

**BEECH GROVE CITY COUNCIL MEETING MINUTES  
MONDAY, JANUARY 7<sup>th</sup>, 2013**

**Mayor Dennis Buckley called the meeting to order at 7: 00 p.m.**

**ROLL CALL:** Present: City Council Members, John Jennings, Dave Harrison, Ed Bell, Anthony Davidson and Kathy Coates. Also present, Mayor, Dennis Buckley, Clerk Treasurer, Dan McMillan, and City Attorney, Craig Wiley. Absent: Mary Stewart and Dave Mobley.

**All joined in the Pledge of Allegiance to our flag.**

**SPECIAL PRESENTATION:** Mayor Buckley asked Nancy Roberts to come forward. He also invited the members of the Park Board to join Nancy. Nancy retired on December 21st, 2012 and dedicated 22 years of her life to the City so we would like to recognize her with a Plaque. Wording on plaque -"City of Beech Grove presented to Nancy Roberts in recognition of your 22 years of dedicated service and commitment to the city of Beech Grove and its citizens. February 26, 1990 - December 2012". Mayor Buckley congratulated her for the City and let her know she would be missed.

**APPROVAL OF MINUTES:** Clerk Treasurer McMillan presented the December 3, 2012 minutes to the council. At the last meeting, Councilor Jennings had asked for the December 3rd, 2012 meeting minutes to be more specific, and he commented that he believes they now present word for word what was said. This was not necessary, but appreciated. Councilor Jennings moved to accept the minutes as presented. Councilor Harrison seconded the Motion; which was approved by unanimous vote.

Clerk Treasurer McMillan presented the December 10, 2012 minutes to the council.

Councilor Jennings moved to accept the minutes as presented .Councilor Bell seconded the Motion; which was approved by unanimous vote.

**COMMITTEE REPORTS:**

**Greenscape Commission:** - Presented by Tim Latimer

They last met on Monday December 17th, 2012. The Tree City recertification application has been completed and sent to Mayor Buckley for his signature.

This past year Tom, Brad and the rest of their team planted 16 new trees and removed 14 dead or dying trees. They will be having ongoing discussions for several months to decide what trees will be planted and what needs to go into the flower beds. They are looking for some Master Gardeners that may need to get some volunteer hours in, so they can retain their Master Gardeners status. If anyone knows of any of them, please have them get in touch with the Greenscape Commission.

Also, they are looking for a partner for the Arbor Day tree planting. Perhaps, a local organization that needs to celebrate an anniversary or special event. In the past, they have done this with the Boy Scouts and Holy Name. Last year it was with the science wing at the high school, so anytime they can have a good activity to recognize a group or organization here in Beech Grove, they would like to do that. It would make for a great Arbor Day celebration.

They also want to thank Beth Berg for all the work she has done on the recertification. Beth, is the secretary for the Greenscape Commission, and does a lot more work than the rest of the commission.

Also, on behalf of the Greenscape Commission they want to thank Brad Meriwether and Tom Hannan for all the work they do. They are the ones that get out there and do the work. They do great work for the city.

Last year the Greenscape Commission reported 170 hours of volunteer work they were involved in.

Due to January 21st being Martin Luther King Day the next meeting will be Tuesday, January 22., at 6:00pm, at Hornet Park.

**Redevelopment Commission:** - Presented by Stephanie Hubbard

Last meeting was December 20, 2012. The RDC voted to approve the 2013 budget and the council members should have a copy of it. The RDC is working on getting the budget posted on the website so everyone can have access to it. The budget included some of the cost incurred in 2012; which repeat every year, such as TIF bonds. The projections of the budget were based on revenues from last year. The only thing that is not included in this budget is things that carried over from the fiscal year 2012, due to lack of records they had, and the cost they were still incurring through December, which previously, they were unaware of. They have a surplus from 2012 that will carry over into 2013. Expenses did not exceed any of their revenue last year.

Sometime in February they should hear if the people wanting the “Rock Pile” received their tax credits. The paperwork has been submitted and it looks like it was all in order.

Included, in the budget is a little money to do some planting on Emerson Avenue and the roundabout. The RDC Commission will work with the Greenscape Commission to see what the needs are, and they will bring some volunteer groups together to do the actual planting to save on costs.

The RDC have been approached several times about the lighting on Emerson Avenue, the maintenance cost and the inefficiency of the fixtures. There is a company that can retro fit them with a LED light so they are exploring that option. They will do one or two as samples to see how they look. This would be a significant energy savings that would pay for itself in about a year and a half. Also, she wants to thank everyone that served this year. They will be working together to find new ways to improve the Redevelopment Commission. Next meeting will be January 17th, 2013 at 7:00 p.m.

**Question** - Is the RDC looking for someone to adopt the median, and if so, how would they get the word out there to do the planting, etc. **Answer** - Yes and the person(s) would work with the Mayor and DPW to maybe shut down parts of the intersection so the work can be completed. They are also looking for someone to adopt the Round About. If anyone is interested please contact the [RDC@beechgrove.com](mailto:RDC@beechgrove.com). or the phone number that is listed on the website.

Stephanie would like to make a Private Citizen Comment - Seniors in our town need to be aware that they can apply for certain circuit breaker tax credits that state their taxes cannot be raised more the 1% a year over the 1% cap that is already assessed. There is also an over 65 tax credit.

**Public Safety:** None

**ABC** – None

## Financial Report: - Clerk Treasurer Dan McMillan

Clerk McMillan stated that he is happy to report that the city was able to finish out the year without using the Rainy Day Fund. Several things happened which allowed the city to do that;

- First, our property tax money came in on December 27th, one day before payroll. We received \$1,947,456.75
- We took a Pilot Payment of approximately \$86,000.00 from the sewage utility.
- We also closed out the 2012 Insurance Reimbursement Fund that had \$94,920.26, and moved it to the General Fund.

On December 27, 2012, we paid off the 2012 Tax Anticipation Warrant in the amount of \$1,612,938.53. On January 2, 2013, we received in the 2013 Tax Anticipation Warrant in the amount of \$2,059,968.00. Interest rate for January will be 0.66%. We do not have a final rate as of yet because the bonds have not been sold. On June 28, 2013, we have our first payment due on the 2013 Tax Anticipation Warrant in the amount of \$1,520,247.00. At the end of December, money was transferred from the 606 Sewage, to the 610 SRF, to insure we are in compliance with the 2004 SRF security clause. We must keep approximately \$136,000.00 in this fund. It was not in the fund in 2012, nor was it appropriated.

On December 27, 2012 the city had the final interview with the auditor for the 2011 audit. Previous Clerk Treasurer Chris Duffer, Councilor Ed Bell, and Clerk Treasurer Dan McMillan attended the meeting. The audit is not available to the public yet, per SBOA.

We had a health insurance committee consisting of, City Councilor & BOW Member Dave Harrison, Former Clerk Treasurer Chris Duffer, Fire Fighter Aaron Jeanette, Police Officer James Baughn, Department of Public Works Member Rodney Giffin and Current Clerk Treasurer Dan McMillan. This committee was able to negotiate the same health coverage and premiums from 2012 for 2013 that includes all city employees. The city health savings account will also remain the same. With the assistance of Christian Duncan, the city negotiated the following:

- Dental and Vision has improved coverage at a lower rate in 2013, for all city employees.
- In the year 2012, life insurance indemnity amounts doubled from \$25,000.00 and \$50,000.00 to \$50,000.00 and \$100,000.00 with the increase of cost to the employee of only \$1.00 per pay, equaling \$24.00 per year.
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Bank statements are available on the city website.

The website volunteers are in the process of updating and archiving 2012 reports and they are making changes to improve the ease of access and understanding of the reports and minimizing duplication.

If anyone has any questions, do not hesitate to contact the Clerk Treasurer. Councilor Bell said it was great that the insurance did not increase. Clerk McMillan commented that this is the fourth year in a row that the employees have been not had an increase in their insurance. Councilor Jennings congratulated Clerk Treasurer McMillan for the great job he is doing for the city and he further stated that his extra effort is not going unnoticed.

## **MAYOR'S LIAISON REPORT:**

Gary Loveless, Mayor Ballard's Liaison to the Southeastside, presented the following report;

- Winter weather reminders- we need to remind everyone that they need to keep their sidewalks clear.
- Post-holiday recycling will be this Saturday, January 12, 2012. They take all kinds of recycling material such as Styrofoam cups. A couple places are Garfield, Perry and Ellen-Berger parks. They are also taking the recycled Christmas trees the whole month. They need to make sure everything is taken off of it and it will be ground up and made into mulch. There are actually 8 parks that will be doing this service.
- Mayor Ballard is making the Indianapolis Fleet "post oil" and we have 500 cars that qualify. They will be buying everything new with electric Hybrid and compressed natural gas. By 2025 they will all be turned over to these types of vehicles. Police vehicles will be different because they will have to be able to chase down people. This will be happening across the Country. Indianapolis is the largest city in the United States with a Republican Mayor and they expect the city to spend money.
- Everyone needs to look at the forms for the over 65 tax credits. They can be very helpful for people.
- Rick Allen Skirvin, doing business as Night Owl will be requesting a liquor license at the next liquor license hearing on February 4, 2013. The business is located behind the Long John Silvers on Emerson Avenue.
- There are several big projects going on by local companies. One of them is located in the 5700 block of Madison Avenue. They will be building 3 story apartments if they get the zoning. It will be going on a little strip of land that is about 5 acres. This same company is also on Gray and Southport roads and will be building two different projects. They have another one on the other side of Perry Township. They will be taking over a failed project that has been sitting for 8 years with five doubles located on it. They are going to buy it and finish it out.
- The last thing is about a new solar farm that is going in on East Southport Road. They are only putting in half solar. This is incentivized by the Federal Government and will only last for 10 years. They are still trying to figure out what happens after 10 years if it doesn't pay for itself. The address is 10321 East Southport. There is also one on West Southport.

Mayor Buckley asked if Gary had any specific information on the lateral transfers for the police and fire department employees between Indianapolis, Beech Grove, Speedway and Lawrence. Gary had no specific information, but stated that generally speaking when you have the highest paid and the best benefits you are the employer of choice, so we know we will be pulling from other places that surround us, whether that is Shelbyville or Beech Grove he does not know. The big advantage of this is that they would not have to go through a training class. Mayor Buckley has been discussing this with the city council, and police and fire Chiefs, on how to handle this when it happens. Gary stated that it is most likely going to happen.

**PUBLIC COMMENTS:** No one has signed up to speak, but when they go over the ordinances Mayor Buckley will ask if anyone has comments.

**OLD BUSINESS:**

Mayor Buckley commented that there are several DPW employees in attendance this evening.

**Special Ordinance No. 12, 2012**

*...Public Works Representation by AFSCME*

Clerk Treasurer McMillan read Special Ordinance No. 12, 2012 into the record.

Councilor Bell moved to approve Special Ordinance No. 12, for the Third and Final Reading.  
Councilor Harrison seconded the Motion; which failed by a 3 to 2 vote. The vote was as follows:

**District 1 Councilor Mary Stewart** –Absent

**District 2 Councilor Ed Bell**- Yes

**District 3 Councilor Anthony Davidson** –No

**District 4 Councilor John Jennings** –No

**District 5 Councilor Dave Harrison** – Yes

**Council at Large Councilor Kathy Coates** –No

**Council at Large Councilor Dave Mobley** –Absent

Mayor Buckley advised the Council that he will issue an Executive Order to recognize the ordinance as a bargaining agent due to the employee's 100% vote and signing a card to organize the union. He will do that effective Tuesday January 8, 2013, and begin negotiations.

**General Ordinance No. 36, 2012**

*...Attendance*

Mayor Buckley asked for a Motion to read General Ordinance No. 36, 2012, by title only.

Councilor Jennings asked Mayor Buckley if he could give a brief description of what the ordinance is, because it had been so long since they last reviewed it.

Mayor Buckley gave an overview of the ordinance.

Councilor Jennings moved to read General Ordinance 36, 2012 by Title only.

Councilor Harrison seconded the Motion; which was approved by unanimous voice vote.

Mayor Buckley read General Ordinance No.12, 2012 into the record.

Councilor Jennings moved to approve General Ordinance No. 36, 2012, for the Third and Final Reading.

Councilor Davidson seconded the Motion; which was approved by unanimous voice.

**NEW BUSINESS:**

**Resolution No. 1, 2013**

*...Education Pay*

Clerk Treasurer McMillan read Resolution No.1, 2013 into the record.

Mayor Buckley asked if there were any comments from council members.

Councilor Jennings asked if this would exclude any employees. Mayor Buckley stated that it would exclude 7 employees.

Councilor Jennings moved to approve Resolution No.1, 2013.

Councilor Harrison seconded the Motion; which was approved by unanimous voice vote.

**General Ordinance No. 1, 2013**

*...Sewer Rates*

Clerk Treasurer McMillan and Mayor Buckley read General Ordinance No. 1, 2013, into the record.

Mayor Buckley stated that, if approved, General Ordinance No. 1, 2013, would take effect on March 1, 2013.

Mayor Buckley asked Financial Advisor Jeff Peters to give an overview of the proposal. The last time the rates were reset was in 2004, and it was 12 years prior to that when they were reset.

Jeff Peters stated that this should be looked at every couple of years, so it would be small incremental increases and not be a shock to rate payers as we move forward. Electronic copies of the rate studies will be out in the next few days. The big picture is that from a financial standpoint, we need to look at these proposed rates, and estimate what they will produce in revenue. We also need to make sure that the revenues will equal disbursements. In analyzing this, we need to make sure we include all sewage works expenses, this would solid waste. This should break out between sewage works and solid waste. And it should be made certain that the increase is what we really need in solid waste, and then proceed forward with adopting a fee that is adequate to offset that expense. The other expenses within the sewage works that the council agreed to do back in 2004 going forward were to undertake the sewage projects which were the State Revolving Fund and another loan from the Indiana Bond bank. The council agreed that we would have to establish adequate revenue resources to make principal and interest payments on both these obligations, as well as keep adequate cash on hand to make sure we will always be able to make future payments, until they are completely paid off. The other thing the council agreed on was to pay a reasonable ROI (Return on Investments) payment in lieu of taxes, to the municipality, the City of Beech Grove, as the owner of the sewage works. That is something that is required to meet the funding of the municipal budget that we adopted. If we look at the rates proposed they are about half of what the state averages are for sewage service. Part of that is because of where we are located. We get to push sewage off, and have it treated by a mass facility, the size of the Indianapolis Metro area. It is important for us to look at the state wide average to see if this is a fair cost to the people, and we are well below the average. Also, we will need to look at the entities that were selected in comparison and contact them if we want additional information. The comparison will not be apples to apples, but we will be able to do some comparisons, from community to community, and similar to our size. The utility rate study will be set up just like the one you received earlier.

Some of the things you need to focus on are the legislative authority for the rate setting which is Indiana code 36-9-23-25; which reads:

### **IC 36-9-23-25**

#### **Fees; factors used to establish; persons obligated to pay;**

#### **Disposition of certain fees; adoption of different schedules permitted**

Sec. 25. (a) Subject to section 37 of this chapter, the municipal legislative body shall, by ordinance, establish just and equitable fees for the services rendered by the sewage works, and provide the dates on which the fees are due.

(b) Just and equitable fees are the fees required to maintain the sewage works in the sound physical and financial condition necessary to render adequate and efficient service. The fees must be sufficient to:

- (1) pay all expenses incidental to the operation of the works, including legal expenses, maintenance costs, operating charges, repairs, lease rentals, and interest charges on bonds or other obligations;
- (2) provide the sinking fund required by section 21 of this chapter;
- (3) provide adequate money to be used as working capital; and
- (4) provide adequate money for improving and replacing the works.

Fees established after notice and hearing under this chapter are presumed to be just and equitable.

The overall requirements to meet all these obligations would be approximate 2.8 million dollars and looking at the rate increases these would provide approximate 2.8 million dollars.

Mayor Buckley stated the original budget for 2013 started out at 2.9 million and it was brought down to 2.7 million. We are working on seeing if we can reduce it even further.

In 2011 the city spent \$2,711,764.17 in the sewer utility. They collected \$2,251,105.38 for a negative balance of \$460,658.80.

In 2012 we spent \$2,594,414.00 and collected \$2,242,004.10 with a negative balance of \$352,409.90. So the city has lost over \$812,000.00 over the last two years. Per Jeff Peters if we do not raise rates in 2013 it will be a very short time before the city is not solvent anymore, because we have outstanding debts to the state and they will force us to raise rates anyway to meet those obligations. Also, if we are not able to take an ROI payment for the General Fund, we will have to make serious municipal service cuts. Councilor Coates asked if the 2013 budget that was just passed includes these expenses. Jeff Peters said yes they were taken into consideration so the budget will not have to be changed.

Mayor Buckley called upon Alan Hux, Attorney at Law, who represents the Indiana Apartment Association to speak. Mr. Hux stated, per Indiana code 36-9-23-25, one of the things that have not been mentioned is that state statute states that rates, that do not cover operation costs, are unlawful. It is important that the council look at what it costs to run the sewer business. Mr. Hux has met with Mayor Buckley and Councilor Bell, and they discussed issues facing the city, and the sewer system. The city is facing needs to pay for projects that need to be completed, to ensure the city residents have safe and efficient sewer services. Based on the information he has, needed maintenance has been deferred, but cannot be deferred any longer. Mr. Hux has been representing sewer entities for over 20 years and been involved in rate designs; which are required to be fair and equitable for all users. He believes the ordinance proposed tonight meets those qualifications, and his clients' support the ordinance as introduced. Also, in checking with other providers in this area, such as the Heartland Crossing area, they provide basically the same type of service as the city of Beech Grove. They are a collection service only, and they have a flat rate of \$55.00 per month. The sewer provider that provides service to the Avon area, about 9,000 customers, has a flat rate of \$45.00. Wildwood Shores; which is a regulated utility in Morgan County, and a much smaller utility area, has a flat rate of \$80.00. Hamilton Southeastern, which provides sewer service to the Fishers area, has an average monthly rate of around \$33.60. Again, it is necessary to increase these rates due to government regulations. The days of cheap sewer services no long exist. He and his clients hope the council will act positively on the introduced ordinance to ensure the citizens of Beech Grove will have safe and reliable sewer services.

Councilor Coates clarified with Mr. Hux that the dollar amounts that he quoted were for sewer service only, and did not include trash. Mr. Hux concurred.

Councilor Bell moved to approve General Ordinance No.1, 2012 for First reading.

Councilor Jennings seconded the Motion; which was approved 4 to 1.

The vote was as follows;

**District 1 Councilor Mary Stewart –Absent**

**District 2 Councilor Ed Bell- Yes**

**District 3 Councilor Anthony Davidson –No**

**District 4 Councilor John Jennings –Yes**

**District 5 Councilor Dave Harrison – Yes**

**Council at Large Councilor Kathy Coates –Yes**

**Council at Large Councilor Dave Mobley –Absent**

A Public Hearing will be advertised in compliance with state statute, and then held on February 4, 2013 at 7:00 p.m. After the public hearing it will be introduced for Second and Third Readings.

**Election of City Council President Pro Tem-** Mayor Buckley opened the floor for nominations.

Councilor Harrison nominated Councilor Bell and Councilor Davidson nominated Councilor Jennings.

Mayor Buckley asked for a Motion to close the nominations.

Councilor Coates moved to close the nominations.

Councilor Harrison seconded the Motion; which was approved by unanimous voice vote.

Councilor Bell and Councilor Jennings accepted the nominations.

Mayor Buckley polled the council for their voice votes. The votes were as follows:

**District 1 Councilor Mary Stewart –Absent**

**District 2 Councilor Ed Bell- Ed Bell**

**District 3 Councilor Anthony Davidson –John Jennings**

**District 4 Councilor John Jennings –Ed Bell**

**District 5 Councilor Dave Harrison – Ed Bell**

**Council at Large Councilor Kathy Coates –John Jennings**

**Council at Large Councilor Dave Mobley –Absent**

The votes were 3 to 2 in favor of Councilor Ed Bell. Councilor Bell will once again serve as President Pro Tem to the Beech Grove City Council.

**Uniform Conflict Of Interest Statements:-** This is done on a yearly basis.

Clerk Treasurer McMillan read two of the Uniform Conflict of Interest Statements into the record.

The first two statements are for husband and wife, Mike and Peggy Fitzgerald. Mike is the Building Commissioner and Peggy works in the clerk's office. We already have Board of Works approval and now need Council approval.

Councilor Davidson, asked Clerk McMillan, if the Building Commissioner could inspect himself. The clerk stated that the State Auditor and Mr. Fitzgerald had a conversation regarding this issue, and he had not been made privy to the outcome. He also stated that he believed that it would be a Conflict of Interest for Mr. Fitzgerald to inspect his own work, but he deferred to the city attorney for clarification.

Attorney Wiley believes that it would be a conflict in itself.

The council decided to amend the Conflict of Interest Statement, and state that Mr. Fitzgerald cannot inspect himself.

With that amendment, Mayor Buckley asked for a Motion to approve the Uniform Conflict of Interest Statement for Mike Fitzgerald.

Councilor Jennings moved to approve the Statement as amended.

Council Davidson seconded the Motion; which was approved by unanimous voice vote.

Clerk Treasurer McMillan asked for a Motion to approve the Uniform Conflict of Interest Statement for Peggy Fitzgerald.

Councilor Jennings moved to approve the Statement as presented.

Council Harrison seconded the Motion; which was approved by unanimous voice vote.

Mayor Buckley read the third Uniform Conflict of Interest Statement.

This statement is for Clerk Treasurer Dan McMillan. Clerk Treasurer McMillan and his wife own Rosebud Florist and have been occasionally, conducting business with the City of Beech Grove for over 17 years. Clerk McMillan does not work in this business on a regular basis, nor does he receive any compensation from this business.

Councilor Jennings moved to accept the Statement as presented

Council Harrison seconded the Motion; which was approved by unanimous voice vote.

### **COUNCIL COMMENTS:**

**Councilor Jennings** – *There are a couple of football and basketball games going on, so he won't bore us with too many. He wants to commend the snow removal guys on a fantastic job, but wishes they would not have buried his son and daughter's cars. He understands they were in just as much a hurry as he was. They did a fantastic job and were glad no one came around the corner and landed in his yard; which is what usually happens. Thank you all very much.*

**Councilor Harrison** – *Ditto on the snow removal. It was really nice, considering all the snow we got, and thanks to everyone for coming.*

**Councilor Davidson** – *There was an article in the Indy Star regarding St. Francis; which he thinks was a little bit premature and would like Mayor Buckley to give us an update at the end.*

**Councilor Bell** – Thanks to everyone for coming and Happy New Year.

**Councilor Coates** – Thanks to everyone who is here, and to everyone that has given her feedback, and regardless of what you hear or say, all her votes are based on input from the people who live in the city of Beech Grove. Whether you agree or disagree please call her with your input and she will listen, consider and weigh the input she receives. It is important to her for everyone to know this.

**Mayor Buckley** – Update on St. Francis.

*There is a group of about a dozen investors who would like to purchase the hospital property. They are actively negotiating with St Francis out of Mishawaka. Mayor Buckley has not been in a lot of those meetings because the city is not going to be the owner or maintain the property. There has been no one approach him from this group asking for the city to issue revenue bonds or any other type of funding that would go for this project. Also, they have not asked for any tax incentives if they were to purchase the property. It really isn't the Mayor's part to be involved with the negotiations. He has not been very outspoken on this yet, because he wants to see how it develops. He would like for this project to happen, because it would mean an additional 820,000 square feet of commercial building space on the tax roll, with senior housing, and other entities, but he wants to wait and see what happens. They did have a big meeting last week but he does not know the results of that meeting. He thinks St Francis is starting to push the issue. The property will be reassessed, since it is no longer a hospital. Councilor Jennings wants to know if it will be retroactive but the Mayor does not know. Hopefully, we will have good news. In the meantime, there are other outside developments in our city that take up just as much time and Mayor Buckley hopes to have information in the near future for the council.*

**The next meeting will be Monday, February 4, 2013 at 7: pm.**

There will not be a second meeting in January because they want to focus on sewer rates and the Public Hearing to be held for General Ordinance No.1, 2012.

**ADJOURNMENT:** Mayor Buckley asked for a Motion to adjourn.

Councilor Jennings moved to adjourn. Council Davidson seconded the Motion.

The meeting was adjourned at 8:23 p.m.

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Dennis Buckley, Mayor

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Dan McMillan, Clerk-Treasurer

Minutes prepared by: Sheri Morgan

