

**CITY OF BEECH GROVE, INDIANA  
BOARD OF PUBLIC WORKS AND SAFETY  
MEETING MINUTES  
MONDAY, NOVEMBER 18<sup>th</sup>, 2013**

Mayor Dennis Buckley called the meeting to order at 6:30pm.

**ROLL CALL:** Board of Works Members, Ed Bell, Sandy Seward and Mayor Dennis Buckley were present. Also in attendance, were Clerk Treasurer Dan McMillan and City Attorney Craig Wiley.

**MEETING MINUTES:** The meeting minutes from the November 4<sup>th</sup>, 2013 meeting were presented to the Board. Ed Bell moved to accept the minutes as presented. Mayor Buckley seconded the Motion; which was approved by voice vote.

**APPROVAL OF CLAIMS:**

- **Corporate Claims** – claims in the amount of **\$764,833.41** were presented to the Board for approval. Sandy Seward moved to accept these claims as presented. Ed Bell seconded the Motion; which was approved by unanimous voice vote.

Sandy Seward questioned a claim on page 2, Speedway Super America in the amount of \$12,625.24.

Clerk McMillan explained that is the total bill for fuel for Fire, Police, DPW, Parks, and Senior Center.

Ed Bell questioned a claim on page 2, The Gallery Collection, appropriated to Police/Postage

Clerk McMillan explained it is for Christmas cards ordered by the Police Department.

Sandy Seward moved to approve the claims in the amount of \$764,833.41. Ed Bell seconded the Motion which was approved by unanimous voice vote.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**Emergency Fire Hose Purchase- Presented by Chief Cheshire**

Fire Chief Cheshire explained the critical need for fire hose. He reported that the annual testing of all the fire hose was completed this fall and the inspection revealed many problems and multiple sections failed. He went on to say that the outer jackets failed and there was leaking around the collars where it is unable to be repaired or replaced. He added that the standard recommendation for replacement of fire hose is every 10 years.

Chief reported the following hose failure:

1,750 feet of 5"

1,300 feet of 3"

200 feet of 2 ½"

650 feet of 1 ¾"

He also reported that currently the department has zero supply hose on the reserve engine and they have had to move hose around to accommodate the first line engines. Engine No. 101 is down over 450 feet of 5" supply line. He stated that the department has an extremely urgent and critical need for hose. Ed Bell asked who tested the hose. Chief Cheshire explained that the Department has a hose tester and they test their own hose. He also added that the ideal situation would be to have a third party test it, but times are tough and there is not enough funds in the budget. He went on to say that the testing itself is dangerous. Some of the hose tested was over ten years old. Chief Cheshire stated that he does consider this a life safety issue. Ed Bell asked if they have the ability to test their own fire extinguishers. Chief Cheshire said no, they do not.

If the Board approves this purchase, it will put the Department up to where it needs to be. Chief Cheshire pointed out that he got 3 bids for the hose and consideration was given to price and quality.

Ed Bell moved to approve a maximum of \$17, 644.60 for hose replacement. Sandy Seward seconded the Motion; which was approved by unanimous voice vote.

Chief Cheshire thanked Mayor Buckley and the Board for their continued support of the Fire Department. He remarked that he understands that all the equipment is expensive and he appreciates their support.

Mayor Buckley pointed out that the money will come from the remaining funds in the 2012 Bond Issue. He went on to say he considers this to be more important than purchasing cameras for the park, because it is a public safety issue.

#### **Resolution No. 14, 2013**

##### *Skid Steer Purchase and Financing*

Clerk Treasurer McMillan read the Resolution into the record.

Brad Meriwether, DPW Director, reported the following- The Skid Steer was built into the budget for 2014. DPW, Sewage and Parks will all benefit from its usage. It is a smaller machine that will allow them access into smaller areas in the city. DPW has a list of 45 stumps that need to be grinded and rather than renting a machine, they are waiting until they purchase the Skid Steer.

Sandy Seward asked what the cost is. Brad reported that the cost would be approximately \$80,000.00 with all the attachments.

Ed Bell asked if it is a forklift or stump grinder. Brad answered that it is a combination of both and many other things. It will have a fork and a bucket. Salt can be loaded with it, sidewalks can be swept with it and it can be used as a forklift and an auger. This machine is a multipurpose machine with 5 attachments. It will save the city on rentals and many other things.

Brad reported that DPW is soliciting bids for the machine. Sandy Seward voiced her concerns with spending such a large amount of money for this purchase. Brad commented that he has done research on the machine. A smaller one can be purchased, but the savings isn't that much and the smaller one does not have the lifting capacity that DPW will probably use it for.

Brad commented that if the city is going to purchase the equipment they should buy what best suits the needs of the city and will be the most cost effective in the long haul. Sandy Seward asked if they can be purchased used. Brad said they can, but the savings is only approximately \$10,000.00, because they do hold their value.

Clerk McMillan commented that the money is in the budget for it and the city can get a low interest rate right now. Clerk McMillan also commented that he has seen the demo on a Skid Steer and he believes it will be a good investment for the city and ultimately save money. He is supportive of the purchase. Sandy Seward thanked the Clerk for his input.

Ed Bell commented that it would be useful when cleaning up after storms. Sandy Seward asked how it would be transported. Brad answered that the price does include a trailer.

The Clerk will negotiate the terms and the interest for the lease.

Sandy Seward move to approve the purchase and to instruct the clerk to obtain financing with the best possible interest rate and terms. Ed Bell seconded the Motion; which was approved by unanimous voice vote.

### **Memorandum of Understanding**

#### *Safe Routes to School Grants*

Clerk McMillan read the Memorandum into the record.

Ed Bell commented that he thinks this is fantastic for the city, schools, and the children. City Attorney Craig Wiley commented that he had spoken today to the attorney for Beech Grove City Schools and he confirmed that Dr. Kaiser has approved it.

Ed Bell moved to approve the Memorandum. Sandy Seward seconded the Motion; which was approved by unanimous voice vote.

### **Wessler Engineering Presentation:**

#### **Developing a Stormwater Utility**

#### **Professional Services Agreement**

Mary Adkins, Representative with Wessler Engineering presented a Power Point Presentation to the Board. She began by explaining that in October 2006 Council passed an ordinance that adopted a Storm Water Management District. Previously, storm water fees had been paid to the City of Indianapolis and Beech Grove opted out of that utility, and established their own Storm Water Utility, but the city never established any rates, or policies. The Storm Water Utility will be operated in the same manner as the Sewage Utility, because there are costs associated with storm water maintenance and management. The utility will be governed by the Board of Works and will have policies and procedures and a rate to the user will be established. An advisory committee will be established to assist Wessler with developing policies and fees for the storm water utility. Policies and rates will eventually be submitted to the Council for approval.

Maintenance includes – repairing erosion, cleaning and clearing debris from pipes, culverts, inlets, and creeks, and repairing the infrastructure. During examination of drainage correction projects, 30 projects have been identified through flooding, citizen complaints and inspections; which could be funded with storm water fees.

Mary explained that the City of Beech Grove has a MPDES permit; which is also called the MS4 program. The permit (program) is used to improve water quality and reduce pollution.

When rain hits the ground, it can pick up sediments, pollutants, and it is carried through the storm sewers and eventually is deposited into the rivers and streams. The MPDES permit is to promote water quality and pollution prevention. State and federal laws to comply mandate the City of Beech Grove. Public education will also be included, and the city will be promoting pollution prevention, such as, cleaning up after your pets and keeping grass clippings out of the system; reducing the amount of fertilizer you use, proper disposal of household hazardous waste, and recycling. This education can be funded through your storm water fees. In addition, the state permit requires monitoring and sampling of your storm water outfalls.

Mary presented photos of the deteriorating infrastructure; which included several inlets and culverts that need to be repaired or replaced in Beech Grove. The City of Beech Grove Department of Public Works provided these photos.

Mary explained that storm water user fees will need to be established and Wessler will be developing these fees based on an ERU - Equivalent Residential Unit; which is an average measurement of hard surfaces, also called impervious surfaces; which include rooftops, asphalt, parking lots, and concrete, where water hits the surface and runs off into the storm water system. Wessler will conduct a statistical analysis using approximately 50 non-residential properties of which they will measure the impervious surface. They will average those measurements and that average will become your ERU, the based billing unit. In Indiana, the ERU typically averages between 2,000 and 3,000 square feet. Mary commented that she believes Beech Grove will be approximately 2,500 square feet. Residential properties will only pay one ERU, however most businesses will pay a multiple ERU. After the measurements are complete, the ERU information including costs will be supplied to consultants and they will develop an ERU. Wessler will also assist with the startup of the utility, attending board meetings, assisting with the advisory committee, attending council meetings and giving recommendations. They will also assist with the city's MS4 program to educate people as to what the benefits of the storm water utility will be and why the storm water utility is necessary.

Ed Bell commented that the startup costs of this utility would not be recouped immediately, because the fees will not support that. Mary agreed and she explained that these fees would be phased in over the next several years.

Mayor Buckley commented that at the beginning of this year, he proposed raising the sewer rates and now, here he is again, proposing the implementation of storm water usage fees. He explained that he knows why the city needs to do this, but he asked Mary to explain this. Mary explained that in previous years the property owners of Beech Grove were paying a storm water fee to Indianapolis, probably on their property tax bills, so consequently they did not even realize they were paying it, and that money was not coming back to the City of Beech Grove. In 2006, the city opted out of that utility and very little repairs and maintenance have been conducted due to the lack of funds. There are multiple infrastructure repairs and maintenance that needs to be conducted on the storm water system and currently there is no money specifically budgeted for this. Ed Bell commented that eventually these fees would be used to correct problems in areas such as South Grove, along Grovewood and Edwards where flooding and standing water has been an issue for years. The money can also be used to prevent severe erosion problems such as those that occurred with Lick Creek; which ultimately cost the city hundreds of thousands of dollars. Mary also commented that once the residents realize they have a utility they can bring their complaints to the utilities and get these problems addressed. It was also noted that of 30 projects that have been identified many of them have been a problem for years and are continually presenting additional issues. Mayor Buckley noted that the City of Beech Grove is the only city in Central Indiana that does not charge a storm water fee, but he does not consider that a valid reason to impose storm water fees. What he does consider a valid reason is the repairs and maintenance that needs to be conducted on the storm water system and that is what will be presented to the council.

He further explained that the city has done a good job over the last couple of years of stabilizing the sewers and now it is time to do the same with the storm water system. Mary explained that many of the businesses would understand what this fee is, because businesses such as Wal-Mart and Lowes are already paying this in other cities.

Mary then explained to the Board that included in their packets tonight is a detailed schedule of estimated expenses that are included in this professional fee.

A few of the expenses included are Aerial photos, measurements; which are labor intensive, assistance with establishing the advisory committee, establishing the fees and presenting this to Council. All are listed in your packet. Mary explained that the professional fee will not exceed this amount, but could be less.

Ed Bell commented that with the assistance of Wessler, he has been studying this project for over a year, and the city definitely needs to do this to raise funds to repair, replace and maintain the storm water system. Ed also commented that he believes homeowners understand that you have to conduct routine maintenance and repairs on property and the City of Beech Grove is charged with the duty to perform these tasks for the entire city.

Ed Bell moved to approve the professional fee not to exceed \$62,800.00. Sandy Seward seconded the Motion; which was approved by unanimous voice vote.

Mayor Buckley then asked Craig Wiley, City Attorney to explain why this agreement does not have to be bid out. Craig explained that because it is a privately owned utility and the agreement is for professional services it does not have to be bid out.

**Request for Street Closure- Lifebridge-** Clerk Treasurer McMillan read the request into the record

Due to inclement weather the 10<sup>th</sup>, Annual Baskets of Hope had to be canceled on November 17<sup>th</sup>, 2013. Lifebridge would like permission to reschedule the event for Sunday, November 24<sup>th</sup>, from 2:00 to 4:00pm. The closure would be on 7th Avenue between Albany and Main Streets.

Sandy Seward moved to approve the road closure. Ed Bell seconded the Motion; which was approved by unanimous voice.

**Stop/Loss Proposal, with HM for the City of Beech Grove-** Clerk McMillan deferred to two members of the Insurance Committee, Aaron Jeannette, Representative for Local No. 416 and James Baughn, Representative for F.O.P No. 86 to provide an explanation as to what stop/loss is.

Aaron explained what the stop/loss is. The city is self-insured, so they must carry insurance so that if an employee has a serious medical occurrence, then the city will only be responsible for medical bills to a certain point, and at that point the stop/loss will kick in. This prevents the city from suffering a catastrophic loss. It is important for self-insured municipalities to carry this insurance due to the constraints of the budget. The most expensive part of the insurance is the stop/loss because they take the largest risks and it is based solely on risks.

The city did not have a bad claims year according to Unified; in fact the city has had a good claims record for the last four years. Currently, the city does have a couple of individuals who could make a difference. Aaron believes that only 4 people have reached the \$40,000.00 maximum over the last 4 years. Unified/Christian Duncan indicated that they reached out to eight vendors with A+ to A- ratings for stop/loss insurance. The majority were non-competitive. They weren't even in the ball park. HM Insurance is who the city used last year for the stop/loss and they have a no laser agreement with them for 2 years. No laser meaning- nobody will be taken off because they are at high risk. We have this laser again this year.

The current rate for health insurance is \$700,000.00 and some change per year. The city will be carrying more liability up front next year, but in the end, it was a savings to do this. There will be an approximate 16% increase. The city only budgeted for an 8 percent increase, so the remainder of the increase will be passed to the city employees. Part of the increase is a direct result of the new insurance plan implemented by President Obama and Congress. Unified only increased their rates 25 cents per person and that is the first increase the city or the employees have seen in 4 years from Unified. The rest of the increase is from the stop/loss and cost of living increases. Bottom line is the insurance will increase over \$126,000.00 per year. The committee only received one company that presented a competitive bid.

Clerk McMillan commented that this year the city had one employee that fell over the stop/loss. His first bill exceeded \$143,000.00. Everything else is speculation. The city could save money without the laser, but the risks are much higher up to \$515,000.00. Clerk McMillan explained that this agreement is not approving the rates, but locking the rates in should the city decide to proceed with this company. The agreement locks in the rates, so if an employee or dependent has a tragic incident occur the day after tomorrow and incurs excessive medical bills; which could affect the rates for next year; this signed agreement will insure that it does not.

Aaron also explained that this is the first year in four years that the city has seen an increase in rates. Rates are expected to increase over 16 percent. The city only budgeted for an 8 percent increase, so the remainder of the increase will be passed onto the city employees. Part of the increase is a direct result of the new insurance plan implemented by President Obama and Congress. The national average for increases is 16 to 30%. Based on the information the Insurance Committee received, HM is the best scenario out of the bids that Unified presented to the committee.

Mayor Buckley stated that he is not happy with Unified and the raise in premiums. He would like a meeting with them. Aaron explained that Unified only raised their rates 25 cents per person. It is the stop/loss that has increased as well as the new insurance plan adopted by President Obama and Congress.

Ed Bell asked about the maximum lifetime benefit amount. Aaron explained that beginning January 1<sup>st</sup>, 2014 there is no longer a cap on lifetime benefits. Ed Bell questioned whether it is beneficial for the city to remain self-insured. Both he and Mayor Buckley expressed concern over the increases. Clerk McMillan explained that this is only the second year he has worked on this and he believes self-insurance is still the best deal for the city and employees. All medical claims are paid in a timely fashion. Aaron commented that last year when receiving bids from Anthem Insurance the employee cost was close to the same, but the city would have received an increase and this year the State employees are receiving increases in insurance. Clerk McMillan commented that there is a considerable amount of uncertainty in the insurance business right now and he believes that also attributes to the increase. It is all projection and estimates.

Aaron also stated that because this has to be completed before December 31, there is very little time to make changes. Clerk McMillan commented that insurance companies would not bid until 10 months of claims have been completed, so after October 31<sup>st</sup>. Aaron commented that the national average for insurance increases is 16 to 30 percent.

Sandy Seward moved to sign the agreement for the stop/loss proposal. Ed Bell seconded the Motion. The vote was 2-0.

#### **COMMENTS FROM MEMBERS:**

Sandy Seward thanked Chief Cheshire for his emails he sends regarding fires that occur in Beech Grove. There were 45 firefighters at a residence fire on Saturday. She complimented him for a job well done.

Ed Bell thanked everyone for coming and Wessler for their presentation.

**ADJOURNMENT:** Sandy Seward moved to adjourn. Ed Bell seconded the Motion. The meeting was adjourned at 7:39pm.

The next Board of Works meeting will be held following the Board of Sanitation meeting on Monday, December 2<sup>nd</sup>, 2013 at 6:00 pm at City Hall in Council Chambers.

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Dennis Buckley, Mayor

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Dan McMillan, Clerk Treasurer

Prepared by: Dan McMillan