

August 3, 2020

The Town Council of the Town of Middlebury met in regular session at the Town Hall and via Zoom at 6:00 pm, August 3, 2020.

The meeting was called to order by Council President, Miranda Cripe.

Upon the roll call, the following members of the Council were present:

Jeremy Yahwak, Scott Miller, Miranda Cripe, Dan Shoup and Chuck Teall

Also present were Craig Buche, Attorney, Mary Cripe, Town Manager and Peggy Hutchison, Clerk/Treasurer.

MINUTES:

Jeremy Yahwak moved to approve the minutes from the July 20, 2020 meeting. Scott Miller and Dan Shoup seconded, and the motion passed with a voice vote.

PUBLIC COMMENTS:

Mary Cripe commented on the fiber company in town. There are five (5) crews they laid approximately 30,000 feet in a week.

Also, the water bills mailed on July 13th have been found and have now been delivered.

ACCOUNTS PAYABLE VOUCHERS:

The following Accounts Payable Vouchers were reviewed and approved on a motion by Chuck Teall and seconded by Dan Shoup. The motion passed with a voice vote.

Accounts Payable Vouchers Payroll, July 30, 2020	\$102,330.07
Accounts Payable Vouchers July month end	\$228,979.38
Accounts Payable Vouchers August 2020	\$642,755.84

UNFINISHED BUSINESS:

Jeff Rowe from Baker Tilly gave a presentation on the funding for the Southwest Quadrant Infrastructure Project. See attached for Baker Tilly recommendations.

Mary Cripe presented an agreement for "Independent Contractor Agreement for Limited Professional Services" with Lochmueller Group, Inc. This is for an engineering study on Bristol Avenue. The total cost of the agreement is \$59,600.00, paid from the GOB. Chuck Teall made a motion to approve the agreement and Dan Shoup seconded. This passed with a voice vote.

NEW BUSINESS:

Craig Buche presented and explained proposed Resolution No. 2020-13 – "A Resolution of the Town Council of the Town of Middlebury Authorizing the Investment of Public Funds Pursuant to IC 5-13-9-5". This is an annual requirement. Jeremy Yahwak motioned to approve Resolution No. 2020-13 and Scott Miller seconded. This passed with a voice vote.

Craig Buche also presented and explained proposed Ordinance No. 635 – “An Ordinance Establishing the Cares Act COVID Grant Fund”. Chuck Teall made a motion to approve Ordinance No. 635 and Jeremy Yahwak seconded. This passed with a voice vote.

Mary Cripe presented Change Order No. 1 for the 2020 Asphalt Paving and Brown Street/Bristol Avenue Project. This is for an extension of time to allow NIPSCO to relocate a gas main. The agreement will now be extended to June 11, 2021. Jeremy Yahwak made a motion to approve Change Order No. 1 and Scott Miller seconded. This passed with a voice vote.

Mary Cripe also presented an agreement with JPR for Topographic Survey & Design Engineering of the East Warren Street sanitary sewer main extension. The total cost of the agreement is \$10,400.00. Chuck Teall motioned to approve the agreement with JPR and Dan Shoup seconded. This passed with a voice vote.

ANNOUNCEMENTS:

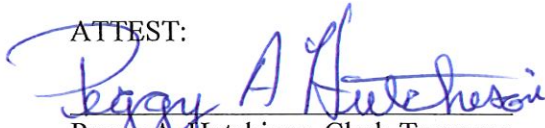
Elk. County Redev. Comm. meeting – August 6, 2020 at 2 pm – Elk. Cty. Public Serv. Bldg.
Middlebury Tree Board – August 6, 2020 – 7 pm – Town Hall
School starts for Middlebury Community Schools on August 12, 2020
Elk. Cty Plan Comm. meeting on, August 13, 2020 at 9 am – Elk. Cty. Public Serv. Bldg.
Next Council meeting - Monday, August 17, 2020 at 6:00 pm -Town Hall
Park Board meeting on Wednesday, August 19, 2020 at 3 pm – Town Hall (note time change)
Elk. Cty. Board of Zoning Appeals – August 20, 2020 at 8:30 am – Elk. Cty. Public Serv. Bldg.
Redevelopment Commission – August 27, 2020, 2020 at 7:30 am – Town Hall

Meeting was adjourned.



Dan Shoup, Council Vice President

ATTEST:



Peggy A. Hutchison, Clerk-Treasurer

This meeting commenced pursuant to public notice under the Indiana open door law and Governor Holcomb’s Executive Orders. This meeting was made available for the public and press to attend in person or engage in remote real-time electronic observation.

Memo

To: Town Council
Town of Middlebury
P.O. Box 812
Middlebury, IN 46540-0812

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Date: August 3, 2020

Re: Town of Middlebury (Indiana) – Funding Options (Southwest Quadrant Infrastructure Project)

Dear Council Members,

The purpose of this memo is to summarize the discussion points from the July 24, 2020 working group meeting regarding the Southwest Quadrant Infrastructure Project. Listed below are possible funding options for the Town to consider for the proposed Sewage Works, Stormwater/Street, and Water Utility projects.

Wastewater - \$2,817,000 (Estimated)

1. SRF Traditional Financing
 - a. The project falls within the SRF fundable range.
 - b. The project qualifies for the SRF traditional subsidized interest rate of 2%
 - c. The Town will be required to complete project design, bid the project, adopt rates, and close with SRF no later than March 31, 2021.

Recommendation – Participate in the SRF traditional loan program.

Stormwater/Street - \$2,114,000 (Estimated)

1. Open Market Bond Issue
 - a. Timing is more flexible; the Town is in control.
 - b. Higher bond issuance costs: Official Statement is required, bond rating fees, underwriter's fees.
 - c. Interest rates ranging between 2.25% - 2.75% currently
 - d. Need to get legal opinion as to whether the street project can be included as part of a sewer bond.
2. Local bank financing (Quasi-Competitive)
 - a. Timing is more flexible; the Town is in control.
 - b. Will need to adhere to the minimum publication requirements for open-market bond sale process
 - c. Interest rates – TBD
 - d. Lower cost of issuance compared to traditional open market bond sale (no official statement, bond rating or underwriter fees)
 - e. Need to get a legal opinion as to whether the street project can be included as part of a sewer bond.
3. Use of Town cash on hand (Estimated funds available per the Town's Capital Improvement Plan dated May 29, 2020)
 - a. Sewage - \$3,300,000 (Funds above minimum reserve requirements)
 - b. 2018 GO bond proceeds - \$789,000 (may need to amend project description exhibit in the bond ordinance)
 - c. CCD - \$506,000
 - d. CEDIT - \$1,000,000
 - e. The Town may have the option to reimburse these funds in whole or in part from future County or Town TIF revenues if the existing TIF areas are expanded.
 - f. The Sewage Works has \$12,700,000 in projects planned over the next five years.

Recommendation – Utilize town funds on hand to pay for the projects and consider reimbursing those funds wholly or partially from future TIF revenues. Consider expanding Elroy Drive TIF area and fund a portion of the project from funds on hand.

Water - \$1,117,000 (Estimated)

1. SRF Pooled Financing
 - a. Interest rates are competitive – not as low as the 2% traditional loan but likely better than open market (Approximately 2.0% - 2.5%)
 - b. There are significant time constraints. The Town will need to bid the project in September/October and close on the bonds by December 15, 2020.
 - c. Davis Bacon wage requirement
2. Open Market
 - a. Timing is more flexible; the Town is in control.
 - b. Higher bond issuance costs: Official Statement is required, bond rating fees, underwriter's fees.
 - c. Interest rates ranging between 2.25% - 2.75% currently.
3. Work with First State Bank to refund existing 2017 bond issue and add funds for the new project.
 - a. A quasi-competitive sale would refund the existing 2017 bond issue and provide new money for the water project
 - b. Current bonds have an interest rate of 2.785% and a final maturity of January 1, 2027.
 - c. Interest rate - TBD
 - d. Potentially refund the bonds at a lower interest rate and extend the final maturity to 20 years.
 - e. Lower costs of issuance than a traditional competitive sale.
 - f. Must be sold competitively, but the bank can be the only bidder.
4. Use of Town cash on hand
 - a. Water - \$977,000 (Fund above minimum reserve requirements)
 - b. 2018 GO bond proceeds - \$789,000 (may need to amend project description exhibit in the bond ordinance)
 - c. CCD - \$506,000
 - d. CEDIT - \$1,000,000
 - e. The Town may have the option to reimburse these funds in whole or in part from future County or Town TIF revenues.
 - f. The Water Utility has \$9,700,000 in projects planned over the next five years.

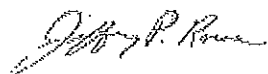
Recommendation – Issue Refunding Revenue Bonds through First State Bank. Consider funding a portion of the project with funds on hand in order to minimize rate impact.

TIF

1. Expand the Town's Elroy Drive TIF area and use TIF cash on hand to partially pay for the project
2. Elroy Drive TIF funds on hand – Estimated at approximately \$2,000,000 per the town's capital improvement plan dated May 29, 2020.
3. Issue TIF bonds
 - a. Consider a property tax back-up in order to minimize interest cost
4. Issue bonds through the Sewage Works or Water Utility and pledge TIF revenues
 - a. Could potentially use this option with either Open Market or local bank financing
5. Request funding from Elkhart County South East TIF Area
 - a. Expand the SE TIF area to include the Southwest Quadrant Area
 - b. Pay for projects from cash on hand (Funds available TBD)
 - c. The County is currently receiving approximately \$275,000/yr.

We would appreciate your questions or comments on this information and would be happy to provide additional information upon request.

BAKER TILLY MUNICIPAL ADVISORS, LLC



Jeffery P. Rowe, Partner