

SPECIAL SESSION, COMMON COUNCIL, APRIL 21, 2014

The Common Council of Plymouth, Indiana, met in Special Session on April 21, 2014 at 6:00 p.m. in the Conference Room of the Wastewater Treatment Plant, 900 Oakhill Avenue., Plymouth, IN.

Mayor Senter presided for Councilmen Delp, Culp, Ecker Smith and Grobe. City Attorney Surrisi, Utility Superintendent Davidson and Secretary Hutchings were also present.

The purpose of the meeting was to review the 2013 Financial Management Reports and the Capital Projects for the Water and Wastewater Departments.

John Julien, of Umbaugh, addressed the council. Julien then introduced Eric Walsh and Walsh reviewed the Financial Management Reports for the year ending 2013 and the forecasted Capital Improvements for the water utility. Based on the current assumptions it appears that the current schedule of rates and charges is adequate to generate revenues sufficient to pay the costs of operation and maintenance and approximate debt service requirements, and anticipated capital improvements of the water utility.

As previously discussed, there is a water project planned in 2015 that will likely require financing to pay for the capital needs. Based on current financial information, a small rate adjustment may be needed in 2015 to pay for the project and related financing. The rate increase needed is somewhat mitigated by the currently outstanding 2009 Bonds being fully paid off in 2015. We will continue to monitor the bond market and provide updates to management as we move toward 2015.

Walsh then reviewed the Financial Management Reports for the wastewater utility. He said that the rates and charges are adequate to generate sufficient revenue and to pay the costs of operation and maintenance, debt service requirements and to fund capital improvements for the utility for the next few years.

Per discussions with management, it is anticipated there will be the need for a bond issue in 2015 to pay for various capital needs, including sludge hauling equipment, clarifier and bio-filter media work. It is anticipated a bond issue for these projects would result in additional annual debt service requirements of approximately \$600,000 per year. Another point of consideration is that the currently outstanding 2008 bonds have a high interest rate relative to current market conditions. The 2008 bonds are refundable beginning July 1, 2015. Depending on interest rates at that time, management may want to consider refunding the 2008 bonds along with the issuance of new money bonds in 2015. The refunding and new money bonds could be accomplished via one bond issue. Based on current market conditions, if the new money bonds and refunding were issued in 2015, Umbaugh forecasted that the Utility would need a rate increase in the 8% to 9% range to fully support operations, capital improvements and debt service.

There being no further business to discuss, Councilmen Delp and Grobe moved and seconded to adjourn the meeting. The meeting was declared adjourned at 7:30 p.m.

S/Toni L. Hutchings, IAMC/CMC/CPFA  
Secretary and Finance Officer

APPROVED:

S/Mark Senter, Presiding Officer