

ST. JOHN TOWN COUNCIL SPECIAL MEETING
ST. JOHN MUNICIPAL BUILDING MAIN MEETING ROOM
10955 W. 93RD AVENUE, ST. JOHN, INDIANA
November 6, 2008 – 7:00 P.M.

Mr. Fryzel called the meeting to order at 7:00 P.M. and led the Pledge of Allegiance. Roll call was taken with the following members present: Michael Fryzel, President; Jerri Teibel, Vice-President; Gregory Volk, Member; Mark Barenie, Member; Michael Forbes, Member; David Austgen, Attorney; Steve Kil, Town Manager and Sherry Sury, Clerk-Treasurer. Also present were Fred Frego, Police Chief; Fred Willman, Fire Chief; Bob Pharazyn, Director of Operations and John Mainwaring, Code Enforcement Officer. Absent was Chip Sobek, Parks Superintendent.

Public Hearing

2009 Budget – Ordinance #1481

Proofs of Publication – Mr. Austgen stated that the Proofs of Publication were in order and published twice in both the **Post** and **The Times** on October 27 and November 3, 2008.

Opening Remarks – None

Town Council Comments

Mr. Barenie stated that there are some adjustments that came in last week and deferred to the Clerk-Treasurer. Ms. Sury stated that the funds that were adjusted on the Form 1's for approval were the non-taxable funds and advertised in the paper for the public hearing. The funds; #218, #233, #247, #275, and #280 would reflect the 2008 budget and funds; #238, #272, #410, #446, and #473 would remain as advertised for the 2009 budget.

Ms. Teibel asked if the Solid Waste Operating fund would be adjusted and Ms. Sury explained that the grant money we receive is based on the census figure of 8,345 homes and we received less money.

Mr. Fryzel referenced the Police Special Fund and asked if the budgeted amount would remain at the \$107, 500 figure. Ms. Sury stated that this amount would be budgeted, referenced the fund balance and that the appropriation is permission to spend the money. Discussion ensued as to the use of this fund.

Open to Floor – No comments

Close to Floor

Mr. Barenie motioned to approve Ordinance #1481 on first reading. Seconded by Mr. Forbes. Roll call vote: Mr. Volk, yes; Mr. Forbes, yes; Mr. Barenie, yes; Ms. Teibel, no and Mr. Fryzel, abstained. Motion carried with a vote of 3 - 1 - 1.

Reports & Correspondence

Town Council

Mr. Volk stated that the Panagakis annexation (East Side) has been put on the County Council agenda for the 19th of this month for the preliminary plat. He stated that he spoke with Mr. Austgen on this matter and he recommends that the Town Council send a letter to the County Council stating their point of view, that is going to be annexed, should come under the St. John standards and come before the Town Council. Discussion ensued. **Mr. Forbes motioned to authorize the attorney to draft a letter to the Lake County Plan Commission regarding the Panagakis development. Seconded by Mr. Volk. Motion unanimously passed.**

Mr. Barenie asked Mr. Austgen to look into the procedures that it would take to create a finance committee or something like that. Mr. Austgen stated that the Council has the ability, as an elected body, to create any committees they deem necessary. They can do so at the meeting (number of members, term of appoint, etc.) or they can by resolution or ordinance establish formally a permanent type committee for the purposes he is talking about. Discussion ensued.

Ms. Teibel stated that the Lake Hills Haunted House did very well, did not have the exact numbers however; approximately \$36,000 was earned after paying all the bills. They came in under budget. She would like to get a commitment from the Council that they can do this in 2009. If they can get a budget for \$15,000 they can purchase supplies when they are on sale. Mr. Pharazyn stated that there is an increase in the proposed budget to incorporate some of the material that was donated to the town (LGS Plumbing) for the event. Mr. Barenie asked if they have a consultant. Ms. Teibel said it's on the list. Discussion ensued pertaining to the consulting fees budgeted and the need for approving the 2009 budget. **Ms. Teibel motioned to approve the Lake Hills Haunted House Autumn Festival budget for 2009 in the amount not to exceed \$17,000 and Mr. Barenie amended the motion to include the use of the Forystek's as the consultants. Seconded by Mr. Barenie. Motion passed with a vote of 4 ayes and 1 nay by Mr. Forbes.**

Ms. Teibel complimented the staff of the Clerk-Treasurer's office for all of their help and assistance throughout the event and stated that it was a pleasure working with all of them. Mr. Fryzel congratulated everyone that participated in the Haunted House and its success for this year.

Clerk-Treasurer – None

Staff

Mr. Kil referenced a memo that was sent by Mr. Austgen to everyone regarding the computer consultant whereas they could not pay for materials and physical items that were purchased by the company until there was some formal action by the Town Council. He stated that he still has some bills out there, mainly from the festival this year for \$2,300.00 in prizes and has some other bills he can't remember if they have purchased some of these things and that he knows that this bill was actually a purchase and is concerned about it.

Mr. Kil stated that he didn't know if the Town Council wanted to take some action that would amend that agreement that allows for the purchase of supplies. Mr. Fryzel questioned the nature of the bills and the time frame. Mr. Kil provided copies of the bills for the prizes and some bills dated August 21, September 18, September 2, October 16, a bunch of different things, laser jet toner, ink cartridges, drum kits, yellow toner, remote backup for the building.

Mr. Austgen addressed Mr. Fryzel and stated that these sound like office supplies and questioned if these items are within the Town Manager's purchase authority, responsibility, Mr.

Fryzel referenced the last conversation that they had about this was that one of our employees not being here, that the consultant would be purchasing as long as it was approved by Steve and there was a comparison done on prices by Steve or the department head. That was the last he heard and that hasn't been done. Mr. Kil stated that he has no objection with that; that is fine as long as he knows that the Town Council concurs with that. Mr. Fryzel stated that as long as a price check is done and it is under Mr. Kil's authority, Mr. Fryzel stated that he does not have a problem with that. Mr. Kil stated that again, he is fine with that, and has a memo from Mr. Austgen that says that they should consider formal action by the Town Council to allow that.

Mr. Austgen stated that, that is not what his memo said. The memo said with relationship to JDM Consulting, that JDM Consulting did not have the authority to purchase supplies and equipment. But he advised the Town Council and you (Mr. Kil), specifically, was that you have the authority as a department head, as the administrative head of the administrative offices with your purchase authority that you could authorize or approve based upon your due diligence assessment of the best prices. Mr. Kil stated that there is no problem, again, as long as the Town Council concurs with that and has no objection to that. Ms. Teibel asked if this has been going on for years but only Tina Fletcher did it and he signed off on it. Mr. Kil stated that when the TV's were purchased, it started all of that and he wanted to make sure everyone is fine with that and has no objection to doing that. Mr. Barenie asked why the store that was used to purchase the TV's did not invoice, is not being paid, and Mr. Forbes questioned why we are paying the markup. Ms. Teibel explained that Jeff (JDM) is a wholesaler and Jeff stated that he is a distributor with Office Max, (inaudible). **Ms. Teibel motioned to approve the invoices from JDM Consulting for office supplies for \$2,800.00 and festival prizes for \$2,300.00 for the Town of St. John.** Discussion ensued questioning if there were charges for interest; there were none, and addressing the dates of the invoices. **Seconded by Mr. Barenie. Motion passed with a vote of 3 ayes and 2 nays by Mr. Forbes and Mr. Volk.**

Mr. Fryzel asked Mr. Kil to find a better way to do this. Mr. Austgen stated that Sherry inquired about the detail of the invoices so Steve when you present them to her checked off, make sure the detail is attached, she cannot process them without that detail. Mr. Pharaзыn asked for clarification, are they going to Steve and get the okay from him and Steve will go to the consultant to buy the equipment and Mr. Fryzel stated that they go to the consultant, he will know what they need and then go to Steve. Discussion ensued.

Chief Frego stated that the current IT policy states that no purchase can be made without the approval of the director of the IT or the analyst, and questioned that if he needs an ink cartridge on Friday, does he have to wait until Tuesday to see the consultant to get the cartridge. Mr. Fryzel stated that this is pretty well clear now and still signed off by Steve. Discussion ensued regarding the confusion and the potential purchases of toner, hardware and software. Mr. Austgen stated that the ordinance would be reviewed to determine if it needs clarification.

Public Comment

Ms. Beth Sandberg, 9550 Dover Lane – referenced the packet distributed by Mr. Barenie last month and asked if Mr. Jim Bennett was hired by the Town to do financial things and try and figure out how we could save money. Mr. Barenie stated that historically, he believes that Mr. Bennett has prepared our budget and this particular instance; it was additional work for him. Ms. Sandberg asked if the fees for trash fees, fire hydrant rental, water utility and sanitary utility fees were his suggestions. Mr. Barenie stated that they were everyone's suggestions. Ms. Sandberg asked if any of these would be implemented this year for next year in trying to save the \$1.7. Mr. Forbes stated that the garbage fee has been discussed. Mr. Barenie added that

the \$1.7M deficit would have to be a combination of decreased costs, as introduced in the 2009 budget, along with increased fees and using some of their reserves as well. He explained going forward into 2010 and the planning process until the revenues pick up again.

Ms. Janet Brennan, 10151 Delmar Street - complimented the kids and workers at the Haunted House. She stated that she requested information this week, was able to get some or most of that information, and referenced the revenue and expenditures reports. Ms. Brennan stated that she did request information as was discussed at the October 16th meeting regarding the sale of the t-shirts, how much money was made, where do the proceeds go, and if the Town Council approved the sale of the shirts. She stated that a 16-year old made \$500.00 by selling the t-shirts to his co-volunteers and thinks that the money should be given back to the kids who purchased the shirts or sold at cost. A response was received from Mr. Kil regarding her request for information and she referenced his reply. "Neither his office nor the office of the Clerk-Treasurer has any documentation or knowledge of anything related to this request therefore there are no public records available to provide to you". Ms. Brennan stated that she responded by e-mail to the council members and wonders where all the money is. Ms. Teibel stated that she does not recall at that meeting how Mr. Poplin said how his son was going to repay the town. Ms. Brennan asked how she can get approval to sell Santa Claus t-shirts. Ms. Teibel stated that it was a form of advertising, described the t-shirts and the project that was done on his own through a class at school and received credit for. Discussion ensued regarding the cost and discrepancy in the lettering of the t-shirts. Mr. Kil stated that he would forward the final spreadsheet of the Haunted House expenses to Ms. Brennan when it is complete.

Ms. Brennan also asked who is on the Special Events Committee, how it is established, who makes the decisions, how she can obtain reports and stated that she put in another public record request for this information this afternoon. Mr. Fryzel stated that the Town Council approves the decisions for the events and that there is no Special Events Committee. Ms. Teibel stated that they have a list of volunteers.

Mr. Jeff Fryzel thanked the Council for continuing the number of programs that have been started for the residents over the last few years, mainly the Haunted House, Christmas in the Park and the Family Festival. He stated that he would like to offer his help with finances with the Christmas in the Park and pay for the fireworks, (either personally or through his business) was told no thank you and that Mr. Kil felt that a majority of the council was not in favor of taking the donation for the entire cost of the fireworks. He stated that he didn't understand why that happened and wanted to ask each councilman individually why not.

Mr. Volk stated that they are reducing the number of dollars for the event and believed that if someone wanted to make a donation, it would be used towards reducing that number that was set. Mr. Jeff Fryzel stated that his donation is intended for the fireworks, not for running the electric or for the expenses, it would be an additional donation for the event.

Mr. Forbes stated that they would take the donation for the event, not a specific part of the event. Discussion ensued. Mr. Mike Fryzel stated that we should have them if he is paying for them. Ms. Teibel stated that it would be insane to not accept the generous offer. Mr. Barenie said no and Mr. Fryzel stated that he spoke with Mr. Barenie on the phone and reiterated his reason and that was because they are cutting back and it would create an ill atmosphere on the town employees if they had the fireworks. He questioned if the statement was right or wrong. Mr. Barenie stated that he recalled some of that being accurate.

Mr. Jeff Fryzel stated that the room was full of employees. He asked the audience if any would object as employees of the town, for him paying for the fireworks for the Christmas in the Park. There were several “no’s”. He then asked if anybody would like him to pay for them as an employee of this town. There were several “yes’s” and some applause. Mr. Jeff Fryzel then addressed Mr. Barenie and asked him if that was one of his reasons, discussion ensued. Mr. Forbes stated that there are no fireworks planned for the Christmas in the Park according to the budget that was approved. He added that if he wanted to make a donation to the Festival of Lights or whatever it would be, it would be applied accordingly.

Mr. Jeff Fryzel addressed Mr. Barenie, requested his reasoning and he declined. Discussion ensued. Mr. Barenie stated that there are other businesses in town and asked if they were asked to participate in this opportunity and stated that there is a slight conflict of interest, Mr. Jeff Fryzel being the brother of the chair, and asked if this opportunity went out to everyone else in town and did they have the option. Mr. Jeff Fryzel stated that he does not care if he gets credit for the fireworks and would send a letter or personally approach all the businesses in this community and ask for donations and if not, he would guarantee the amount because we are running out of time. Discussion ensued. Mr. Barenie stated that he and Mr. Mike Fryzel said that they spoke to employees and they are sensitive to the perception that the Council might charge garbage fees yet they are spending money of fireworks. Discussion ensued.

Ms. Marilyn Hornyak, 11903 Louis Drive – stated that she is shocked that the Council would not say thank you and accept this gift. She remembered the man from the Diary Queen that came in and gave a check for \$1,500.00 to the Police Department. He had a right to designate as a private citizen, where he wished his gift to go and she does not understand why this is such a big deal. She thinks it’s a very nice thing this fellow is doing.

Mr. Barenie asked the rest of the audience how they feel. A woman said it is a wonderful gift and it has nothing to do with the employees. Another woman said the only thing is when they are going to bill the rest of the town \$15.00 or whatever it is, they’ll see this huge production taking place, it doesn’t look like the town is suffering and the people are paying for it all. Discussion ensued. Another comment was made that a person is paying three times; there is a freeze on wages, longevity is taken away, and if you live in St. John, you get the garbage fees.

Discussion ensued about the Haunted House money and the profits. Mr. Austgen stated that the funds from the special events are to be used exclusively for special events and they contemplated in the ordinance adoption and the ordinances that were approved, several of them for the various special events, that the funds generated if any, would be used to support and sustain those events from year to year as funds existed. Ms. Teibel stated that she always believed that the Haunted House would do well and support other events as they came along. Discussion ensued. Mr. Austgen stated that he looked at the ordinance and verified that the Council can designate where the funds go, to the next year’s event or to the next event.

Mr. Jeff Fryzel stated that he would contact the other businesses to see if they want to donate, discussion ensued.

Ms. Teibel motioned to consider acceptance of a gift proposed of an in-kind donation of fireworks for the Festival of Lights event subject to the solicitation of the additional business entities or enterprises in our community for co-sponsorship or co-participation for same. Seconded by Mr. Barenie. Motion passed with a vote of 4 ayes and 1 nay by Mr. Forbes.

Adjournment – Mr. Forbes motioned to adjourn the meeting. Seconded by Ms. Teibel. **Motion unanimously passed.** Meeting adjourned at 8:05 P.M.

Attest:

/s/ Sherry P. Sury, Clerk-Treasurer