

**UTILITY BOARD/COMMON COUNCIL**

**Thursday, March 3, 2011**

**7:00 P.M.**

The Common Council and Utility Board of the City of Huntingburg met in joint session at its regularly scheduled meeting time on Thursday, March 3, 2011 at the hour of 7:00 P.M. in the Council Chambers of the Huntingburg City Hall at 508 E. Fourth Street, Huntingburg, Indiana. Members Boeglin, Summers, Majors, Sparrow and Kays were present. Also present were Mayor Belcher and City Attorney Schneider.

Mayor Belcher called the meeting to order.

A motion was made by Kays, seconded by Summers and carried to approve the minutes of the February 15, 2011 meeting.

A motion was made by Summers, seconded by Boeglin and carried to approve the claims as presented.

Clerk-Treasurer Dippel presented a list of utility account balances for consideration to write-off each utility's books.

Proposed write-offs:

Electric	\$10,054.64
Water	1,634.44
Gas	3,979.67
Wastewater	<u>174.12</u>
Total	\$15,842.87

The list noted that 47 of the 51 accounts were rental accounts.

A motion was made by Kays, seconded by Boeglin and carried to approve the utility write-off list as presented in the total amount of \$15,842.87.

Attorney Schneider summarized the proposed ordinance to increase sewer rates. The ordinance was previously introduced and a public hearing held.

A motion was made by Summers, seconded by Kays and carried to adopt Ordinance No. 2011-04 entitled:

**AN ORDINANCE ESTABLISHING A NEW SCHEDULE OF RATES AND CHARGES FOR USE OF AND SERVICES RENDERED BY THE MUNICIPALLY OWNED SEWAGE WORKS OF THE CITY OF HUNTINGBURG, INDIANA AND MATTERS CONNECTED THEREWITH**

Upon call of roll for the adoption or rejection of Ordinance No. 2011-04 the vote being 5 ayes, 0 Nays, in favor of adoption, Ordinance No. 2011-04 was duly passed and adopted this date at the hour of 7:15 P.M.

An ordinance to amend regulations for electric contractors in the City was considered. The ordinance was previously introduced.

A motion was made by Kays, seconded by Boeglin and carried to adopt Ordinance No. 2011-08 entitled:

**AN ORDINANCE AMENDING CHAPTER 113 OF THE HUNTINGBURG MUNICIPAL CODE CONCERNING REGULATIONS FOR ELECTRICAL CONTRACTORS OPERATING IN THE CITY OF HUNTINGBURG, INDIANA**

Upon call of roll for the adoption or rejection of Ordinance No. 2011-08 the vote being 5 ayes, 0 Nays, in favor of adoption, Ordinance No. 2011-08 was duly passed and adopted this date at the hour of 7:17 P.M.

An ordinance to amend ordinance violation penalties was considered. The ordinance was previously introduced.

A motion was made by Summers, seconded by Kays and carried to adopt Ordinance No. 2011-09 entitled:

**AN ORDINANCE AMENDING CHAPTER 34 OF THE HUNTINGBURG  
MUNICIPAL CODE PROVIDING FOR A SCHEDULE OF CIVIL PENALTIES  
FOR CERTAIN ORDINANCE VIOLATIONS**

Upon call of roll for the adoption or rejection of Ordinance No. 2011-09 the vote being 5 ayes, 0 Nays, in favor of adoption, Ordinance No. 2011-09 was duly passed and adopted this date at the hour of 7:19 P.M.

Attorney Schneider noted that this is the date, time and place set for a public hearing on the additional appropriation as introduced in Ordinance No. 2011-06 in the amount of \$226,000.00 for additional EDIT appropriations.

Mayor Belcher opened the hearing and asked if anyone had any comments or questions.

Clerk-Treasurer Dippel, speaking as a citizen, presented and read his concerns and thoughts (Exhibit A) on the additional appropriation. His concerns were that with the additional appropriation the City will be spending substantially more EDIT funds than it is taking in. He also noted the reduction in EDIT funds from prior years due to less income taxes being collected by the State and that the City had likely been overpaid EDIT funds in prior years and will probably have to repay the overpayment. He suggested that instead of spending \$200,000.00 of the original budget on wastewater inflow and infiltration projects that only \$50,000.00 be spent on the inflow and infiltration (the amount used in the sewer rate increase determination) and spend the other \$150,000.00 on other projects. He indicated that given the above factors he thought it would be fiscally responsible to work within the original budget for 2011 and plan other expenditures in the 2012 budget once revenues are better known. He also did not feel that just because the City has the money that it should be spent this year. He felt that there should be no additional appropriation.

There was discussion on the projects. Utilities Superintendent Traylor indicated that he could do the \$50,000 Jackson Street water project in-house.

After discussion, Attorney Schneider summarized the discussion and indicated that the amendment to the additional appropriation ordinance would be that the \$11,000.00 for police tasers would remain and the \$50,000 for the water project would be eliminated and additional street projects would go from \$165,000.00 to \$15,000.00 with the understanding that the other \$150,000.00 for street projects would come from the original budgeted appropriations.

Alex Blackgrove asked the Mayor if the paving projects include the 4<sup>th</sup> Street repaving project. The Mayor indicated that the 4<sup>th</sup> Street repaving project is included in this years projects. Blackgrove asked why that project could not be put off until the City has enough money to replace the 100 year old water line under 4<sup>th</sup> Street. The Mayor answered, "because right now our downtown merchants are scream' en bloody murders". The Mayor also noted that OCRA has indicated that the City will not be getting a grant this year for the 4<sup>th</sup> Street water-line replacement. Blackgrove had concerns of the heavy equipment breaking lines on 4<sup>th</sup> Street. The Mayor noted that they already thought about that and have talked to the contractors and it should not be a problem.

Council member Summers indicated that the contractor has said that if the vibrator is not used when they do the milling and all that, the lines shouldn't be disturbed.

The Mayor asked for other comments. No other comments were made. The Mayor closed the public hearing.

A motion was made by Boeglin, seconded by Sparrow and carried to amend Ordinance No. 2011-06 to an amount of \$26,000.00 from \$226,000.00 with the understanding that \$11,000.00 for police tasers would remain and the \$50,000.00 for the water project would be eliminated and additional street projects would go from \$165,000.00 to \$15,000.00 with the understanding that the other \$150,000.00 for street

projects would come from the original budgeted appropriations. Ordinance No. 2011-06 is entitled:

**AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS FOR  
THE 2011 BUDGET YEAR**

A motion was made by Sparrow, seconded by Boeglin and carried to adopt Ordinance No. 2011-06 as amended.

Upon call of roll for the adoption or rejection of Ordinance No. 2011-06 the vote being 5 ayes, 0 Nays, in favor of adoption, Ordinance No. 2011-06 was duly passed and adopted this date at the hour of 7:43 P.M.

Utilities Superintendent Traylor presented three quotes for various sizes of pipe to be used for the Jackson Street water-line replacement project. He noted the low quote was from Utility Supply Company in the amount of \$9,941.91. Traylor noted that he would like to begin the project when the material arrives in about a month or month and a half.

A motion was made by Summers, seconded by Kays and carried to accept the low quote of Utility Supply Company in the amount of \$9,941.91 for various size pipe for the Jackson Street water line replacement project.

Traylor presented a quote from NPN Services, Inc. for Central Substation Preventative Maintenance and Testing. He also informed the Board that high levels of combustible gases were found in the transformer oil during maintenance by NPM Services late last year and early February of this year. He noted that as a result the Central Substation is shut down and we are feeding off of the North Substation. He noted that the quote is no longer needed because with IMPA's help the transformer was found to be under warranty.

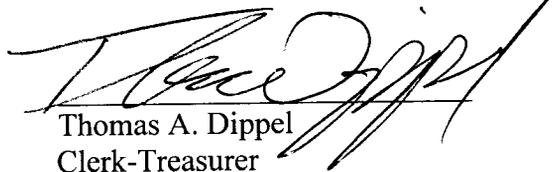
Traylor informed the Board that Virginia Transformer is going to do the warranty work. To correct the problem, 3,800 gallons of oil in this transformer needs filtered to remove combustible gases with two passes. He noted that while the oil is being filtered there crew will be checking for loose fittings inside the manhole.

Traylor also noted that an automatic transfer switch installation being worked on by Vectren and IMPA is scheduled for June of this year. The transfer switch work is anticipated to cost \$800,000.00 which will be at no cost to the City.

Traylor indicated that if the transformer has to be taken back to Virginia for repair it will be during the cooling season and may delay the upcoming automatic transfer switch installation.

There being no further business before the Council, a motion was made by Sparrow, seconded by Boeglin and carried to adjourn the meeting at 7:48 o'clock P.M.

  
Marvin R. Belcher  
Mayor

  
Thomas A. Dippel  
Clerk-Treasurer

To: ~~Huntingburg~~ Common Council  
From: Tom Dippel

Common Council  
3/3/11  
7:00 p.m.  
Exhibit A

TD. 3/3/11

Update on County Income Taxes

Update on EDIT funds:

Balance of EDIT funds at 12/31/10		\$ 817,809.74	
In 2010 the city received monthly,	\$ 33,627.83 for a yearly total of	\$ 403,533.96	
In 2011 the City is currently receiving	\$ 26,602.92 for a yearly estimate total of	\$ 319,235.04	
Estimated Diff.-Reduction in EDIT Revenue	\$ (7,024.91)	\$ (84,298.92)	-21%

<b>J11 Budgeted expenditures</b>	Wastewater project	\$ 200,000.00	
	Economic Development projects	\$ 124,000.00	
	Strand-Stormwater-encumbered	\$ 18,806.00	
	Total	\$ 342,806.00	\$ 342,806.00

Requested Additional appropriation		\$ 226,000.00	
Total proposed expenditures- 2011		\$ 568,806.00	\$ 568,806.00
Estimated 2011 Receipts for EDIT(From above)			\$ 319,235.00
Estimated Expenditures over 2011 revenues	(spending substantially more than taking in)		\$ 249,571.00

My Concerns and thoughts:

1. EDIT distributions are estimated and take two years to correct-lags the economy 2 years
2. Given the known reduction in EDIT and COIT plus the unknown economy factor plus the correction from prior years overpayments, I think it would be fiscally responsible to work within the original budget for 2011 and plan other expenditures in the 2012 budget once revenues are better known.

The City could be spending money that has been overpaid by the State and is due to be repaid.

..Wastewater Inflow & Infiltration could be funded at \$50,000 (as per the rate increase documents) and the other \$150,000 could go to other projects to stay within the original budget.

5. I do not feel that just because the City has the money that it should be spent this year.

Update on EDIT funds:

COIT The City deposits COIT funds in the General Fund to offset property taxes.

In 2010 the city received monthly,	\$ 44,790.25 for a yearly total of	\$ 537,483.00	
In 2011 the City is currently receiving	\$ 34,897.75 for a yearly estimate total of	\$ 418,773.00	
Estimated Difference-Reduction on EDIT Revenue	\$ (9,892.50)	\$ (118,710.00)	-22%

mick Birge  
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