



Town of Rising Sun  
Special Town Meeting Minutes  
2<sup>ND</sup> Budget Meeting  
April 7, 2016

Let it be remembered that the Mayor and Board of Commissioners of the Town of Rising Sun, held a Special Town Meeting on the 3rd floor of the Town Hall on Thursday evening, April 7, 2016 at 7:00 PM. For the record the meeting place and time were duly posted as required.

MEMBERS IN ATTENDANCE: Commissioner Dave Warnick, Commissioners Allen Authenreath, Commissioner Brian Leishear and Commissioner Joe Shephard.

MEMBERS ABSENT: None

STAFF/CONSULTANTS PRESENT: Town Administrator Calvin A. Bonenberger, Jr., Police Chief Chip Peterson.

IN THE MATTER OF CALLING THE MEETING TO ORDER: The meeting was called to order at 7:00 PM by Vice Mayor Dave Warnick and followed by the roll call and pledge of allegiance

IN THE MATTER OF PUBLIC PRESENTATIONS:

A. Sewer and Water Fund Budget Overview and Revised CIP Plan:

The Town Administrator provided a comprehensive overview of Sewer and water fund and showed how the items listed in the 10 Capital Improvement Plan were now incorporated into the proprietary fund budgets. He emphasized that the budget is still in draft form and that he needed to get some direction from the board on preparation of the budget going forward. There was a lengthy discussion about the various items listed in the 10 year CIP and how those items are essentially book marks to make sure that the initiatives are accounted for planning purposes. Currently the CIP calls for roughly \$25 million additional dollars of debt service, continuing expenses and pay as you go expenses for one time purchases. He emphasized that in reality the 10 year plan could likely be spread out into a longer period such as 15 years. He gave examples such as the decommissioning of the Lagoon and the construction of a 2<sup>nd</sup> 500,000 gallon water tanks as examples. He also provided details of some needs upgrades that are long overdue such as the replacement of the Town Hall roof, several streets and various sections of sidewalk throughout town. He discussed how the Town had paid for various studies and assessments of streets, sidewalks and storm drains. Those studies called for some serious upgrades, repairs and replacements and those funds needed to be captured now so that funds could be set aside for those repairs. There was discussion about the replacement schedule of various vehicles

and the need to get the town back on track to be in a position to keep capital cost in check by developing a reasonable replacement plan for the Town's vehicles. There was also a great deal of discussion about the amount of money that is spent yearly on contracted services for snow removal and utility repairs and how those moneys could be redirected into capital equipment purchases so the that work can be done in house. Roughly \$60,000 has been spent this year. The Town Administrator gave an overview of the aging of the towns water and sewer system piping and how the uptick of recent breaks and pipe failures will likely continue, driving cost up even more. There was discussion about staffing in the Public Works department and how the demands for services are actually greater despite the management of the sewer plant being contracted out. As a result of this discussion the board requested that the draft budgets include a 5<sup>th</sup> public works employee and a vehicle. In addition, the board requested that the budget include cost to secure the necessary equipment to better enable our crews to handle water and sewer main breaks. The annual cost of leasing could be offset by redirecting the contractor cost to this purpose.

The Town Administrator provided an analysis showing that the overall assessed value of property in the Town has decreased by 4.3% over the preceding 6 years, resulting in a reduction of real estate tax revenue of roughly \$114,000 during that period, which represents 14.2% of the Town's general fund operational budget. Although the Town has lowered expenses each year during that time, it has required significant budget discipline and planning in order to provide basic operational services. Coupled with the fact that the cost of living has risen 8.7% during that same 6 year span, we have essentially incurred a 22.9% drop in revenue availability over 6 years, which translates into a loss of available revenue of roughly \$183,505 during that period.

The Town Administrator further provided research showing that the average assessed value of detached residential homes in Rising Sun is \$170,232, however the assessed value of detached dwelling units that are rental, is only \$132,708, which indicates a serious drag on accessed values, which has a significant impact on the values of homes, which adversely impacts our residents and their investment in our community. Recognizing this trend, the board requested that the budget include a property maintenance and permit clerk position to take a more active role in enforcing the Town's Property Maintenance Code Program, which can have a direct impact on assessed values of homes. With the reality of rising cost, downward trending revenue projections and significant infrastructure needs over the next 10 years, the budget should reflect a significant effort to accommodate those expenses, which would likely result in a tax increase.

With no other business to come before the Mayor & Commissioners, a motion was made by Commissioner Warnick and seconded by Commissioner Leishear to adjourn the meeting at 9:50 PM.

Respectfully submitted,



Calvin A Bonenberger Jr  
Town Administrator – Acting Town Clerk