

SPECIAL SESSION, COMMON COUNCIL, AUGUST 31, 2020

Be it Remembered that the Common Council of the City of Plymouth, Indiana, met in a Special Session on August 31, 2020, for the 2021 Budget Work Session. The meeting was held in the Council Chambers on the second floor of the City Building, 124 N Michigan Street, Plymouth, Indiana. The meeting was called to order at 6:30 p.m.

Mayor Senter presided for Council Members Compton, Culp, Ecker, Houin, Listenberger and Longanecker. City Attorney Surrisi and Clerk-Treasurer Xavier were also present. Council Member Milner was absent.

Clerk-Treasurer Xavier addressed the mayor and council members.

There is an error in the budget books. I have printed a new Form 1 and Form 2 for the Deferral and Diversion Fund for you, changes were also made to the Clerk-Treasurer budget, the Park Budget, the MVH budget.

Overall, the budget went together fairly well, mostly because we moved several items out of the General Fund and into the Cumulative Capital Improvement Fund, the Cumulative Capital Development Fund and the Local Road and Bridge Matching Grant Fund. However, if we don't get a Community Crossings Matching Grant Fund, this means that there will be no street projects in 2021.

Our current year tax rate is \$1.7964. Our advertised rate for 2021 was \$2.499, I expect it will end up close to that when I re-submit my Form 3. Keep in mind – our advertised tax rate is usually 20 cents to 45 cents/\$100 of net assessed value higher than the actual tax rate will end up being. When we figure the tax rate, we figure it with a conservative net assessed value – when the final certified AV finally comes in at the end of the year, our tax rates will end up being lower than we advertised. The tax rate cannot by law be higher than we advertised. One major area of concern for me is the Aviation Department. I understand that they have been doing work that was long overdue. However, they have spent down their cash reserves over the last several years; and their annual income is not keeping up with their annual expenses. While they usually adopt a small rate increase for hangars; I think it's time for someone to take a hard look at their numbers and see what can be done to improve their income. I hope one of you council members will consider working with the airport manager and the Board of Aviation Commissioners to strengthen their numbers.

Xavier noted that the foregone 2020 payable 2021 property taxes for the City of Plymouth due to tax abatements is over \$1.6 million dollars.

Xavier recommended and asked the council to adopt a water rate to pay the annual public fire hydrant fee to the water department. It is very important that the public understand that this is not additional money for the water department. The General Fund currently pays the water department approximately \$238,000 per year for costs associated with providing required water pressure to all 520 public fire hydrants located along city streets.

By adopting a separate fee for this, it will help offset the \$1.4 million dollars that we are scheduled to lose this year due to property tax caps instituted by the State legislature several years ago. When the state instituted the property tax caps for the state, they provided several tools for cities, towns and counties to use to offset the losses. Some of those taxes, like an Economic Development Tax and a Public Safety Tax, have to be implemented by the county. Xavier asked authorization to contact Baker Tilly to review and produce a draft ordinance to be reviewed by City Attorney Surrisi and presented to the council.

Xavier further recommended and asked that the council increase the storm water fee from the current \$2.05 ERU to \$5.00/ERU and to eliminate the Storm Sewer Department in the General Fund. It is, again, very important that the public understand that this is not additional money for the wastewater department. The General Fund currently funds \$177,000 per year for storm and

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lateral upgrades in city streets. By freeing up the tax rate in the General Fund, the city will be able to offset some of the effects of property tax caps while still continuing to offer the wide range of services that are funded by tax dollars and enjoyed by the citizens and business owners. Xavier asked authorization to contact Baker Tilly to review and produce a draft ordinance to be reviewed by City Attorney Surrisi and presented to the council.

Council Members made a proper motion and second authorizing Xavier to contact Baker-Tilly to review rates and produce draft ordinances for both the public hydrant fee and storm water fee. The motion carried.

There being no further business to discuss, Councilmen Culp and Longanecker moved and seconded to adjourn the meeting. The meeting was declared adjourned at 9:05 p.m.

Jeanine M. Xavier, IAMC / CMC
Clerk-Treasurer

APPROVED

Mark Senter, Mayor