

LOWELL TOWN COUNCIL
WORK SESSION
OCTOBER 11, 2021

A Work Session of the Lowell Town Council was called to order on Monday, October 11, 2021, at 5:30 P.M., by President Todd Angerman. Members present were Todd Angerman, John Alessia, and John Yelkich. Councilman Shane Tucker was absent, and Councilman Mike Gruszka listened via phone. Also present were Clerk-Treasurer Judith Walters, Town Manager Craig Hendrix, Town Attorney David Westland, Police Chief Jim Woestman, and GIS Director Greg White. Also attending were Consultants Buzz Krohn of Krohn & Associates, and Jim Shanahan of Taft Law. The purpose of the work session was general town business.

Sanitary Sewer Rate in anticipation of Water Utility Sale - Town Manager Craig Hendrix stated that in speaking with American Water, they believe we may close earlier than originally thought. The IURC has until December 23rd to make a ruling, but there has not been anything earth shattering in any of the testimonies and Indiana America plans not to wait the 45 days but to close immediately. He stated the Town needs to determine if we are going to charge our sewer customers a flat fee, as opposed to charging by water gallons, which we would have to purchase the readings from American Water. Discussion followed. Buzz Krohn stated a sewer study would need to be done to determine the true variable costs of treatment. He stated when you go to a flat fee using an average of around 4500 gallons, some will benefit and some will not. Council members were concerned about the increased costs for senior citizens who currently use a minimum. Mr. Hendrix stated if you continue to use meter readings from American Water, you will pay for that service and he believes the readings will be two months behind. Mr. Krohn stated you could charge a monthly flat fee and then do a true up at year end. Mr. Krohn stated at this time the minimum users are not paying their fair share into the system. Krohn & Associates was directed to perform a rate study and staff will look into the cost of purchasing meter readings from American Water.

Offer to Purchase Mohawk parcel - This is the site the Town purchased a number of years ago with the intent to build a new street garage facility, but have purchased a different parcel. Mr. Hendrix said this is a difficult parcel in terms of residential development because it will need a pumping lift station, and that is why we have not received any offers on the property. He has received a proposal from Mike Austgen, with a site plan to purchase the 15-acre parcel and develop with some industrial sites, storage units and paired villas. The proposal for the total sale price was \$179,450.00. The parcel was originally purchased in 2015 for \$240,000. Discussion followed. Council members agreed the concept was good, but felt with the current real estate market they should not take a hit on the price and rejected the proposal.

Lowell Fire Station/Police Station - Councilman Gruszka and Salatas had met with Cory Wietbrock of the Lowell Volunteer Fire Department and toured the station and discussed a number of items that need attention such as - not ADA compliant; no monitored fire system or CO detector; lacking a private area for the woman workers to sleep and female workers in the building between office staff and EMS staff; seals on doors falling off; little storage for equipment and supplies; and insulation in bay ceilings and exterior walls being very thin. The building was built in 1982. Mr. Wietbrock stated as they town grows they are getting more calls


and will need more staff and they have no where to put them. Mr. Hendrix stated maybe the best location for the fire station is not on Route 2, and there may be a better use of that property as taxable income for the town. Discussion followed. Mr. Wietbrock stated the current station is located five miles from I-65 and five miles from Route 41, so it is centrally located and has the best access within town. Mr. Hendrix stated the future needs may call for two stations. The current building is steel frame and there is not much room to add onto but could be renovated with an additional floor. Mr. Hendrix stated he would like to invite an expert on Public Safety Buildings to assess the building and give a recommendation on how best to address the facility and also the Police facility which also needs addressing for the future. Mr. Hendrix will have the representative at the next work session. He stated they will also have to discuss how to pay for the facility and what entities will share in the costs.

Financing for new Maintenance Facility - Mr. Hendrix stated the site plan is done and the architect will be ready with plans soon, and a decision needs to be made if we will bid to build, lease-rental, or do a build to operate transfer. He stated they would like to break ground next April. Buzz Krohn of Krohn Associates presented a preliminary estimate of sources and use of funds for a \$3,000,000 project. He explained the traditional bidding process with a negotiated rate on the open market, and the BOT (Build Operate Transfer) process that you hire a private company to finance, build and operate the project with the intent to transfer at either 10 or 20 years. He stated with a BOT building you can control the quality of the building and don't have to receive competitive bids, but receive pricing from companies to build. Mr. Krohn explained the GO Debt limit available with GO bonds, and stated our available debt limit is not enough to fund with a traditional GO Bond until the 2016 GO bonds are paid off. He reviewed the cash on hand and the projected CREDIT funds that would be pledged to the project. Mr. Krohn reviewed preliminary amortization schedules with interest rates from 2.25% to 4.00%. Mr. Shannahan noted the town would have a tax exempt interest rate, which are still very low. Discussion followed. Councilman Yelkich asked what our options are. Mr. Shannahan stated that if we don't have the limit available for a GO bond, we should ignore that option and decide between the BOT option or the lease rental with a Building Corporation. He stated the lease option would be backed by the Town with a slightly higher issuance cost, but lower interest rate and said that doesn't mean a lower quality project. Mr. Shannahan proposed the Town consider to use the lease option and finance the project at a lower interest rate as the bond holder with the water proceeds, and re-invest the money back to the Town. He stated the Town could lend the money cheaper than any bank and wouldn't then tie up any cash on hand. Discussion followed on the need for legislative changes in order to invest proceeds from the sale of the water utility and Mr. Shannahan stated other communities may benefit with that change.

Proposed Annexation - A site plan of the proposed annexation on So. Nichols was reviewed showing Lennar developing single family homes, cottage homes, and traditional town homes. During the regular meeting Krohn & Associates will be instructed to do a fiscal plan. Attorney Westland explained that a public hearing will be set and the fiscal plan will be paid by the petitioner. He stated Lennar and Attorney Wieser have given their plans up-front, which will allow a fiscal plan done on the actual impact of costs to the town. Mr. Hendrix asked that the current ordinance being amended to change all property coming into town be zoned as Agriculture as opposed to what the current zone is in the county. He stated that way the developer would have to ask for a zone change and the Town would have discretion on the zoning. Discussion followed the plan is prime for a Planned Unit Development and would be a calibration between the Town and developer.

Task Order #9 with Wessler for West Side Sanitary Project - The study to review prior studies and plans for the sewer extension to Route 41 will be acted on during the regular meeting. The Memorandum of Understanding with Tri-Creek School Corporation will be presented at the school board meeting on Thursday.

No further discussion, the work session adjourned at 7:12 P.M.



Todd Angerman, President

Attest:



Judith Walters, Clerk-Treasurer