

The Common Council of the City of LaPorte

May 03, 2010

Convene

The Common Council of the City of LaPorte met in regular session in the Council Chambers on May 3, 2010 at 7:00 p.m. Attendance: Councilman Logwood, Present: Councilwoman Renner, Present: Councilwoman Hammons, Absent: Councilman Heichel, Present: Councilman Schmitt, Present: Councilman Luscomb, Present: Councilman Pressler, Present.

Pledge

The Pledge of Allegiance was led by Councilman Schmitt.

Mayor Chroback acknowledged there were several students present and welcomed them to the meeting. The Mayor noted Councilman Luscomb would read item eleven on the agenda, as Councilwoman Hammons is not present.

Minutes

As each Council member received an advance copy of the minutes from the previous meeting, Mayor Chroback stated they would dispense with the reading of same and asked if there were any corrections or additions.

Approval of Minutes

Councilman Pressler moved to approve the minutes as presented; motion seconded by Councilman Heichel and unanimously carried.

Petitions & Comments

David Price, 615 1st Street, presented to the Council pictures of the resurfacing work being done on 1st Street with ADA sidewalks. The first picture is looking east across Teagarden down 1st Street, the second picture is across 1st Street by the Bethany Lutheran Church, the third picture, which Mr. Price believes is the real problem, no curb and the fourth picture shows someone sitting on G Street wanting to go down Teagarden, which they always want to shortcut by going over the sidewalk and the tree lawn which he tries to maintain. Mr. Price stated year after year the City snowplows swinging in an out have destroyed all the curbing along that area. Mr. Price stated there needs to be some type of curbing there or even a guardrail to keep cars, trucks and school buses off the sidewalks. He stated the City has put in curbs at a lot of corners but have failed to do so in this area.

Bob Pointon, Pine Lake Avenue, suggested the City purchase a new American flag for City Hall, as the current one is looking tattered.

Standing Committee Reports

Airport Authority: Councilman Luscomb reported the Airport Authority will meet next Wednesday, May 12th, at 5:15 p.m. at the Airport.

BID Board: Mayor Chroback reported Councilwoman Hammons did attend the BID Board meeting tonight; however, she went home ill. The BID Board discussed repairs to pavers in the downtown area, purchasing new flags for the Fourth of July and getting ready to plant the planters.

Fire Department: Councilman Heichel reported recently one of the City's firefighters, A.C. Pressler, saved an infant from drowning at the YMCA.

Park & Recreation: Councilman Pressler reported the Park Board would meet on Wednesday, May 12, 2010, at 7:00 p.m., at the Park Office.

Plan Commission: Councilman Logwood stated there are two items on tonight's agenda from the Plan Commission.

Redevelopment Commission: Don Baugher, City Attorney, reported the Redevelopment Commission will hold an executive session this Wednesday at noon.

Traffic Commission: Councilman Schmitt noted the Traffic Commission will not meet tomorrow evening due to the primary election.

Joint Ordinance Steering Committee: Mayor Chroback advised she received an e-mail late this afternoon advising there will be four work sessions held in June on the 2nd, 3rd, 16th and 17th.

Clerk-Treasurer's Report

The Clerk-Treasurer stated at the last Council meeting, Councilman Heichel wanted to know what capital equipment the City has purchased so far this year. She advised the City has spent \$10,056.39 from the CCI Fund for computer equipment for the Police Department. Also, the City is obligated to pay for the golf carts, which is being paid out of the CCD Fund in the amount of \$3,053.49 per month. The Clerk noted she passed out a new cash flow, which has been updated with the actual receipts and expenditures for the month of April. The cash flows are a little bit better than what was projected, which is partly due to the 5% pay cut to employees. The Clerk reported the City received CAGIT and CEDIT monies from the County in April for the first four months of the year. She stated the General Fund at the end of April had a balance of \$1,504,102.56. Councilman Heichel inquired how much was received for CEDIT. The Clerk-Treasurer reported the City received \$438,000.00 for four months. Councilman Logwood stated there seems to be a difference in the amounts from last month's report to this month in revenue and expenditures. The Clerk-Treasurer explained when figuring the cash flow chart the amounts expected to be received and expended were calculated on the remaining months of the year as it is difficult to determine exactly how much will be received and expended until they actually happen. There are certain revenues the City receives every month so those are easy to figure, however, at the end of each month the actual expenditures and revenues are reflected in the cash flow chart.

Tax Abatement Compliance Forms

Mary Jane Thomas, Director of Community Development and Planning, reported annually the City Council approves Compliance Forms for tax abatements that have been awarded by the Council to applicants in the City of LaPorte for real and personal property. Before the Council this evening is American Signature, HRR/KKO and Casting Service.

Ms. Thomas advised American Signature has met their investment goal; however, they have reduced employment. She noted John Hermitz from American Signature is present to answer questions from the Council. Mr. Hermitz informed the Council there is some good news as their employment has increased some over the last several months. He stated as of today they have 128 employees and the original goal

was 157, which they actually reached in August 2007. Councilman Heichel asked how many of American Signature's employees are City residents. Mr. Hermitz stated he did not know that number.

The City Attorney stated there are three options the Council has with regard to these Annual Tax Abatement Compliance Forms: 1. Approval as they have met their goals 2. They have failed to meet therefore it is denied or 3. They have made reasonable efforts to comply and have not due to circumstances beyond their control.

Motion/Vote - American Signature Compliance Form

Councilman Logwood moved to approve the Compliance Form for American Signature as they intend to meet their goals and have not due to circumstances beyond their control; motion seconded by Councilman Schmitt.

Councilman Pressler stated although he realizes the economy has hurt many employers and he wants to do everything he can to help but at what point do we as a Council draw a line and say we can no longer allow the abatement to continue even though we understand they have tried to meet their goals but have not because of circumstances beyond their control, as there are companies out there that have met their goals even during these trying times. He stated he believes this is something the Council individually needs to decide philosophically when that time might come. Councilman Pressler stated this is something that he has been wrestling with as a Councilman and at this point and time he is inclined to continue to weather this storm and work with these businesses; however, at some point and time something has to change. Councilman Heichel stated it is more important to him to see exactly how many people employed are City residents. Councilman Schmitt stated the economic times we are in right now are probably as bad as we have seen in the past thirty years and at this point he is just glad to see that businesses are still in LaPorte.

The motion to approve the Compliance Form for American Signature was unanimously carried.

Ms. Thomas stated the next Compliance Form is for HRR/KKO Realty which has met the investment goal. Their employment goal was to hire 28 employees which they currently only have 14. She advised a letter from Dan Tarpley, President of HRR Enterprises, Inc. and Vice President of KKO Realty of LaPorte, LLC was included in their packet explaining their situation. Mr. Tarpley informed the Council they currently have 16 and he does not know how many are City residents but there are several. Mr. Tarpley stated due to circumstance beyond his control they have not been able to hire the employees they anticipated they would need. He reported at one time they had as many as 30 employees and were doing well when they lost 2/3 of their raw material in a 30 day time period. Mr. Tarpley stated he feels very lucky that he can actually say he still has a business that employs 16 individuals.

Motion/Vote - HRR/KKO Realty of LaPorte Compliance Form

Councilman Logwood moved to accept the Compliance Form for HRR/KKO Realty due to circumstances beyond their control they made a reasonable expectation to meet their goals; motion seconded by Councilman Schmitt and unanimously carried.

Ms. Thomas stated the next one is Casting Service who has a real and personal property tax abatement. Enclosed in the Council's packet is a letter from Joe Walker, Vice President of Finance and Administration, explaining the reduction in their employment. Mr. Walker informed the Council their business has been severely impacted by the economy. Between 2008 and 2009 their sales were down about 70%. Councilman Logwood stated their business is directly tied to the Chinese market as the products they make are exported to China. Mr. Walker stated that is not correct, there are several companies in the United States who have decided to outsource the manufacturing of parts they produce which means they are influenced by the Chinese market. Councilman Schmitt inquired if they still manufacture parts for

locomotives. Mr. Walker stated that is correct, they still produce engine blocks for locomotives, however, the locomotive business is very much tied to the economy as well. Many train railroads actually shelved many of their locomotive engines as they had too many on the tracks. Mr. Walker reported the wind turbine business is looking up. There is a lot of activity below the surface, a lot of inquiries. Councilman Heichel asked what their anticipated growth is for the next year or two. Mr. Walker stated they are expecting their sales to grow roughly 50-60% from where they were last year to this year. Councilman Heichel asked if it was safe to say they would employ another 30 individuals over the next year or so. Mr. Walker stated that is possible, in fact they called back 10 individuals this morning.

Motion/Vote - Casting Service Compliance Form

Councilman Logwood moved to accept the Compliance Form Casting Service made a reasonable expectation to attempt to meet their goals; motion seconded by Councilman Schmitt and unanimously carried.

Second & Final Reading of an Ordinance Designating 1008 Michigan Avenue, First Church of Christ Scientist as a Single Site Historic Preservation District

Councilman Luscomb moved to read an Ordinance for the second and final time by title only; motion seconded by Councilman Pressler and unanimously carried. Councilman Luscomb read an Ordinance Designating 1008 Michigan Avenue, First Church of Christ Scientist as a Single Site Historic Preservation District Within the City of LaPorte by title only.

Ron McAtee, 1034 Indiana, President of People in Preservation , the current owners of 1008 Michigan Avenue, informed the Council May is Historic Preservation Month. Mr. McAtee thanked the City Council, LaPorte Historic Preservation Commission and Historic Landmarks of Indiana for helping them preserve this old building. Councilman Schmitt asked what the building was originally used for. Mr. McAtee stated it was a meetinghouse for the Church.

Motion/Vote - Adopt Ordinance No. 10-2010

Councilman Luscomb made a motion to adopt the Ordinance as presented; Councilman Logwood seconded the motion. The motion passed by vote: Councilman Logwood (Yes), Councilwoman Renner (Yes), Councilwoman Hammons (Absent), Councilman Heichel (Yes), Councilman Schmitt (Yes), Councilman Luscomb (Yes), Councilman Pressler (Yes).

ORDINANCE NO. 10-2010

ORDINANCE DESIGNATING 1008 MICHIGAN AVENUE, FIRST CHURCH OF CHRIST SCIENTIST AS A SINGLE SITE HISTORIC PRESERVATION DISTRICT WITHIN THE CITY OF LAPORTE

Second & Final Reading of an Ordinance Authorizing the Acceptance of Debit Cards & Credit Cards for Payments Due the City and the Water & Wastewater Departments

Councilman Luscomb moved to read an Ordinance for the second and final time by title only; motion seconded by Councilman Heichel and unanimously carried. Councilman Luscomb read an Ordinance Authorizing the Acceptance of Debit Cards and Credit Cards for Payments Due the City and the Water and Wastewater Departments by title only.

Motion/Vote - Adopt Ordinance No. 11-2010

Councilman Luscomb made a motion to adopt the Ordinance as presented; Councilman Pressler seconded the motion. The motion passed by vote: Councilman Logwood (Yes), Councilwoman Renner (Yes), Councilwoman Hammons (Absent), Councilman Heichel (Yes), Councilman Schmitt (No), Councilman Luscomb (Yes), Councilman Pressler (Yes).

ORDINANCE NO. 11-2010

ORDINANCE AUTHORIZING THE ACCEPTANCE OF DEBIT CARDS & CREDIT CARDS FOR PAYMENTS DUE THE CITY AND THE WATER & WASTEWATER DEPARTMENTS

Introduction of an Ordinance to Amend Article IV of Chapter 82 of the Municipal Code of the City of LaPorte (Airport)

Councilman Luscomb moved to introduce an Ordinance; motion seconded by Councilman Logwood and unanimously carried. Councilman Luscomb read an Ordinance to Amend Article IV of Chapter 82 of the Municipal Code of the City of LaPorte in its entirety.

Art Roule, Attorney for the Airport Authority, came forward to address the Council regarding this matter. Mr. Roule informed the Council, Ed Volk, Airport Authority President, is out of town and could not attend tonight's meeting, but will be present at the next meeting to answer questions from the Council. Mr. Roule reported this Ordinance simply reflects that 21 years ago the Council adopted a Resolution taking advantage of State Law that allowed for the creation of the LaPorte Municipal Airport Authority to replace what was previously the Municipal Department known as the Board of Aviation Commissioners. The affect of that Resolution was to make the Airport Authority a separate standing governmental unit. An important aspect of that was to have its own budget and taxing authority and no longer be part of the City's budget. The Ordinance before the Council is to correct the name change to the LaPorte Municipal Airport Authority.

Introduction of an Ordinance to Amend Sections 82-655(7), 82-657, 82-658 & 82-1006(b) of Chapter 82 of the Municipal Code (Towers)

Councilman Heichel moved to introduce an Ordinance; motion seconded by Councilman Logwood and unanimously carried. Councilman Heichel read an Ordinance to Amend Sections 82-655(7), 82-657, 82-658 and 82-1006(b) of Chapter 82 of the Municipal Code of the City of LaPorte in its entirety.

Mr. Roule advised this Ordinance has been forwarded by the LaPorte Municipal Airport Authority under the statutory format which calls for recommendations for the change of provisions of this Ordinance, which is part of the Zoning Ordinance, which regulates the installation of telecommunication towers as well as other tall structures. The Airport Authority has some concerns over recent years with these developments and wishes to implement an enhancement of the ability to control these installations to assure aircraft safety. Mr. Roule reported this matter is addressed in the County Ordinance and is a subject, among other things, under consideration by the Joint Task Force on County Wide Zoning. He reported there is movement afoot to make all of the zoning jurisdictions have consistent regulations. Mr. Roule gave a synopsis of the proposed changes noting a comparison guide was given to the Council prior to the meeting which indicates the existing language in red and italics that will be changed to the wording underlined if the Ordinance is adopted. Mayor Chrobak noted the Ordinance as it was presented, stated "or Indiana Department of Aviation" instead of "or Indiana Department of Transportation" in section two. Mr. Roule explained the error was already noted and will be corrected for the next meeting.

Second and final reading of this Ordinance will take place at the next Council meeting.

Introduction of an Ordinance Designating 801 Michigan Avenue; LaPorte City Hall, as a Single Site Historic Preservation District

Councilwoman Renner moved to introduce an Ordinance; motion seconded by Councilman Logwood and unanimously carried. Councilwoman Renner read an Ordinance Designating 801 Michigan Avenue; LaPorte City Hall, as a Single Site Historic Preservation District Within the City of LaPorte in its entirety.

Paul Hayden, employee of the Indiana Landmarks, came forward to address the Council regarding this matter. Mr. Hayden reported Indiana Landmarks advises communities all over northern Indiana on preservation issues. For the last year they have been working on creating a local historic district with the City Hall building. Several years ago they wrote a rehab report plan for this building. He advised a staff planning session was held earlier this year to discuss the important functions what an historic preservation can do and one thing that was agreed on was to designate historic buildings. They looked at some of the most important buildings in the community and City Hall was absolutely at the front of the list. Mr. Hayden stated they believe it is important to designate this building because of the historic significance of the building, but also they feel it is important for the City of LaPorte to lead by example. He advised they are also asking private citizens to consider designating their buildings to protect them in the future. Mayor Chrobak reported a single site designation only dictates what happens to the outside of the building. Mr. Hayden the designation is to maintain the unique character that currently exists. It will allow for changes and even modern additions and under certain circumstances will allow the building to be demolished. For example, if the building was badly damaged by fire and could not be restored. She reported last year the roof was in need of repair and the original slate tiles were reused and/or replaced. Mayor Chrobak stated she does not believe any work to the building would be done that does not keep with the current character of the building whether it was designated a single site historic district or not.

Second and final reading of this Ordinance will take place at the next regular Council meeting.

Introduction of a Resolution of the Common Council of the City of LaPorte (Landlord/Courts)

Councilman Logwood advised he has one revision to the Resolution. Under the third paragraph the words “thirty (30) days” should be replaced with “a timely fashion”.

Councilman Logwood moved to introduce a Resolution; motion seconded by Councilman Heichel and unanimously carried. Councilman Logwood read a Resolution of the Common Council of the City of LaPorte in its entirety.

Councilman Logwood stated this Resolution came from the Landlord Taskforce and issues they have with regard to evictions.

Motion/Vote - Adopt Resolution R-3-2010

Councilman Logwood made a motion to adopt the Resolution as presented; Councilman Heichel seconded the motion. The motion passed by vote: Councilman Logwood (Yes), Councilwoman Renner (Yes), Councilwoman Hammons (Absent), Councilman Heichel (Yes), Councilman Schmitt (Yes), Councilman Luscomb (Yes), Councilman Pressler (Yes).

**RESOLUTION R-3-2010
RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF LAPORTE
(Landlord/Courts)**

Other Business

Councilman Heichel announced on May 29th at 8:00 a.m. there will be a 5K run fundraiser for Kent Ribordy, who died of leukemia a few years ago. Proceeds will benefit the Leukemia/Lymphoma Society. Registration deadline is May 22nd. Councilman Heichel invited everyone to join him and his family in this worthwhile cause.

Councilman Logwood read the attached prepared statement.

The City Attorney reported the LaPorte County Council met this evening in a special session to approve a settlement agreement regarding the re-assessment case that is pending before the Indiana Tax Courts. The County Council approved the proposed settlement unanimously. It is anticipated the settlement will be presented to the County Commissioners on Wednesday and it is expected they will approve same. Mr. Baugher reported the County Council was informed the County Auditor and County Assessor have both approved the settlement. He stated this will be a comprehensive resolution to the 2006 re-assessment issues if approved by all parties, including the courts. Once approved, it will allow for the reconciliation of provisional tax bills and get us back to something called normalcy.

Councilman Heichel inquired if the City will be able to pay Major Moves and continue our former operating picture before the 5% cuts, after the City receives a tax draw. The Clerk-Treasurer stated this still means the City is two to three years out before everything is back to normal. If the settlement is approved it will allow the County to start the process. Councilman Heichel asked once the City pays back the loan to Major Moves in December or January, will the City have to borrow the money again. The Clerk-Treasurer stated that is a possibility. Councilman Heichel asked if the loan will be paid back before the election in 2011. The Clerk advised she can't answer that question one way or the other. She stated the City still owes \$8.2 million in loans between the Indiana Bond Bank, which includes the balance owed for 2009, the entire amount for 2010 and the loan from Major Moves. Councilman Heichel asked if the City has requested to have the interest forgiven for the loans from Indiana Bond Bank. The Clerk-Treasurer reported they are not going to forgive the interest. Councilman Heichel asked if the City has initiated a letter asking them to forgive the interest. The Clerk-Treasurer inquired if the City is able to do that by law. The City Attorney stated he believes the City will find itself in a position negotiating with the Indiana Bond Bank at the end of this year for operating revenue for 2011. He stated he seriously doubts they would be interested in forgiving interest due. The Indiana Bond Bank did not create this problem, they are just helping the City out.

Councilman Logwood stated he understands the City is going to spend \$48,000.00 on Weller Avenue for capital improvements that is not going to touch the actual \$150,000.00 true correction of the issue. He stated no upgrades that are being made to the area with the \$48,000.00 will touch the actual fix of \$150,000.00 - \$160,000.00 gravity flow. Mayor Chrobak stated those are two different issues, the lesser of the two is for gravity pumps and the other is a gravity drain. Councilman Logwood stated if the City does a gravity flow that would reduce the expenditure for the homeowner. The Mayor stated not necessarily. Councilman Logwood inquired how it could be more if they have to purchase less. Mr. Baugher stated he understood when both Mr. Jackson and the City Engineer presented the matter to the Board of Works, these are two different proposals that solve the same problem. The homeowner, because of rerouting if a gravity system is used, would likely spend as much if not more. Mr. Baugher stated he is not saying whether that is true or not, but that is what was presented to the Board of Works. Councilman Logwood stated in his discussions with them, it is going to cost less right now, but ultimately it will cost more over time because of the upkeep of the pumps and grinder. Mayor Chrobak stated the Board looks to the recommendation of the Department Heads who work with these issues on a daily basis. Councilman Logwood formally requested for the next meeting an amendment to the Ordinance pertaining to the Board

of Works spending and put a cap on it for the minimum the State code will allow, which he believes is \$20,000.00. Anything over \$20,000.00 would have to come to the Council for approval. Mr. Baugher stated he is not aware of anytime, once money has been appropriated, that the agencies have to come back and get it re-appropriated or approved. Councilman Logwood stated that is not what is he asking for, he is just asking for this in the future. The City Attorney stated he is not sure what Councilman Logwood is referring to and requested he send him an e-mail explaining his request. Councilman Heichel stated what he believes Councilman Logwood is questioning is whether this expenditure was appropriated. Mr. Baugher reported when the proposal was presented to the Board they were informed it was within the Sewage Department's budget. Councilman Logwood stated he believes it is their budget, but the way he sees it, is the City is spending roughly \$50,000.00 on a \$150,000.00 project to fix it right that is not touching the \$150,000.00. Mayor Chroback reiterated, the Board of Works relies on the expertise of the Department Head and this is what was recommended.

Councilman Heichel inquired what the capital expenditure limit is for this year. The Mayor reported Water and Wastewater are separate from the rest of the City. Both of those departments have a list of projects, both funded and unfunded, that they use to determine when a project gets done. There are times when a project is moved up based on immediate need, which is the case with Weller Avenue. Councilman Heichel asked if any of those funds can be moved to the General Fund. The Clerk-Treasurer stated the law will not allow a transfer from Water or Wastewater to the General Fund.

Adjourn

There being no further business, Councilman Pressler moved to adjourn; motion seconded by Councilwoman Renner and unanimously carried.

Signatures

APPROVED: _____
Kathleen A. Chroback, Mayor

ATTEST: _____
Teresa L. Ludlow, Clerk-Treasurer

Approved: May 17, 2010

FOR IMMEDIATE RELEASE

“Words mean something and some can leave a stain. The Mayor’s and Clerk Treasurer’s Comments have left a stain on me. This stain is not from my actions, but from the perceptions that the Mayor and Clerk Treasurer have painted about me and what is worse, my employer by using criminal activity committed against my employer two years ago and a jilted view of teamwork.

To set the record straight I have given the council and members of the press articles from various publications including Forbes magazine and a timeline of success before and after the criminal activity of the breach. I would also like to add that Bob Carr who started Heartland Payment Systems is a shining light in vary dark days on Wall Street, and because of his policy full disclosure that is the only reason that this criminal activity is so easy to find on the web. In fact, there are a considerable number of card processors that have been breached that you will never know about. In addition, we were Payment Card Industry compliant before and after we were breached, and the breach was in no way due to any negligence on the part of my employer.

I would also like everyone to know that I am a Field Service Manager and manage a group of Fields Service Representatives. I AM NOT A SALESMAN. I was not attempting to sway anyone in the city to do business with Heartland Payment Systems. I would have nothing to gain from doing so.

But if I was, the only thing that need be done is to complete a ‘Conflict of Interest Disclosure form’ and the city should have no issue with doing business with me as it has with the ones on file now. What I would like to know is why was a finger of contempt pointed at me regarding this situation, when the Mayor and the Clerk Treasurer both know this policy exist and have used it to do business with other city employees in the past and currently!

I think the answer is already evident considering that I am not, as the Mayor would say, “on board” with out of control spending during a time when we should be cutting.

My main concern is for those that will pay higher fees, because as Mrs. Ludlow says, ‘it will not cost the city anything’, but it will cost users something and therefore needs greater attention than it was given considering those that can least afford to pay more, will!”