

LOWELL TOWN COUNCIL  
WORK SESSION  
OCTOBER 24, 2022

A Work Session of the Lowell Town Council was called to order on Monday, October 24, 2022, at 5:30 P.M., by President Todd Angerman. Members present were John Alessia, Todd Angerman, Mike Gruszka, John Yelkich, and Shane Tucker arrived at 6:22 P.M. Also present were Clerk-Treasurer Judith Walters, Town Manager Craig Hendrix, Town Attorney David Westland, GIS Director Greg White and Police Chief James Woestman. Also present were Thomas Devine and James Dunne of Peoples Bank and Via Zoom Attorney Jacob German from Barnes & Thornburg. The purpose of the work session for general town business.

Water Proceeds Investment - Barnes and Thornburg/Peoples Bank - Attorney Westland stated he had reached out to Barnes & Thornburg after council members had voiced concerns about securing the proceeds from the water sale from future spending. Councilman Alessia stated he didn't want to see the Council spend all this time on investing 17 million and planning for it perpetuity, and have a future council come in and spend all the funds down. He asked if having an endowment fund would make it harder to get to the money. Council agreed they want the money to be accessible in case of an emergency, but hoped future plans would include only pulling out the interest annually and letting the principal grow unless of a major emergency. Mr. German stated he understood their concerns and said an Ordinance can be enacted for spending of the funds but it can't prevent future Council from amending the Ordinance. He stated it can be made extremely complicated and suggested a trust policy be set up with Peoples guidelines and approval with a committee. Mr. German also said the Council could ask for statutory changes to codify safety measures. Councilman Alessia asked about a referendum vote and Mr. German stated that would take time to hold and if the money needs to be accessed in case of an emergency that may be too difficult. President Angerman asked if we ask for a law change wouldn't that upset other communities that may tie up their funds. Mr. German said it would be worded to benefit the Public Trust endowment funds of the Town of Lowell, and said other communities may want to use the law in the future. Mr. German said if a committee was formed it could state that five of the seven members must vote in favor of removing any of the principal. He stated that is why he suggested the policy be done by Ordinance, so any future council would have to amend the ordinance at a public meeting. Discussion followed. Mr. German said that he could put a draft statute and Ordinance together for Council to review. Peoples Bank had submitted a sample investment policy statement and it will forwarded to Attorney German for his review. Councilman Yelkich stated two policies will need to be enacted, one for how the proceeds will be accessible that Barnes and Thornburg will draft, and one on how the proceeds will be invested. Discussion followed on a Investment Committee, with council members agreeing the town council, clerk-treasurer and town manger be the committee with Peoples Bank as the investment advisors. Councilman Alessia said he would like to see the committee just elected officials so no pressure would be put on the town manager as an employee. It was suggested the town manager may be a non voting member. Council members discussed with Mr. Devine and Mr. Dunne from Peoples on the target range for the portfolio of the asset allocations that will include five primary asset classes: cash, fixed income,

U.S. equities, international equities, and alternative investments. They are proposing 60/40 at this time, with Councilman Gruszka wanting to be more aggressive. Mr. Dunne stated they will be actively managing the funds and be making adjustments as needed, so at times we may be 60/40 in equities and other times 70/30 with a target range of 65%. He stated when the market changes, we make changes. Mr. Dunne said he will make a hypothetical portfolio so Council can review. Discussion followed on use of the funds as collateral for any future projects the Council may do, such as the Public Works facility. Mr. Devine had spoken with the lending advisors at Peoples and it can be structured however the Town would want with payments being with interest only, principal/interest payments going upto a twenty five year period. He sated the prime rate is currently 6.25 but couldn't guarantee what the rate would be for Lowell, but felt they could do better. Further discussion followed on the range of investments for U.S. equities vs. International Equities. Council agreed the agreement should have a 5% leeway either way of the target range for Peoples to be able to make changes. Mr. Dunne stated he will amend the Investment Policy Statement to include Town Council not a committee, and make changes on the flexibility of 5% and send back for their review.

Pet Store Model Ordinance - Councilman Alessia said he has been contacted by the Humane Society about Lowell adopting a Pet Store Ordinance that would prevent puppy mills. Attorney Westland said he had prepared an ordinance in Munster, but stated it doesn't guarantee that you won't be challenged and only applies to retail businesses not breeders working out of their homes.

Discussion followed and Council directed Attorney Westland to prepare an Ordinance for the next meeting.


Fire Department request for use of Liberty Street Facility - Mr. Hendrix stated the facility assessment on the current fire station had been received back from Etica Group and the next step would be to determine the future needs of the department. Mr. Hendrix asked the Council to review the assessment and will discuss at next meeting about including townships in discussion on future needs. At the next work session the Fire Department will be present to ask for permission to use the Liberty Street facility to house a fire engine.

Property Acquisition Discussion - Mr. Hendrix had contacted Council members about starting a discussion with the American Legion to look at their property. Councilman Gruszka stated the priority needs to be to remove the old Garden Center to use for additional parking. Councilman Alessia was concerned because we continue to buy up property but are not seeing any return, and he didn't feel it was spurring growth. Other Councilmembers felt it would take time, and Attorney Westland said to control the land you have to be patient. Discussion followed on growth in Lowell and Cedar Lake over the next five years. Mr. Hendrix said we had made an offer to the owner of the Garden Center that they refused, but they have now come in for a building permit because IDEM has given them a permit to connect to the sewer but not to improve the property. President Angerman stated he is usually not in favor of eminent domain but felt since the property was in a floodway and the property can't really be improved, he would agreed it would be better served by the town to be a parking lot. Councilman Alessia was not in favor of buying the property at this time. The item will be added to Redevelopment Commission agenda for action. Council agreed for Mr. Hendrix to begin a conversation with


Legion.

INDOT LPA Projects Funding Discussion - - Mr. Hendrix had provided a memo to Council on the status of the LPA Projects and asked for their review.

No other discussion, the work session adjourned at 6:58 P.M.

  
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Todd Angerman, President

Attest:

  
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Judith Walters  
Clerk-Treasurer