

SPECIAL SESSION, COMMON COUNCIL, OCTOBER 30, 2017

The Common Council of Plymouth, Indiana, met in Special Session on October 30, 2017 at 6:00 p.m. in the Conference Room of the Wastewater Treatment Plant, 900 Oakhill Avenue., Plymouth, IN.

Mayor Senter presided for Council Members Cook, Culp, Ecker, Fonseca and Houin. City Attorney Surrisi, Utility Superintendent Davidson, Secretary Xaver and Deputy Clerk-Treasurer Collins were also present.

Mayor Senter presented Resolution No. 2017-773, A Resolution Providing for the Transfer of Appropriations in the Park Fund of the City of Plymouth, Indiana, for the Park Department as Requested by the Park Superintendent and Park Board and Forwarded to the Common Council for Their Action and Passage Pursuant to IC 6-1.1-18-6.

Superintendent Hite explained that running the splash pad and the rock fountain at River Park Square has been a large added expense to his budget.

Councilmen Culp and Ecker moved and seconded to adopt the resolution as presented. The motion passed by roll call vote.

Superintendent Davidson said that the city has recently been made aware of the sale of Maplewood Trailer Park at 900 West Harrison Street. The city is currently following an agreement from 1989. The property has since changed hands twice. In most situations like this, there is a master meter that stays in the name of the owner and is the only meter and bill at the site. Under the agreement, each unit has a separate meter and the owner is billed the amount of water that goes through the master meter that is not billed to their tenants. This makes the city the owner's billing agent. One of the big concerns is that the city is responsible to the delivery point of the water, which is the meter of the customer that is billed. Because the city does not own the water lines within the trailer park, we do not truly have control over the water being delivered to the tenants.

Additionally, we have no control over when water is shut off or turned on, since it is private property and their employee turns water off and on at the trailers when necessary.

Councilman Cook moved to begin the process to cancel the 1989 agreement and eventually only bill the main meter. After further discussion, it was determined that this would be a matter to come before the Board of Public Works and Safety; so Councilman Cook rescinded his motion. The members agreed that Superintendent Davidson would reach out to the new property owner.

Eric Walsh, of Umbaugh, addressed the council. He presented a schedule of forecasted receipts and disbursements for the water and wastewater facilities as a result of the loss of Bay Valley and Del Monte in the industrial park. He noted that the wastewater department will be losing approximately \$800,000 in revenue from 2017 to 2018. He explained that there will be approximately \$80,000 less in expenses as a result of the loss of the industries. This amount is so small because the manpower and operating expenses don't really change. As a result, the wastewater department will need to increase their revenue by approximately \$720,000.

Walsh noted that Plymouth's wastewater rates are low compared to other communities this size in Indiana. He explained that Umbaugh is recommending three 10% increases over the next 15 months

or so. He said that if the city has another industry move in that will result in the city being able to offset some of the lost revenue, the administration would have the option of rescinding the final rate increase.

Addressing the water utility, Walsh explained that the utility is only losing about \$170,000 in water per year. Walsh noted that without the loss of revenue, the city would have had to consider a 4-5% increase. Overall, Umbaugh is recommending a one time 12% increase in water rates across the board.

Walsh explained that statewide, the average customer uses approximately 5,000 gallons of water per month. The city's current sewer cost for 5,000 gallons is \$24.68; after the third rate increase, the city's cost would be \$32.86. The Indiana Comparative Rate Study conducted by Umbaugh and dated January, 2016 shows that the average sewer bill was \$41.27 for communities with a population range of 10,001 to 15,000.

Walsh explained that the city's current water cost for 5,000 gallons is \$20.25; after the rate increase, the city's cost would be \$22.70. The Indiana Comparative Rate Study conducted by Umbaugh and dated January, 2016 shows that the average water bill for 5,000 gallons was \$26.30 for communities with a population range of 10,001 to 15,000.

Utility Superintendent Davidson presented an analysis of consumption for the top ten users for the water and wastewater customers.

Councilman Houin asked what the recommended reserves are for the City of Plymouth.

Walsh reviewed the Comparison of Fund Balances and Required / Recommended Reserves for the Wastewater Fund. He explained that the minimum floor is \$5,303,480 in order to meet the promises that we have made to bond holders. He said the city's operating costs for one year is approximately \$2.2 million. He recommended that instead of dropping to that floor, that the city determine where they are comfortable in terms of meeting their requirements, their operating needs and the balances necessary to be able to meet unknown economic development needs. He noted that the utility will be spending down some of the reserves until it realizes the full effect of the rate increase.

Davidson noted there are additional mandates coming and the city has always been proactive in meeting those mandates so that it isn't necessary to issue debt to meet state and federal mandates handed down. Over the years, the city has spent \$30 million to chip away at these items strategically.

Walsh said Fort Wayne has a \$400 million CSO project and they are borrowing it all.

Davidson recommended postponing the Candy Lane Storm Sewer Project for a year.

There being no further business to discuss, Councilmen Ecker and Fonseca moved and seconded to adjourn the meeting. The meeting was declared adjourned at 7:13 p.m.

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Jeanine M. Xaver, IAMC / CMC  
Secretary and Finance Officer

APPROVED:

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Mark Senter, Presiding Officer