

**UTILITY BOARD/COMMON COUNCIL REGULAR MEETING
AND UTILITY RATE ADVISORY BOARD MEETING**

Tuesday, February 12, 2019

5:30 P.M.

The Common Council and Utility Board of the City of Huntingburg met in joint session at the scheduled meeting time on Tuesday, February 12, 2019 at the hour of 5:30 P.M. in the Council Chambers of the Huntingburg City Hall at 508 E. Fourth Street, Huntingburg, Indiana. Council / Utility Board Members Bounds, McPherron, Kissling, Blessinger and Wehr were present. Also present were Mayor Spinner, City Attorney Schneider and Clerk-Treasurer Dippel. The Utility Rate Advisory Board met at the same time to consider recommendation of water and electric rate changes. Utility Rate Advisory Board (URAB) members Flick, Young, Bowman and Dearing were present. URAB Member Thewes was absent.

Mayor Spinner called the meeting to order.

A motion was made by Blessinger, seconded by Kissling and carried to approve the minutes of the January 22, 2019 regular meeting.

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

The Mayor indicated that the Utility Rate Advisory Board joins the Council at this meeting noting that a public hearing is scheduled for the proposed water rate changes and the proposed electric rate changes. The Mayor called to order the meeting of the Utility Rate Advisory Board. The Mayor noted that at a previous meeting in January the Council passed on first reading a couple of ordinances; one dealing with water rates consisting of both a rate tracker and increased connection fees for the Water Utility; and also increases in connection fees for the Electric Utility. The Mayor noted that this is the time that was advertised for a public hearing on these matters.

Attorney Schneider summarized the water rate changes noting the changes are to pass a cost tracker to collect only the increase in cost of water from Patoka Lake Regional Water & Sewer District. The amount of the tracker was calculated to be \$.26 per 100 cubic feet of water sold. He requested entrance in this meetings minutes, as evidence, the rate report from O.W. Krohn and Associates, Inc. (Exhibit A) so it is on record. He also noted that the ordinance also increases tap charges based on the material costs of each of the various tap sizes. Water Superintendent Meyerholtz informed the Board that the average water usage rate would increase less than \$2.00 per month.

The Mayor asked if there was anyone from the public that has any questions or comments on the proposed water or electric rate changes. No questions or comments were received. He asked the same to the Utility Rate Advisory Board and no questions or comments were received.

A motion was made by Bowman, seconded by Flick and carried to adopt Resolution No. URAB 2019-01 entitled:

**A RESOLUTION RECOMMENDING AMENDMENT OF THE
SCHEDULE OF RATES AND CHARGES FOR THE MUNICIPAL
WATERWORKS OF THE CITY OF HUNTINGBURG, INDIANA**

A motion was made by Flick, seconded by Young and carried to adopt Resolution No. URAB 2019-02 entitled:

**A RESOLUTION RECOMMENDING AMENDMENT OF THE
CONNECTION CHARGES IN THE CITY OF HUNTINGBURG ELECTRIC
RATES AND CHARGES**

A motion was made by Young, seconded by Flick and carried to adjourn the Utility Rate Advisory Board meeting at 5:40 P.M.

Considering the recommendations of the Utility Rate Advisory Board to amend the Water and Electric rates the Council considered for adoption the two ordinances previously introduced.

A motion was made by Blessinger, seconded by McPherron and carried to adopt Ordinance No. 2019-06 entitled:

**AN ORDINANCE AMENDING ORDINANCE NO. 2009-36 AND
AMENDING THE SCHEDULE OF RATES AND CHARGES FOR USE OF AND
SERVICES RENDERED BY THE MUNICIPAL WATERWORKS OF THE CITY
OF HUNTINGBURG, INDIANA**

Upon call of roll for the adoption or rejection of Ordinance No. 2019-06 the vote being 5 ayes, 0 nays, in favor of adoption, Ordinance No. 2019-06 was duly passed and adopted this date at the hour of 5:42 P.M.

A motion was made by Wehr, seconded by Bounds and carried to adopt Ordinance No. 2019-07 entitled:

**AN ORDINANCE AMENDING ORDINANCE NO. 2006-44 TO AMEND
THE CONNECTION CHARGES IN THE CITY OF HUNTINGBURG ELECTRIC
RATES AND CHARGES**

Upon call of roll for the adoption or rejection of Ordinance No. 2019-07 the vote being 5 ayes, 0 nays, in favor of adoption, Ordinance No. 2019-07 was duly passed and adopted this date at the hour of 5:43 P.M.

The Mayor presented a proposed declaratory resolution for tax abatement for the Wagon Works Apartment Complex. He noted the proposal was reviewed and recommended by the Huntingburg Economic Development Commission.

Dave McGimpsy; of Bingham Greenebaum and Doll, LLP representing Paragus Development, LLC and OFS Brands Holdings, Inc.; introduced Gary Ritz, of Paragus, and Neil Elkins, of Tri-Cap. He noted a 100% property tax abatement is being sought. He indicated that the project is before the Council again because the prior project's financing did not work given the abatement cap previously approved. The new application requests a 100% property tax abatement for 10 years with no cap. He noted Tri-Cap is the General Partner in this project.

Planning Director Lake presented a staff analysis (Exhibit B) recommending approval of the tax abatement request.

The proposed declaratory resolution preliminarily finds the real estate to be an Economic Revitalization Area and sets a public hearing date on the Petitioner's tax abatement request for February 26, 2019 at 5:30 P.M.

A motion was made by McPherron, seconded by Blessinger and carried to approve Resolution No. 2019-08 entitled:

**DECLARATORY RESOLUTION TO DESIGNATE AN ECONOMIC
REVITALIZATION AREA**

The Mayor presented a Professional Services Agreement between the City of Huntingburg and Clark Dietz, Inc. from New Albany, Indiana, for general professional

services similar to other engineering agreements the City has with engineering companies in our area.

A motion was made by Wehr, seconded by Bounds and carried to approve the professional services agreement with Clark Dietz, Inc. as presented.

Police Chief Parks recommended Mitchel Kamman be approved as a Reserve Police Officer for the City of Huntingburg. The Mayor recommended Kamman be approved and the Board of Public Works and Safety also recommends Kamman as a Reserve Police Officer.

A motion was made by Kissling, seconded by McPherron and carried to approve Mitchel Kamman as a Reserve Police Officer.

The Mayor presented a Petition to vacate Market Street as the Presiding Officer of the Huntingburg Board of Public Works and Safety. He noted the property is owned by the City of Huntingburg and will allow flexibility in the scheduling of events and other uses of Market Street Park. It was also noted that complying with street requirements will no longer be mandatory as it will be a public drive maintained by the Park and Recreation Department. It was noted that a public hearing will need to be held to consider the matter.

A motion was made by McPherron, seconded by Wehr and carried to set a public hearing to consider the vacation of Market Street for February 26, 2019 at 5:30 P.M. in the Council Chambers of Huntingburg City Hall.

Attorney Schneider informed the Council that it has recently come to his attention that the Huntingburg Press no longer qualifies as a newspaper within the City of Huntingburg since they no longer have a physical presence in Dubois County. Schneider recommends using the Herald as the official newspaper for publishing notices.

A motion was made by Kissling, seconded by Blessinger and carried to designate the Herald as the official newspaper for the City of Huntingburg.

Clerk-Treasurer Dippel presented a list of utility customer accounts with unpaid balances proposed to be written off. The total amount of the write-offs is \$14,825.99. Dippel indicated that efforts to collect will continue, but the amounts will be taken off of the Utilities' books.

A motion was made by Kissling, seconded by Blessinger and carried to approve the write-offs of unpaid utility accounts as presented in the amount of \$14,825.99.

Dippel indicated that 3 quotes were requested for an envelope stuffing machine to replace the current 12 year old machine for which parts are becoming obsolete. Two quotes were received:

Southern Business Machines	\$11,649.00
Lang Company	\$11,654.00

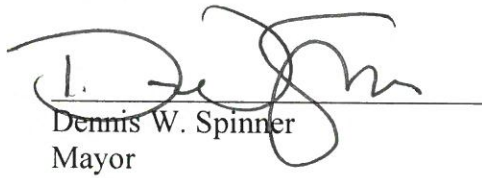
Dippel recommended the low quote from Southern Business Machines for Neopost DS64i-INT3SS envelope stuffing machine in the amount of \$11,649.00. The amount to be split by the four utilities.

A motion was made by McPherron, seconded by Bounds and carried to approve the purchase of the DS64I INT3SS envelope stuffing machine from Southern Business Machines in the amount of \$11,649.00.

There was a discussion on possibly amending the no parking ordinance passed at the last meeting prohibiting parking on both sides of Stellar Way. Discussions with residents in the subdivision suggested the possibility of prohibiting parking on the North Side of Stellar Way and letting the current home owner's association limit parking on the other side of the street. Attorney Schneider is to draft an ordinance for consideration prohibiting parking on only the North side of Stellar Way.

Randy Englert was present to ask the Council to reduce the bill he received for damage done to water department infrastructure during a sewer repair on Jackson Street. The original bill was for \$1,291.79. Englert agreed damage was caused by his company, but contended that some of the labor and equipment were not needed. Water Superintendent Meyerholtz indicated that the charges on the invoice were what the foreman in charge needed to remedy the damage. Discussion followed. It was determined that Meyerholtz investigate further to determine if changes to the charges are warranted.

There being no further business before the Council, a motion was made by Kissling, seconded by Wehr and carried to adjourn the meeting at 6:09 o'clock P.M.


Dennis W. Spinner
Mayor

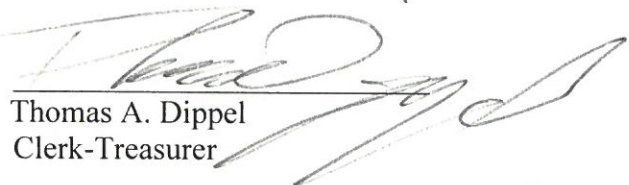

Thomas A. Dippel
Clerk-Treasurer

EXHIBIT A

cc/vB vRAB

2/12/19

5:30 p.m.

Philip C. Schneider

From: Buzz Krohn <buzz@owkcpa.com>
Sent: Sunday, December 23, 2018 2:59 PM
To: Gary Meyerholtz; Philip C. Schneider; Phil Schneider
Cc: Jennifer Walker; Jarrod Hall
Subject: WATER COST ADJUSTMENT TRACKING FACTOR - EXHIBITS
Attachments: WCATF EXHIBITS.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Gary & Phil

I've attached the exhibits that display the WCATF Calculations. Wanted to touch base with Phil to see if we need to go thru ordinance amendments & public hearing OR does current ordinance allow for automatic pass-thru of WCATF. Because of the Outside City Surcharge, do we gross-up the WCATF by 125%? Or do we keep it at \$.26 / 100 c.f. (This might require restating base rates in the rate ordinance rather than simply referencing the 125% gross-up).

We also need to consider any special Notice requirements since we do have the outside city surcharge...

I'll give Phil some time to think about these questions and we can circle the wagons after Christmas...

Buzz

Otto W. "Buzz" Krohn, CPA, CGMA, MA
Executive Partner

O. W. Krohn & Associates, LLP

CPAs, Independent Consultants & Municipal Advisors

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HUNTINGBURG MUNICIPAL WATER UTILITY

WATER SALES BY USER CLASS IN CUBIC FEET

FOR THE YEAR ENDED OCTOBER 31, 2018

EXHIBIT I

	<u>RESIDENTIAL</u>	<u>COMMERCIAL & INDUSTRIAL</u>	<u>MUNICIPAL</u>	<u>TOTAL METERED SALES</u>
JANUARY, 2018	1,000,886	2,973,473	46,868	4,021,227
FEBRUARY	1,033,272	2,816,160	50,746	3,900,178
MARCH	937,569	3,047,287	40,530	4,025,386
APRIL	1,107,522	2,600,204	32,376	3,740,102
MAY	983,140	2,711,221	36,391	3,730,752
JUNE	1,063,271	2,910,981	44,363	4,018,615
JULY	1,062,341	3,104,138	156,462	4,322,941
AUGUST	1,088,344	3,173,691	75,952	4,337,987
SEPTEMBER	1,069,856	3,431,103	95,336	4,596,295
OCTOBER	1,062,952	3,539,813	93,758	4,696,523
NOVEMBER, 2017	1,016,288	3,347,732	74,442	4,438,462
DECEMBER, 2017	<u>974,714</u>	<u>3,268,615</u>	<u>50,206</u>	<u>4,293,535</u>
TOTALS	<u>12,400,155</u>	<u>36,924,418</u>	<u>797,430</u>	<u>50,122,003</u>
PERCENTAGE	<u>24.74%</u>	<u>73.67%</u>	<u>1.59%</u>	<u>100.00%</u>

HUNTINGBURG MUNICIPAL WATER UTILITY

WATER SALES BY USER CLASS IN GALLONS

FOR THE YEAR ENDED OCTOBER 31, 2018

	<u>RESIDENTIAL</u>	<u>COMMERCIAL & INDUSTRIAL</u>	<u>MUNICIPAL</u>	<u>TOTAL METERED SALES</u>
JANUARY	7,487,148	22,243,124	350,597	30,080,869
FEBRUARY	7,729,412	21,066,341	379,606	29,175,359
MARCH	7,013,504	22,795,291	303,185	30,111,980
APRIL	8,284,840	19,450,878	242,189	27,977,907
MAY	7,354,398	20,281,343	272,224	27,907,965
JUNE	7,953,820	21,775,652	331,858	30,061,330
JULY	7,946,863	23,220,566	1,170,417	32,337,846
AUGUST	8,141,379	23,740,859	568,160	32,450,398
SEPTEMBER	8,003,079	25,666,435	713,163	34,382,677
OCTOBER	7,951,434	26,479,642	701,359	35,132,435
NOVEMBER, 2017	7,602,363	25,042,776	556,865	33,202,004
DECEMBER, 2017	<u>7,291,368</u>	<u>24,450,940</u>	<u>375,567</u>	<u>32,117,875</u>
TOTALS	<u>92,759,608</u>	<u>276,213,847</u>	<u>5,965,190</u>	<u>374,938,645</u>
PERCENTAGE	<u>24.74%</u>	<u>73.67%</u>	<u>1.59%</u>	<u>100.00%</u>

HUNTINGBURG MUNICIPAL WATER UTILITY

EXHIBIT 2

WATER PURCHASES AND PRODUCTION
FOR THE TWELVE MONTHS ENDED OCTOBER 31, 2018

GALLONS				
	PATOKA PURCHASES		PRODUCTION	TOTAL AVAILABLE
	EAST	WEST		
	PHASE 1	PHASE 5		
JANUARY - 2018	14,079,000	5,856,000	16,567,000	36,502,000
FEBRUARY	11,900,000	4,900,000	14,704,000	31,504,000
MARCH	12,326,000	5,074,000	14,102,000	31,502,000
APRIL	13,464,000	5,571,000	15,660,000	34,695,000
MAY	13,177,000	5,425,000	16,561,000	35,163,000
JUNE	12,325,000	5,075,000	16,392,000	33,792,000
JULY	13,597,000	5,647,000	16,630,000	35,874,000
AUGUST	15,310,000	5,495,000	20,940,000	41,745,000
SEPTEMBER	11,900,000	4,900,000	18,517,000	35,317,000
OCTOBER	14,027,000	5,777,000	19,912,000	39,716,000
NOVEMBER - 2017	12,750,000	5,830,000	15,441,000	34,021,000
DECEMBER - 2017	12,751,000	5,169,000	13,744,000	31,664,000
TOTALS	<u>157,606,000</u>	<u>64,719,000</u>	<u>199,170,000</u>	<u>421,495,000</u>
PERCENTAGES	<u>37.39%</u>	<u>15.35%</u>	<u>47.25%</u>	<u>100.00%</u>
DOLLARS				
	PATOKA PURCHASES		MONTHLY SERVICE CHARGE	TOTAL PURCHASES
	EAST	WEST		
JANUARY - 2018	\$ 25,061	\$ 15,284	\$ 208	\$ 40,553
FEBRUARY	21,182	12,789	208	34,179
MARCH	21,940	13,243	208	35,391
APRIL	23,966	14,540	208	38,714
MAY	23,455	14,159	208	37,822
JUNE	21,939	13,246	208	35,393
JULY	24,203	14,739	208	39,150
AUGUST	27,252	14,342	208	41,802
SEPTEMBER	21,182	12,789	208	34,179
OCTOBER	24,968	15,078	208	40,254
NOVEMBER - 2017	22,695	15,216	208	38,119
DECEMBER - 2017	22,697	13,491	208	36,396
TOTALS	<u>\$ 280,540</u>	<u>\$ 168,916</u>	<u>\$ 2,496</u>	<u>\$ 451,952</u>
PERCENTAGES	<u>62.07%</u>	<u>37.37%</u>	<u>0.55%</u>	<u>100.00%</u>
NEW RATES	\$ 2.43	\$ 3.02	\$ 2,500.00	
PRO FORMA	<u>\$ 382,982.58</u>	<u>\$ 195,451.38</u>	<u>\$ 2,500.00</u>	<u>\$ 580,933.96</u>

EXHIBIT 3

HUNTINGBURG MUNICIPAL WATER UTILITY

COMPUTATION OF WATER TRACKER
(PER 100 CU. FT.)

			EFFECTIVE DATE <u>03/01/18</u>
1	COST OF PURCHASES FROM EXHIBIT 2	NEW RATES	\$580,933.96
2	COST OF PURCHASES FROM EXHIBIT 2	OLD RATES	<u>451,952.00</u>
3	INCREASED PURCHASED WATER: (1) - (2)		128,981.96
4	INCREASE IN UTILITY RECEIPT TAXES AND OTHER SIMILAR REVENUE BASED TAX CHARGES	<u>1.40%</u>	<u>1,805.75</u>
5	INCREASED REVENUE REQUIREMENTS (3) + (4)		<u>130,787.71</u>
6	TOTAL BILLED	(100'S CU. FT.)	<u>501,220</u>
7	TRACKING FACTOR PER 100 CU. FT.: (5) / (6)		\$0.26
8	PLUS PREVIOUS TRACKING FACTOR		<u>0.00</u>
9	NEW TRACKING FACTOR PER 100 CU. FT. (7 + 8)		<u><u>\$0.26</u></u>

HUNTINGBURG MUNICIPAL WATER UTILITY

APPENDIX A

WHOLESALE WATER COST ADJUSTMENT TRACKING FACTOR

THE WHOLESALE WATER COST ADJUSTMENT TRACKING FACTOR IS OCCASIONED SOLELY BY CHANGES IN THE COST OF PURCHASING WATER FROM THE HUNTINGBURG MUNICIPAL WATER UTILITY'S WHOLESALE SUPPLIER.

APPLICABLE TO ALL USAGE:

RATE PER 100 CU. FT.

<u>WCATF</u>	
\$	<u>0.26</u>

HUNTINGBURG MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT WATER RATES AND CHARGES
 (BASE RATES EFFECTIVE JANUARY, 2011)
 (WCATF RATES EFFECTIVE MARCH 1, 2019)

<u>MONTHLY SERVICE CHARGE BY METER SIZE</u>		<u>CURRENT RATES</u>
5/8 TO 3/4	INCH METER	\$ 13.07
1	INCH METER	26.14
1 1/2	INCH METER	52.88
2	INCH METER	96.84
3	INCH METER	184.76
4	INCH METER	528.12
6	INCH METER	1,056.22
8	INCH METER	1,760.76

<u>MONTHLY METERED RATES (PER 100 CUBIC FEET)</u>			<u>CURRENT RATES</u>	<u>WCATF TRACKING FACTOR</u>	<u>TOTAL RATES</u>
FIRST	5,000	CUBIC FEET	\$ 4.6483	\$ 0.2600	\$ 4.9083
NEXT	20,000	CUBIC FEET	4.3844	0.2600	4.6444
NEXT	2,475,000	CUBIC FEET	3.9444	0.2600	4.2044
OVER	2,500,000	CUBIC FEET	2.7076	0.2600	2.9676

SERVICE OUTSIDE CITY LIMITS
 RURAL RATES EQUAL TO 125% OF IN-CITY RATES IF USAGE IS LESS THAN 1,000,000 CUBIC FEET PER MONTH, OTHERWISE THE RATES SHALL BE THE SAME AS THE IN-CITY RATES.

<u>MONTHLY METERED RATES (PER 100 CUBIC FEET)</u>			<u>CURRENT RATES</u>	<u>WCATF TRACKING FACTOR</u>	<u>TOTAL RATES</u>
FIRST	5,000	CUBIC FEET	\$ 5.8104	\$ 0.2600	\$ 6.0704
NEXT	20,000	CUBIC FEET	5.4805	0.2600	5.7405
NEXT	975,000	CUBIC FEET	4.9305	0.2600	5.1905
NEXT	1,500,000	CUBIC FEET	3.9444	0.2600	4.2044
OVER	2,500,000	CUBIC FEET	2.7076	0.2600	2.9676

<u>PUBLIC FIRE PROTECTION</u>	Flat Fee Covers All In City Municipal Hydrants	<u>PER ANNUM</u>
		\$ 52,000.00

<u>PRIVATE FIRE PROTECTION (PER CONNECTION SIZE)</u>	<u>PER MONTH</u>	<u>PER ANNUM</u>
2 INCH METER	\$ 9.00	\$ 108.00
3 INCH METER	21.00	252.00
4 INCH METER	39.00	468.00
6 INCH METER	83.00	996.00
8 INCH METER	148.00	1,776.00
10 INCH METER	234.00	2,808.00
12 INCH METER	335.00	4,020.00

EXHIBIT B
C.C./UB meeting 2/12/19 5:30 p.m.
CITY OF HUNTINGBURG, INDIANA

COMMON COUNCIL

STAFF ANALYSIS

APPLICANT: OFS Brands Holdings, Inc. // Paragus Development, LLC

SUBJECT PROPERTY: 419 North Washington Street (Legal Description and List of Parcel Numbers
Follow This Analysis)

PROJECT DESCRIPTION: This project involves the development of three (3) buildings containing fifty-six (56) affordable apartments containing a net rentable area of approximately 36,816 square feet. Additionally, a maintenance building, parking, sidewalks and green space and other improvements to support the project are incorporated. Development will occur on property which is currently occupied by an obsolete industrial facility that is in the process of being demolished. Demolition of the existing structure would occur even if the proposed project were not to occur.

PROPOSED INVESTMENT: \$8,014,000

LOCAL POLICY REQUIREMENTS:

All local policy requirements have been met by this project. Though the project is not listed as a 'Targeted Business' within the City's Property Tax Abatement policy, affordable workforce housing is listed and target for development within the City's Stellar Application and Stellar Strategic Investment Plan.

Necessary infrastructure for the development already exists to the site.

The developer proposes to meet the Silver National Green Building Standard for this project.

The proposed development involves an investment of \$8,014,000:

STATUTORY REQUIREMENTS

UNDESIRABILITY OF NORMAL DEVELOPMENT: The subject property is comprised of nineteen (19) property tax parcels. A portion of the property is currently occupied by an obsolete manufacturing facility. Salvage of material from within of this economic, technology and energy obsolete structure began in 2017. Since then the structures have been razed. The limited street frontage on both Washington and 5th street makes it unlikely the property can be adaptively re-used for industrial purposes due to set back requirements and the narrowness of the lot (approximately 160 feet) on Washington Street.

The area surrounding the subject property is one which contains a mix of zoning categories and uses ranging from: Residential to commercial to industrial. It can best be described as an area which is in a slow transition from more intense industrial uses of the past to one in which commercial services are slowly emerging and new residential development does not exist.

After considering the condition and history of the property and surrounding area, staff believes that the property and surrounding area are: Undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors that have impaired value or prevent normal development of the property.

STATEMENT OF BENEFITS (FORM SB-1)

Staff also believe that:

- 1) The estimate of the value of the Applicant's as described in the application and plans is reasonable;
- 2) The employment numbers reported in the Statement of Benefits Form is reasonable for a project such as this;
- 3) The salaries/wages for related to the employment are reasonable;
- 4) The other benefits arising from this project (Re-use of a vacant building and provision of senior housing) are reasonable for a project such as this.
- 5) The 'Totality of Benefits' arising from this project are sufficient to justify the deduction.

STAFF RECOMMENDATION TO THE COMMON COUNCIL OF THE CITY OF HUNTINGBURG, INDIANA:

Staff recommends approval of the tax abatement request.