

CITY OF WINCHESTER
COMMON COUNCIL
MEETING MINUTES
MONDAY, FEBRUARY 19, 2018

Regular meeting @ 6:30 p.m.
Council Chambers / City Hall / 113 E. Washington St.

Pledge – Mayor Byrum
Moment of Silence – Mayor Byrum

Mayor Byrum called the meeting to order and presided over the meeting. Clerk-Treasurer, Vicki Haney, recorded the minutes.

The Clerk-Treasurer's roll call showed five City Council Members present.

District 1	Councilor Larry Lennington
District 2	Councilor Tom Sells
District 3	Councilor Ron Loyd
District 4	Councilor Leesa Friend
At Large	Councilor Missy Williams

Additional Officials Present:

Meeks Cockerill, City Attorney; Rich Tucker, Police Chief; Gary Moore, Fire Chief; and Shean Bosworth, Street and Park Superintendent.

Citizens Present:

Jason Allen, Jim Nunez Jr., Jeff Ward, Naomi Muselman, Roger Muselman, Diana Manson, Karen Wilkins, Conan Wallace, Patty Cox, Niles. Thornburg, Isaiah Ashley, Eli Jones, Doris Wynn, Kathie Monroe, Bill Monroe, Jeff Straley, Lynn Humphries Joan Ashley, Kristopher Bilbrey, Nathan Goodman, Rob Morford, Lisa Morford, Debbie Henning, Carla Fouse, Tim Fouse, Madonna Sheppard, Connie Yost and Tim Yost

Media Present:

Bill Richmond (Star 98.3)
Mickey Shuey (Palladium-Item)
Darrel Radford (News-Gazette)

Approval of the Minutes:

Councilor Loyd moved to approve the meeting minutes of the February, 2018 meeting. Councilor Friend seconded. Motion passed 5-0.

Committee Reports

Blight Committee – Councilor Williams said that the committee met on February 12th to discuss the properties of 517 High Street, owned by the City of Winchester, 214 W South Street, owned by RJ Holdings of California, and 213 E Short Street, owned by Joseph and Patricia Anderson. Attorney Cockerill, has papers for the aforementioned properties, as well as for 400 E North Street and 622 N East Street. Councilor Williams requested permission to go ahead with demolition of the building on 517 High Street. Mayor Byrum asked Councilor Williams to bring back bids on all three properties to the next meeting.

Building Oversight Committee –Councilor Loyd read a report to the Council relative to the Winchester House Facility (313 S Meridian Street). The Committee had not yet met; however three meetings were held, which included representatives of the general contractor (Pridemark Construction), Mayor Byrum, and Mr. Brett Dodd of Strategic Planning Studio. Also Participating in the meeting by telephone were project architect Mr. Scott Falk and Ms. Shannon Shumaker who represented the VOAIN (Volunteers of America Indiana). These meetings were held at the project site on January 18, February 1, and February 15 2018. The purpose of these meetings were to maintain awareness of the project's progress as well as provide a platform for questions of reducing the cost of the project. The result was a decrease in Twenty Thousand Dollars (\$20,000) of the cost of the project. The current timeline of the project calls for completion on May 27, 2018.

Recycling Committee- Councilor Friend stated that Two Hundred Forty Four (244) surveys regarding the recycling program had been returned, Two Hundred and Eighteen (218) stating yes they would recycle. Councilor Friend explained various decisions the committee and council must make, such as where to take trash and recycled items (Modoc, Muncie, or Richmond), whether to use a single dumpster and dump as needed, whether or not to use a bag system, and whether or not the city will eventually have to charge a fee for recycling. The City will not order totes until the details have been established. The Committee's next meeting is going to be on March 16, 2018 at 10 AM at the Council Chambers.

Fountain Park Cemetery- Mr. Jim Nunez Jr. explained that the cemetery board has three bids to improve the third drive and planned to take more bids in the future. The committee also hopes to address the ditching issues before Memorial Day and Bicentennial Celebrations. It was brought to the Council's attention that a Councilmember must be on the cemetery committee, but no volunteers came forward. This will be addressed at a later date.

Bicentennial Committee- Mr. Jim Nunez, Jr., stated that the Winchester City Portrait will be held on Saturday May 19, 2018 at 2 PM on the City Square. This is open to the public of all of Randolph County. Other activities will be available that day.

Mr. Nunez Jr., also stated that there will be a Bicentennial Car Show on Wednesday July 18, 2018. It is Wick's Fifth Annual Car Show, but it is being relocated to the downtown square and partially adopted by the Bicentennial Committee.

Mr. Nunez Jr., stated that Founder's Day will be celebrated on Saturday and Sunday August 18 and 19, 2018.

The WCCPC (Winchester Community Cultural Preservation Committee) Annual Easter Egg Hunt will be held on March 31, 2018, the annual fireworks will be held on July 4, 2018, and Mardi Gras will be held on October 3-6, 2018. Mr. Nunez Jr., asked the Council to consider donating to the Easter Egg Hunt and the Fourth of July Fireworks.

Public Concerns

Joan Ashley, 421 South East Street, asked if the replacement windows for the Winchester House were in the budget. Councilor Loyd affirmed that a bid had been accepted.

Kristopher Bilbrey, 318 S Meridian Street, asked a clarifying question of Councilor Loyd's former statement that the Oversight Committee had not yet met despite the several meetings mentioned, and asked whether said meetings were open to the public. Councilor Loyd confirmed that the meetings held had a representative of the Committee, though they were not exclusively committee meetings, and any committee meetings held in the future would be open to the public. Given this information, Mr. Bilbrey questioned how a bid for replacement windows for the Winchester House had been chosen when there had been no meetings. Councilor Sells explained that the One Million One Hundred Thousand Dollars (\$1,100,000.00) budget had already been established and no new money had been appropriated for the project, so a committee motion was not necessary. Once again, Mr. Bilbrey asked when the Oversight

Committee would meet, and Councilor Williams explained that the representative chosen by the Council and the representative chosen by Mayor Byrum had been unable to attend any meetings, so she suggested that new representatives be selected or a date be established for a meeting. She said that she understands why the public cannot attend meetings at the building site because of OSHA (Occupational Safety and Health Administration) policy and the requirement of hard hats.

Lynn Humphries 312 S. Main Street East, asked Councilor Loyd if he had worn a hard hat at the building site, as required by OSHA and he stated that he had not. She brought forward her concerns that the construction trucks driving through the muddy yard had caused a mess.

Bill Monroe, 645 Residence Street, voiced his concern that Roger Muselman, owner of SMD Winchester LLC, had a poor view of his neighborhood and the Council. He claimed that Mr. Muselman's associate threatened him in the hallway at the last Council meeting. His largest concern was that he believed Mr. Muselman's estimate that the apartments would create Fifty Thousand Dollars (\$50,000) per year in revenue for Winchester was too large. The Council will not know the revenue until the apartments are built, though they know what the sewage will be. He provided an example of some property east of Winchester that Mr. Muselman owns. The following information was received from the auditor's office. Mr. Muselman pays Thirty Eight Thousand Dollars (\$38,000) per year, but Mr. Monroe stated that the city does not receive all of that money. The city receives Nineteen Thousand Dollars (\$19,000), which gets divided five ways: County, Township, Library, Schools, and the City of Winchester. The City of Winchester gets Eleven Thousand Dollars (\$11,000). Given this information, Mr. Monroe figured that, given the current tax rate, the City of Winchester would receive Twenty One Thousand Dollars (\$21,000) if the apartments are completed. Mr. Monroe also stated that there are plenty of homes for sale in Winchester, including fixer-uppers, starter homes, and dream homes. There are also lots available for building homes. He said that Winchester is not lacking housing, as Mr. Muselman claimed, but is lacking in residents.

Roger Muselman of Berne, Indiana, owner of SMD Winchester LLC, claimed that the aforementioned property east of Winchester is assessed to be valued at Nine Hundred Thousand Dollars (\$900,000) with depreciation over eleven years. The tax cap for building is Two Percent (2%) of property value, which is what SMD Winchester LLC pays. Given that information, they will pay Forty Thousand Dollars (\$40,000) in property taxes on the apartments if they are approved to be built. Eight apartments will be built at first and another Twenty if the need arises. He claimed that the apartments would be an asset to any community and hoped that the Council would approve them.

Councilor Lennington, stated that he had worked with the figures and been to the assessor's office. Taxes would add up to Forty Thousand Dollars (\$40,000) if Mr. Muselman spends Two Million Dollars (\$2,000,000). Of the Forty Thousand Dollars (\$40,000) spent in taxes, Winchester would receive Sixty Percent (60%), or Twenty Four Thousand Dollars (\$24,000). Mr. Monroe pointed out that the city would not receive the full amount stated by Mr. Muselman, and Councilor Lennington replied that Mr. Muselman never stated the City would directly receive the money, but that was the amount he would pay in taxes. A discussion followed in which Mr. Monroe argued that the city would not receive very much money, but Councilor Lennington stated that they would receive Sixty Percent (60%) of the tax money paid by Mr. Muselman. Mr. Monroe agreed to compare figures at a later time.

Karen Wilkins, 638 N. Residence Street, stated that she had examined tax figures for the aforementioned property owned by Mr. Muselman east of Winchester. Mr. Muselman had claimed that his taxes had depreciated after eleven years. Ms. Wilkins stated that Mr. Muselman paid Eleven Thousand Dollars (\$11,000) in 2011 and Twenty Three Thousand Dollars (\$23,000) in 2012, which was less than eleven years. She stated that he had not used consistent math methods in his estimates of the people moving into the new apartments. She also stated that, while the apartments would possibly increase assessed property value, they would not increase the appraised property value on Residence Street because people would not wish to live next to an apartment complex. She was also concerned

about light pollution. She stated that there are no other pending offers on the property, according to her conversations with several realtors in town. She claimed that the housing need in Winchester was not that of the retirement community, and that limiting the housing availability to no one with children would not help the community of Winchester. She stated that a retired individual could buy a home at Summer's Point and they would spend the same amount of money on ten years' worth of rent at the new apartments. There are also lots available for building homes at Summers Point. Ms. Wilkins claimed that it does not seem reasonable to build housing for sixty eight people on a 3.4 acre lot. Approximately that number of people live on the 10 acres of land at Summers Point.

Rob Morford, 706 N. Main, stated that his backyard is connected to the property in question. He explained his personal investment in Winchester and in the neighborhood, including his job at Ardaugh and the fact that he pays Twenty Thousand Dollars (\$20,000) every year to the city. He explained that he moved from his last property because sidewalks were implemented too close to his home, and he does not wish to have sidewalks put on his property, as he expects they will if the apartments are built.

Isaiah Ashley, 638 Residence Street, asked what the proposed cost of rebuilding Fifth Street would be if the apartments are built. He claimed that Fifth Street would not be able to withstand the traffic of construction, nor is the road wide enough for two vehicles as large as an SUV or bigger. He stated that the road is already crumbling and chunks of concrete can be taken up off the corner when a vehicle turns. Mr. Ashley asked if the tax money received from Mr. Muselman would be enough to rebuild the road. Councilor Sells stated that he had discussed setbacks with Mr. Muselman so that the city would have time to widen Fifth Street. The budget would be established in future meetings if the apartments get approved, along with the budget for other streets that would be impacted by the project.

Mr. Morford responded that the only direction to widen Fifth Street is north towards his property. He voiced concern that a sidewalk would then be put outside his bedroom window. Councilman Sells stated that a sidewalk is not a requirement, but is a possibility.

Councilor Williams stated that she felt the project had merit, but she would not be in support of it because Winchester needs to take a step back and create a vision for planned communities, as opposed to retirement communities.

Jeff Straley, 805 N. Residence Street, stated that he noticed a telephone pole going down the middle of the property in question. He asked who would take care of the cost associated with fixing the issue, and voiced concerns because the wires coming off of the pole go to his house.

Jason Allen, 416 S Brown St, asked when the Council and Recycling Committee planned to present their decisions on the recycling program for Winchester. He was concerned about being able to fiscally manage such a program, particularly if the city purchased totes for a pilot year that then became trash themselves. He stated that he is not opposed to recycling, but wished to do the program right the first time. Also curbside, alley or both? Councilor Friend replied that the committee was formed to be sure to implement the program well the first time, and informed Mr. Allen that the next meeting for the Recycling Committee will be March 16th at 10 AM. Mayor Byrum asked if Mr. Allen could attend, and if not that he would request the Committee to change times.

It was confirmed that there are 2200 residences in Winchester, and that approximately 200 recycling surveys were returned. Mr. Monroe thought that the small number of returned surveys indicated a lack of interest. Mayor Byrum replied Shelbyville, Indiana, received the same grant that Winchester did for recycling. Shelbyville sent out a card saying to return the card if they wanted to opt out of the program. They were able to deliver approximately 9,000 totes to their residents. It was pointed out that Shelbyville does not charge their residents for trash, as Winchester used to do. Mr. Monroe asked if the goal of the program was to keep it no-cost for the citizens, or if there would be a charge. Mayor Byrum stated that the idea of the program is that the people will reduce their trash usage with the recycling program. The difference in cost needed to pick up trash would make up for the cost

needed to pick up recycling. He also stated that more recycled material would fit in a ton than that of trash because recycling is vastly dry material.

UNFINISHED BUSINESS

Ordinance No. 2018-1

Ordinance No. 2018-1 entitled "AN ORDINANCE TO AMEND THE ZONING MAP OF WINCHESTER, IN THE COUNTY OF RANDOLPH, STATE OF INDIANA" was presented by SMD Winchester LLC. Councilor Friend asked if she could address an individual outside of the council. This was confirmed, with the clarification that the floor is closed to the public with the exception of direct question from a Councilmember. Councilor Friend asked Mr. Muselman about the telephone pole Mr. Straley had previously acknowledged. He confirmed that the City would not be responsible for that issue. She then stated that sidewalks were not a part of the plan for extending Fifth Street, but were for Residence Street. She asked Mr. Muselman if he could adjust his plans to account for sidewalks on Fifth Street. He stated that he would rather not do that, especially if the road was being widened. Councilor Friend then asked if he would be willing to earmark a certain amount of money that the Council deems necessary after inspection to aid with repairing the road, given that the road would be worn down due to his construction. He stated that he would not be willing to put this into his budget. Attorney Cockerill stated that he looked into a similar issue in Parker City. He stated that you could have someone put in sidewalks or repair sidewalks under the Barret Law, though this would be a long process. Councilor Sells also requested that Mr. Muselman put a fence or barrier of some kind around his planned retention pond due to possible danger to children and other citizens. Mr. Muselman said that he would. Councilor Friend asked Diane Manson how long she's had a waiting list for apartments? Manson said approximately six to eight months. Councilor Friend asked Mr. Muselman when he thought he would have all 28 apartments built. He said that he could have them built in 4-5 years if he was being conservative. Councilor Friend asked him how much acreage he had at The Crossings. He said he did not know, but he would guess 3 acres. He stated that at the 26 apartments they have 33 residents and 28 cars. He stated that the apartments are not built for families because they are too small. Councilor Friend then addressed Ms. Wilkins' concern about the property value on Residence Street. She said that she had pulled property cards from Decatur, Indiana within a block of another of Mr. Muselman's apartment complexes. These showed that the properties did not decrease in value. Ms. Wilkins stated that their assessed value would not decrease, which is what residents pay taxes on, but that the appraised value, or ability to sell their homes, would decrease. She said that this information would not be found on the GIS (geographical information systems). Mr. Straley asked whether the Councilors represented the citizens or the city. Councilor Loyd responded that they represent the citizens of the city, so both. Councilor Friend pointed out that they are asked to improve many different aspects of the city, and they as Councilmembers have to determine what projects will bring in the most improvement dollars to fund further projects. Councilor Sells moved to approve the first reading of Ordinance No. 2018-1 by title only. Councilor Lennington seconded. A roll call vote was taken. Councilor Lennington, Sells, Loyd and Friend voted yes. Councilor Williams voted no. Motion passed 4-1. Reading complete. Councilor Sells moved to approve Ordinance No. 2018-1. Councilor Lennington seconded. A roll call vote was taken. Councilor Lennington and Sells voted yes. Councilor Loyd, Friend and Williams voted no. Motion failed 2-3.

Ordinance No. 2018-3

Ordinance No. 2018-3 was presented by Rich Tucker, Police Chief and was entitled "AN ORDINANCE ESTABLISHING FEES FOR ANIMAL CONTROL."

Councilor Friend pointed out that the fee for daily boarding after legal hold was listed as Ten Dollars (\$10.00) and the fee for reasons of arrests seized for abuse, cruelty, abandonment, court cases etc. was listed as Twenty Dollars (\$20). She asked Chief Tucker, if those fees could both be Ten Dollars (\$10). She also asked that the length of time without fee for holding animals for reasons of fire death, accident, or acts of God, etc. be extended from 3 days to 7 days. He stated that those decisions are up to the Council. Councilor Friend motioned for amendments of Ordinance No. 2018-3. Councilor Loyd seconded. Motion passed 5-0.

Councilor Friend motioned to have the second amended reading of Ordinance No. 2018-3 by title only. Councilor Loyd seconded. Motion passed 5-0. Second reading complete.

Councilor Loyd motioned to approve the second reading of Ordinance No. 2018-3 by title only. Councilor Williams seconded. Motion Passed 5-0.

Councilor Friend motioned to have the third and final reading of Ordinance No. 2018-3 by title only. Councilor Loyd seconded. Motion passed 5-0. Third and final reading complete. Councilor Friend motioned to approve the third and final reading of Ordinance No. 2018-3. Councilor Loyd seconded. Motion passed 5-0. Thus it becomes Ordinance No. 2018-3.

Recycling

Councilor Friend stated that she had provided all the information she had earlier in the meeting and offered to answer any questions. Councilor Sells said that the questions Mr. Allen had asked earlier were all being addressed by the committee. Councilor Williams agreed, but said that the Council had no answers to the questions being asked. Councilor Friend said there are a lot of issues that will hopefully be resolved during the committee meetings before any action is taken. Councilor Williams stated that she supports recycling and was the one to make the motion to move forward with recycling, but does not know if she can support the program if only ten percent of Winchester's population will support it. She said that recycling is typically more expensive to dump than trash. She also said that there is fear among the citizens that they will end have to pay for the recycling program in the long run. Councilor Lennington said that the two hundred citizens that returned the surveys probably recycle anyway at the receptacles around Winchester. Tim Yost asked why everyone in Winchester did not receive a survey. Councilor Friend said that they did. Mr. Yost said that Spring Village did not receive them. Councilor Friend said that Spring Village is considered a rural route by the post office. Councilor Sells asked if Spring Village gets city trash pick-up; yes Spring Village receives trash pick-up. Councilor Friend confirmed that she had found out later that Spring Village gets trash pickup; however surveys had not sent due to it being a rural route. She said that the committee could print out surveys and hand them out manually since there were only twenty or twenty five houses in Spring Village if they thought they would want to participate. Mayor Byrum asked if the Council wanted to discuss details further after the committee's next meeting, and they agreed.

Surplus Equipment

Mayor Byrum stated that the council had discussed a surplus of assault rifles in the Police Department a few meetings before today and wished to continue discussion. Chief Tucker stated that there was a surplus of rifles that were military grade being kept in the evidence room at the police station. The question was whether to keep them in storage there or sell them. Councilor Williams stated that she believes in the Second Amendment, but that it would be safer to leave the guns where they are because assault rifles should not be available to the public. Councilor Sells said that it would only be police officers getting these guns. Councilor Loyd agreed that they should not be sold, and suggested that they be destroyed if they are useless to the department. Officer Tucker stated that the weapons are still functional, but the department was given new ones by DRMO (Defense Reutilization and Marketing Office). The rifles are valued at approximately Three Hundred Dollars (\$300) per rifle, and the

department has five rifles, which would total One Thousand Five Hundred Dollars (\$1,500) if sold. Chief Tucker stated that the market had been flooded with these rifles when gun control had been heightened. The rifles used to be worth more money than they are now. Councilor Sells said that if they were to be destroyed, the council would have to make a vote. Councilor Williams asked if the rifles could stay in storage and be used as replacement weapons in case a department weapon was damaged or destroyed. Officer Tucker confirmed that they could be used as replacements. Given that information, Councilor Loyd rescinded his idea of destroying the weapons. Councilor Sells said that he would not like to see AR-15s destroyed. Councilor Friend moved to advise the Winchester Police Department to leave their gun surplus in their evidence room for future use if needed. Councilor Sells asked if this meant that they would be in the inventory of weapons for the Police Department. Councilor Williams confirmed that they would have to be shown in the inventory. Councilor Sells asked if the inventory was why Chief Tucker brought the issue forward to the council. Chief Tucker said that was not an issue, and that the reason he brought forward the issue is because the gun safe is full and has no room for these five rifles.

NEW BUSINESS

Resolution No. 2018-2

Resolution No. 2018-2 was presented by Councilor Loyd and was entitled, "RESOLUTION ESTABLISHING A COMMITTEE REGARDING BUILDING OVERSITE."

Councilor Loyd stated that as the Council's representative on the Oversight Committee, he believed it was in the City's and the citizens' best interest to move forward without the committee. If the council chose to rescind Resolution No. 2018-2, Councilor Loyd volunteered to be their representative at the biweekly on-site progress meetings in order to continue to focus on expenditures, provide fiscal oversight, and advise on best practices for construction planning on 313 S. Meridian St. He would also update the Council and those present with all information gleaned from those meetings. Councilor Loyd moved to rescind Resolution No. 2018-2 in its entirety. Councilor Sells seconded the motion. Councilor Sells stated that he was not privy to this information that Councilor Loyd would move to rescind, but he is fine with the motion because efforts to have a committee meeting have been futile. The project is far enough along and Councilor Loyd has provided enough information that he feels confident in the project without a committee. Councilor Lenington stated that Councilor Loyd is the only one attending the meetings anyway, so he sees no problem with rescinding. Councilor Williams wanted to make clear that the Council asked someone to serve who had the best intentions of doing so, but the said individual had become overwhelmed at work and had been unable to attend. Motion passed 5-0.

Cast Metals Technology Inc.

Attorney Cockerill stated that Cast Metals Technology Inc. submitted a Form SB-1 Statement of Benefits Personal Property requesting tax abatement. He did not wish to start the paperwork without the Council's approval. He stated that the process for tax abatement is a preliminary resolution for the tax statement, another preliminary resolution for the designated and economic revitalization area, and possibly a third preliminary resolution meant to waive technicalities if the project had already been started. If the Council decided to go forward, they would pass the preliminary resolution at the next Council meeting. A public hearing would follow, and then the Council could have two confirmatory resolutions at the next meeting. Mayor Byrum asked the Council if they would like to move forward with that process. Councilor Loyd requested time to look through the paperwork they had been given. Councilor Friend said that she would prefer a representative be present at the meeting. Mayor Byrum said that he thought Greg Beumer would be at the meeting. Councilor Sells made a motion to table the abatement for Cast Metal Technology Inc. until the next Council Meeting. Councilor Friend seconded. Motion passed 5-0.

Public Access Complaint

Attorney Cockerill said that he had received a public access complaint on Friday that had gone to his junk mail, so he had not received it until this afternoon. He said he would forward the complaint on to the Council for the next meeting.

Accounts Payable Vouchers

Clerk Treasurer Haney presented the accounts payable vouchers for the end of January totaling One Hundred Twenty One Thousand Four Hundred Sixty Five Dollars and Forty Eight Cents (\$121,465.48).

General Fund	\$13,404.23
MVH	\$253.12
Ambulance Non Reverting	\$142.04
Employee Welfare Benefit Plan	\$103,419.20
Fire Dept. Non-Reverting	\$48.00
Police Dept. Prof Dev.	\$2,555.52
Fire Dept. Prof Dev.	\$30.82
Animal Control	\$895.38
C.E.D.I.T.	\$717.17

February 1 to February 4 accounts payable vouchers totaled One Hundred Nineteen Thousand Seven Hundred Thirty One Dollars and Eighty Nine Cents (\$194,731.89).

General Fund	\$51,107.14
Motor Vehicle Highway Fund	\$29,837.75
Light Fund	\$5,746.46
Fire Dept. Non Reverting Training	\$94.50
City Court User Fee Fund	\$1,322.00
Donation K-9	\$21.38
Beeson Farm	\$15,060.40
Fireman's Pension Fund	\$5,130.01
Ambulance Non Reverting Fund	\$8,973.63
CEDIT Fund	\$5,571.75
Employee Welfare Benefit Fund	\$17,962.27
Police Dept. Professional Development Fund	\$402.21
Animal Control	\$476.11
Union street Reconstruction Fund	\$15,008.83
Winchester House Project	\$33,534.45
Court Cash Due County Fee	\$1,080.50
Local Road and Street	\$3,402.50

The Payroll accounts payable vouchers totaled One Hundred Thirty Seven Thousand Four Hundred Ninety Nine Dollars and Seventy Six Cents (\$137,499.76). The total of all accounts payable vouchers is Four Hundred Fifty Three Thousand Six Hundred Ninety Seven Dollars and Thirteen Cents (\$453,697.13). Councilor Sells moved to approve the accounts payable vouchers. Councilor Williams seconded. Motion passed 5-0.

Annual Report

Clerk Treasurer Haney gave each member of the board a physical copy of the first section of the 2017 Annual Report, entitled, "The City of Winchester Cash and Investments Combined Statement." She said that the General Fund did not have a balanced budget this year, which should not be the case. She

wants the council to strive to have the revenues coincide with the budgets. This is especially important to consider because the 2018 budget has been set too high. The beginning balances of the entire City Fund, including the Waste Water Utility, on January 1, 2017 was Eight Million Four Hundred Eight Nine Thousand One Hundred Seventy One Dollars and Eight Cents (\$8,489,171.08). The receipts for 2017 totaled Twelve Million Five Hundred Twenty Thousand Two Hundred Sixty Three Dollars and Sixteen Cents (\$12,520,263.16). Disbursements for 2017 totaled Twelve Million One Hundred Thousand Eight Hundred Eleven Dollars and Fifty One Cents (\$12,100,811.51). The ending cash balance of 2017 is Eight Million, Nine Hundred Eight Thousand Six Hundred Twenty Two Dollars and Seventy Three Cents (\$8,908,622.73). These figures will be advertised in the newspaper for the public to view. A Taxpayer can view at these figures on Gateway Infoline www.gateway.ifionline.org.

The funds which are supported mainly from property tax revenues include General as well as Park, Street (MVH), Street Lights, and Cumulative Capital Development (CCD) had balanced budgets in 2017. The General Fund is made up of several departments, and salary and wages make up the majority of those departmental expenses. The City's budget had been approved for 2017, but the assessed value of the City of Winchester was decreased Eleven Million Dollars (\$11,000,000). This budget year (2018) the assessed value decreased an additional One Million Dollars (\$1,000,000.00). Tonight the Council walked away from Two Million Dollars (\$2,000,000) in assessed value. Clerk Treasurer Haney called for the Council to have a budget that matches the revenue, and stated that the only way for this to happen would be through property taxes. When assessed valuation decrease the result is property taxes increases. Winchester's tax rate for 2017 payable 2018 is Four Dollars and Seven Cents (\$4.07). The total tax rate for the City increased Sixteen Cents (\$0.16), which includes the Township, Library, School, City, and County.

Clerk Treasurer Haney also gave the Council a report entitled "Interest and Debt Report." This includes the TIF (Tax increment Financing) District, Leases, and Waste Water Fund. The interest from the bank accounts in 2017 for the Waste Water Utility and the General Fund, which includes all city funds totaled Forty Five Thousand Three Hundred Eighty Two Dollars and Seventy Six Cents (\$45,382.76). The interest from the bank accounts in 2016 was Nine Thousand Four Hundred Ninety Three Dollars and Thirty Three Cents (\$9,493.33). This is an increase of revenue from interest in the amount of Four Hundred and Seventy Eight Percent (478%). Clerk Treasurer Haney negotiated with the banks thus the result was a better interest rate.

The total principle disbursed for debt in the TIF District for 2017 was Four Hundred Forty Four Thousand Three Hundred and Fifty Two dollars (\$444,352.00). The interest disbursed totaled Two Hundred Forty Seven Thousand Six Hundred Seventy Four Dollars (\$247,674.00). The total disbursed for principle and interest in the TIF district was Six Hundred Ninety Two Thousand Twenty Six Dollars (\$692,026.00). The principle amount disbursed for leases which included MVH dump trucks, police and ambulance vehicles, and the sanitation vehicle totaled Two Hundred Forty Four Thousand Four Hundred Fourteen Dollars (\$244,414.00). The interest disbursed for leases totaled Eight Thousand Nine Hundred Sixteen Dollars (\$8,916.00). The total amount disbursed for lease payments was Two Hundred Fifty Three Thousand Three Hundred Thirty Dollars (\$253,330.00). The combined disbursements for debt for TIFs and for the leases paid in 2017 was Nine Hundred Forty Five Thousand Three Hundred Fifty Six Dollars (\$945,356.00). The Waste Water Utility Bonds was stated to be a responsibility of the Council because the Council establishes rates, though they do not approve the budget or claims for the Waste Water Utility. The Waste Water Utility disbursed Seventy Thousand Dollars (\$70,000) in principle for the 2015 bonds, and disbursed Nineteen Thousand Three Hundred Nineteen Dollars (\$19,319) in interest. The total disbursements for revenue bonds in 2015 was Eighty Nine Thousand Three Hundred Nineteen Dollars (\$89,319.00). No principle has been paid on the revenue bonds for 2016, which is the latest project for a generator and drying beds. Eighteen Thousand Nine Hundred Thirty Three Dollars (\$18,933) was disbursed in interest. The total in the Waste Water Utility for interest and debts disbursed totals

One Hundred Eight Thousand Two Hundred Fifty Two Dollars (\$108,252.00). The total of the principle and interest disbursed for TIF, Leases, and Waste Water Utility is One Million Fifty Three Thousand Six Hundred Eight Dollars (\$1,053,608.00). The outstanding debt principle at the end of 2017 for TIFs totals Seven Million Two Hundred Thirteen Thousand Eight Hundred Seventy Dollars (\$7,213,870.00). The outstanding debt principle at the end of 2017 for the lease totals Five Hundred One Thousand Three Hundred Sixty Two Dollars (\$501,362.00). The outstanding debt principle at the end of 2017 for the Waste Water Utility totals Two Million Three Hundred Fifteen Thousand Dollars (\$2,315,000.00). The total outstanding debt at the end of 2017 for TIFs, Leases, and the Waste Water Utility is Ten Million Thirty Thousand Two Hundred Thirty Two Dollars (\$10,030,232.00).

Councilor Lennington asked if some of the TIF districts were about to be paid out. Clerk Treasurer Haney said they were not, and that one out of the five combined TIF districts would be paid off in 2021. She clarified that what she presented to the Council included the principle and interest paid. Councilor Lennington said that there had been a previous report that had said that one district only had Fourteen Thousand Dollars (\$14,000) in outstanding principle. Clerk Treasurer Haney pointed out that the number he referred to was from the annual report. He acknowledged his mistake. Mayor Byrum stated that this is why the Council froze all projects for the time being. This Council inherited Six Hundred Ninety Two Thousand Dollars (\$692,000) in debt. Clerk Treasurer Haney concluded by saying that she would have the Annual Report completed at the next Council Meeting and opened the floor for the Council's questions.

Councilor Lennington asked if, hypothetically, the city was able to pay off the TIFs, would the assessed value of Winchester increase? Mrs. Haney confirmed that it would. She also explained that, after talking to the assessor's office, she learned that before the Driver Middle School TIF was established, the school was exempt from paying property tax. Once the Driver TIF was established, new revenues revert into the TIF, which the Randolph Central School Corporation would receive the revenue. The Culy Power personal property was then moved into the Driver TIF, which moved One Million Dollars (\$1,000,000.00) of assessed value from the City to the TIF. This explains the One Million Dollars (\$1,000,000.00) decrease in assessed value. Councilor Lennington asked if, hypothetically, the TIF district generates Thirty Thousand Dollars (\$30,000.00) in revenue, over twenty years the school district would get Six Hundred Thousand Dollars (\$600,000). This was confirmed to be true. Mayor Byrum stated that schools operate different than cities. He said that schools have funds from the State, which is where they get the majority of their funding, whereas the city gets the majority of its funding from property revenue.

Councilor Williams asked what the solution was for the unbalanced budget. Clerk-Treasurer Haney stated that the Council needed to see where they could cut the budgets. She reminded the council of a report created by H J Umbaugh & Associates which recommended the General Fund be approximately Two Million Seven Hundred thousand Dollars (\$2,700,000). This would make the Operating Budget at the end of the year Eight Hundred Eighty Thousand Dollars (\$880,000). Mayor Byrum pointed out that one of the highest accounts they had was in the MVH because of the Community Crossings, and that over the past two years they have saved 75% each year. He estimated the total of the MVH account to be Six Hundred Thousand Dollars (\$600,000). Clerk Treasurer Haney said that the ending balance was Five Hundred Seventy One Thousand Five Hundred Ninety Nine Dollars and Eighty Four Cents (\$571,599.84). Clerk Treasurer Haney stated that the council could amend the General Fund and decrease those budgets supported by property taxes. Councilor Williams asked if they should have a meeting to look at the budget and see if they needed to cut 10% across all budgets or find some other solution. Clerk Treasurer Haney said that they really needed to look at the General Fund. Councilor Williams asked whether the VOA had done any fundraising for the Winchester House project since we are nearing the end of the first quarter of 2018. Mayor Byrum stated that there was a fundraiser coming up, but Councilor Williams asked if that fundraising was for THIS project? Mayor Byrum said he would find out.

Adjournment

There being no further matters to discuss, Councilor Williams moved to adjourn. Councilor Friend seconded. Motion passed 5-0. The February 19, 2018 meeting was adjourned at 8:17 pm.

Mayor, Shon Byrum

ATTEST: _____
Vicki Haney, Clerk-Treasurer