

REGULAR MEETING – MARION COMMON COUNCIL – MAY 2, 2017 – 7:00 P.M., CITY HALL

The Common Council of the City of Marion, Indiana met in regular session on Tuesday, the 2nd day of May, 2017 at the hour of 7:00 p.m. in the Council Chambers, City Hall.

On the call of the roll the following members were shown to be absent or present as follows:

Present: Homer, Smith, Cain, Henderson, Johnson, Batchelor, Luzadder and Brunner.

Absent: Miller.

The minutes of the previous regular meeting of April 18, 2017 were presented. On a motion by Councilman Don Batchelor, 2nd by Councilman Dave Homer, the minutes were approved as presented by the following vote. Aye: Homer, Smith, Henderson, Johnson, Batchelor, Luzadder and Brunner. Nay: None. Abstain: Cain.

COMMITTEE REPORTS: Councilwoman Lynn Johnson said she would like to report on the Compliance Committee meeting tonight at 5:30 pm. They had a joint committee meeting with Chairman Luzadder of the Rules Committee and all City Councilmen were present except for Mr. Batchelor and they're welcoming him tonight. They discussed CF-1 abatements. The first abatement is for Sepulveda Partnership, which she believes is IHOP, and that passed as a yes. They're going to continue the abatement that was offered under Resolution 7-2009. They also agreed to pass the abatement for Precision Tool & Die, Inc. that was offered in 2006 as Resolution 26. And they also passed an additional abatement for Spencer at the Crossing, Resolution 22A-2012 and they all agreed. Mr. Brunner was the fourth agreeing person as their President joining this committee meeting. Mr. Homer, Chairman Steve Henderson and herself all agreed that these abatements should continue and Mr. Brunner, President Brunner, will sign those tonight. They also spent time reviewing their abatement procedures and their TIF procedures to prepare for their next meeting which will probably be within the next two weeks so they'll let them know, Johnson said.

Councilman Don Batchelor said there is a Development Committee meeting scheduled for next Tuesday at 5:00 pm and they will be considering Ozark, which is planning on going in the old Ball location there on South Boots Street, and also a request from Bahr Brothers. Those two considerations will be on the agenda for next Tuesday at 5:00 pm and they will be meeting in the 2nd Floor Conference Room.

Councilman Steve Henderson said, as soon as she (Deputy Clerk Debbie Goodman) gets down with the copies for everybody, they can proceed so if they want to go ahead and move the agenda forward, he'll do it after. Council President Jim Brunner told Henderson, let him see if there are other committee reports at this time. Any other committee reports at this time? There was no response from the Council. Brunner stated, if the Council is fine, they'll go ahead and move on to Unfinished Business then come back to his report. Is that fine sir, Brunner asked Henderson. Henderson said, yes.

UNFINISHED BUSINESS

GENERAL ORDINANCE NO. 3-2017 2ND READING AND PUBLIC HEARING

The City Clerk read General Ordinance No. 3-2017 by title only. An Ordinance amending Ordinance #16-2016 fixing maximum salaries of Appointed Officers and Employees of the City of Marion, Indiana for the year 2017 by adding the position of Permit Compliance Officer under the Building Department. Julie Flores, City Controller, told the Council she just didn't feel comfortable last time, the way they left the meeting. She didn't feel like they explained things very well. So, she'd like to take this time, if she may, to kind of explain exactly what they're doing here. They're adding the position that currently a current employee on staff right now will be filling the new position so the \$24,000 that they transferred last time will be used to fund the position that will be left vacant by the employee taking over the new position. So she's not too sure that's how they left the meeting last time. So she'll entertain any questions they may have, Flores said. Councilman Don Batchelor said, he guessed, probably, he was more confused at the end of the last meeting than the other Council members but, since that time, he met with Ms. Flores and he has a clear cut understanding exactly what is transpiring here. He's comfortable with the reasoning behind this new position and also the transfer of the \$24,000 to fund this Code Enforcement Officer and he's totally on board with that and at the

GENERAL ORDINANCE NO. 3-2017 Continued

appropriate time, he will make a motion. Council President Jim Brunner asked, any other questions or comments? Being no response from the Council, Brunner said this is a public hearing and asked if anyone in the audience cared to comment on General Ordinance No. 3-2017 at this time? There was no response from the audience. Motion was then made by Batchelor, 2nd by Councilman Brad Luzadder to suspend the rules on General Ordinance No. 3-2017. Motion then carried by the following vote. Aye: Smith, Cain, Henderson, Johnson, Batchelor, Luzadder and Brunner. Nay: Homer. Brunner asked if he was correct that since there was a no vote, they cannot suspend the rules. Council attorney Phil Stephenson said that is correct. City Clerk Kathleen Kiley said she thought that had been changed. Mr. Stephenson stated, no, that is not correct. They can do it so long as they have 2/3. To suspend, they still have to have 2/3 of the current members. Motion was then made by Batchelor, 2nd by Luzadder to pass General Ordinance No. 3-2017 and carried by the following vote. Aye: Smith, Cain, Henderson, Johnson, Batchelor, Luzadder and Brunner. Nay: Homer.

At this time, Council President Brunner said okay, now they need to go back to Committee Reports. He asked Mr. Henderson if he had all the information he needed at this time and Henderson said he did. Councilman Steve Henderson said, Mr. President, Council, he'd like to go quickly over the papers he put in their packets. If they could follow along with him, he'd appreciate that. He would ask that they have no further discussion or have a big discussion with this tonight, that they could actually take some time and examine what they have here so they can move forward. He would ask that maybe the Finance Committee or whatever committee that they deem necessary to meet and do further discussion on this, that they plan ahead to do that. They'll leave that up to the Council of what committee that wants to handle that. Page 1 is a graph showing the commercial and residential abatements from 1985 to 2015. Below that graph is how it has affected our population. Just a quick note, if you follow that along, it appears the abatements do not affect our decline in population. It seems like our population is still declining. If they skip to page 3, the fiscal health indicator page, if they look at the 2014 certified net assessed value, they will see that it is \$789,318,372 and if they note beside that, the 2017 number is \$798,845,491, which shows a gain of \$9,527,119. If they move to page 4, in the middle of the page, they'll see the same numbers there, the \$789,318,372 along with the \$798,845,491 number of 2017. If they look just below that, they will see the category, it's called exempt assessed value and they'll see the value of that for 2014 being \$314,960,235. Now, that number includes tax credits, non profit, tax abatements, tax caps and all other taxes are included in that. The percentage that they see there is 39.9% which is of our total income is going right off the top so we are losing 39.9% right off the top of our regular draw. In his opinion of what he has looked at from other cities it's about three times any other city our size. That's just an indicator that maybe that is one area they should be looking at. He doesn't have the number for 2017 yet because the taxes are just coming out. As soon as they get that number, he thinks they can compare that with the 2014 number and they can decide whether that number is either tax abatements or whatever dropping off or they can look at that \$9,527,119 as being new growth to the City of Marion. On the next page, at the top of that same page, they'll see the July debt, July 2015 number, the debt total shows \$166,984,189. Written in beside that is the 2017 number of debt which is \$170,260,302. Now, let him explain the 2017 debt so they can understand. If they're trying to calculate these numbers from the Gateway, some of those numbers in the past, the input numbers have been incorrect or some of those are corrupt so some of those numbers are inaccurate and can't be used to calculate. Other TIF taxes, if you've pulled the total number of taxes concerning TIF or looked at TIF property on the website, you will see that there are some fluctuations in those numbers also so those numbers are not completely accurate either. So, to get the correct numbers, you really need to go to Julie to get those correct numbers to get the exact numbers to work with. So let's start with the debt total of \$170,260,302. This number includes all current debt all the way to the year 2039. That is not just the debt we owe right this second. That's the debt we will be incurring until 2039. If they look at the last page, they'll see the break out sheet from 2017 to 2039, showing a total number at the very bottom of that being the \$170,260,302 of debt for the year 2039 as the total. So, let him give them the math. The TIF debt right now is \$142,391,949. Of that debt, we have a guaranteed payment of \$113,212,082 and this is known as pass through payment. That leaves us an unsecured debt of TIF and the difference subtracted to, you get \$29,179,867. Now that covers all the payments until 2039. So as an average, if you divide that number by the number of years we have left on those TIFs, which is 22, you get a yearly average of \$1,326,358. If you take the remaining bonds the city has out, which is the 2013 insurance bond, 2016 A and B bonds, the new plow truck

lease, our park bonds and everything together, we have a bond total of \$10,906,141. Now, if you take the average he just gave them on the TIF amount, add that to the current bonds that we have to pay, you will get a city debt total of \$12,232,529 and this is off of his worksheet and this is his estimate. He believes that to be true because if they look at the chart, go back to that last page, they will see that the debt for 2017 shows on that paper as being \$11,776,851 but he believes that that number that's on that sheet does not include the 2016-A and the 2016-B bonds that were added to that. So, he believes the \$12,232,529 is the actual debt of the city. Now, he has left out the water works bonds because water works takes care of their own bonds and they pay those themselves. They have a total of two bonds for a total of \$10,125,564 to the utility debt. Page 2, he's left in there for discussion that they may go through when they get back together in a committee meeting which discusses possible problems with TIF, possible shortages, some of the things that may happen to us in the future if we do nothing as a Council and then there's some suggested things that we can do to improve our future and regenerate some money for the city. Let him also interject, his phone has been ringing off the hook that people are concerned that they are going to raise property taxes. Let it be clear, we are under a cap. We cannot raise those nor do we have any means to do that. So, we will not be raising property taxes if anything at all. And, he just wanted to let everybody know, Julie and the administration are working very hard to keep our city moving and working with what we have. They have cut the budget wherever they could. The budget is as lean as it has ever been in many years so now it's up to them, the Council, to move the ball forward, Henderson said. Council President Brunner thanked Mr. Henderson for that report and asked Ms. Flores if she cared to comment on Mr. Henderson's report. City Controller Julie Flores told Brunner, not at this time. Councilman Don Batchelor said Ms. Flores said she doesn't have anything to add to Mr. Henderson's report at this time but he believes in their last Council meeting, the statement was made that we are broke as a city. Is that to be true? Ms. Flores told the Council, she believes, she doesn't have the minutes in front of her but she believes the comment was made that we were..... She asked the City Clerk if she had the minutes in front of her and Mrs. Kiley told her they're right there and handed them to her. Flores read, "the finances are in grave difficulty". She said she can't find it in here exactly but we are not a mess. The finances are not a mess. We are doing very well. She did bring the fund report with her that they wanted. She did a comparison of 2016, April of 2016. At this time last year, the funds were \$2,000,813.78 as far as cash. If they'll look now, April of 2017, we have \$4,000,744. So, that's quite an improvement she would say. At the beginning of the year 2016, cash in the bank was \$1,800,000 and cash at the beginning of the year this year is \$6,100,000. So, she wouldn't say that the finances were a mess. She thinks we're doing very well. We do still have to borrow from the Bond Bank. She doesn't see that ending any time soon but we submitted a balanced budget so the funds that we anticipated to come in for 2017 in comparison with the expenses are going to be fine and are fundable, Flores said. Mr. Brunner said, he would just like to take, as the President of this organization, the time to thank Mr. Henderson for not only an outstanding report that they received upstairs and here but just the time he has spent on this. He thinks it has really helped a lot of them try to fight their way through what is kind of a very difficult and extremely tough to understand, he guessed the word he wants to use is a financial report, to exactly figure out where we are and he thinks they just heard from their Chief Executive Officer when it comes to financing that she has given the city a fund report at this time. So, he told Mr. Henderson, he would just like to publicly thank him for the great job he did and he knows he's looking forward to more on this so thank you so much on that.

Councilman Dave Homer said he'd like to just take a couple of minutes of the Council's time just to respond to an article that was in the newspaper on Thursday, April 27th of this year on the viewpoint page titled Our TIF Burden, if it would please the Council, with his (Brunner) approval. Council President Brunner told him, go ahead sir. Homer said, okay, Mr. President, if it would please the Council, he's not sure who wrote the article in the paper on April 27th, probably has a good idea, but there were some good points made as it related to the TIF. It is a difficult, and Steve and Lynn have worked on figures. They would admit that it's very difficult for the average person to even understand but he wants to respond to the comment that was made in the last paragraph of that article and he thinks he speaks for the Council, past and present, when he says that at no time was he or any other member of this body never willfully incompetent or worse when decisions were made on some of the bond issues, the TIFs that were presented to this body for a presentation or a vote. We always made an effort as a group to at least investigate and vote with good conscience based on the best information that was presented to us by the Mayor, the Redevelopment Commission who voted for these projects and were presented to us by Mr. Eckerle with the Growth and representatives from our financial advisors,

London Witte, specifically Bob Swintz, and also the Indianapolis representatives, attorneys Barnes & Thornburg. He stands up and says that he was on the Council for eight of those 12 years during the last administration as were others who were on this Council as it was suggested. He comes from a different background than anyone else that has served on this Council the last 13 years and that's from a law enforcement perspective and a career. He's not an accountant, he's not a financial advisor or even remotely close to that. He has, however, managed a \$5,000,000 to \$6,000,000 budget. With the Marion Police Department, he was always mindful of how we spent the public's money. For many of us, including probably all of us, we have to rely on the information provided by all the above and not have to worry if it is the truth or are we being manipulated into something that is malicious. We all want what is best for our community. We are very conscious of the current financial situation that we are in. We are working hard to come up with solutions, he thinks they've witnessed that this evening, and hope that we are given the true facts by our current financial advisors, Umbaugh and Associates and that may still be open for interpretation. To suggest that current members who served when decisions were made were either willfully incompetent or worse is a pretty harsh statement and would suggest that we were negligent or somehow in collusion with the former administration is nonsense. He's not in collusion with nor has he ever been in collusion with the former Mayor, or this Mayor for that fact. He's disappointed at the suggestion and he just felt that he needed to respond to that article in the paper, Homer said. Mr. Brunner replied, thank you Mr. Homer, very well said.

Councilman Steve Henderson said he would like for the Council to decide what committee we should discuss the finances in, whether that be Alan's (Councilman Miller) Finance Committee or where we would like to take that next. Council President Brunner said he would have no problem, as the President of this group, putting that into the Finance Committee. Is that okay with him? Is that okay with the Council? That's where that will then be moved, Brunner stated.

Before the meeting adjourned, Councilman Dave Homer asked if they needed to deal with the Area Plan appointment. Do we need to deal with the Area Plan appointment from the Council? Mr. Brunner asked, is that to be made this evening? City Clerk Kathleen Kiley told the Council she just passed on.... Sam Ramsey had sent her an email. She doesn't know, maybe they should ask Don if he feels up to going to the meetings, she doesn't know. Brunner asked Homer if he could read that letter. Mr. Homer replied, yeah, it was addressed from Sam Ramsey to Kathi, the Clerk, "What would I need to do to get on the agenda for the Council meeting? I plan to request a new appointment to the Plan Commission from them. Don Batchelor is the current appointee and he's been unable to attend the recent meetings due to his health. Any help would be appreciated." Kathi wrote back "Sam, I will print out your email and put it in the Council's packets. Since it's an appointment of a Council member, I don't think you need to be on the agenda" and said she would notify him of the new appointment. Mr. Brunner asked Mr. Batchelor if he cared to respond. Councilman Batchelor said he sent Sam an email, he believed it was today, regarding this. Personally, he felt that this was something Sam should have discussed with him prior to, however, Mr. President appointed him to this committee. Yes, he has had some health issues, hopefully (inaudible) getting better and he will not step down from this appointment. Brunner told Batchelor, thank you sir and God bless you and they certainly send their (inaudible) along to him and it's just great seeing him here this evening. Does that straighten everything out for everyone at this time, Brunner asked, and Councilman Homer replied, sure.

Being no further business to come before the Council, on a motion by Homer, 2nd by Smith, the meeting adjourned. Time being 7:33 p.m.