

COMMON COUNCIL

November 19, 2018

7:26 P.M.

The City of Lawrenceburg Common Council meeting was called to order by Mayor Kelly Mollaun, Clerk- Treasurer Richard Richardson read roll call. Present were Board members Tony Abbott, Mel Davis, Randy Abner, Paul Seymour JR and Aaron Cook, Fire Chief Johnnie Tremain, EMS Director Bobby Mills, Police Chief Donnie Combs, City Attorney Del Weldon, Utility Director Olin Clawson, Mayor Kelly Mollaun, and Clerk-Treasurer Richard Richardson.

ANNOUNCEMENTS / REPORTS

Aaron Cook- Streets, Alleys, and Curbs---No report.

Tony Abbott- Finance- No report. Everything is good.

Paul Seymour JR —Parks and Playgrounds – No report.

Randy Abner- Fire- No report.

Councilperson Mel Davis stated that he would not seek a second term in office. Mel advised that it has been an honor to serve the community for so many years within the City. He advised that, after serving the City for 17 years, it was time to move on. Councilman Tony Abbott stated that he was here when Mel Davis was brought on and that Mel did a great job with the Utilities.

Mayor Mollaun advised that Winter Wonderland is up and running until January 6th. He advised that the Cookie Walk for Small Business Saturday would be this Saturday. This Sunday he invited all to the Tree Lighting Ceremony and Mayor's Reception at the Event Center. Saturday from 2-4 P.M. at the Historical Cabin, the Historical Society will be hosting a Christmas in the Country with Santa. December 1st would be the Santa Parade and December 15th would be the Knue Toy Giveaway.

ADMINISTRATIVE

Motion to approve minutes from the previous meeting.

Motion: Mel Davis

Second: Tony Abbott

Motion carried.

COMMITTEE REPORTS

Fire—No report.

Police—The drug take back took place with the DEA. It total, 44 lbs were taken in. .9 tons were taken in state wide. 458 tons nationwide was taken in. Another one of these events will take

place in December at Ivy Tech. Chief Combs advised that there were several local businesses taking part in the Dept. active shooter training.

Building Department— No report

NEW BUSINESS

1. Mayor Mollaun presented Resolution 8-2018 in regard to the Park Bond. The resolution allows the City to go back 60 days to recoup money spent on the Civic Park. Councilperson Randy Abner asked if this was approved at the LRC meeting. Del advised that it will be a joint project, but that it would be approved by the LRC. A motion to approve Resolution 8-2018 was made.

Motion: Mel Davis

Second: Paul Seymour Jr.

Motion carried.

2. Utility Director Olin Clawson presented Ordinance number 19 to raise rates for the Electric Utility, Ordinance number 20 to raise rates for the Water Utility, and Ordinance number 21 to raise rates for the Sewage Utility. A motion was needed to pass the Ordinances on first reading so that these Ordinances could move forward to a public hearing. Olin introduced Mr. McGimpsey with Bingham law firm who advised that in order for these rates to be in effective January 1st this was a needed step in the process. He advised that nothing was passing through tonight.

Mr. McGimpsey introduced John Wolfram, from Catalyst, to discuss what would be Ordinance number 19-2018. He advised that this was strictly to introduce rates and move onto a public hearing on December 17th. Mr. Wolfram advised that the proposed rates have no change to residential service. The only change is the retail, power plant, service class. This change would better align the cost in this rate class to what it costs to provide service. He advised that there is essentially one customer in that class. Councilperson Tony Abbott asked who that one customer was. He was advised that the customer was Lightstone, formerly AEP. Councilperson Aaron Cook stated that he would not feel comfortable voting on something he hasn't seen until tonight. Councilperson Tony Abbott was in agreeance. Attorney Del Weldon advised that we are not voting to approve, we are voting to move the process forward. Bingham law firm strongly recommended voting favorably on the first reading to keep the process moving. Bingham law firm advised that it would still need to be voted on two additional times and changes could be made. Aaron asked if all of these 20 pages only had one change for one customer. It was advised that it did. Mr. McGimpsey advised that you don't have to hold a public hearing on Electric rate increases, but it is good public policy to do so and Mr. Clawson agrees. Del advised that all questions could be answered on December 17th or sooner.

Councilperson Abbott asked why this couldn't be approved at the next meeting after the Council has had time to read it. Director Clawson advised Council to remember back to previous sessions that were had discussing the situation with AEP. There was a contract in place that didn't allow for rates to be changed; the Utility was under recovering to the detriment of the other rate payers. When it was sold to the new company, Lighthouse, they got rid of the contract

and made all of us aware that they planned on buying power from PJM on the open market. They think this goes into effect January 1st. Director Clawson stated that with that coming off these rates need to be changed to the new cost of recovery. Councilman Abbott asked if, in those previous meetings, Mr. Clawson had advised that they had to buy power from us. Director Clawson advised that the state law says that, yes. Councilperson Tony Abbott said, we are forcing them to buy it from us and we are going to raise their rate. Clawson said that right now when they underpay the other rate classes overpay. Mr. Abbott asked to see their under pay. He advised that he wants to see it. Del asked if it was okay to have a Work Session before we vote to approve this. Mr. McGimpsey again took the podium stated that they could do more meetings, but wanted to make sure it was understood that this is not actually passing. He stated that questions could be answered. Councilperson Aaron Cook asked if Mr. McGimpsey would vote on something that he hasn't had a chance to read. Mr. McGimpsey advised that he understood that, but that this was just the introduction and stated that by the 3rd reading they will know all the details. Councilperson Tony Abbott stated that he needs to know pricing for all this. He wants the differences in what has been charged and what will be charged.

Mr. Niebarger advised that we are being subjected to the Sewer Districts issues as well. He advised that the Council could get a good handle on the issue and pass this on first reading. Mr. Abbott advised that he doesn't know what questions he would ask, because he has not read the paperwork. Mel Davis advised that it has to have 3 readings. Mel Davis made a motion to pass Ord. 19-2018 by title only on first reading.

Motion: Mel Davis

Second: Paul Seymour Jr.

Roll Call: Tony Abbott: No, Aaron Cook: No, Mel Davis: Yes, Randy Abner: Yes, and Paul Seymour Jr.: Yes.

Motion carried 3-2.

Councilperson Tony Abbott asked if there was some legal opinion on raising Lightstones rate. Mr. Clawson advised he would have someone here from IMPA for that. The next Ordinance was 20-2018 for the Water Utility. The Director advised that he was asked to look at moving financial obligations over to the Utility and this rate study looks at that. A Rate Report for Lawrenceburg Municipal Waterworks dated November 19, 2018 was passed out from Crow LLP. John Stump, from Crowe, presented the findings in the booklet. Mr. Stump advised that the Utility shows \$26,000,000 in plant assets and no long term debt. The income statement was on page 3. Mr. Stump advised that 2017 was the test year. Page 4-5 details the expense by category. Page 6 shows adjustments to see if rate adjustments are necessary. Page 7 shows a detail of adjustments and puts fire protection where it should be. Mr. Stump noted that the employee benefits of the Water Dept. are \$190,000 so Water can carry its own load. Most folks on a fixed income will see an increase of \$2.85. Those of average income will see an increase of \$4.89. He added that these are very competitive rates. Tony Abbott asked if the rate study for Sewer District was done by Crowe. Mr. Stump advised that they did do that rate study.

Mel Davis made a motion to approve Ord. 20-2018 on first reading by the title only.

Motion Mel Davis

Second: Paul Seymour Jr.

Roll Call: Tony Abbott: No, Aaron Cook: No, Mel Davis: Yes, Randy Abner: Yes, and Paul Seymour Jr.: Yes.

Motion carried 3-2.

Ordinance 21-2018 for Sewer rate increases was introduced next. Director Clawson pointed out that there would be projects identified in the study such as the Wilson Creek lift station, pumping plants on the hill, and redirection of pumping plants on hill. With those they will be capital costs. Two different Ord. are looked at to offer options; we can bond those costs or use MDF money to pay for those costs. If Council is not interested in those projects we can pull those off advised Director Clawson. Mr. Clawson advised that it is important to note that a rate study was done for South Regional Sewer District and rates were raised. Mr. Clawson explained that the rates have been raised by both Aurora and Greendale. Director Clawson advised that new charges will be coming to LMU starting January 1st. He advised it would be 15% or so. Tony asked if we don't raise our rates are we still going to have our rates raised by the SRSD. Clawson advised that our costs from SRSD take into account the collection of the sewage and sending it to the treatment plant. There is a collection and treatment cost; that makes the rate in total. When they raise their rates we will be operating at more of a deficit. Paul Seymour Jr. asked if this had anything to do with the county participating in any of these programs. Director Clawson advised it does not. One of the programs in the study is a joint project between LMU and SRSD. The County has 400 homes on Briar Wood, Shangri-La, and other areas that we've agreed to help sewer. The County would help with financing some of this. Mr. Clawson again said if they did not want to fund those projects they could be pulled out.

Mr. Stump started walking through the Rate and Financing Report for Lawrenceburg Municipal Sewage Works provided by Crowe. Mayor Mollaun asked if they would revisit all of this in the Work Session. Mr. Stump advised that they could. Director Clawson advised that Council could do a full rejection, but they need to move forward. He advised they needed to move past step one so the clock would start ticking. Aaron asked if they could get a study from Crowe for the Electric Dept. Mr. Clawson advised that he could get that provided. Mayor Mollaun asked that it be provided prior to the Work Session.

Mel Davis made a motion to pass Ord. 21-2018 by title only on the first reading.

Motion: Mel Davis

Second: Paul Seymour Jr.

Roll Call: Tony Abbott: No, Aaron Cook: Yes, Mel Davis: Yes, Randy: Yes, and Paul Seymour Jr.: Yes.

Motion carried 3-2.

City Attorney Del Weldon asked if they were supposed to have two different copies of Ord. 21-2018. Director Clawson advised that they were and it was probably immaterial. Mr. Glimpskey advised that there is one Ord. that uses bonding and one that uses the MDF fund.

OLD BUSINESS

1. Lissa Ruhlman took the podium to discuss the Civic Park project. She advised that the project is going well. The Utility pre line work is done. The specialty concrete work lost 4 days, but is moving as along as weather gets better. Paul Seymour Jr. asked about steel for the stage. Lissa advised that it was now back in the hands of the engineers for review, but that the fabrication would date into February. The Mayor advised they also need a good month to put the sod down.

2. Mario Todd spoke briefly about the pool project. He asked if Council had looked at the renderings presented to them at the last meeting. He stated that project was now about 60% complete and getting ready to move to 90%. There is a second slide for special needs children being adding for about \$4,500. Deedee took the podium to advise that this will be an all-inclusive splash park with a soft service area necessary to have. Mario asked for a motion to continue with the design phase.

Motion: Aaron Cook

Second: Tony Abbott

Motion carried.

AUDIENCE COMMENTS

1. Pamela Rigacci thanked the officers for patrolling the park. She advised that she would like to have an update on the loans; list of loans paid and where loans being litigated stand. Mayor Mollaun advised that he would have an update by the next meeting.

2. Jean Fouch thanked LMU that she did not lose any power during the ice storm. She advised that she had friends who lived elsewhere and they lost power. She advised that she felt very blessed to have this Utility system. Director Olin Clawson advised that they do a great job. Aaron Cook advised that it was nice to hear from a resident that had something nice to say. Paul Seymour Jr. stated that the Utility is doing a great job as well as Civil City. He said they do a lot of good work.

ADVANCE PAYMENTS

None

CLAIMS

Motion: Tony Abbott

Second: Randy Abner

Motion carried.

ADJOURNMENT

Motion to adjourn.

Motion: Tony Abbott

Second: Randy Abner

Motion carried.