a very busy month for the West Lafayette Police Department, partly because there were three Purdue home football games, and during that time period, the Police Department received over 1,800 calls for service, which was an increase of 23% from August 2008, and an increase that was 14% from September of 2007. So they were quite busy. On August 1, the Department implemented an aggressive graffiti eradication program with the help of Michael Koning, who is a citizen volunteer. In August and September, over 150 pieces of graffiti were identified and removed. A lot of this was in the Village and surrounding areas. The graffiti removal program has greatly improved the look of several buildings and alleyways, and this program also sends a message that graffiti will not be tolerated in our community. We thank you very much, Mr. Koning, for your assistance in that. I understand he's been very helpful in leading that effort and getting rid of graffiti, so we really appreciate his efforts. Also, Kevin Coomey has been selected as Officer of the Quarter by a committee of Police commanders and Police Merit Commission members. Most notably, Officer Coomey was selected for his efforts while assisting the Sheriff's Department and the victim of a

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serious motorcycle crash in this last quarter. So congratulations to him, and we appreciate his good efforts as well. The Department will offer a radKids, which is a Resist Aggression Defensively training course for children ages 8 to 12. That will start on November 6 and will go through November 20. It is free and open to the public. To register, go to the West Lafayette Police Department website, which is www.WestLafayettePD.us. With the Fire Department, I wanted to point out that this Saturday there will be open houses at all three of the West Lafayette Fire Department stations. Plans have been made for all three of the stations to have open houses from 9:00 a.m. until 11:00 a.m. Everyone from the community is invited—kids, adults, and anyone who's interested in Fire Department operations and safety. The firefighters at each station will be available to answer questions. They will lead tours of the stations and the fire trucks. A variety of safety handout materials will be at each one of the stations for children, along with information for parents that can guide preparation for fire safety, severe weather, and other emergency planning. Blood pressure checks will also be available at any of the West Lafayette stations during that time. Fire Prevention Week is October 5 through 11. There will be safety information available at each one of the fire stations during that time. One of the items of information that is an interesting fact and will be available is that 38% of home fires involve cooking. I find that to be quite surprising, actually. I thought that was rather interesting. For your information, Station No. 1 is located at the corner of Northwestern Avenue and North Street; Station No. 2 is at the corner of Salisbury Street and Navajo Street; and Station No. 3 is off Kalberer Road, between the soccer fields and Amberleigh Village subdivision. That completes my report.

PURDUE RELATIONS: Councilor Roales presented this report.

Thank you, Mr. Mayor. Campus is into its normal fall swing, very busy time, of course, as we see football games come through our community. I just spoke with the [Police] Chief. It was a fairly routine weekend, relatively safe, and so we appreciate the efforts of the Police Department and local community groups that work—the bar owners and the bar commission—to make that a safe weekend for our students and for our community. I met with the leadership of Purdue Student Government this past week, to hear some of their concerns and some of their legislative items that they'd like to work on with the Council over the next year. So I'll be discussing with the Mayor and the other Councilors some of their insights and input that they would like to forward. I would also like to just briefly ask our Development Director and our Fire Chief to just comment on the recent fire at 453 Littleton Street. Chief [Fire Chief Drew], if you could give us an update on, you know, the safety of those student apartments and, you know, maybe a little bit broader insight than what we saw in the paper.

Fire Chief Drew said the fire at Littleton the other day occurred about 10 o'clock in the morning, is when we got called to that fire. The fire actually started about 1:30 in the morning. It was from an electrical short, and it was in the attic, undetectable. Fortunately, it was a very, very slow burning and took quite a while for the heat to build up. It was surrounded by insulation. The rafters up in the attic were very slowly burning, and when we pulled those out of there, they were charred. They were two-by-six rafters, and half of it was burnt. So it had already burned itself away. That was without the real obvious flames, but it was because of the intense heat that was there, surrounded by the insulation and packed it in there. One of the girls living there in the apartment, they finally noticed—they noticed the short when it happened, and weren't quite sure what to make of it. They've since learned, and I think they'll know a lot better from here on out, and they can tell some other people. Then they finally detected that something was definitely wrong and called us, and, fortunately, it's all contained up above them. But I'm sure if they look back on it, they're not comfortable realizing that there was a fire burning above

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their heads that was several hundred degrees. They weren't aware of that, and they were right below there sleeping. There's hardly ever smoke detectors up in attics, and that's why there were no smoke detectors that went off. They did have smoke detectors in the house. Those never activated, because the smoke and the fire was up above that.

Councilor Roales said were they operational? Did you test the smoke detectors?

Fire Chief Drew said they were operational, yes.

Councilor Roales said great. The paper reported four people lived in the building. I don't know. I'd asked for the Development Director to comment on if we need a new occupancy affidavit, if that was a violation, potentially, and how we're going to respond to that as a City.

Director of Development Poole said sure. The last time that this property was inspected was in November of 2006. It is on the two-year cycle. The letters for District 5, which this property does fall in, will go out November 3, so we'll start inspections then in December of 2008, January of 2009, which does put it into the two-year cycle, which we're supposed to be in. The last affidavit we have is from when we did the inspection, which was in 2006.

Councilor Roales said okay. So, I mean, there's a potential of an occupancy violation there, but that'll be—we'll see in the routine November update if that's a violation or not.

Director of Development Poole said I guess I'd wait until the affidavit comes in before I'd make any assumptions on that.

Councilor Roales said okay. Thank you.

Councilor Hunt said could I ask a question, please? No, not of you, Chandler [Director of Development Poole], or the Fire Chief. May I ask a question?

Mayor Dennis said sure.

Councilor Hunt said may I ask you a question on your report, Councilman [Roales]?

Councilor Roales said absolutely.

Councilor Hunt said what should someone do if they have a short? Go look at the fuse box?

Fire Chief Drew said well, in this case, they went down, they knew where the fuse box was, they went and checked the circuit, tried to reset. They didn't have any success in doing that. At that point, it would be good that they can call us, if they're concerned with that. Apparently, this has happened to them before, because that's why they were familiar with where the circuit box was. In that case, give us a call and we'll check it out.

Councilor Hunt said so you wouldn't mind if, at 1 o'clock in the morning, something happened and we called you.

Fire Chief Drew said right. If they have reason to think it's not just a simple blown circuit that they can reset, then it's appropriate to call the Fire Department, yes.

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Councilor Hunt said thank you very much.

Councilor Roales said thank you, Chief. Thank you, Mr. Mayor.

PARKS AND RECREATION: Councilor Hunt presented this report.

Thank you very much. The results of the America in Bloom competition were announced over the weekend in Columbus, Ohio, at the America in Bloom Conference. We will have a little more about that later. We're very excited about that. Very excited. And that's why many of us have pink on. A very successful 2008 Art on the Wabash event was held September 21. It was one week late because of the hurricane weather, but it was a wonderful day and there were lots of wonderful vendors. It was very good. As we are pleased with this good news about America in Bloom and the Art on the Wabash, we're also concerned that budget constraints result in the release of one full-time Parks employee. The loss of any employee is very regrettable. The next Park Board meeting will be October 20 at 4:30 in the Riverside Skating Center. That concludes my report.

ECONOMIC DEVELOPMENT: Councilor Thomas presented this report.

Thank you, Mr. Mayor. Our Department of Development was busy in the month of September, and the report I would like to present is that they met with the Indiana Economic Development Corporation to discuss how to market the City's life science companies interested in coming to Indiana and particularly West Lafayette. Apparently there are some leads that have come in from that meeting. They also went to visit Champaign, Illinois, to the city officials there, toured several residential student housing projects, and had some discussions there. They met with Michelle Kincaid of HUD and worked with the Development staff to upgrade the programs used to submit reports to the federal government. Michelle did report that the City of West Lafayette has a solid reputation in her department, so that is good to hear. There was a meeting also with the West Lafayette Neighborhood Coalition to discuss our efforts to market the City, met with various members of the neighborhoods to discuss the City's new website. As you may know, the Purdue Research Foundation opened a new technology center in New Albany, and the Mayor, along with members of the Development Office, City representatives, and representatives from the Purdue Research Foundation attended that event, the opening ceremony. The first draft of the marketing brochure has been reviewed and sent back for revisions, so working on areas in that effort. They also met with the property owners on Jiffy Lube on State Street to discuss potential redevelopment plans for that site, so those discussions are ongoing. An update on the Aldi's issue. They met with representatives from Aldi's concerning the site of their proposed building, so those discussions are continuing and ongoing. We should hear more about that in the future. Also met with the Fleischhauers to discuss the completion of the Chauncey Square development. Hopefully, there's a completion date scheduled for 2010. The last comment I'd like to make on development is that I would like to recognize a lady that worked for the City for approximately 30 years, was released because of budget issues. Her name is Charlotte Martin. My wife and I know Charlotte very well. And Harry. They are good friends of ours. Charlotte spent an inordinate amount of time working for the City, working in Community Development Block Grant issues, and did a phenomenal job for the City of West Lafayette. We are a much better City because of Charlotte and her efforts. I just wanted to take a moment on behalf of the Council to acknowledge Charlotte's efforts in the economic development office of the City of West Lafayette. Thank you, Mr. Mayor. That concludes my report.

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Mayor Dennis said thank you, Councilor Thomas. That is true. I think it's been mentioned twice just during the standing reports about how the budget sometimes dictates our actions. Losing two employees is no exception. These are very painful budgetary times. We are reacting as are most in this country, and it's unfortunate. I don't know that there's ever been employees let go in the City of West Lafayette before. It's not an enjoyable process, and it's something I don't want to have to do again. Again, kudos to both employees for their years of service, and we do appreciate their sacrifice.

PERSONNEL: Councilor Burch presented this report.

Mr. Mayor, thank you. Speaking of personnel, Jami Ade, our receptionist, has left us and she been replaced by Debbie Windle. She is an undergraduate from Purdue University and she got her Master's degree in homeland security from Texas A & M. We'd like to welcome Debbie Windle aboard. Thank you.

BUDGET AND FINANCE: Councilor Truitt presented this report

Thank you, Mr. Mayor. On behalf of the Council, thank you for hand-delivering our budget books. I thought that that was—I'd heard the rumor that you were out and about the neighborhood, so we appreciate you dropping off the books. I'm going to transfer most of my time over to the Mayor, in regard to the presentation. We will be hearing four ordinances this evening to start the budget process, so I will forfeit my time over to you, Mr. Mayor.

REPORT OF APC REPRESENTATIVE: Councilor Keen presented this report.

Thank you, Mr. Mayor. I had two things I wanted to discuss this evening. One of those things was the 2007 Tippecanoe County Crash Report. It was discussed and distributed at APC, and I just wanted to let everyone know of the top three intersections in the Tippecanoe County area with the most crashes during the 2007 year. Number one was the State Road 26 and Creasy Lane intersection. The second most was US 52 and 26, and the third most was State Road 26 and the I-65 southbound exit/entrance ramp. That one kind of surprised me, but the other two were not a big surprise. Just to point that out to just let everyone know when they're traveling in those areas, especially, to really be alert and aware of what's going on. Because there are a lot of crashes that could probably be avoided at those areas. The other thing I wanted to discuss briefly, something that may be coming before West Lafayette in the future, we did a lot of talking about billboards and, with the advent of animated signs. An animated sign is a sign that uses movement or change of lighting to depict action or create a specific effect or scene, or which uses a crawling message or which changes more frequently than once per minute. We do have some of these signs popping up in the area. If you see a sign along the highway that changes more frequently than once per minute, that is in violation of the current ordinance. Currently, West Lafayette only allows billboards in I-3 or I-2 zones, which we do not have. So billboards are not allowed in West Lafayette as it is. But the animated sign issue may come before us later on, in the defining of that particular thing. So I just wanted to give us an awareness of that. That's my report.

ORDER OF BUSINESS:

Mayor Dennis said we're going to go a little bit out of order here with our agenda. We're going to skip F [Special Reports] momentarily and go to item G, Public Relations.

PUBLIC RELATIONS:

West Lafayette Community Beautification Award

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Councilor Roales said Ann and David Landgrebe moved into the City in 1963. Long-term residents, they've taken a lot of pride in their home in the many years that they've been here. They live at 1633 Western Drive. When they first moved into the area, there was a great diversity of trees and some poison ivy, and just a variety of things on the property. They've spent a lot of time working to clean it up, and now they have some stately large oak trees, some beautiful ash trees that provide a lot of shade on the property. It's a very beautiful property. Ann spends a lot of time working on her hostas, of which she has over 60 varieties, so it's quite an asset to the community to have that number of hostas on display. And so I'd like to introduce Ann and David [Landgrebe] who have taken a lot of pride in our community and are going to be awarded the October 2008 Beautification Award. So thank you, Ann and David.

Ms. Ann Landgrebe said the certificate has my name on it, but it's interesting that this is the time of year when Dave will be very busy. He's chasing acorns already. And the leaves from our yard come in, and also part of the golf course visit us also. I've been gardening ever since I was a child. I grew up on a farm where everybody got involved. And I imagine about 8 or 10 years old, I had my own little garden plot in the corner of the big family garden. That was really hard work as a child. I'd like to thank you for this award, for giving it to me for something that I really enjoy. You can't imagine how much fun it is to be outside, rather than in the house. Thank you.

Police Officer of the Quarter Award

Police Chief Dombkowski said thank you, Mr. Mayor. This is an award that we've really come to look forward to. It's a quarterly award we instituted at the first of the year, and it's been well-received and quite popular amongst the guys and our commanders as well. Lt. Sparger nominated Kevin Coomey for this award, and there were several officers nominated this quarter. I'll just read you the citation that he wrote on Officer Coomey's behalf:

Officer Coomey assisted the Tippecanoe County Sheriff's Department with a personal injury crash just outside of our City limits this quarter. The crash was a life-threatening event in which a motorcycle rider suffered an amputation. The medics who responded made a special effort to call and report the extra help that Officer Coomey provided to the motorcyclist on the scene. Officer Coomey recently completed a medical certification on his off-duty time. The medics reported that Officer Coomey used his training to assist them in getting the injured motorcyclist transported from the scene before the Volunteer Fire Department could arrive. Also, achievement number two, Lt. Sparger had received a call from a citizen in July, and the citizen wanted to compliment Officer Coomey for his handling of a crash that wasn't serious in nature, but involved a small child. And the family was shaken up a bit, and his handling of that made the event easier on the family than if he hadn't been there.

So we do appreciate his efforts in that area, and his actions and his demeanor are the types that really exemplify the officers that we want to honor and grow in our Police Department. At this time, can I have Kevin [Officer Coomey] come up here. I should mention that Kevin is no young officer either. He's been here longer than I have. I shouldn't say "young," I should say, "new." Kevin's been here almost 18 years.

Mayor Dennis said when I started at LPD, he was a dispatcher down there. He's been around this business for a long time.

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Police Chief Dombkowski said our Merit Commission President Dr. Leverenz is going to present him with a certificate. Also, we put the name of the Officer of the Quarter on this plaque in our lobby, and we've had that engraved today. I'll give that to you to take back over. Make sure you don't scratch it. Congratulations.

Mayor Dennis said do you want to say anything, Kevin [Officer Coomey]?

Officer Coomey said I really don't have anything to say, except I'd like to thank everybody for this recognition. It means a lot. It's just one of those things we do every day. It's little things we do every day we don't really think about. You guys give us this acknowledgement and it really makes us feel that we're doing something worthwhile. It's nice to have a pat on the back every once in a while. Thank you very much.

Question of the Mayor

Councilor Roales said Mr. Mayor, we discussed after the last Council meeting potentially having a legal update each month. I didn't know if it would be appropriate at this time to ask—

Mayor Dennis said we're not quite done yet with Public Relations.

Councilor Roales said okay. I thought we were going to F [Special Reports].

America in Bloom Award

Mayor Dennis said and now, the reason why we're all wearing pink shirts. If Lynn Layden and Bev Shaw would please come forward. Just over the time we've been discussing the America in Bloom—and I've been out of town for a while, but my Blackberry was just vibrating off the night stand the other night, because we, for our category and for our population, won. And when I say "we," I don't know the difference between a perennial and a porcupine, so it's not through any efforts of mine, except for facilitating and making sure I've got the right people on board, Councilor Hunt, to make sure that these things come through. So, Lynn [Ms. Layden], if you could please just kind of give us a little breakdown on what happened and what took place, while I'm setting up all these awards.

Ms. Layden said about 7½ months ago, Mayor Dennis decided he wanted to participate in this contest, and he met with a lot of skepticism. But what he wanted, we did, and he talked to Ann [Councilor Hunt], and she got me involved, and Bev Shaw [Redevelopment and Neighborhood Planner]. And we recruited a lot of Master Gardeners. I've used the analogy of your mother-in-law visiting. You know, when nobody is coming, you get the bathroom cleaned one day, and you might get the laundry done another, and you might wash the floor a couple nights later. But when company is coming, you have to do it all at once. And this City looked so good when we did it all at once. I was very proud of all the homeowners who planted hot pink and spruced up their yards and cleaned up their sidewalks. And the City came through fantastically. The reception was out at Celery Bog. We had wonderful participation with City employees explaining our policies. So I think it was the combination of effort that really got us there. We won the national award for our city size class, a nice little plastic plaque. And then we did what is near and dear to my heart, we won the national award for environmental awareness, which I thought was really super. And then we got a special recognition for community involvement, and that—

Mayor Dennis said here's the environment award, and that's the community involvement.

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Ms. Layden said so, there we are.

Mayor Dennis said also [Street Commissioner] Dave Downey, [Parks Superintendent] Joe Payne, Mr. [City Engineer] Buck, of course, Chandler [Director of Development Poole]—a lot of these guys that had pink hats on—and [Wastewater Utility Director] Dave Henderson, of course—they all contributed to this as well, and it just goes to show you when we decide to do something, we can do it right. We pull together and kind of one team, one fight. And this is a great result for that. We will display this proudly, probably in my office, in City Hall. But, again, if I had my pink hat on, I would take it off to you. You did such a great job, and you made the City look outstanding on a national level.

Ms. Layden said they were very, very impressed. Thank you.

Mayor Dennis said I think it was really a good thing, and same to you, Bev [Ms. Shaw, Redevelopment and Neighborhood Planner]. And same to [Councilor] Ann Hunt.

SPECIAL REPORTS:

Wastewater Treatment Utility Annual Review – Mr. John Skomp, Crowe Horwath, LLP

Mayor Dennis said we have Mr. John Skomp of Crowe Horwath up here. A little background on that is about every year, we do a financial overview of our Utility, to find out where we are, where we've been, and where we might need to be. So if you would, please, John [Mr. Skomp].

Mr. John Skomp [Crowe Horwath, LLP] said we were engaged to come in and take a look and give kind of an update on where the Wastewater Utility is at and how they're doing from a fund balance standpoint and from the financial standpoint with how things have been going. Basically, we have in front of you here a report we really put together to be a planning document, for not only this year but hopefully for years to come, as we can update it and see what type of progress has been made on certain projects and how that has affected the financial performance and the fund balances of the Utility. If you'll turn to page 2 of the report, it's the asset side of the Utility's balance sheet, and a lot of information on here with how much has been spent on Utility plant and service throughout the timeframe the Utility has been in service and those type of things. But the main thing I'd have you take a look at is the Restricted Asset section. This is some cash balances, some fund balances that the Utility has, and over the past few years, there has been some cash buildup that was intended to go for projects in the future. You can see that there are three funds right there, one of them being the Improvement Fund, the first one listed in the Restricted Asset section, another fund, the Local Equipment Replacement Fund, and then a State Revolving Loan Fund, the SRF, Equipment Replacement Fund. Those three funds have been something that, in the past, have been kept separately, so you'll see them listed as three separate accounts here. In the future, we have worked with the State of Indiana and have been allowed to collapse these three funds together. There's been a lot of time put in, trying to figure out what type project needed to be paid for out of which ones of these funds, and those type of things. And, really, it's effort that just didn't need to be made. There's some funds here that can be used for capital improvements. They've spent a lot of time and effort trying to figure out which fund it needs to be taken out of. The State doesn't require the State Revolving Fund Equipment Replacement Fund any longer, so that was one that we could collapse. As we went back and looked at the bond ordinance, we could really bring those funds together and call them one Improvement Fund, and really save some time there for the Clerk-Treasurer. Instead of having to try to figure out which fund, let's

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just fund the projects and move forward. And this will be the Improvement Fund going forward, and that balance will be used for some of the projects we talk about here in a little bit, as we get to the Capital Improvement Plan. I would have you then turn to page 3. You can see our indebtedness that we have outstanding in the Long-Term Debt section of the balance sheet. Those bonds were issued in 1994, 1998, some in 2001, and then also 2004 and 2006. If you go back and look at the bond ordinances that have been put in place that allow for this indebtedness, we have put a note at the bottom of this sheet. Basically, Ordinance No. 46-04 that authorized both the 2004 and 2006 bonds still has some authorization left on it that has not been used yet. Now, we're not proposing to use that bonding authority, but I did want to put that out there. That is something that there is a bond ordinance out there that does have some remaining authorization on it, about \$6.2 million remaining on bond Ordinance No. 46-04. At this point in time, we're not planning on using that going forward, but it is some flexibility that, if the Utility needed it, it is there. I'll go through some of the bond issues here in just a little bit, to show you some of those amortization schedules on those. The next thing we did on pages 4 and 5 was to go back and look at the fund balances of the Utility, and compare that to what was required by the bond ordinance, the covenants that we have in the bond ordinances. At the top of page 4, we've listed the balances that the Utility had on hand as of the end of 2007, and then we start on the bottom of that page and look at what the required operating fund balance would be. Now the required operating fund balance that we've calculated is the balance that would be required on a going-forward basis, basically looking at your 2009 budget. And then comparing that to what we had on hand at the end of 2007. So it does show, if you look at our budgeted expenses going forward, we would be required to have a minimum balance in the operating fund of about \$764,000. At the end of 2007, we had the \$646,000, so we need to build up to that amount. But as I go forward, I can tell you there is plenty of money for us to build up to that amount and do that. If you go to page 5, you can see that the bond and interest funds were fully funded, as they should have been, and so the \$880,000 that is required to be in that fund was there. And then also, on the debt service reserve funds, those are built up over a period of time, and the bond ordinances, and actually IRS standards, allow those to be built up over a five-year period. And that we can see what we looked at there was that we can see that we are on target to have those built up, as they need to be. So, basically, then, we did have the money that's available—basically what we're showing there is the Improvement Fund can be used for the projects, rather than have to use the Improvement Fund and some of that cash to fund our balances. Page 6 goes through and looks at our debt we have outstanding. I know it's kind of printed on landscape fashion there, but it kind of looks at our debt we have outstanding, and kind of combines that to come up with what our combined debt service payment is. And since we have different types of loans outstanding, what is the total of the amount of debt service we have each year or each payment schedule on this. You will see that on that page, there are two that show an estimated payment schedule. That's the 2004 loan and the 2006 loan. Those are State Revolving Loans, SRF Loans, and basically those are still estimated, because we've not drawn down the full amounts yet that's allowed on the loans. A lot of utility bond issues, when you actually go out and issue the bonds, you issue the bonds and you get the full amount of money at the time the bonds are issued. In past times, on the SRF loans, and both of your loans are in this, when you did the loan, you actually closed on the loan that was like closing on a construction loan, if you would, at a bank. And that is, you were authorized a certain amount of money, and then as the construction is completed, it's actually a drawdown. So as bills need to be paid, you actually send them in, and it's actually a drawdown loan, rather than getting all the money up front. So if you start on page 7 there, you can see that page 7 has our 1994 bonds that are still outstanding, and the amortization schedule on those. Page 8 has the 1998 loans. Page 9 has the 2001 loan. As you go to page 10, you'll see that this is still an estimated

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amortization schedule, because you'll see the note on the bottom, showing that, as of the end of the year, we had about \$5 million left that we could draw down on this. Now, the construction is still ongoing out at the Plant, so we're going to be needing this money, and so we have been drawing it down and will continue to draw it down. But as of the time of this, it's still an estimated amortization schedule, because the loan had not closed. We have estimated it, assuming that all the funds will be needed for the project, and, as we get back to the Capital Improvement Plan, that kind of proves out at this point in time, that's still a good assumption. Same thing on page 11, on the 2006 loan, you can see there's about \$6 million left there to be drawn down. So that's kind of where we were at on the cash balances and the analysis of those, and then also looking at the debt the Utility currently has outstanding. When we get to page 12, then, we're taking a look at the financial operations and the income statements from the Utility—how much revenue did we bring in, and how many expenses did we have in the operation of the Utility. The last part of the rate increase went into effect in the middle of 2006, so really as you look at the income statement starting on page 12, you can see that for 2007, that really has the full effect of all the rate increases into it. So that's kind of the revenue we can expect going forward, about \$8.4 million per year of revenue coming in. Now, when you get down to the operation and maintenance expense, the expense section, I know we've put a lot of detail in here, to try to show you kind of where the expenses are at. You have laboratory expenses, but we detailed those out into salaries and wages, and supplies and equipment, contracts—all those type of things. So we tried to give you a lot of detail here on the operating expenses, and really comparative detail over a three-year period. And so that comparative detail goes all the way through page 13, and if you have any questions about this detail, we can get into that as well. But basically what it shows is the operation and maintenance expenses have increased—if you go back to 2005, they were about \$2.9 million, and to 2007 is about \$3.1 million, so there has been some inflationary pressure on the operation and maintenance expenses. They have gone up over time, but some of the rate increases have taken care of some of those inflationary expenses. Page 14 kind of then brings a conclusion to the income statement, kind of gives you the depreciation expense, the PILOT payment that's there, other types of income that we might have, being the interest income, and the other expenses and those types of things. Now, at the bottom, it shows a net income number. As you look at net income, remember that's just not total cash flow. The net income has to go to make the principal payments on the debt and also make capital improvements and those types of things, and the depreciation expense can be used for that as well. So this is not cash flow, but what it does show you is that the rate increases that were put into effect, the last one being in the middle of 2006 have had the effect of bringing the rates up to where they can cover the expenses and the debt service and those types of things. The next couple pages, on pages 15 and 16, compare our actual 2007 expense to the budgeted 2008, trying to give you that last piece of the comparison. Like I said before, we'd shown the detailed expenses through 2005, 2006, and 2007, and then on those two pages, we compare that 2007 to what was budgeted for 2008. The way we use that is getting over on page 17, is to take the 2007 financial date, the fiscal year ended 12.31.2007, we take that column from your historical financial statements. You see we make adjustments to that to come up with what we call an adjusted Statement of Income. What you're really trying to get at is saying, "Okay, this is our historical year, and maybe there were some things in there that were abnormal or whatever." You go in, you look at the expense analysis, and do that; you look at budgets and try to project things going forward to say, "In the future, what might our financial statements look like?" So you're trying to project out into the future. We made some adjustments here that I'll go over a few of those with some detail, but we're trying, then, in the adjusted column to kind of say, "What can we expect to happen in the future with expenses, revenues, and those types of things?" You'll see in the

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adjustment column, in the amount column with the reference there, as you look to the reference to the different adjustments, we actually give the detail of those adjustments, starting on the next page, page 18. So, for example, as you look at the revenue section, we made an adjustment, Adjustment Number 1 there, where we've actually taken and combined the Sanitation revenue, the trash revenue, into the Sewer Utility. Basically what we're looking at there is we're taking the sewage works, we're bringing the Sanitation with it, we're also bringing the storm expenses into the sewage works. Really making an environmental department now, rather than just keeping the Sanitation and the sewer and the storm cleaning expenses all separate, we tried to bring them all in to the sewage works, so that this will be acting as an environmental department, working together with those type of things. In order to do that, we did bring the revenue in Adjustment 1 over to the sewage works books. As you look at Adjustment Number 2, we took the budgeted expenses for 2008 and adjusted up the expenses for those types of things that were budgeted. Also in Adjustment 3, we did the same with the FICA expense, and also, then, a 3% increase as well on top of that, because basically we're getting closer to 2009 than 2008, so we're trying to kind of adjust that going forward, to see how things would look. Adjustment 5, we bring the operation and maintenance expenses in; we brought the revenue over from the Sanitation and MVH, so now we're bringing the expenses over of the trash service, and also the Motor Vehicle expenses that have to do with the storm cleaning and those types of things have brought those over as well. In Adjustments 6 and 7, we make adjustments for the depreciation expense and the ongoing PILOT payment going forward. I will tell you that all that really culminates on the two pages that, if you look at where we're really trying to get down to the nitty-gritty of how the Utility's operating, what we can expect going forward, pages 20 and 21 really try to bring a culmination to where things are at. So if you look at page 20, we're really taking a look at how much, given the amount of revenue we're bringing in, the amount of expense is going out, how much money are we going to have to do capital improvements. To be honest with you, many times, that's what drives the rates of a utility is the Capital Improvement Plan. Operation and maintenance expenses go up over time, growth in the Utility my offset that, but if you have major capital improvements, growth doesn't offset the need for funds right away, to do capital improvements. So what we're trying to drive at on page 20 is how much money will we have going forward that we can invest our revenues into doing capital improvements. So if you look at the top of it, the revenues we have coming in will be a little bit over \$9 million. Taking the interest income that we have currently on our funds we have, about \$240,000, we then deduct the operation and maintenance expenses that we calculated. We deduct the Payment in Lieu of Taxes [PILOT] that was calculated from the schedules before. The estimated combined annual debt service that was back on the page we talked about, where we took a look at the debt service schedules. And also we do have to put about \$235,000 into debt service reserve fund, until we get those fully funded. So what we came up with with the calculations is that we have a little over \$1.3 million per year, then, to do capital improvements. That may sound like a lot of money, but sewer capital improvements, especially, are very expensive. And so what we worked with, and this is really where we talked about, in the past maybe this would have been more of a report and we really worked with the Utility and the management folks to really work this into a planning document, you'll see on page 21, we've really come up with as much of a detailed Capital Improvement Plan as we can to go for the next five years. And this is something different than you've probably seen in the past with all this detail. Remember what we've talked about is there were some cash balances built up in the past that were anticipated to be used for projects. We'll have about \$1.3 million coming in each year from our revenues that we can put towards projects. But how far do we expect that to go? That's what we try to outline here on page 21, looking at the improvements. We are showing the improvements that we're doing in 2008, and as you come up, you can see

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the specific things that are listed there, but the total capital improvements for 2008 were about \$17.8 million. And you can see that what we're using to pay for those is the amount of money that's left on the 2004 SRF loan. So as we mentioned before, we're anticipating drawing the entire amount of that approved loan down. The same thing with the 2006 loan. We plan on drawing the remainder of that loan down, so it will be fully used. A STAG grant, and also, we're going to use some of the fund balances, an amount to be funded by current cash on hand. We're going to take the fund balances and, as was anticipated, we're going to start spending those for the projects. You can see going forward there that 2009 through 2013, we have some projects that have been detailed out there, and some cost estimates put to them. You can see that we are using the current cash on hand, the bottom line there, to supplement the revenues that we're bringing in to complete these projects. What it really comes down to is our Capital Improvement Plan, if you just took the cash amount of our Capital Improvement Plan, the cash that we would need over the next five years, you can see, averages out to be about \$1.2 million. Remember, we said we were going to have about \$1.3 million coming in. If you just took the cash needs, it would come out to about \$1.2 million. The other thing you can use for a comparison is your depreciation expense. We've shown that amount, about \$1.4 million, and so what you're looking at there is saying the depreciation on our current assets is about \$1.4 million, so you could say all the plant and equipment we have out there right now is depreciating at a rate of about \$1.4 million a year. The cash needs we have going forward are about \$1.2 million. Our rates should be bringing in about \$1.3 million a year, so we're probably pretty good on where the rates are at going forward. The thing I would have you look at, then, is really the next page which has a lot of detail on it, but it really gets down, I hope, to something that is really useful. And that is, if we don't do anything to rates currently, and that is rates either for some type of stormwater rate that would supplement the stormwater expenses, something on the trash rates that might cover some more trash expenses or anything with the sewer rates, we have kept revenues completely stable, kept them exactly the same going forward. So in the revenue section there, where it says Operating Revenues, you'll see that, after we brought the trash revenues in in 2009, we've kept that the same going forward. So with no increase in revenues and if expenses increased at a rate of 3% per year and you look at that, and then look at our Capital Improvement Plan, what would happen to our fund balances over time? Now, it was always anticipated that we would have these fund balances and we would spend them down on projects. But any time you're spending down fund balances, you want to make sure you're not doing too good a job at that, to where you get in a negative situation. And sometimes that can catch up to you pretty quickly. You have a plan to spend down balances, and all of a sudden, you have a couple of overruns on projects or something like that, and all of a sudden, you did too good a job of spending down your cash balances. You can find yourself in an emergency situation. So what we looked at then is, going forward, what would we expect to happen to our cash balances? As I said, revenues staying stable, but if expenses kind of went up with the inflation and we did our Capital Improvement Plan as we had projected it—and that's what we've shown at the bottom of page 22, is that basically right now, if you look at the Improvement Fund, if we were to put those three funds together that I talked about earlier and then we just call it an Improvement Fund, we've got about \$10.3 million in there, in the first year, you can see we'd use \$1.15 million of that. And then you'll see we spend that down over time and, as you look at what happens to the Improvement Fund at the end, we would start 2013 with \$3.3 million and spend \$2.2 million of it on projects. If you were to look at 2014, what our beginning balance would be, it would be about \$1.1 million. So basically what we're saying here is, as far as right now where the Utility is at, we're in good shape. We have cash balances. We have revenues coming in. And if we control our expenses, and kind of just let them ease up at the rate of inflation, we should be able to go through 2013 without needing to do anything.

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However, I'll tell you this is something you have to track every year, and that's something the Council does have a report come back every year we can take a look at this. I think probably as you look at revenues staying stable, we're going to have to keep an eye on what our growth rate is, and hopefully there will be some growth rate there that will help keep it—when you get down to \$1.1 million in the Improvement Fund, you're really getting down pretty slim for a utility of this size. It wouldn't take much for a couple of unexpected things to happen during this five-year period to use up that balance. There will probably come a time that we need to talk about stormwater expenses, maybe some type of stormwater rate to offset some of those expenses that are out there that aren't strictly sewer-related. Maybe something with the trash going forward. But it's the kind of thing we can keep an eye on, and that may be some things you look at going forward in the future, to keep that fund balance, maybe not coming all the way back down to the \$1 million level. Like I said also, a few unexpected things happen going throughout this timeframe, and it could eat that balance up, so we'll have to keep an eye on that. I think what we're looking at, then, is, as I said, we've really put this together as a planning document, and so going forward, as projects are bid, as change orders are requested and those type of things, it's really saying that the Utility looks to be in pretty good shape, but you have to keep an eye on things or the fund balances could go down quicker than what was anticipated. I will tell you that page 23, then, gives the significant assumptions that we used in that cash flow analysis. We have a little bit of statistical data with consumption and customer count on page 24. In looking at your rates, the only thing that we would recommend going forward that, if we do have an opportunity and we do need to look at the wastewater rates, the sewer rates, going forward, on page 25 there you do have a rate that you charge to anyone who has a 1¼-inch meter. We run into this throughout the State at some time, and we've never found anyone that has any 1¼-inch meters. As a matter of fact, some utilities have told us they're not even sure they make a 1¼-inch meter. And so it's probably something we ought to take off your tariffs at some point, so that somebody doesn't come in and say, "I want one of those charges," because they're just not available. So that's one thing we have here. It's not something that I would say we need to do something right now, but going forward, if we do something with the rates, we ought to drop that charge and go from there. Page 26 shows your current rates for different levels of usage. I know I went through a lot of things here, a lot of pages that have a lot of numbers on them. As an accountant, I could spend a lot of time talking to you about the numbers and probably put you all to sleep more than I already have—

Mayor Dennis said but there's no big pink pumpkins or red flags or anything—

Mr. Skomp said no, and that's really where we're at. I think, as we said, it's keeping an eye on it going forward and watching the Ps and Qs of how we're spending money, to make sure that—and when you put together a planning document like this, it doesn't mean that you can't deviate from it. Especially when you're trying to project capital improvements. There may be something that comes up that's more important right now than something you thought would be, and so we have to do it right away. But I think it does tell you when that more-important thing comes up, you need to look at where maybe the push is going to be to work this in. Or maybe there needs to be some type of adjustment in the future and those types of things. That's absolutely correct.

Mayor Dennis said any question on the part of the Council?

Councilor Hunt said I have, but if anybody else then go first—

Councilor Keen said I have some questions, but go ahead.

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Mayor Dennis said go ahead, Peter [Councilor Bunder].

Councilor Bunder said sure. This is just for clarification. This is the legal report delivered under something like Ordinance No. 30? Is this that report? Is that the report required by ordinance?

Councilor Hunt said well, it's the rate report.

Clerk-Treasurer Rhodes said yes. This is Wastewater annual review, which has been prepared. The format of it is up to the management of the Utility, and this year, I would say, I would echo what Mr. Skomp has said, very useful as a planning document. We have real detail in here. We have some real forecasting out, to give us options to consider in the future. But to help us as we're managing the Utility over the next several years. I think it's an excellent product. Thank you.

Councilor Bunder said what time of year is this usually delivered?

Clerk-Treasurer Rhodes said the ordinance, I believe—I will speak, if I may, because I was on the Council when Councilor Sparby initiated this. I believe it was to be done before the end of the second quarter, if I'm not correct, April timeframe or so. In the past, we've had it done as late as June, particularly when we have a big project going through or are considering bond debt issuance. This year, we were able to complete parts of the report, as you can tell from some of the notes, by the end of the second half, but with a new Utility director, and a desire to really have a planning document and review the capital plan, we took additional time to make more useful product and not have to go back and have the expense of doing a subsidiary report.

Councilor Bunder said thank you very much.

Mayor Dennis said Ann [Councilor Hunt].

Councilor Hunt said I have two questions, Mr. Skomp. Number one, what are the advantages and disadvantages of moving so much from what was Sanitation into Wastewater?

Mr. Skomp said advantages and disadvantages?

Councilor Hunt said yes.

Mr. Skomp said the advantage is really those two things work together, the sanitation, the MVH has to do with stormwater and the wastewater. Those two things really do work together, and a lot of utilities throughout the State do keep those as one environmental department. For example, specifically, with the MVH funds and the stormwater, a lot of the street cleaning and the street sweeping and the drain cleaning is done with MVH, that really needs to be coordinated with what's going on at the sewer utility and what they're doing. It all affects kind of the same flow and the same treatment and those types of things. As far as the trash going along with that, basically running it as an environmental department saves on some of the overhead and those type of things. Those types of decisions can be made in conjunction with how it affects the overall environmental focus of the City, rather than having them made separately.

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Councilor Hunt said I'm not sure about this, but does it matter that we collect Wastewater fees from people that aren't in the City? I believe that's true. We have sewers—

Mr. Skomp said no, that really doesn't matter. Because if you go to the sewer books going forward, there will be a separate line item or a separate accounting for what's coming in for trash fees, versus what's coming in for sewer fees and expenses. It's just that instead of having it on the City's books, it'll have it on the Environmental Department's books. The separate accounting will still be there.

Councilor Hunt said okay.

Mr. Skomp said if you were telling me we were going to lump it and lose all the detail of what the fees were for, I would say that would be a huge disadvantage. But since the accounting detail will still be there to break it out—

Councilor Hunt said okay. And another thing, I was particularly interested in the FOG project that we won the [2006] PISCES Award for, and if I look on page 21, the Capital Improvements, I don't see those words. Is that biosolids? I mean, my point is, it is going forward, isn't it, our FOG program?

Mr. Skomp said yes. I'll let you speak to that.

Councilor Hunt said thank you very much.

Wastewater Utility Director Henderson said actually, item 1, the Digester Renovation Project, it's part of the digester renovation project, and it is going great guns, full speed ahead. When we have it all finished, everybody's invited to come down and take a look at it. We're very excited.

Councilor Hunt said because I had quite a few questions. I was skeptical when that first—when there was a feasibility study done, it looked like it would really be good for the City. And I didn't—I mean, I know kind of part of digester, but I thought it was kind of unique, too.

Wastewater Utility Director Henderson said actually, it's looking a little better, when you look at Indianapolis' tipping fees for grease. I think we can be very competitive there.

Councilor Hunt said and fuel prices help, too. Unfortunately.

Wastewater Utility Director Henderson said yes. It's a mixed blessing.

Councilor Hunt said thank you. Those are my questions. Thank you.

Mayor Dennis said Councilor Keen.

Councilor Keen said first of all, Mr. Skomp, I would like to thank you and congratulate you in this report. In the many years I've been on this Council, this is by far the most comprehensive and complete report I've ever received on this topic, and I really thank you so much for that.

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Mr. Skomp said I'll take the thanks, but I'll also defer to the rest of the people that worked with us, because we did push back a lot to get all this detail. Obviously, we didn't create this, but we created the document.

Councilor Keen said well, somebody obviously spent some time on it. I certainly appreciate that. One of the questions I would have, when you're talking about using the remaining capacity on the 2004 and 2006 bonds, if we were to opt for rate increases, as opposed to using those remaining capacity on there, what effect would that have? I mean, what kind of an increase would we have, versus how much—I mean, is it more prudent to pay the interest, or would it be more prudent to—? I mean, what are the advantages and disadvantages of those two ideas, and how soon would a rate increase have to take effect, if we were not to use that remaining capacity?

Mr. Skomp said I may not answer all your questions in order, but let me turn you back to pages 10 and 11. The first thing I would tell you on your 2004 and your 2006 bonds, you can see that your 2004 bonds have an interest rate of 3.64%, and your 2006 bonds are at 3.53%. I would not leave any money on the table at that interest rate right now, okay? I would use all of it. And if you can bond at those interest rates right now, I'd just take it all. Okay? I wouldn't leave anything down there, because trying to go out for bonding right now, you're going to be at a much higher rate than that, probably 5% or maybe even higher, if we could even issue bonds in the current situation. So I would take that. Now, if we were to do a rate increase so we didn't have to draw that down, it would probably have to take effect very rapidly, because we would need the money to start coming in at the beginning of the year. And then what we could do is, if that money came in quick enough and at the right pace, we could not draw down some of these loans. When we actually closed the SRF loan, then, they would actually close it at a lesser amount than what we borrowed. For example, let's say you took out a \$100,000 construction loan at the bank and, for some reason, your builder left \$10,000 on the table, so you only spent \$90,000. When they closed your construction loan, you would owe the bank \$90,000, and they would re-amortize that loan over the same term, but at a lower amount. And that's what they would do with these loans. So, basically, when we left money on the table, they would re-amortize the loan at a lesser amount, but because we financed these over 20 years, it's not going to affect your rates very much on that side of it. The amount of debt service you're going to save each year, it's going to be pretty small, in comparison to the amount of money you had to spend up front to make the capital improvements. And the increase you would have to do in your rates to build up the cash quick enough to do that would be pretty significant. Now I guess the other thing you could ask is, "Well, could we build it up over time, but use our cash balances to do that right now?" Yes, you could, but I'll go back to where I started. I wouldn't leave any 3.5% money on the table right now.

Councilor Keen said that was what I was expecting you to say, but I wanted to get that clarified. The other question I have was on page 22. I noticed the annual coverage percentage goes down from 2008 to 2013 by a significant amount, and looking at your projection to 2014, I would suspect we would be below the required 125%, or are we talking about same thing here?

Mr. Skomp said no, you're correct. And what happens is, remember, I'm holding revenues absolutely stable and saying we'll have no growth, no increase in any fees, and expenses are going to go up each year, and that's what's really eating into that coverage amount is each year's expenses go up by our assumed rate of inflation. It eats down in the coverage. As you look at it, the absolute required coverage is 100%. That means that you're bringing in just

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enough money to make your bond payments. 125% is a pretty good guide as to where you should be at an absolute minimum going forward, because that's what would be required on a parity, so you could issue more bonds. If we were going to issue bonds this year, we would have either had to have a 125% coverage ratio for our financials last year or be doing a rate increase that would allow us to achieve 125%. So that's where I think when you say getting down to 125%, there is a risk when you get down below that going forward.

Councilor Keen said so, when you're looking at this then, obviously, if things stay the same and everything stays stagnant, as you say, when would we need to start looking at the year 2014, as far as rate increases to offset this declining percentage?

Mr. Skomp said like I said, we'll be truing this report up going forward—

Councilor Keen said I know, we do it every year—

Mr. Skomp said but if I was just to go off of this document—

Councilor Keen said yes, just off of this.

Mr. Skomp said I think probably 2011 or 2012, in that range you're going to be doing something—

Councilor Keen said no, I understand that, but I was just wanted to kind of get a ball park.

Mr. Skomp said to stem the tide.

Councilor Keen said thank you.

Mayor Dennis said other questions? Thank you, John [Mr. Skomp].

Mr. Skomp said thank you.

Clerk-Treasurer Rhodes said thank you. I would also like to acknowledge another representative from this firm, Jennifer Wilson, who both [Wastewater Utility Director] Dave Henderson and I have worked with extensively, along with John Skomp in the preparation of this report. Thank you.

Mayor Dennis said thank you, Jennifer [Ms. Wilson].

FINANCIAL REPORT:

There was no further presentation of financial information.

LEGAL REPORTING IN 2009:

Mayor Dennis said Paul [Councilor Roales], to answer your question, we're going to go ahead in 2009 and have a monthly legal report from a Councilor.

Councilor Roales said sure. Thank you.

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Mayor Dennis said it'll be on the agenda and ready to rock.

UNFINISHED BUSINESS:

Ordinance No. 22-08 (Amended) An Ordinance Amending The Procedures And Composition Of The City Of West Lafayette Traffic Commission (Filed by Councilmember Roales)

Councilor Keen read Ordinance No. 22-08 (Amended) by title and moved that it be passed on second and final reading, and that the vote be by roll call. The motion was seconded by Councilor Truitt.

Mayor Dennis said discussion? This has been, if anybody had attended Pre-Council, this particular ordinance has been submitted, amended, resubmitted, re-amended. It actually looks like a rainbow. But this final amendment is going to replace all previous amendments, for clarification.

Councilor Burch said Mr. Mayor, I have some questions for Councilor Roales. Councilor Roales, have you discussed any of these versions with Professor Sinha who chairs the Traffic Commission?

Councilor Roales said yes, at the last Traffic Commission meeting, Councilor Hunt, Mayor Dennis, and myself were present, and there was an extended discussion about all the versions that have been presented, and a consensus was come to that the version you have before you is acceptable to the chairman of the Traffic Commission and the members who were present.

Councilor Burch said how many Traffic Commissions have you attended?

Councilor Roales said it's hard to say over the numerous years I've been involved in the City.

Councilor Burch said I find it very interesting that as the appointed Council member to the Traffic Commission, that no attempt has been made by you to contact me to discuss any of these suggested revisions.

Councilor Roales said I find it strange in a similar note that, after my proposed amendment, proposed over 30 days ago, that you did not contact me, if you want to have a vigorous debate about this.

Councilor Burch said I would like to say that, I think, to the best of my knowledge, you have only attended one Traffic Commission meeting, and I'm not sure that you have given ample time to the members to discuss any of these changes. And, Mr. Mayor, while I'm at it, I would like to point out that appointments by the Mayor, (4), says, "Two representatives recommended by the Lafayette/West Lafayette Chamber of Commerce." It is no longer called Lafayette/West Lafayette Chamber of Commerce. It is Greater Lafayette Commerce.

Mayor Dennis said that's correct.

Councilor Hunt said I thought we changed that in Pre-Council?

Mayor Dennis said I thought we did, too, and made a mention of that.

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Councilor Hunt said yes, that's right. We discussed that in Pre-Council, if I remember correctly.

Mayor Dennis said we can go ahead and amend again.

City Attorney Burns said can we have that from the person who made the amendment?

Clerk-Treasurer Rhodes said as we've described, we've had numerous amendments, and one of the confusing things is we had initial legislation filed by the City Attorney on behalf of the Mayor, and then as amendments were coming along, we've had several other different names on the documents, some of which really only differ in small matters. I believe at Pre-Council we actually restated two of the changes. However, this one wasn't restated. So it's Greater Lafayette Commerce.

Mayor Dennis said yes. I'd like to ask for a motion to amend Ordinance No. 22-08 again, and item (4) under the paragraph—it'd be under Section 41.09 (a) (4) where it says, "Two representatives recommended by the Lafayette/West Lafayette Chamber of Commerce" that that be changed to "Two representatives recommended by the Greater Lafayette Commerce."

Councilor Keen said so move.

Councilor Roales said just to be clear, this is a motion to amend the teal copy, correct?

Clerk-Treasurer Rhodes said no.

Councilor Burch said I thought we were working off the white copy.

Clerk-Treasurer Rhodes said if this is the—

Mayor Dennis said right, it's the white one.

Clerk-Treasurer Rhodes said the white one—

City Attorney Burns said and recopied on white paper.

Mayor Dennis said it's all on white paper.

Clerk-Treasurer Rhodes said it was at your places this evening, as you came in. And we did review the minutes, and—let's see, we have a motion to make this amendment by Councilmember Keen.

Councilor Truitt said second.

Mayor Dennis said discussion.

Councilor Hunt said I have a couple comments I'd like to make. Number one, I tried to contact Professor Sinha today, and he's in Washington, D.C. I was rather busy on Friday, so I didn't—after the discussion at Pre-Council. Couple of things that we've talked about at the Traffic Commission. I've been regularly at the Traffic Commission, and because it is a commission that

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is very responsive to citizens. Professor Sinha has expertise, international expertise, in civil engineering. He's a very gracious man. He listens to people and they try to meet the needs of citizens and other individuals. For instance, one time I had an area in my district where it was very difficult to make a left turn on eastbound Lindberg onto Northwestern, because of the streets of Sheridan and Summit that enter there. I came to the Traffic Commission, they resolved it, and the lanes were painted the next day to change. In addition, I've had trouble with a school bus stop at the bottom of Ravinia, and this Commission has been very helpful in trying to resolve that, as well as the Police Department. So I have been to the Traffic Commission many times over several years. At the Traffic Commission, I discussed with the committee and brought up to remove the Mayor from the Commission. I had spoken with the Mayor about this because this is an advisory committee to the Mayor, and I personally—an advisory committee, you're not usually on, but you do listen to what they say. And the Mayor has quite a few representatives of the City that are non-voting but are there. In addition, we talked seriously about the fact that this Commission sometimes has trouble getting a quorum. One of the original colors of the amendments recommended ten people be the quorum. I spoke to who I refer to about *Robert's Rules of Order* is Clerk-Treasurer Rhodes, and she agreed that a majority was acceptable. So those are some of the changes that were clearly, clearly discussed in Traffic Commission. And I spoke to the representative of my district also over the phone before the last Council meeting about her ideas about this, so I think there's been some communication, and we've had emails and phone calls from Professor Sinha within the last month anyway. So those are my comments about this ordinance.

Mayor Dennis said thank you. Other discussion? Hearing none, we need to take the last amendment on the Greater Lafayette Commerce change by voice vote.

The amendment to change "Lafayette/West Lafayette Chamber of Commerce" to "Greater Lafayette Commerce" passed unanimously by voice vote.

Mayor Dennis said any further discussion?

There was no further discussion.

Ordinance No. 22-08 (Amended) passed on final reading, 7-0.

NEW BUSINESS:

Ordinance No. 27-08 An Ordinance Providing For Temporary Loans From A Fund Having Sufficient Balance To A Depleted Fund (WWTU to General Fund, Parks & Recreation Fund, Police Pension Fund, and Fire Pension Fund) (Prepared by the Clerk-Treasurer)

Councilor Keen read Ordinance No. 27-08 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 Truitt.

Mayor Dennis said discussion? Judy [Clerk-Treasurer Rhodes].

Clerk-Treasurer Rhodes said once more, asking for temporary loan authority until such time as we receive our 2008 settlement.

Mayor Dennis said further discussion?

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There was no further discussion.

Ordinance No. 27-08 passed on first reading, 7-0.

Councilor Keen said Mr. Mayor, I move that we suspend the rules to consider Ordinance No. 27-08 on second and final reading. The motion was seconded by Councilor Truitt.

Mayor Dennis said discussion?

There was no further discussion.

The motion to suspend the rules and consider Ordinance No. 27-08 on second and final reading passed by unanimous roll call vote.

Councilor Keen read Ordinance No. 27-08 by title and moved for passage on second and final reading, and the vote be by roll call. The motion was seconded by Councilor Truitt.

Mayor Dennis said discussion?

There was no further discussion.

Ordinance No. 27-08 passed on second and final reading, 7-0.

Ordinance No. 28-08 An Ordinance Setting The 2009 City Budget And Setting The 2009 Tax Levy On Property And Tax Rate (Prepared by the Clerk-Treasurer)

Councilor Keen read Ordinance No. 28-08 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 Truitt.

Mayor Dennis said I guess I'll go ahead and start the discussion. As most of the Councilors may remember, we've actually started this budget process about in January. We started meeting with department heads, started meeting with each other in trying to define the process that we were going to use for the 2009 budget. One of the decisions that we made back then that this budget was going to be an open, transparent process, in which the department heads and the Councilors were all going to have an active involvement. I'm very proud to say that that has come true. This budget, although I'm the one I guess presenting, is a work product of everybody sitting up here at this dais and the department heads sitting out there in the audience. And I compliment you. This budget also is very reflective of the times we are going through. It is a leaner budget, it's actually less than the budget that was submitted for this year, for 2008. And we've had to go through some painful processes in order to get to that point. As I briefly mentioned earlier, the City of West Lafayette let go two employees. The City of West Lafayette has controlled its spending and done an amazing job of doing so. Each department head was tasked with trying to do more—and again, not to quote a cliché, but trying to do more—by doing less. And they have stepped up to that task and basically knocked it out of the park. One of the assurances that I asked that they give me is, even though we're going through some very difficult times, as is everybody in this country and probably in the world, are we going to have any less services? And each department head, to an individual, said no. We're going to have to work harder, and in some cases, we're going to have to work smarter. But we are not going to have any appreciable lack of the outstanding services that we've grown to appreciate

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here in this community. And with that again, I compliment the department heads. They've done an amazing job with that. The budget itself is fairly restrictive. We in the collective have gone through each line item. We went through two weeks of the budgetary process, in which actually some of the media representatives that are here this evening were present. Again, I know to each one of those, it was probably some of the most riveting hours they've spent in their lives. But we went through, looking at different ways to try and find ways to save money and to continue with our excellent services. And I'm proud of this budget because I believe we've been able to do so. We also have some issues that were inherited. We have an annexation that we're going to have to deal with. The costs of the annexation greatly exceed our opportunity to generate revenue from that particular area, a challenge that the City of West Lafayette is going to have to step up and face. We also have inherited some deficit spending, yet another challenge that the City of West Lafayette is going to step up and face. The reason why we've gone through such painful measures to try and decrease this budget is because we are shifting direction of the tanker. The ship is shifting. This year's and probably next year's budgets are going to be very, very challenging for those of us involved in the budgetary process. And the reason being is because we are going to get out of a trend that's going down, and make the trend head back up. Again, a budget is nothing more than just a spending plan. It's sort of maps the way that we're going to spend the public's tax dollars. And we're going to do so with that number one goal in mind, we're going to make sure that we're good stewards of your money. Now we're doing things in a way that you would be doing it at home. We're all tightening our belts here. We're doing it in the City, we're doing it as public officials, and we're doing it as public servants. Again, I commend those of you out there, the department heads, for making such sacrifices and still providing such outstanding services. So that's my sound byte. That's my introduction to the budget. Again, the Councilors have all had a copy of the budget in different forms for quite some time now, so I will go ahead and open up the floor for discussion on Ordinance No. 28-08.

Councilor Bunder said if I may, let me begin. I would agree with the Mayor that we did, in fact, start this budget process early, and that the budget process, at its beginning, was quite open. Over the last meeting of this City's Budget and Finance Committee, and I'm a member of the Budget and Finance Committee, took place on July 17. Work on the budget apparently continued. There was an August 15 article in the *Journal and Courier* regarding the construction of the budget, but this budget comes to this Council generally unknown to the majority of the Council members. We have had this budget for less than a week. The tone has changed since the July meetings, in which there was some confidence that we would be able to make many of the goals that had been set for the City. Changes in health care and in PERF have been introduced, as I read the budget. The budget is now much more somber. Part of the July 7 discussions involved transfer of costs to the Wastewater Utility. And for those of you following at home, throughout this process, it will be interesting to see what costs are transferred to the Wastewater Utility. As mentioned earlier, the report that is usually delivered in June was delivered to us two days ago, three days ago. Certainly we have not had time to review that in any detail. If I had been a Republican, I would have been demanding the Wastewater report in March or April, as has been done in the past. I understand that HB1001 makes this a peculiar year. I understand the fiscal condition of the country. I understand that the Mayor is as new at this as I am, and I understand that the Clerk-Treasurer has had a great deal on her plate as financial functions have been consolidated in the City. I understand the chair of the Budget and Finance Committee has been busy campaigning for higher office. I understand all of those things. But in a difficult budget year, sometime in the last two and a half months, one would have expected that one of the multiple iterations of a budget this large that

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must have been constructed in preparation for the final budget, might have been a matter for discussion. With that, the budget could have enjoyed bipartisan support. At this point, it does not. It is not a question of the particulars in the budget. We have not had the budget long enough to consider those particulars. We began well, we finished badly, and there is much work to be done.

Mayor Dennis said further discussion?

Councilor Hunt said I have a couple of comments I'd like to make. This is the first reading. I'm disappointed I didn't get the book sooner. You know, I talked to the Mayor earlier. I went to many of the Budget and Finance meetings. I think I missed one. It's a huge budget, and it's very difficult to understand, and I've been on the Council, this is my fifth year, and I still have difficulty understanding the budget. But I realize this is the first reading and we can do some changes. One particular concern I have, and I spoke to Police Merit Commission. This is just a little one, but it's relevant to me that we cut two employees and I understand the—I almost understand the difficulty of cutting employees—but to cut two employees and all of a sudden start generating a salary for Commissioners for the Police Merit Commission, I just have a real problem for that. Now, I know that originally, it was brought up early this calendar year to increase the Police Merit Commission, to give them salaries, because they do spend lots and lots of hours, especially when they interview and if there's ever a legal hearing. But I just think it's not the good time to start paying individuals when we've cut other ones. And I'm really concerned that we got it so late. I understand that HB1001 and many other changes about PERF and what we're going to do with some of our pension fund threw it off, but it's just a huge thing to digest in such a short time.

Mayor Dennis said further discussion?

Councilor Thomas said yes, Mr. Mayor, if I could, I do direct my comments to Clerk-Treasurer Rhodes. I know that there was an awful lot of work put into this budget. It's a massive budget, and I want to congratulate you on the effort that I know has been put into this. There was a lot of time spent on it. In looking at just the 50,000-foot detail, there are some line items in specifically the Clerk-Treasurer's budget and City Hall that talk about consulting and contract services. Several of those are new items. Some are rather substantial increases. And I would like to get some detail on what is included in those line items that would help me to try to understand why those increases are there. My first go-round with this budget, obviously, as a Councilmember, so I'm just trying to understand where those increases are, where they come from, and what specifics can I be given that that give me some idea of why those are in there.

Mayor Dennis said and that's on consulting?

Councilor Thomas said consulting and contract services. Some rather substantial increases that, again, I would just like some detail on.

Mayor Dennis said further discussion? Judy [Clerk-Treasurer Rhodes]?

Clerk-Treasurer Rhodes said I think I need to give a little bit of background, so that people who have been involved in the process can understand that the Council this year for the first time ever, at the Mayor's request, received detail on every line item in the budget. They received it on CDs, and they received, actually, printed copies. I believe we spent at least 15 hours going

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over the detail, the second and third week in July. They received a preliminary run on the budget. At that point, the need to clarify what the State's position was on the provisions of HB1001, pension relief and the reductions in the levy, necessitated that we pause. In fact, the State only was able to provide us with more clear views on that situation which involved almost a \$750,000 cut in our levy, about a week before we had to file the budget. We've very fortunate that West Lafayette was the first city after Indianapolis, to get in to the pensions actuary and have runs made. And so, yes, the information we had did not come until right before the budget filing. And I have to say, we had to work pretty hard to get that. The detail that I've been asked about, I think has been provided in the versions of the budget that were released to the Council in early July. At that time, I sat there and asked repeated questions of the Councilmembers. "Do you have any questions of the specific items?" "Is there anything that you have concerns about?" I haven't heard from anyone, except for Councilor Hunt since then—

Councilor Hunt said I must say—

Clerk-Treasurer Rhodes said the budget books were provided—

Councilor Hunt said , she called me yesterday and we chatted.

Clerk-Treasurer Rhodes said the budget books were provided with the CD in the same timeframe as they have in all the previous years, but you had the advantage of having that detail the last several months. We want to answer your questions, do the best job we can for the Councilmembers. We have to hear what those questions are, particularly if they're detailed. For example, when you look at the detail here, Gerald [Councilor Thomas], I'm not sure what is missing from that list that wasn't there. There have probably been some things that have been deleted since July, but that detail on the Contract Services account hasn't changed, except gone down. These are more focused questions. The fact is, we can't as a whole as policymakers deal with the budget if we have a great deal of our levy at risk. This is an unusual year. We have worked very hard to be able to present the budget to you in the timeframe that would allow us to accomplish all the things that we need for the City, and we have numbers, I feel, we have some reason to have confidence in, in terms of our total levy. We didn't have those numbers literally until just a few days before Agenda Day. Not for lack of trying. And, in fact, we're very grateful to the Office of Management and Budget and the Department of Local Government Finance for assisting us. Because, frankly, when it comes to ranking cities in West Lafayette, we may be the greatest, but usually they don't put us number two after Indianapolis, when it comes to resources. And I'm very grateful for the support we got from the State. It was really meant for you, so that you would have realistic idea of what resources we would have available. Thank you.

Mayor Dennis said further discussion?

Councilor Burch said Mr. Mayor, if I may, I, too, would like to thank Judy [Clerk-Treasurer Rhodes] and the department heads for their time and effort, and it was a good, eye-opening experience to see these line items in each of the department budgets, and to have the opportunity to go through them. In looking at summary of the proposed 2009 budget, it shows here that there is a reduction in the budget. And I'm very happy. I think that's the first time in the history of the City of West Lafayette that I'm aware of, that the budget has gone down. So I want to congratulate the Mayor. His efforts to continue with the wonderful services that we have and not have to increase items. And I think the Mayor and the department heads have done a

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good job, and that the Clerk-Treasurer has done an excellent job in putting this information together for us. So thank you very much, Mr. Mayor.

Mayor Dennis said thank you.

Councilor Keen said Mr. Mayor, I, too, want to reiterate what Vicki [Councilor Burch] just said, and also what Clerk-Treasurer Rhodes just commented on. I think that we were all given the CD of the budget early on, and I think that that was very comprehensive and if there were any questions about any of that, we could have certainly asked, and a lot of questions were asked about that. Unfortunately, a lot of the information that was not available didn't become available until just recently, but the basics of what was going on has really not changed. I think that with the advent of the new information, and with the reduction in the budget itself, I think that this is overall a very good budget. The fact that we can run a city of our size on a budget of this type, I think this is a good accomplishment.

Mayor Dennis said thank you. Further discussion?

Councilor Roales said Mr. Mayor.

Mayor Dennis said yes, Councilor Roales.

Councilor Roales said I want to echo the comments of many of my fellow Councilors that the department heads have done a tremendous amount of work, and it's very clear in just looking at the July budget we saw and the current budget we saw, that there's been some very difficult cuts made throughout the entire City. And so I want to thank the department heads for stepping up and making that possible, because I realize that's not easy to do. That you have commitments, that you have service levels you hope to keep, but that's difficult. And so I want to thank you, first, for doing that work. It's clear from the numerous budget cuts that, you know, we have a significantly different budget than we had in the July meetings. It's clear from comments made publicly on August 15 that we knew of some of those cuts and that significant changes have been made. I wish that we would have seen the August 15 version that was referred to publicly. Hopefully now, we can be more prepared to make final votes today. You know, the situation is what it is today. And so I'm concerned about numerous kinds of budget tricks that are going on. Councilor Burch referred to a budget that is less than last year, but I'm concerned about the large transfers to the Wastewater Utility. \$800,000 in Street and Sanitation has been transferred. \$209,000 in Motor Vehicle Highway has been transferred. If it's a trick, is it really a lower budget. I mean, if we're moving things off the balance sheet in Enron-style accounting, is it really a responsible budget? The chairman of the Budget and Finance Committee said today in *The Purdue Exponent* that he was proud to have delivered on his promise of fiscal responsibility. Ask him if it's fiscally responsible to move large items off of the balance sheet that maybe do not belong in the Wastewater Treatment facility. Like the Mayor's administrative assistant, like the neighborhood planner. I mean, hiding those items off balance sheet, we've seen numerous times and currently how that can get into financial duress. I think that's been very public, and I think that's, you know, something that I'm very concerned about is that I understand that it's a time of duress in our budget, but I'm concerned about some of these budget tricks not being accountable and honest and open to the public about how our spending is really occurring.

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Mayor Dennis said first off, “tricks” isn’t appropriate, Paul [Councilor Roales]. I mean, gamesmanship with the verbiage is inappropriate. The reality of it is that during the first meetings that we had in January, we had discussed the possibility of raising the fees, the sanitation fees. And it was something that was actually budgeted in last year’s budget for this year. I wasn’t really very comfortable with that. Because Councilor Bunder brought up a very poignant argument—some of his constituents throw away a baggie of trash a week. Why should they have to incur the costs for everybody else? Moving them over to, as Mr. Skomp who’s now gone, moving them over to the Utility is a logical, statutorily-supported way to assist this community in maintaining the high quality of service without increasing fees or taxes. It’s practical. It’s not trickery. It’s not Enron-style bookkeeping. It’s just a logical way to run the City leaner. Okay, now I’ll cede the floor to whoever was next.

Councilor Keen said can I make a comment?

Mayor Dennis said go ahead, Councilor Keen.

Councilor Keen said I would just like to say that this style of bookkeeping, as Mr. [Councilor] Roales wants to call it, was started a couple of administrations ago, and this type of moving things from one department to another started a long time ago. And I have never been in support of the way that this has been done. And I certainly think that the efforts that are being made here in moving things back out of the Utility or into the Utility, I think, is a way in which we are trying to get back to where we should be from where we have gotten over the past several years under previous administrations.

Councilor Roales said so, just to ask you to clarify. You don’t like moving things to the Wastewater Treatment facility?

Councilor Keen said I’m saying things that are being paid for out of the Utility should be things that are supported by the Utility. That is not the case right now, but that trend started a long time ago.

Councilor Roales said I agree that it was a trend started before my presence on the Council.

Councilor Keen said yes, and I think we need to kind of take a step back and head back in that direction.

Councilor Roales said yes, and I would like to see items like neighborhood planner moved out of the Wastewater Treatment, so that it’s clear that that’s not a Wastewater Treatment function, and so I’d ask for your, you know, support—

Councilor Keen said but I think that under this budget, we are heading back in a direction that we need to be heading back to. Now you can’t do everything at once, and you know that. I mean, you can’t just take everything and move it back where it should be or could have been. The fact of the matter is that what we’re doing here is perfectly legal, it is perfectly legit, it is perfectly in order that we’re doing it this way. It will take time to correct what has been done over the past several years.

Councilor Roales said I agree. I mean, budgets are processes that occur over a number of years. And I agree—I mean, there’s no question of the legality of this. It’s occurred over a

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number of years. But I'm concerned that we're moving in the wrong direction. We're increasing the amount of individuals that are having part of their salary covered by Wastewater Treatment, not decreasing. So we talk about moving in the right direction, I don't know which direction you'd like to move in, but I see that as increasing. And so, I'm concerned really about a lot of movement of funds from the Mayor's office to the Clerk's. Why is marketing for the City being handled under the Clerk? Why are items like City cleaning supplies being moved under the Clerk? I mean, I think there's a lot of small moves in the budget which end up being large moves percentage wise in individual funds, which are really unnecessary. We're spending the same amount of money but we're moving them around and playing with them. And I see that as a lot of trickery, a lot of budget kind-of hiding, and I think the open accountability is just not really present here that I would like to see, that I know my other Councilors have voiced support for in the past. And so—

Mayor Dennis said go ahead, Judy [Clerk-Treasurer Rhodes].

Councilor Roales said Councilor Truitt, I'd—

Clerk-Treasurer Rhodes said no, Councilor Roales.

Councilor Roales said Judy [Clerk-Treasurer Rhodes], I still have floor. I'm sorry.

Clerk-Treasurer Rhodes said I want to speak.

Mayor Dennis said Paul, just wait a second.

Clerk-Treasurer Rhodes said I have to sit here while you've referred to detail that you've had for several months as trickery. And I understand the rhetoric of this evening. However, as we explained, I want people in the audience and the folks to know, as all the Councilmembers know who attended those 15 hours of detailed meetings, is that yes, we recommended consolidating numerous housekeeping functions into one budget. Because continuing to do ministerial functions in the City in separate silos is very cost ineffective. And the Clerk-Treasurer has always had some role in that, and when I was asked to do more, I was glad to, because our department can very efficiently handle volumes of claims and the kinds of documents that are associated with them. The Clerk-Treasurer's budget is, in a large sense, the ministerial budget of the City, ministered in conjunction with the Mayor. We explicitly discussed that with the Council in July. And so, I'm not going to keep on saying, "But we discussed this, we disclosed this," because the CDs from July, all the printed copies are available. I invite anybody who would like to examine them to compare for themselves. Thank you.

Mayor Dennis said Councilor Roales.

Councilor Roales said thank you, Mr. Mayor. Simple disclosure earlier in the past does not make it right. And so, I would ask that a lot of these budgets be restored to where they have been historically. That the Clerk should not be asked to play a role of City Manager, that she should not control items like the marketing budget, that she should step back into her clerical role as historically has been the precedent. And so that I would ask, Councilor Truitt, do you, as chairman of the finance committee, do you support the excess levy tax?

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Councilor Truitt said one of the things, Councilor Roales, if I could speak on a couple items here. Number one, I received this information at the same time that you did. So currently I think all of us are going through the books together for the first time. So that's number one. Number two, you can go back, and I know how you like to do your research, you can go back and you can look and read through the minutes, and you can find multiple times my displeasure of structural budget flaws in the budget. So to say that I would be supportive of transferring money into other accounts would be far from the truth. So, there's some problems with this budget from my point of view, and I've expressed those in the short period of time since the budget fairly dropped these off at my front porch. I still think there's some time, I think there's still some work that needs to be done in regard to the budget.

Councilor Roales said I mean, I guess, you know, and I would ask for maybe clarification of this. It was reported that, you know, this may be a potentially 74% increase in our tax rate, and so, you know, there may be some technical things that are involved in that, but, I mean, even advertising the 74% increase would be worrisome to the public and would obviously have no support on the Council. So I'd ask for clarification of that.

Clerk-Treasurer Rhodes said I'm glad that you asked for clarification. The proposal is to advertise our tax rate higher than we expect it to be. This is a recommendation of the Department of Local Government Finance. This year, it is especially high, because the Department of Local Government Finance recommended that we substantially reduce the estimate of assessed valuation. I've used 70% of this year's value. Did you say the tax rate is up 70%? The assessed valuation that is being used to compute the tax rate is artificially low, because the State agency that guides jurisdictions on budget preparation was not able to estimate the impact of HB1001, in terms of the assessed valuation we have to support the tax rate. That the budget is advertised high is not unusual. Not only is the assessed valuation usually somewhat reduced, but an operating balance is increased. This is done by every jurisdiction in this County and across the State. And it is disclosed in your budget books, which you've had for over a week, on the tab which summarizes your Forms 4B. In the past, we've been able, at the same time, to give an estimate, a forecast of what the tax rate would be. I think if you check our track record, we've been very much on target. This year, that's impossible to do. I don't think any jurisdiction has been able to do it. There's so much uncertainty in what's going to happen with the tax base. And Mr. Malik from the *Journal and Courier* has tried very valiantly to convey this to the public. The problem is he can't put in his story the tax rate forecast, which normally would be there, all we're going to have is the advertised rate. But I'd ask you to examine the tax code that was advertised for the County, the school corporations. They all have the same structure. And, to be honest, I cannot, as a local official, make a forecast on the tax rate for 2009.

Mayor Dennis said further discussion? Hearing none—

Councilor Roales said I'm sorry, Mr. Mayor. Councilor Truitt, I mean, I asked you previously do you support the excess levy appeal.

Mayor Dennis said actually, Paul [Councilor Roales], that's out of order. What we're talking about here is Ordinance No. 28-08. So, further discussion about Ordinance No. 28-08?

Councilor Roales said Mr. Mayor, I move that the rules be suspended to solicit free and open discussion of a budget that's involved in numerous ordinances. So I make a motion that we

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

suspend the rules temporarily to allow for free discussion about the numerous budget ordinances that are involved in the budget.

Mayor Dennis said we have a motion on the floor.

Councilor Bunder said second.

Mayor Dennis said second.

There was no further discussion.

The roll call vote:

AYE	NAY
Bunder	Burch

When her name was called to vote, Councilor Hunt said I'm not sure this is the time to have—you know, this is very difficult vote. I don't know. I don't know what is meant by open and free discussion.

City Attorney Burns said it takes a unanimous vote. We have one against, so the motion fails.

Councilor Hunt said I'll vote yes.

Clerk-Treasurer Rhodes said do you want me to continue to—

City Attorney Burns said the motion has failed by operation of law. It takes a unanimous vote.

The roll call vote:

AYE	NAY
Burch	Bunder
Hunt	Roales
Keen	Thomas
Truitt	

When her name was called to vote, Councilor Hunt said this is the first reading of this budget, and I will vote yes for it.

When his name was called to vote, Councilor Truitt said first reading, yes.

Ordinance No. 28-08 passed on first reading, 4-3.

Ordinance No. 29-08 An Ordinance To Fix The Salaries Of Appointed Officers, Employees, And Members Of The Police And Fire Departments Of The City Of West Lafayette, Indiana, For The Year 2009 (Prepared by the Clerk-Treasurer)

Councilor Keen read Ordinance No. 29-08 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 Burch.

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

Mayor Dennis said again, in the point of discussion, I don't want there to be any confusion. There really aren't any salary raises this year. We raised the salaries by 3%, and by virtue of what we did to the PERF contribution, lowered it by 3%, so it went up some and went down an equal amount. So, in essence, there is no raise specifically. Further discussion?

Councilor Hunt said I have a brief typographical concern. This is Ordinance No. 29-08, is that right? Maybe it's a different use of terms, but under Police on page 3, it talks about the Deputy Chief/Commander of Traffic, who definitely is a part of the Traffic Commission. It says, Secretary of Traffic Commission. Is that the same as secretarial support? Because we just passed—I have my blue one [Ordinance No. 22-08] which says, "Engineering shall furnish secretarial assistance." Is that the same word?

Police Chief Dombkowski said let me say that I do not know what that means. We currently do not have a Deputy Chief, and I've appointed Captain Chris Leroux to serve on my behalf on the Traffic Commission. And he certainly does not function as a secretary of the Commission, but rather just the traffic commander of our department and then a member of the Commission. So maybe the word "secretary" was—

Councilor Hunt said it might have been there a long time.

Police Chief Dombkowski said is there in error, or had been there historically.

Clerk-Treasurer Rhodes said I think it's a legacy position title. Are you recommending that that be deleted?

Police Chief Dombkowski said as for purposes of a true secretary, I am recommending that.

Councilor Hunt said and it's always—I mean, as I've said before, I've been at many meetings and this is really good to have the Commander of Traffic there. He brings good knowledge, good information, and good dialogue. I don't know what that is either.

Mayor Dennis said well, I'll just go ahead, and, if it's the pleasure of the Council, we'll just consider this a scrivener's error and just wipe it out.

Councilor Hunt said I think it's probably legacy, as the Clerk-Treasurer Rhodes said.

Mayor Dennis said further discussion?

There was no further discussion.

The roll call vote:

AYE	NAY
Burch	Bunder
Hunt	Roales
Keen	
Thomas	
Truitt	

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

When her name was called to vote, Councilor Hunt said this is first reading, again. I'll vote yes.

Ordinance No. 29-08 passed on first reading, 5-2.

Ordinance No. 30-08 2009 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 Keen read Ordinance No. 30-08 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 Truitt.

Mayor Dennis said discussion?

There was no further discussion.

The roll call vote:

AYE	NAY
Burch	Bunder
Hunt	Roales
Keen	
Thomas	
Truitt	

When her name was called to vote, Councilor Hunt said again, first reading. Yes.

Ordinance No. 30-08 passed on first reading, 5-2.

Ordinance No. 31-08 An Ordinance To Set The Salaries Of The Elected Officials, City Of West Lafayette, Indiana, For The Year 2009 (Prepared by the Clerk-Treasurer)

Councilor Keen read Ordinance No. 31-08 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 Truitt.

Mayor Dennis said discussion?

Councilor Keen said I would just like to point out that this does not include an increase for Council people.

Councilor Hunt said yes.

Mayor Dennis said further discussion?

There was no further discussion.

The roll call vote:

AYE	NAY
Burch	Bunder
Hunt	Roales

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

Keen
Thomas
Truitt

Ordinance No. 31-08 passed on first reading, 5-2.

Resolution No. 17-08 A Resolution Requesting The Transfer of Funds (Police, Fire) (Prepared by the Clerk-Treasurer)

Councilor Keen read Resolution No. 17-08 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 Truitt.

Mayor Dennis said discussion?

There was no further discussion.

Resolution No. 17-08 passed on first and only reading, 7-0.

COMMUNICATIONS:

► Councilor Roales said Mr. Mayor, I have a concern that the excess levy appeal we've been briefed on before is not being presented as part of the budget process, and that this may represent a 5.6% tax increase. Discussion of that is relevant and germane to the discussion of the overall budget. I'd ask Councilor Truitt, as chairman of the Budget and Finance Committee, why that's not presented as part of the budget package.

Mayor Dennis said Paul [Councilor Roales], again, that's out of order.

Councilor Roales said Mr. Mayor, I disagree.

Mayor Dennis said okay.

Clerk-Treasurer Rhodes said may I take—

Councilor Roales said Councilor Truitt, as chairman of the Budget and Finance Committee, this is your budget—

Clerk-Treasurer Rhodes said I'm going to respond, because he's asking about the process. There is a 2009 Budget Calendar. We've had two presentations on the excessive levy. As our consultant Jim Treat of O.W. Krohn and Associates explained, the amount that we're asking for in the excessive levy appeal is in the 2009 budget. On October 23, you will receive an annexation levy appeal packet. That will be in advance of the need to have the final adoption no later than November 17. The annexation levy appeal can certainly be addressed at the public hearing on the budget. You've already had two public meetings at which you've received information on that, and, once more, I urge you, if you have questions, to please make sure that we get them to Mr. Treat and the Mayor, so that we're not, at the last moment, hearing about a concern or a question that, for whatever reason, wasn't asked. The budget, once it's passed, will go through an advertising at which the appeal amount, the amount that is no smaller than the appeal amount, will be indicated, but there's no official action that the Council needs to take until it acts legislatively on the appeal resolution. Is that correct, City Attorney Burns?

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

City Attorney Burns said that's correct.

Clerk-Treasurer Rhodes said thank you.

Councilor Roales said I guess I'm disappointed and concerned that the chairman of the budget and finance committee has not spoken to defend and represent his own budget, as he has claimed to work on—

Mayor Dennis said Paul [Councilor Roales], I have to ask you, please refrain from partisan politics—

Councilor Roales said I've asked him three times, and you've—

Mayor Dennis said stop. Paul [Councilor Roales], you're out of order.

Councilor Roales said you're out of order for not allowing me to address another Councilor in open debate.

Clerk-Treasurer Rhodes said it's the Mayor's budget.

Mayor Dennis said you have to refrain from partisan politics on things that aren't being addressed on the Council agenda. All right? Other communications?

CITIZEN COMMENTS:

► Ms. Mary Cook [owner, Harry's Chocolate Shop, 329 West State Street] said my background here is 14 years ago, I served as a Democrat on a Democratic Council in West Lafayette, and the Democratic Councilors prevailed. And I did this budget process, and it is overwhelming. I would suggest, as the majority of this Council is new and has not been through this process [tape change]. This process seems to be much more open to me at this point, and headed in a better direction of communication, but it always ends in an argument. That's partisan. And as a taxpayer and as a small business owner who has continually in the last several years cut salaried positions and basically is doing more of it myself without help to get by, I commend this group for trying to accomplish the same thing with the City and all of our money that we as individual private business owners have been strapped with for more than the last few years. So I hope things go forward in a civil manner, I hope people can communicate and comprise. That is the only way things get done. I appreciate your work.

Mayor Dennis said thank you, Mary [Ms. Cook]. We can always disagree professionally, but at the end of the day...

► Dr. Carl Griffin [421 Robinson Street] said I'm co-chair of New Chauncey Neighborhood. In that capacity, first I want to thank you Mr. Mayor for agreeing to come and visit along with [Police] Dombkowski, and perhaps some other members of City staff that we feel are important, come and visit our annual meeting in about three weeks, address issues of concern. We're looking forward that. Some recent articles that have been in the newspaper have made some of the questions that I think that we would have otherwise discussed then and may continue discussion there, but they've got some of the residents concerned. And so they asked that I come tonight and we can at least start talking about these things and learn a little bit more.

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

New Chauncey Neighborhood is the largest historic neighborhood, actually, in the State of Indiana. In fact, there's only one larger historic area, and that's a whole historic city. It [New Chauncey Neighborhood] is a vibrant area where residents are proud to live among people of a variety of ages, and people who are living there for a short time and people who have lived there for a long time and will continue to do so. The neighborhood, I think, is that neighborhood more so than any other neighborhood in the City, because of its proximity to Purdue. It's that proximity which, although it provides for the vibrancy, also provides for some stresses on the neighborhood. The City and the neighborhood have historically collaborated to maintain safe, quality housing stock and quality of life there, and we certainly are hoping that that collaboration will go on. Reading what we do in the paper about the specialty upcoming appeals and actually some of it is happening this week, that are going at the State level, some of our residents are a little bit more concerned. In fact, one of the things that I guess raised our concern is the quote in the newspaper that one of our rental property owners was quoted on the subject of determining legal occupancy in her housing, "I want someone to tell me how to go about this. I've gotten no guidance from the City." Now, I was surprised by that quote, but nonetheless, it is the way one of our rental property owners feels. But can you provide some information to us and, perhaps, to others.

Mayor Dennis said I can definitely speak to that—

Dr. Griffin said I bet you can.

Mayor Dennis said when somebody's caught, they generally don't know the rules. That's the first thing is the denial.

Dr. Griffin said so to our residents throughout the City, what guidance is being given to property owners, to help them maintain legal occupancy?

Mayor Dennis said I'm not dodging, I'm going to defer. Chandler [Director of Development Poole].

Dr. Griffin said that's fine. We just want information.

Mayor Dennis said he's the source.

Director of Development Poole said when we do inspections of the rental units by districts, we send out the letters to each landlord, requesting a time to be set with our department for inspectors to go out. At that point, we inspect the property, we work with them so far as what's going to be happening with the property. The relationship we have with the different landlords within the City is very, very good. We know all of them, they know who we are. The cooperation when we meet with them is very, very good as well. I think we have a pretty good dialogue with them. So far as what's actually being provided to them, I think that's on a case-by-case basis, as we meet with them.

Mayor Dennis said Chandler [Director of Development Poole], is there like a packet that they get that explains. If I were to buy a house in New Chauncey and decided I wanted to rent it out, would I be given a packet of information that would—?

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

Director of Development Poole said when a first-time property owner comes and says they want to rent out their house or whatever, we do meet with them, talk to them about the rules, how it goes, and they're put on a one-year inspection. What we do is we make sure that they're up to snuff, they understand the rules, how we work, the affidavits that are required by those property owners, and then, if they are successful in that first year, then we go to a two-year cycle.

Mayor Dennis said okay.

Councilor Bunder said I can be helpful here, given my roommate's long history in housing. There is a five-page document that everyone gets. It says "Ordinance Violations in West Lafayette," and it particularly says "overoccupancy." They know. Everybody knows.

Mayor Dennis said that's my experience. Generally when somebody's caught, they—"I didn't know that."

Dr. Griffin said so, we have the three cases that are going to the appeal level. Can you help our citizens understand what the City's current stance is on defending those appeals of the complaints that were found last year.

City Attorney Burns said I can. All three of those cases that resulted in trial verdicts for the City are on appeal. Those were appealed by the defendants who lost. I think there's an oral argument this week on it. I think there was one last week, an oral argument. Those are being defended very vigorously by excellent counsel. We will continue to defend those in the Appellate Court and are hopeful it will be a good outcome and that the judgments in all three of them will be upheld.

Dr. Griffin said Attorney Burns, is—and this is—you know, a year ago, I would have thought this is a partisan question. And this is not. Is your firm defending them? Are you defending them along with—? Is there an Indianapolis firm? Who's defending them?

City Attorney Burns said there is not. Jim Schrier is the attorney here in town who is defending those. And he's defending all three of them.

Dr. Griffin said great. Okay. Thanks. That's helpful. So we believe and feel there's good evidence that shows that overoccupancy does deteriorate our housing stock. It has priced a lot of houses in our area because if you can make more money on it by overoccupying it, then the selling price for that house will be higher and it can make it difficult for a single family to buy it. So all of these things have a negative effect on long-term occupancy. The overoccupancy also tends to increase City costs, by requiring more Police attention and more Fire attention from time to time. It seems like overoccupancy especially can present a safety issue in situations like the fire that occurred on Littleton. So just as, I guess if somebody were to report a problem to the Police Department, we would figure that the Police Department would promptly respond and figure out if this is really a violation or just a perceived violation and nothing's wrong. Can you help our residents understand why, since it was reported in the paper, hearsay evidence, I think, perhaps would that be called? So if it was reported in the paper that there were four occupants of that single-family dwelling, is that not a potential violation, and why would we not pursue that at this point, instead of waiting for the normal letters to go out and that process and possibly having two months or so before anything would be done there. Can you help us understand that?

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Mayor Dennis said apparently it's going to be answered.

Dr. Griffin said okay, fine.

Director of Development Poole said Carl [Dr. Griffin], you give me all the good questions tonight. When we find out that there is a potential overoccupancy, we run into a couple of situations where our hands are tied. I'm trying to go through my notes here I talked to my inspectors about today. There's been some law changes within the State of Indiana that do not allow my staff to run the plates—we used to be able to run in-state plates, but with the new law change, we cannot run in- or out-of state plates. If my staff is going to run the plates at all, in order to access the State's website, we would need the Social Security Numbers of the individuals at the residence, and we would also need the VIN numbers of all the vehicles on the premises. So it's kind of a little bit difficult for us to get that kind of information. If we were to really want to proceed and go further, we do have the ability to ask the City Attorney to ask the Police Department to do so, but now we're incurring legal action on just an investigation. It doesn't really seem to be a very prudent use of funds at this point in time with our budget to start incurring legal fees. It is a very difficult game that the landlords are able to play. It's hard for us to really track it. When we do our inspections, we ask for the rental certifications and the affidavits at that point, and so that's how we are able to, to the best of our ability, go up there and try to administer this and patrol it.

Mayor Dennis said but the reality of it is is we're not going to mitigate anything. If there's a violation, we're going to pursue it aggressively.

Director of Development Poole said yes, sir.

Mayor Dennis said thank you.

Dr. Griffin said okay. So I guess that what I'm hearing and what's going to probably not what our residents are going to be concerned about, is it's going to be increasingly difficult to, if not monitor, then enforce the occupancy code.

Mayor Dennis said I don't think so, Carl [Dr. Griffin].

Dr. Griffin said why?

Mayor Dennis said I think that we are not going to slow down. We're going to be as aggressive as we can conceivably be. Obviously, there are certain things we can control and certain things that we cannot control. But the process, the way that we've been enforcing overoccupancy is going to continue down that same path. We're not going to sacrifice our neighborhoods, the well-being and health of our neighborhoods, for any other reason. If some higher court says that there are certain things we can't do—

Dr. Griffin said right.

Mayor Dennis said we'll figure out a better way.

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Dr. Griffin said will we—what's our stance on pursuing, you know, if we find something, then, of a violation, what's our stance as we go forward, in terms of pursuing it legally, pursuing that violation legally?

City Attorney Burns said we will pursue it. My job as City Attorney is to enforce ordinances, and if there's a violation, I will pursue it. I know the Mayor has said that before, and we've spent some time this year getting prepared to have a good toolkit to enforce. A couple things. Ordinance violations for some of the things—not overoccupancy *per se*, but other neighborhood problems, as well as to provide for attorney fees on collection in any case, whether it's ordinance violation or in an overoccupancy, which puts the City in a much stronger position, in terms of leverage getting cases taken care of. And “taking care of” is not to make money. “Taking care of” is to take care of the problem. I take my job very seriously, and we will pursue vigorously any ordinance enforcement violations, including overoccupancy. I think the issue with the license tags means we have to take different routes when we're doing investigation, but I don't think it changes the fundamental issue that if there are violations we will pursue them strongly.

Dr. Griffin said can neighbors help? How can we be part of that tool?

City Attorney Burns said keep a diary. Write things down. If they have a calendar and it appears that there's overoccupancy, they could write down different license tag numbers, things of that nature. If they want to. We're not out asking for people to turn into vigilantes, but if they want to help, they certainly could just keep their eyes open and look for things that are unusual, look for things that look like overoccupancy and let the City know.

Dr. Griffin said okay. This is helpful, and I thank you all.

Mayor Dennis said thank you, Carl [Dr. Griffin].

► Ms. Mary Cook said I have a question. Because I was on the Council when the—and this is a point of reference—I was on the Council when the legislation was rewritten to do the numbers and the certificate on the wall and the inspection and all that. At that time, that being posted on the inside made it very clear how many people were supposed to be there, so walking up on someone's porch, as a neighbor, could be trespassing. So the end result was telling the neighbors, “If you are uncomfortable with what's going on in your neighborhood, call the Engineering Department.” Because at that point in time, when the ordinance was passed, the Engineering Department is where those pieces were filed. Correct? The occupancy and all that.

Clerk-Treasurer Rhodes said Development really has that.

Ms. Cook said so it's Development now? So that got changed over. Because people could say, “You know, there are four cars on the lawn next door, this looks like a problem. Call the Engineering Department.” They'd look at the certificate and say, “Well, there are only supposed to be three” and go up and knock on the door. And so how that has changed, I don't know. But it's what they're saying of watching it, and then it's all in the computer and it's all there. But what department do they call, if it's not Engineering? Now it's Development?

COMMON COUNCIL MEETING MINUTES, OCTOBER 6, 2008, CONTINUED

Mayor Dennis said well, generally speaking, a lot of time they'll call Development, or else they call the Police Department. A lot of folks, when they want to report something—

Ms. Cook said they all have access to that—I mean, computers are all very different.

Mayor Dennis said I don't think Jason [Police Chief Dombkowski] has CityView, but he would obviously discuss with Chandler [Director of Development Poole], and Chandler's got the software to be able to—

Ms. Cook said, I mean, it's an ongoing problem. It has been for years.

Mayor Dennis said but the big thing is that people just need to know—

Ms. Cook said the neighborhood watch.

Mayor Dennis said I mean, to report.

Ms. Cook said right.

Mayor Dennis said not just for New Chauncey, but throughout, because the rental situation is growing. And just for people to be aware that there is a mechanism—

Ms. Cook said because that was something we worked very hard on, was that authorization and that paperwork filing and everything that went through with that ordinance amendment. So that's why I'm familiar with what you're talking about and how we tried to satisfy everybody, because there were a few people who wanted that verification, that certification on the front of the door, and I was not for publicly displaying that. So they compromised with me, and put it on the inside. And that way, someone can come to the door from the City and know immediately what's there and assess the situation.

Mayor Dennis said okay, thanks. Other citizen's comments?

ADJOURNMENT:

There being no further business at this time, Councilor Truitt moved for adjournment. Motion was seconded by Councilor Burch. Mayor Dennis adjourned the meeting, the time being 8:47 p.m.

SUPPLEMENTAL INFORMATION

Subsequent to the October 6, 2008, Common Council meeting, it was discovered that Ordinance No. 22-08 as passed by the Council included a scrivener's error in item (d) of Section 41.09. Item (d) should read, "The chair of the commission shall be elected annually at the first meeting after January 1 by the commission and shall be from the thirteen citizen representatives." [The "1" had been omitted.] Both the permanent record and City Code have been changed to reflect this item.

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