

## OCTOBER 19 , 2020

The Common Council of the City of LaPorte met in regular session via Zoom Web Conferencing on Monday, October 5, 2020 at 6:00 p.m.

### **Pledge**

Councilman Franke led the Pledge of Allegiance.

Present: Brown, Feikes, Vincent, Galloway, Cutler, Franke and West

Absent: None

### **Minutes**

Mayor Dermody stated each Council member received an advance copy of the minutes from the previous meeting and asked if there were any corrections or additions. Councilwoman Feikes moved to approve the minutes as presented; motion seconded by Councilwoman West and unanimously carried.

### **Petitions & Comments**

Mayor Dermody opened public comment and stated that during these unprecedented times, it is imperative to be flexible and he asked the public to participate by asking questions or making comments via Facebook Live.

### **Standing Committee Reports**

**Business Improvement District:** Councilwoman Cutler met via Zoom at the October meeting. Contracts were approved for fall leaf pickup and snow removal in the Business Improvement District. Councilwoman Cutler also reported that downtown lights and wreath installation is on hold until 2021 in anticipation for an all new Christmas light design in conjunction with the City Planner, Tom Casey.

**Urban Enterprise Association:** Councilwoman Cutler reported the UEA board will meet on Wednesday, October 21, 2020 at 4 PM.

**Park & Recreation:** Councilwoman Feikes reported the Park Board will meet on Wednesday, October 21, 2020 at 4 PM at the Park Office.

**Plan Commission Meeting:** Councilman Vincent reported that the Plan Commission will meet on Tuesday, November 10, 2020 the topic of discussion will be signage in the City of La Porte.

**Mayor's Veterans Committee:** Councilman Galloway reported the Mayor's Veterans Committee met on October 12. Planning is still underway for a different Veteran's Day ceremony on November 11 due to COVID.

**Police Merit Commission:** Councilman Galloway reported that Police Merit Commission met on October 13. Discussion was held about a backup generator and

new police cars. Councilman Galloway also reported that promotion school is underway. Councilman Franke reported that there are four new officers being sworn in at the next Board of Public Works and Safety Meeting.

**Fire Merit Commission:** Councilwoman West reported that Fire Merit Commission met on October 7 and approved Dawn Prater, Administrative Assistant for the Civic Auditorium to job share with the Fire Department for Administrative Assistant duties. Councilwoman West also reported that the pictures in the entrance of Fire Station 1 are in the process of being replaced. The next Fire Merit Commission meeting is November 7, 2020 at 6:30 PM.

**School Board:** Councilman Franke reported that the School Board met on October 12, 2020 and discussed the 2021 budget. The next meeting will be held at the Educational Services Center on October 26, 2020. The new bus garage site is still up for discussion.

**Redevelopment Commission:** Councilman Franke reported that the RDC will meet Wednesday, October 28, 2020 at 5:15 PM.

**Rotary International Proclamation Celebrating World Polio Day**

Mayor Dermody read a Proclamation celebrating World Polio Day by Rotary International. Mayor Dermody invited Bob Fryar, on behalf of Rotary Club of La Porte, to share his thoughts. Mr. Fryar stated that Rotary has been working to eradicate Polio for more than 35 years. Polio cases have been reduced by 93% but is crucial to continue working to eradicate it.

Tim Werner, Water Superintendent, presented a brief overview of the 2021 Capital Project Plan. Mr. Werner reported that the water infrastructure, not only in La Porte, but nationwide is in dire need of repair. The EPA estimates that over the next 20 years, municipalities will be putting over 77 billion dollars into infrastructure just to keep it running. Mr. Werner stated that the goal of water professionals is to provide high quality water that is reliably supplied and fairly priced. The Water Department provides clean, safe drinking water to 22,000 residents within City limits even though La Porte has the third oldest water system in Indiana (out of 4,000 systems). The system has been in operation since 1870. New water supplies are needed for reliability and to support our growing community. Many of the wells are reaching their life expectancy. Plant 2 provides 65% of our daily pumping to City residents. Infrastructure in Plant 2 is aging quickly and requires urgent repairs. It is not a matter of if it will fail, but when it will fail. Werner reports that should something happen to Plant 2, it could cripple our water supply to the City.

**Second & Final Reading of an Ordinance Amending Ordinance 18-2019 of the City of LaPorte, Indiana to Establish Salary for a New Position in the Office of the Clerk-Treasurer**

Councilwoman West moved to read an Ordinance for the second and final time by title only; motion seconded by Councilman Vincent and unanimously carried.

Councilwoman West read an Ordinance Amending Ordinance 18-2019 of the City of LaPorte, Indiana, to Establish Salary for a New Position in the Office of the Clerk-Treasurer by title only.

**Motion/Vote - Adopt Ordinance 24-2020**

Councilwoman Feikes moved to adopt the Ordinance as presented; motion seconded by Councilwoman Cutler.

Clerk-Treasurer Courtney Parthun stated that Joanne Layman is retiring in 2021 and there is a need to train a new Deputy Clerk-Treasurer as soon as possible. The Mayor asked if the Council had any comments or questions, there were none.

The motion to adopt the Ordinance was unanimously carried.

**ORDINANCE 24-2020  
ORDINANCE AMENDING ORDINANCE 18-2019 OF THE  
CITY OF LAPORTE, INDIANA TO ESTABLISH SALARY FOR A NEW POSITION  
IN  
THE OFFICE OF THE CLERK-TREASURER**

**Utilities Presentation**

Mayor Dermody presented a brief overview titled Investing in the Health and Safety of our Community which is an overview of our wastewater and water infrastructure needs. Our water and wastewater system are more than 100 years old and we have over \$100M in infrastructure needs. The City cannot keep up with the cost of the rapidly aging system. The City of La Porte is constantly battling flooding and backups. Approximately 75% of the City's sewer system is made of combined sewers (carries wastewater and stormwater in the same line). The City is fending off system failure which could lead to supply issues, dirty water events and worse.

Projects beginning in 2021 are:

Sewer Separation

- Monroe Manor (\$3M)
- Letter and Number Streets (\$2.5M)

Flood Control Projects

- B Street (\$200,000)
- Southmoor Road (\$50,000)

New Water Supply

- Wells at Plant 1 (\$1.5M)

Replace broken valves and undersized mains, improve water quality (\$900,000)

Total Infrastructure Investment Beginning in 2021: \$25M

Mayor Dermody discussed rate increases for water, wastewater and stormwater and what impact those rate increases would mean for residents.

**Public Comment via Facebook**

Nick Otis, City Attorney fielded questions on Facebook Live regarding rate increases. Mr. Otis noted that with combined sewer and stormwater during a significant storm event, human waste getting into ditches can end up in the Mississippi and then into the Gulf of Mexico causing significant damage to the Gulf of Mexico which is a concern for users of those streams and bodies of water. Jerry Jackson, Wastewater Superintendent, elaborated. Attorney Otis fielded another question from the public regarding if it is more cost effective for the City to line our water pipes with a plastic lining versus digging up and replacing pipes. Tim Werner, Water Superintendent answered that if the City lines the pipes, we are still restricting water flow which in turn puts a strain on the entire system. Another question from the public is how the City arrived on \$5.49 per household for stormwater fee. Eric Walsh from Baker Tilly explained that the \$5.49 was derived from a study that was done by Baker Tilly, the City of La Porte and Christopher Burke Engineering. They looked at every parcel in the city, industrial, commercial, and residential and came up with what an average residential impervious area is, and that number is 3,000 square feet. Impervious area is surface that water cannot penetrate. They took all cost associated with operating the stormwater utility and divided the cost over all the impervious area which is where the \$5.49 base comes from. Attorney Otis reported that there were no other public comments via Facebook Live.

Mayor Dermody asked if there were any questions from the Council. Councilman Franke asked if fees would be billed to the property owner or the tenant. Mr. Jackson answered that there are not that many large customers with multiple tenants and that the City is going to depend on the landlords/ property owners to put numbers together.

Bert Cook, Executive Director of La Porte Economic Advancement Partnership stated that to the business community, utilities are vital for future growth.

**Introduction of an Ordinance Amending Ordinance No. 4-2018 of the City of La Porte Relating to the Issuance of Sewage Works Revenue Bonds, and All Matters Related Thereto**

Councilman Galloway moved to introduce an Ordinance for the first time in its entirety; motion seconded by Councilwoman Feikes and unanimously carried. Councilman Galloway read an Ordinance Amending Ordinance No. 4-2018 of the City of La Porte Relating to the Issuance of Sewage Works Revenue Bonds, and All Matters Related Thereto in its entirety.

Mayor Dermody asked Eric Walsh from Baker Tilly to address the Council. Eric Walsh reported that in 2018, the Council adopted a Bond Ordinance that lays out the parameters for the City to issue debt that create maximums within that Ordinance. That Ordinance only allowed for the bond size to go up to \$18M. Two and a half years later, there are additional projects identified and costs have gone up. Mr. Walsh reported that we are now looking at a bond issue of around \$20M. We need the additional allowance to increase the bond size. This \$20M is for both stormwater and sewage as stormwater is a part of the overall sewage works.

Councilwoman Feikes asked City Attorney Nick Otis if this was time sensitive and asked if Council needed to suspend the rules.

City Attorney Nick Otis stated that this Ordinance has nothing to do with setting water, sewer, or stormwater rates. He wanted to clarify to the Council and the public that this is just for the bonds themselves.

Councilman Franke asked Attorney Otis to explain the urgency of suspending the rules for this Ordinance. Attorney Otis and Eric Walsh explained that there is a rush all over the country to bond as interest rates are at an all-time low. What would normally be a two-and-a-half-week lead time to get a bond rating call with S&P is now taking four to six weeks. Having this Bond Ordinance in hand authorizes Baker Tilly to go up to the higher amount in hopes that they can “get in line” earlier with S&P.

**Motion/Vote - Suspend Rules**

Councilwoman Feikes moved to suspend the rules; motion seconded by Councilman Franke and unanimously carried.

**Second & Final Reading of an Ordinance Amending Ordinance No. 4-2018 of the City of La Porte Relating to the Issuance of Sewage Works Revenue Bonds, and All Matters Related Thereto by Title Only**

Councilwoman Feikes moved to read an Ordinance for the second and final time by title only; motion seconded by Councilman Franke and unanimously carried. Councilman Galloway read an Ordinance Amending Ordinance No. 4-2018 of the City of La Porte Relating to the Issuance of Sewage Works Revenue Bonds, and All Matters Related Thereto by title only.

Eric Walsh noted that the interest rate range is between 1% and 3% for twenty years.

**Motion/Vote - Adopt Ordinance 25-2020**

Councilwoman Feikes moved to adopt the Ordinance as presented; motion seconded by Councilman Franke. The motion to adopt the Ordinance carried with 6 ayes and 1 abstention by Councilwoman Brown.

**ORDINANCE 25-2020  
ORDINANCE AMENDING ORDINANCE NO. 4-2018 OF THE CITY OF LA  
PORTE RELATING TO THE ISSUANCE OF SEWAGE WORKS REVENUE  
BONDS, AND ALL MATTERS RELATED THERETO**

**Baker Tilly Presentation**

Eric Walsh presented the hypothetical rate increases from his report noting that residential stormwater rates will not change with this rate increase. What is really

happening is that commercial, industrial, and non-residential customers are going back to the rates that they were set at in 2018 that the residential customers have been paying ever since. It was originally adopted and then amended in 2018. Stormwater increases for commercial, industrial and non-residential customers will see a 50% increase in 2021 and another 50% increase in 2022 bringing them back to what they should have been since 2018, which is the same percentage increase residential customers have been paying since 2018. Eric Walsh reported that water and sewer is measured by a meter and driven by consumption. We cannot measure stormwater due to rainfall, but we can measure impervious area, and this is a nationally recognized measurement tool based on size of stormwater collection. It is driven by the mapping and measurement of each specific customer, tailored specifically to them.

The last water rate increase was adopted in 2013. It was a four-year phase in ending in 2017. The prior water increase before that was in 2006. From 2006-2024 the average residential customer rate increase per year over a 17-year period is of 2.5%. The primary driver for water rate increases is capital driven. In 2018, the City started the capital process with a Bond Anticipation Note for \$4M. This bond will include \$6-\$7M in additional projects as well as include the short-term financing (BAN). Additionally, the debt will be strategically structured to take advantage of reducing rate impact. Residentially, the water rates will increase about \$2 per phase for residents over the course of four years.

Sewer and stormwater, with a proposed level debt service payment over the next twenty years, strategically structured the debt service to avoid overlapping heavy debt payments in 2022-2027. If it were not strategically structured as a level debt service, the result would be a higher rate increase to be able to make up for the heavy debt payments that would overlap during the years listed above. In 2013, there was a four-phase sewer rate increase. Prior to that, sewer rates increased in 2002 with the final phase ending in 2006; over that 17-year period, rates increased on average 3% per year. The rate increase, although slightly higher than the increase to water rates, were primarily project driven. Again, looking over the past seventeen years, it is an inflationary type increase.

Eric Walsh discussed the bond process with the Council.

Councilman Franke asked who would prepare the list of local banks for the bonding process. Eric Walsh responded that it is an informal process and that Baker Tilly simply needs the list.

Joanne Layman, Deputy Clerk-Treasurer stated that over the last 15 years, we always ask Baker Tilly to contact our local banks. Horizon Bank was the lowest bidder for the bond on the fire station.

City Attorney, Nick Otis fielded questions from the public. The first question dealt with incentives for managing a resident's own stormwater. This will be directed at larger parcels. We do not currently have incentives residentially, but Jerry Jackson

stated that it would be worthy to investigate. There being no other questions, Mayor Dermody moved onto the next agenda item.

**Introduction of an Ordinance Establishing an Initial Rate for City Sewer Services for the Purpose of Stormwater Management**

Councilwoman Feikes moved to introduce an Ordinance for the first time in its entirety; motion seconded by Councilman Galloway and unanimously carried. Councilwoman Feikes read an Ordinance Establishing an Initial Rate for City Sewer Services for the Purpose of Stormwater Management in its entirety.

Mayor Dermody asked if Eric Walsh would like to make any comments about the Stormwater piece. Residents are not changing. The Class III rate will be split between 2021 and 2022. There being no other questions, Mayor Dermody moved onto the next agenda item.

**Introduction of an Ordinance Establishing Water Rates and Charges and System Development Charges for Water Service in the City of La Porte**

Councilman Vincent moved to introduce an Ordinance for the first time in its entirety; motion seconded by Councilwoman Feikes and unanimously carried. Councilman Vincent read an Ordinance Establishing Water Rates and Charges and System Development Charges for Water Service in the City of La Porte in its entirety.

Eric Walsh, Baker Tilly Financial Planner stated that the water rate increase is primarily capital driven. It is a four-phase rate increase to the average resident assuming 4,000 gallons per month and equates to approximately \$2 per phase of the increase.

City Attorney Nick Otis added that there are different rates for those outside of City limits at 15% higher, capped at the state statute of 15% which is the decision of the Mayor and up for vote from the Council.

**Introduction of an Ordinance Establishing User Charges and Rates and Capital Cost Charges and System Development Charges for Sewage Service in the City of La Porte**

Councilwoman Cutler moved to introduce an Ordinance for the first time in its entirety; motion seconded by Councilwoman Feikes and unanimously carried. Councilwoman Cutler read an Ordinance Establishing User Charges and Rates and Capital Cost Charges and System Development Charges for Sewage Service in the City of La Porte in its entirety.

Eric Walsh, Baker Tilly Financial Planner stated that the sewer rate increase is also a four-phase rate increase to the average resident assuming 4,000 gallons per month and equates to approximately \$3 in the first phase and then over phases 2, 3 and 4, it is approximately \$1 per phase.

**Introduction of an Ordinance Amending Ordinance No. 5-2018 of the City of La Porte Relating to the Issuance of Waterworks Revenue Bonds, and All Matters Related Thereto**

Councilman Franke moved to introduce an Ordinance for the first time in its entirety; motion seconded by Councilman Galloway and unanimously carried. Councilman Franke read an Ordinance Amending Ordinance No. 5-2018 of the City of La Porte Relating to the Issuance of Waterworks Revenue Bonds, and All Matters Related Thereto in its entirety.

Eric Walsh from Baker Tilly added that similar to the Sewage Bond Ordinance, the Council adopted a Bond Ordinance that lays out the parameters for the City to issue debt that create maximums within that Ordinance. Two and a half years later, there are additional projects identified and costs have gone up. Mr. Walsh reported that the final maturity of the bond for waterworks also needs an amendment, which is included in this Ordinance to allow for the bond to mature after twenty years.

**Motion/Vote - Suspend Rules**

Councilwoman Feikes moved to suspend the rules; motion seconded by Councilwoman Cutler and unanimously carried.

**Second & Final Reading of an Ordinance Amending Ordinance No. 5-2018 of the City of La Porte Relating to the Issuance of Waterworks Revenue Bonds, and All Matters Related Thereto by title only**

Councilman Galloway moved to read an Ordinance for the second and final time by title only; motion seconded by Councilwoman Feikes and unanimously carried. Councilman Franke read an Ordinance Amending Ordinance No. 5-2018 of the City of La Porte Relating to the Issuance of Waterworks Revenue Bonds, and All Matters Related Thereto by title only by title only.

**Motion/Vote - Adopt Ordinance 29-2020**

Councilman Franke moved to adopt the Ordinance as presented; motion seconded by Councilwoman Feikes. The motion to adopt the Ordinance carried with 6 ayes and 1 abstention by Councilwoman Brown.

**ORDINANCE 29-2020  
ORDINANCE AMENDING ORDINANCE NO. 5-2018 OF THE  
CITY OF LA PORTE RELATING TO THE ISSUANCE OF WATERWORKS  
REVENUE BONDS, AND ALL MATTERS RELATED THERETO**

**Introduction of an Ordinance of the City of La Porte, Indiana Authorizing the Issuance of Bonds for the Purpose of Providing Funds to Refund the City's General Obligation Bonds, Series 2012, and Pay Incidental Expenses in Connection Therewith and on Account of the Issuance of the Bonds; and Appropriating the Proceeds Thereof**

Councilman Vincent moved to introduce an Ordinance for the first time in its entirety; motion seconded by Councilman Franke and unanimously carried. Councilman Vincent read an Ordinance of the City of La Porte, Indiana Authorizing the Issuance of Bonds for the Purpose of Providing Funds to Refund the City's General Obligation Bonds, Series 2012, and Pay Incidental Expenses in Connection Therewith and on Account of the Issuance of the Bonds; and Appropriating the Proceeds Thereof in its entirety.

Mayor Dermody asked Eric Walsh from Baker Tilly to present a brief debt overview for the City of La Porte. This will refinance the 2012 General Obligation Bond and is similar to refinancing your home. The City will issue a new bond at a lower interest rate to payoff the outstanding bond at a higher interest rate. Over the life of this bond, the City will save over \$250,000. Eric Walsh shared with the Council that the overall debt profile for the City of La Porte and the most recent snapshot was earlier this summer for the bond rating of the NewPorte Landing bonds, the City received an A+ rating which means stable.

S&P noted that 66% of the City's direct debt is scheduled to be repaid within the next ten years, which is a good position to be in.

#### **Introduction of an Ordinance Amending Ordinance No. 7-2016 New Water and Sewer Connections Outside of City Limits**

Councilwoman West moved to introduce an Ordinance for the first time in its entirety; motion seconded by Councilwoman Feikes and unanimously carried. Councilwoman West read an Ordinance Amending Ordinance No. 7-2016 New Water and Sewer Connections Outside of City Limits in its entirety.

Mayor Dermody asked City Attorney Nick Otis to elaborate. Attorney Otis stated the City provides utilities to 39N, the Pine Lake Conservancy District, etc. If a non-resident is along a utility main, they will be allowed to connect to City services if a resident either annexes or if they cannot be, they will sign an annexation waiver in anticipation to be annexed.

Jerry Jackson answered several questions from the public regarding Monroe Manor and Willow and Porter Streets.

Attorney Nick Otis stated there were no other questions via Facebook Live.

#### **Other Business**

Mayor Dermody thanked Eric Walsh for all his work.

#### **Adjourn**

There being no further business, Councilwoman Feikes moved to adjourn; motion seconded by Councilwoman Cutler and unanimously carried.

**Approved:**

\_\_\_\_\_  
Thomas P. Dermody, Mayor

**Attest:** \_\_\_\_\_  
Courtney Parthun, Clerk-Treasurer

**Approved: November 2, 2020**