

TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
MINUTES OF THE TOWN COUNCIL



April 10, 2017

Joint Public Meeting Advertised for 6:00 PM
Conducted at the Cedar Lake Town Hall
Pledge of Allegiance

Roll Call:

Present	Randall C. Niemeyer Town Council President	Present	Doug Spencer RDC
Present	Gregory H. Parker Town Council Vice-President	Present	Dennis Wilkening RDC Liaison - Hanover
Present	Robert H. Carnahan Town Council	Present	Amy J. Gross, IAMC, MMC, CPM Clerk-Treasurer
Present	John C. Foreman Town Council	Present	Jill Murr Town Administrator
Present	Julie Rivera Town Council	Present	David Austgen Town Attorney
Present	Ralph Miller Town Council	Present	Bob Gross RDA
Present	Richard Sharpe Town Council	Present*	Pete Blagojevic RDA
Present	Nathan D. Vis RDC President	Present	Brian Kubal RDA
Absent	Jeff DeVries RDC	Present	Daniel Enright Storm Water Board
Present	Jolie Covaciu RDC	Present	Tom Frick Storm Water Board
Present	Eric Burnham RDC	Present	Scott Leslie Storm Water Board

*Mr. Pete Blagojevic arrived at approximately 6:08PM.

A. Project Introduction

Town Attorney Austgen explained that the four boards and commissions are here to consider, assess, initiate, and prosecute benefits to the community. He stated that over the years the Town has engaged engineering consultants who have identified the road conditions and related improvements and non-improvements in various locations throughout the community. They also identified those areas and prioritized what those conditions were for purposes of dealing with the existing conditions. He stated this is not the first time this has been done. Improvements have been made in various areas in Town. It was by way of a combination of resources that those road and community improvement projects were initiated. Within the last year, the Town Council updated the list and fine-tuned it to current priority status. It was determined by the Town Council following that engineering review that South Shore and High Grove Subdivisions were in the highest priority of need. The Town Council directed staff and consultants to evaluate what it would take to get those communities next on the list to be improved. In the course of assessing these items over the months, a third project came to mind because of the horrific conditions the road is in. That is Parrish Avenue south between 141st to 151st Avenues. In the last public meeting in February, the Town Council directed that all appropriate actions be taken by the Clerk-Treasurer, Town Administrator, Town Attorney, and consultants to develop the financing methods and mechanisms to initiate, commence, prosecute, and complete these road projects. He stated everyone is here for a reason. The boards and commissions here tonight each have an integral role and part in the proposed financing that has been recommended by the consultants to be considered and utilized. There is no one source of funding that is available to do these projects. The approximate cost is \$7.3 million dollars. The Stormwater Board is here tonight because there has been an evaluation study by the Town's financial advisors assessing the current rate of \$5.00 per ERU for stormwater related fees. He stated they know that \$5.00 doesn't cover the cost and responsibilities. They've been informed that if they go up to \$7.98 per ERU, they will have sufficient funds to pay for the stormwater components of the road projects. The engineers were directed to breakdown the projects so that road, wastewater, and stormwater were separated out from a cost improvement basis. The amount of stormwater funds identified as being needed is approximately \$2.8 million dollars of the \$7.3 million previously discussed. The current fee being charged is insufficient to pay for stormwater revenue bonds. The minimum that will permit storm participation in a breakout of allocated areas of cost is \$7.98. The advisors will recommend \$10.00 so that the Town can now be doing the work that will be projected. The Town will be able to deal with capital projects and improvements that have not been able to be done before because of insufficient revenue. He stated there has not been an increase in stormwater fees since 2007. There is also a wastewater component to the projects that is approximately \$1 million dollars. There is cash on hand available in wastewater to pay for that. The balance of approximately \$4 million dollars will come from the relationship between the Town Council conveying the roads in the community to the Redevelopment Authority, which is the financing vehicle under Title 36, who will lease to the Redevelopment Commission the roads, whereby the Redevelopment Commission by way of a special benefit tax will prosecute a lease relationship for payment to the Redevelopment Authority for satisfaction of that debt service. He stated that there is a

**TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
MINUTES OF THE TOWN COUNCIL**

special benefit tax section of Title 36-7-4-27 that permits this. At the end of all of this, the pieces will be in place to combine the funding sources for the total. The Town Council will adopt the following recommendations from the Storm Board for updated rates, approve, and concur the conveyance of road to the Redevelopment Authority for the lease to go into effect. They will approve the lease and approve the appropriation of funds to pay the contractors when the bonds are issued.

Mr. Foreman briefly added that in 2007 when the \$5.00 rate was enacted per lot. Shortly after, people realized that per statute they could combine their lots. For example, in the back of his home he owns five lots. He went to the government center to consolidate those lots and he pays \$5.00 for all five. When the calculations were done in 2007, the rate that was calculated over the years has dropped due to the combining of lots. The Town is spending more than that is able to take care of. Mr. Austgen stated that happened throughout the entire community and the calculations in 2007 were based upon gross key numbers (lots) and that projection didn't take into account the fact the people would combine. He added that there is a lot of talk about no progress and activity occurring down here but this project that is before you has been on the boards inside the Town Hall by the direction of the Town Council to its staff and engineering consultants to prepare and be ready for the project. \$600,000 of design engineering is complete on High Grove and South Shore. Mr. Foreman added that High Grove is up by MacArthur School. The design engineering for Parrish has been awarded to NIES Engineering for \$135,000 to be completed 90 days from last Tuesday. They will finish the design engineering and it should be ready sometime in late June. The bid packages are complete for High Grove and South Shore will be ready this week. He stated they just need to publish the notice to bidders and 60 days from now the project will be awarded. Mr. Foreman and Mr. Parker discussed near South Shore that 146th and Lake Shore Drive were added. Mr. Niemeyer added that through conversations with financial advisors, the issuance of debt through bond proceeds will have no negative impact on tax rates in the community. While they are contemplating a stormwater user fee increase what people see in their tax rates will stay the same. Mr. Austgen added that the Town Council directed at their last meeting in February that this be expedited. He stated he will walk them through a schedule that will have them completing their financing in the second week of June. He noted that's incredibly fast when they're pulling together one bond issue with three series and a second bond issue related to storm water revenue bonds. *A copy of the proposed timeline can be found at the end of the minutes.*

Mr. Enright asked that since the Redevelopment Commission and Storm Water Board are holding a hearing same day and time. Will the Redevelopment Authority be needed? Mr. Austgen answered the Town Council will be party to all but the RDA will not be needed. There are separate legal steps and actions for them. Mr. Niemeyer discussed the agenda for the evening. He stated he will introduce each of the resolutions. A member of the body will solicit a motion and the roll will be called by the Clerk-Treasurer. Mr. Foreman asked Mr. Carnahan that prior to 2007, what was the message to the public? Mr. Carnahan answered that Amy and Sue Hasse worked around the clock to get the Storm Water Fee in place. Clerk-Treasurer Gross added that was December of 2007, one month before she entered office. Mr. Carnahan stated they told people that there were drainage issues out there that they were going to try and get fixed. Mr. Foreman commented that some folks don't realize that many parts of Town don't have proper drainage. Mr. Spencer asked about the cost of the bonds and the Redevelopment Commission being responsible for up to \$1.2 million for the next twelve years. Will that money be coming out of the TIF funds? Mr. Austgen answered no. It will come from the special benefits tax to be imposed and collected. Mr. Vis asked who that is on. Mr. Austgen stated it will be on the tax paying property owners of the Town. Mr. Vis asked if there was a proposed rate. Mr. Austgen stated he didn't have it. Mr. Vis asked if there was an anticipated range. Mr. Austgen stated he didn't have that information this evening. It will be available in two weeks. Mr. Spencer asked for clarification of the Redevelopment Commission guaranteeing the bonds and the special benefits tax. Mr. Austgen answered the special benefits tax will pay for and be responsible under the Redevelopment Commission. Mr. Vis added that the collateral to the folks paying the bonds is the fact that they have the ability to tax. Mr. Niemeyer stated it was a good question because everyone has seen how much the TIF district has shrunk in its collections. These are things outside of what the Commission is currently funded by. Mr. Austgen added that it's only because we have the consolidated 133rd Avenue allocation area that they can do this. It's because the Commission exists and functions properly that this can be done. Mr. Spencer asked how this is allowed because the proposed improvements are outside of the TIF district. Mr. Austgen discussed bond issues. Mr. Vis stated because we geographically touch each of the proposed improvement areas, we are able to lease from the RDA for the purpose of improvement. Mr. Carnahan it's how the other roads in Town were done. Mr. Vis asked about the Stormwater increase, just for this project or future. Mr. Niemeyer stated that if the Town is to do nothing but just take care of what they have today, they are about eighty cents short. They're running a deficit. That doesn't include any capital projects that are needs that the Stormwater Board sees all of the time. In order to do the road projects, the portion that is Stormwater, the fee needs to go up to \$8.00. The other \$2.00 is to address the continual capital needs.

**TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
MINUTES OF THE TOWN COUNCIL**

Mr. Austgen stated that TIF Revenues will not be affected by the financing or lease rental revenue capital financing. Mr. Spencer asked if the TIF Revenues will need to go in a special fund to cover the bonds. Mr. Austgen stated no that there will be separate special funds created by the bond ordinance in which the special benefits tax that is raised will be put for disbursement according to the trust indenture and the bond ordinance when they're collected. Mr. Carnahan stated there is a possibility of getting money from the County for a portion of Parrish Avenue. It's always been his view that the County owns that portion of Parrish. Talk is ongoing with County to take on a portion or split it with the Town. When it's done it's his opinion to take over the road and get the tax dollars. Mr. Niemeyer added that there is a small portion of Parrish between 141st and 151st that is Lake County maintained. The Town Administrator has been in continual contact with Commissioner Tippy. Mr. Austgen stated we are not the first base on that. It's going to be difficult following the latest communications. Mr. Vis asked for clarity that we are not expressing a vote tonight to absolutely move forward with the tax and rates. This is simply a commitment to exploring and moving forward to getting this done. Details will be faired out over the next few weeks. Mr. Austgen stated this is simply the jump start. Mr. Vis asked about the costs being incurred as a result of not having sufficient infrastructure in these areas. Mr. Niemeyer stated it would be a pretty hard number to quantify now based on the fact the Town is running at a deficit based upon the financial analysis. Just the continual patches being put on everything. A capital plan hasn't been put together through the Storm Water Board because there is no revenue to do it. Mr. Enright added that it is an ongoing battle for Town Residents because there has been so much rain over the last few years that new places are popping up that never had water before and they come to the meeting wanting a resolution to the issue immediately. The Storm Water Board is in a hard place where they have to see what they can do. They are continually running behind because of the lack of funds.

A lengthy discussion on Storm Water issues and the design of the projects for High Grove and South Shore continued.

B. Resolutions

I. Resolution 2017-01 - A declaratory resolution of the Cedar Lake, Indiana Board of Stormwater Management approving the construction and acquisition of certain storm water improvements, and all matter related thereto.

Mr. Niemeyer read Resolution 2017-01 by title. Mr. Austgen explained that this is the declaratory resolution of the Storm Board concerning the projects and taking the next steps for statutory processing and to continue the process related to the Storm components of the project.

Mr. Enright entertained a motion to approve Resolution 2017-01. The motion was made by Tom Frick with second by Scott Leslie. Roll Call: Daniel Enright – Yes, Tom Frick – Yes, Scott Leslie – Yes. Vote: 3-0.

II. Resolution 2017-01 - A resolution of the Cedar Lake Redevelopment Authority establishing its intent to issue redevelopment authority lease rental revenue bonds, approving a proposed lease with the Town of Cedar Lake, Lake County, Indiana, Redevelopment Commission, and all matter related thereto.

Mr. Niemeyer read Resolution 2017-01 by title. Mr. Austgen explained that this is the exercise of the statutory existence to be the financing vehicle to issue bonds, enter into the lease with the Redevelopment Commission for the issuance of bonds and all matter related. Mr. Austgen suggested that the Redevelopment Authority select officers before making a vote. Mr. Bob Gross was named President, Mr. Pete Blagojevic was named Vice-President, and Mr. Brian Kubal was named Secretary. Mr. Bob Gross solicited a motion for confirming the officer positions. A motion was made by Pete Blagojevic with second by Brian Kubal. Roll Call: Bob Gross – Yes, Pete Blagojevic – Yes, Brian Kubal – Yes. Vote: 3-0.

A motion was solicited for the approval of Resolution 2017-01 by Bob Gross. A motion was made by Pete Blagojevic with second by Brian Kubal. Roll Call: Bob Gross – Yes, Pete Blagojevic – Yes, Brian Kubal – Yes. Vote: 3-0.

III. Resolution 2017-01 - A resolution of the Town of Cedar Lake, Lake County, Indiana, Redevelopment Commission approving a proposed lease with the Cedar Lake Redevelopment Authority, authorizing publication of notice of public hearing in connection therewith, and all matters related thereto.

Mr. Niemeyer read Resolution 2017-01 by title. Mr. Austgen explained that this is the fulfillment of the Redevelopment Commission statutory authority. The lease has been discussed this evening. It will be the subject of a public hearing if approved. You will determine when the public hearing is held if the lease-rentals are fair and reasonable and prepared to enter into a lease-rental relationship for financing of the project as presented.

**TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
MINUTES OF THE TOWN COUNCIL**

A motion was solicited for the approval of Resolution 2017-01 by Nathan Vis. A motion was made by Eric Burnham with second by Doug Spencer. Mr. Vis commented that he appreciates the hard work that has gone into this by everyone. They definitely see the necessity of this. He just wants to be cognizant of the fact that anytime anyone mentions taxes there is automatic recoil and wondering of the benefit. He's glad to hear there is a long term view being taken. In addition, he's glad to hear the talk that in addition to just funding, they are talking about how they are changing, building structures and ordinances moving forward. He thinks that projects a long term vision. He appreciates that and he doesn't see any other option for funding. Mr. Niemeyer added that local government has tax caps by the state constitution. It's good for taxpayers to have and expect those types of controls. But part of the contemplation in 2007 in the good government initiative was more of a user fee based system for financing these sorts of things. That's what the Town is doing is going to the rate payers to fund something that many have worked diligently to make sure that the things being done from a development standpoint closely resemble the actions taken tonight to show that this is a long term approach. It is not more patchwork. It is about fixing problems, creating platforms that grow TIF districts, helping to create healthy utilities, and keeping the cost of living down for citizens too. These things all work together. Mr. Spencer briefly commented on his previous concerns in regards to the TIF District. Roll Call: Jolie Covaciu – Yes, Doug Spencer – Yes, Eric Burnham – Yes, Nathan Vis – Yes. Vote: 4-0.

C. Any other Business for the Joint Public Meeting

Mr. Carnahan thanked everyone for taking time out of their schedules to meet this evening. Mr. Austgen highlighted the forthcoming schedule that was previously discussed this evening.

D. Public Comment

None

E. Adjournment - President Niemeyer called the meeting to adjournment at 7:06 PM.

COUNCIL OF THE CIVIL TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA

Randell Niemeyer, Town Council President

Julie Rivera, Town Council Member

Greg Parker, Town Council Vice-President

Ralph Miller, Town Council Member

Robert H. Carnahan, Town Council Member

Richard Sharpe, Town Council Member

John C. Foreman, Town Council Member

TOWN OF CEDAR LAKE REDEVELOPMENT COMMISSION

Nathan D. Vis, RDC President

Eric Burnham, RDC Vice-President

Jolie Covaciu, RDC Member

Doug Spencer, RDC Member

Jeff DeVries, RDC Member

**TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
MINUTES OF THE TOWN COUNCIL**

TOWN OF CEDAR LAKE REDEVELOPMENT AUTHORITY

Bob Gross, RDA President

Pete Blagojevic, RDA Vice-President

Brian Kubal, RDA Member

TOWN OF CEDAR LAKE STORM WATER BOARD

Daniel Enright, Chairman Storm Water Board

Thomas Frick, Vice-Chairman Storm Water Board

Scott Leslie, Storm Water Board Member

The Minutes of the Cedar Lake Joint Public Meeting are transcribed pursuant to IC 5-14-1.5-4(b), which states:

- (b) As the meeting progresses, the following *memoranda* shall be kept:
- (1) The date, time and place of the meeting.
 - (2) The members of the governing body recorded as either present or absent.
 - (3) The general substance of all matters proposed, discussed, or decided.
 - (4) A record of all votes taken, by individual members if there is a roll call.
 - (5) Any additional information required under IC 5-1.5-2-2.5.

Draft 4/10/17

**TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
STORM WATER DISTRICT REVENUE BONDS, SERIES 2017**

PROPOSED Timetable

<u>Date</u>	<u>Description</u>
4/10/17	Adopt Declaratory Resolution Approving Project and Setting Public Hearing (Storm Water Board)
4/14/17	Publish Notice of Public Hearing on Storm Water Project Publish Notice of Public Hearing on Storm Water Rates
4/18/17	First Reading Ordinance Approving Storm Water Rates (Town Council)
4/25/17	Public Hearing on Storm Water Project (Storm Water Board) Adopt Confirmatory Resolution on Approval of Project (Storm Water Board) Public Hearing on Storm Water Rates (Storm Water Board) Adopt Resolution Approving Storm Water Rates (Storm Water Board) Adopt Bond Resolution (Storm Water Board)
5/02/17	Second Reading and adoption of Ordinance Approving Storm Water Rates (Town Council); Adopt Resolution Approving Bond Issue (Town Council)
5/16/17	Publish Notice of Intent to Sell Bonds (first time)
5/23/17	Publish Notice of Intent to Sell Bonds (second time)
6/01/17	Bonds Priced and Sold
6/14/17	Pre-Closing
6/15/17	Closing

**TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA
MINUTES OF THE TOWN COUNCIL**

Draft 4/10/17

**CEDAR LAKE REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE BONDS OF 2017 SERIES A
(Parrish Avenue Project)**

**CEDAR LAKE REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE BONDS OF 2017 SERIES B
(High Grove Project)**

**CEDAR LAKE REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE BONDS OF 2017 SERIES C
(South Shore Project)**

(Proceeds to finance road improvement projects; secured by property taxes)

PROPOSED Timetable

<u>Date</u>	<u>Description</u>
4/06/17	Submit necessary documents relating to the April 10 meetings of members of the Redevelopment Authority and Redevelopment Commission.
4/10/17	Redevelopment Authority meets and adopts resolution approving form of lease. Redevelopment Commission meets and adopts resolution approving form of lease and authorizing publication of notice of public hearing regarding lease and publication of notice of determination to enter into lease.
4/12/17	Submit necessary documents relating to April 18 meeting to members of the Town Council.
4/14/17	Redevelopment Commission publishes and posts notice of determination to enter into lease (first time), and publishes and posts notice of public hearing on lease (one time at least 10 days before hearing).
4/18/17	Town Council introduces ordinance approving lease and appropriating proceeds from sale of the roads.
4/19/17	Publish notice of appropriation hearing before Town Council.
4/21/17	Redevelopment Commission publishes and posts notice of determination to enter into lease (second time).
4/25/17	Redevelopment Commission holds public hearing on lease and adopts resolution finding that lease rentals are fair and reasonable.

Draft 4/10/17

<u>Date</u>	<u>Description</u>
5/02/17	Town Council conducts appropriation hearing and adopts ordinance approving lease and appropriating sale proceeds. Town Council also adopts resolution approving transfer of existing roads to Redevelopment Authority.
5/04/17	Report additional appropriation to DLGF. Redevelopment Authority and Redevelopment Commission execute lease.
5/05/17	Publish notice of execution of lease - triggers 30-day objection period.
5/08/17	Redevelopment Authority meets and adopts resolution authorizing issuance of bonds and approving forms of indenture, continuing disclosure contract(s), preliminary official statement(s) and bond purchase agreement(s). Redevelopment Authority also adopts resolution authorizing acquisition of existing roads from the Town.
6/06/17	30-day objection period ends.
6/15/17	Bonds priced and sold (assuming a negotiated sale of bonds).
6/18/17	POS finalized
6/28/17	Pre-closing
6/29/17	Closing