

**TOWN COUNCIL OF LEO-CEDARVILLE
MEETING MINUTES
JULY 8, 2014**

The town council of Leo-Cedarville met in regular session at 7:00 p.m. on July 8, 2014 at the Town Hall of Leo-Cedarville, located at 13909 Pony Express Run, Leo, IN 46765.

ATTENDANCE: In attendance were John Clendenen, president; Tim Richards, vice president; Paul Steffens, Ted Garton and Kevin Veatch, council members; Peggy Garton, town manager; and John Eastes, clerk-treasurer.

Mr. Clendenen called the meeting to order and led attendees in the “Pledge of Allegiance.”

AGENDA: By consensus, council members accepted the agenda as distributed.

MINUTES: Without objection, council members approved the regular session minutes of June 24, 2014 as distributed.

GUESTS or PRESENTATIONS:

- Mr. Mark Hamilton, Leo-Cedarville Park Board president, thanked the town council for supporting the Riverside Gardens’ improvement project, noting that park enhancements have been well received by the community and viewed as an outstanding success by the park board. With this success comes the need for additional safety enhancements at Riverside Gardens, due to increased traffic and public usage of the park. Mr. Hamilton stated his concern for adults and children that walk to the splash pad from Witmer Park and Brighton Park as well as for those that walk from the additional parking area on the east side of Schwartz Road. Mr. Hamilton requested Council consider installation of crosswalks on Grabill Road and Swartz Road as well as additional signage at or near the park area, citing examples that are readily available by searching the Internet.

Mrs. Garton has investigated the areas of concern, as stated above, and plans to contact Schnelker Engineering, Inc. to review possible options and determine an estimated cost associated with the request. Without objection, Mr. Clendenen requested that Mrs. Garton also review the possible need for sidewalk and or trail extensions as part of improving safety at or near the park area; Mr. Clendenen believes additional lighting may be needed as well.

- Raymond L. Pulver, Jr. requested that the minutes indicate that he is attending tonight’s meeting as a resident and private citizen and that his remarks do not represent any other entity.

Mr. Pulver stated that he has reviewed the new comprehensive plan, recognizes that everyone probably has their own idea of “growth,” and then referenced meetings that had been held for the purpose of receiving public input and opinion as part of the process leading up to the 2013 adoption of said plan.

By way of example, Mr. Pulver asked if people had ever been asked if they would like to have an additional 500 new homes, 1,000 new homes or 1,500 new homes added as part of town growth. Mr. Pulver stated that his wife had attended some of the aforementioned public meetings and that she recalls attendees were overwhelmingly in favor of improving existing areas within the town as part of the town's growth process, citing sidewalk, lighting and signage improvements as topics supported by those in attendance. Mr. Pulver believes that Leo-Cedarville residents support the concept of growth, but he does not believe that growth options, as a topic, were adequately defined in the survey process to really know what people want regarding town growth. Mr. Pulver believes recent primary election results indicate that residents do not support desired town growth in the same manner as Mr. Clendenen views desired town growth. Mr. Pulver believes the town should be mindful to protect the economic well-being of citizens with limited resources as it considers opportunities that may increase town growth.

Mr. Pulver believes a full-blown study should be conducted before the town moves forward to purchase or acquire any utility, and he believes the town should determine if it possesses the expertise and ability to maintain or improve public safety as well as provide services cheaper and in a more efficient manner than current service providers. In response to questions from Mr. Pulver, Mr. Eastes noted that the cost for billing Leo-Cedarville utility services is current shared by the Storm Water Fund, Garbage Service Fund and General Fund. Overhead for utility billing operations is shared by the Storm Water Fund and General Fund, with the Garbage Service Fund primarily tracking garbage service contract expenditures.

In response to questions from Mr. Pulver, Mr. Clendenen stated that no meeting has been set with the City of Fort Wayne or Mr. Thomas (Ted) Nitza, Jr. to discuss the possibility of bringing Fort Wayne water to Leo-Cedarville. Mr. Clendenen followed by recalling only a meeting that he had attended with Fort Wayne Utilities approximately two months ago.

Regarding the recent primary election, Mr. Hamilton pointed out that Democrats were not allowed to vote for Mr. Clendenen in said primary.

DISCUSSION of UTILITIES:

Mr. Clendenen noted that the L-C RSD is tasked first and foremost with managing the sewer district and following its own master plan, but he sees the town of Leo-Cedarville as being tasked with a much larger responsibility. Leo-Cedarville is tasked with following the town's comprehensive master plan that was developed over time, with as much public input as possible and passed unanimously by this council. Mr. Clendenen stated that the Leo-Cedarville Chamber of Commerce and school system would like to see more growth, some business people would like to see more growth, and therefore the town must follow its comprehensive plan whether some agree with portions of it or not. Mr. Clendenen does not have a specific growth number in mind but believes growth is necessary and desired. Mr. Clendenen highlighted portions of the comprehensive plan and shared his thoughts on needed growth.

Mr. Clendenen believes that the town should follow the recommendation of the Wessler Report

and that the town's intention should be made clear to Pioneer Water, LLC and to the town's citizens. Mr. Clendenen believes it is in the best interest of the town to acquire Pioneer Water.

Mr. Clendenen referenced extending water service to other portions of Leo-Cedarville and stated that state law does not require anyone to tap into a public water utility line, noting that folks can still keep their wells if they so desire. Mr. Clendenen added that state law only requires people to tap into sanitary sewer lines. If the water utility is acquired, the town could improve fire safety over the long-term by installing water hydrants to areas currently not served.

- **Action:** Mr. Clendenen moved that the town's attorney draft a resolution to enter into formal negotiations for the town of Leo-Cedarville to purchase Pioneer Water. Mr. Veatch provided a second to the motion.

Prior to voting on the motion and "call for the question," Mr. Richards referenced the Wessler Report and indicated his desire to know whether Pioneer Water, LLC is unable or unwilling to support the water service needs identified by the town and future development. Mr. Richards would like to know if Pioneer Water is for sale and, if not for sale, whether Pioneer Water, LLC is willing to expand to accommodate potential growth and improved fire protection capacity.

Gordon Liechty, Sr. indicated his willingness to enter into discussions regarding the sale of Pioneer Water and that an informal meeting with a town representative or representatives would be desirable for the purpose of providing groundwork for formal discussions surrounding the possible purchase of Pioneer Water Utility by the town of Leo-Cedarville. Mr. Clendenen noted that the actual negotiation process is not something that has to occur in an open council meeting but could be accomplished by a committee charged with the task of negotiating with Pioneer Water, LLC. If negotiations prove successful, then a resolution will be required to approve the purchase of Pioneer Water as well as a formal "agreement to purchase" drawn as per the terms negotiated.

Upon "calling for the question," the motion passed unanimously by voice vote.

Mr. Clendenen referenced findings within the Wessler Report regarding the L-C RSD (Leo-Cedarville Regional Sewer District) and believes it advantageous to combine all utilities under one umbrella. Mr. Clendenen believes this would provide one source for utilities, remove customer confusion as well as afford the opportunity to achieve savings in operational overhead. Mr. Clendenen realizes growth has been a topic of discussion for some times and that there are different points of view regarding growth, as expressed by Mr. Pulver on several occasions in the past.

- **Action:** Mr. Clendenen moved that the town's attorney draft a resolution to petition the L-C RSD to dissolve itself and to distribute its assets to the town of Leo-Cedarville. Mr. Garton provided a second to the motion.

Mr. Richards stated that he would prefer to see the town work toward securing appointments to the Board of Trustees of the L-C RSD and would prefer to see action taken in that manner.

Hearing no further discussion, Mr. Clendenen “called for the question.” The motion passed by a voice vote of four in favor, with Mr. Richards voting not to support the motion.

TOWN ENGINEER: Having no information to present before Council, Mr. Lauer, of Schnelker Engineering, Inc., was not in attendance.

TOWN ATTORNEY: Having no information to present before Council, Mr. Proctor, of Eilbacher Fletcher, LLP, was not in attendance.

REPORT of the TOWN MANAGER: Mrs. Garton presented the following, with action as noted therein:

- **Sheriff Contract:** A July 28, 2014 meeting is planned with Allen County Sheriff’s Department personnel to discuss items of interest that may impact a future law enforcement community resource officer agreement that would begin in 2015, as the current 4-year agreement is set to expire on December 31, 2014 at midnight.
- **Nuisance Ordinance Update:** Mr. Nathaniel Law, Ball State intern, and Mrs. Garton are reviewing the town’s current nuisance ordinance and working with Mr. Proctor to prepare a nuisance ordinance update draft for council members’ consideration.
- **Street Improvements’ Project:** The Town Hall of Leo-Cedarville public works’ project identified as “Street Improvements—2014” is progressing nicely and close to completion.
- **Trail Planning:** A 2 p.m., July 30 meeting to examine the possibility of placing a trail along State Road 1 is scheduled with INDOT (Indiana Department of Transportation).
- **Traffic Committee:** Awaiting information that will be gathered from the above-noted meeting with INDOT, this agenda item was not discussed.
- **Comprehensive Plan Implementation:** A presentation of preliminary design work for Leo-Cedarville’s gateway and way-finding signage is planned for September. Mr. Law is working with Mrs. Garton on this portion of the comprehensive plan.
- **Leo-Cedarville’s Annual Freedom Festival** was held at Riverside Gardens’ Park on July 3 and 4 and reported to have been a great success. Above and beyond anything planned, it is estimated that between nine and ten thousand people were in attendance at the park and that another three to four thousand people observed the evening’s fireworks throughout the Leo-Cedarville community and from the outlying area. This year’s 5-K event saw an increase in registered participants, and it is believed that the annual event’s participation rate will continue to grow over time. Additional planning will be required to facilitate the ever-growing crowd size that is anticipated for future festival events as well.

Mrs. Garton and council members recognized and voiced appreciation for the great number of volunteers, police and emergency services personnel that helped make this year’s festival a

standout success. The festival also functions as a fund raiser for Northeast Fire and EMS and is supported financially by the Leo-Cedarville Foundation that manages the event.

VICE PRESIDENT RICHARDS' REPORT: Mr. Richards, a member of the East Allen County Schools Transportation Committee, provided an update on the aforementioned committee's recommendations to the school board regarding two areas: (1) transportation of students to private schools within the EACS footprint and (2) activity bus services throughout the district.

Mr. Richards is enjoying his time of service on the committee and reported significant committee discussion surrounding the distance students' walk as well as changing environmental conditions that students may encounter when walking to school.

REPORT of the CLERK-TREASURER: The following items were distributed for council member review and possible action: A "Monthly Financial Statement, All Funds, for the Month Ended June 30, 2014—Reconciled," an "Appropriations Report for the Month Ended June 30, 2014," a "Revenue Report for the Month Ended June 30, 2014," and a Garbage Service Fund revenue analysis sheet.

The above-noted historical financial information is a key component of the upcoming 2015 budget process. Also distributed were the following memorandums from Micah Vincent, Commissioner for the DLGF (Department of Local Government Finance): "Guidelines for the Advertisement and Adoption of Budgets and Levies for the 2015 Budget Year," "Guidelines for Binding Adoption of Other Taxing Units' Budgets, Rates, and Levies for the 2015 Budget Year," and the "Assessed valuation growth quotient." A property tax growth quotient of 2.7% is to be used as part of the 2015 budget computation process. Mrs. Garton and Mr. Eastes met today to discuss various 2015 potential budget appropriations based upon historical data.

All employment taxes for the month ended June 30, 2014 have been deposited with appropriate agencies of the federal and state governments; all employment reports for the second quarter of 2014 have been filed with those same agencies; and the June 2014 Indiana sales tax has been deposited and June 2014 sales tax report filed.

The outstanding balance on an original \$699,709.97, 2.7% loan, due to mature on July 12, 2018 and supported by CEDIT funds, was \$563,177.34 as of June 12, 2014, with the next monthly payment of \$12,492.52 due on July 12. As a result of applying an additional \$5,000.00 against said loan, a new amortization schedule for the aforementioned loan was updated on Gateway's Debt Management reporting section on July 1, 2014.

On July 7, Mr. Eastes shared the following concern with Town Manager Garton, President Clendenen and Vice President Richards and discussed same during tonight's July 8 council meeting:

The Garbage Service Fund displays a noticeable negative cash flow trend that appears to have begun in 2013 and continued through June 30, 2014 after discussion and an investigation commenced. It is Mr. Eastes' belief that fund revenue collection for garbage services declined by \$24,770.81 from 2012 to 2013, as reported in the financial statements,

and with a current monthly garbage service contract requirement of \$10,757.02 and a cash balance in the Garbage Service Fund of \$11,802.00 as of June 30, a potential 2014 cash shortfall may occur in the fund if the trend does not reverse. Any shortfall in available Garbage Service Fund capacity would necessitate that the town call upon other resources to meet the current town-wide garbage service contract requirement. Mr. Eastes recommends a review of the garbage service contract to verify that town-wide garbage service is appropriately billed as per customers served. A comparison of Leo-Cedarville's customers billed to National Serv-All's customers served, as per the contract, should be part of the review process. Mr. Eastes has not determined if or when he may choose to notify the SBOA (State Board of Accounts) of his above-noted concern.

Mrs. Garton believes that Mr. Eastes has prematurely reported his concern to Council based upon his "best guess," noting that some very valuable, basic and yet primary information is missing and in need of collection. Mrs. Garton does not believe that a cash flow problem exists and will need time to investigate the matter further. Mrs. Garton agrees that a review of the number of customers billed by the town as compared to National Serv-All's customers-served count is needed and should be known. Mrs. Garton spoke of an approximate Accounts Receivable overdue balance of \$4,000.00 that is currently owed to the town as well as the policy and cost involved when collecting accounts that remain past due. Mrs. Garton stated that both the Storm Water Fund and the Garbage Service Fund employ accounting practices that require reports that balance at the end of every day and every month and believes that a doubling of the first six-month receipts will provide guidance as to revenue expectations for the remaining six months of 2014. Mrs. Garton stated that service to past-due garbage service customers cannot be stopped, as per [state] law.

VOUCHERS APPROVED BY COUNCIL SIGNATURES:

- July 8, 2014 line-item form totaling \$204,500.21.

Summary: The total amount of all vouchers approved by Council was \$204,500.21.

Regular Session: Council will meet in regular session at 7:00 p.m. at the Town Hall of Leo-Cedarville on July 22 and August 12, 2014.

ADJORNMENT: Without objection, Mr. Clendenen adjourned the meeting.

APPROVE:

ATTEST:

JOHN CLENDENEN, Council President

JOHN EASTES, Clerk-Treasurer