

**JOINT SPECIAL MEETING OF THE TOWN OF ST. JOHN TOWN COUNCIL  
AND SANITARY/WATERWORKS DISTRICT**

ST. JOHN MUNICIPAL BUILDING MAIN MEETING ROOM  
10955 WEST 93<sup>RD</sup> AVENUE, ST. JOHN, INDIANA

April 6, 2009 - 6:00 P.M.

Mr. Barenie called the meeting to order of the Town Council and Sanitary/Waterworks District at 6:00 P.M. and led the Pledge of Allegiance. Roll call was taken with the following Town Council members present: Mark Barenie, President; Michael Forbes, Vice-President; Michael Fryzel, Member; Jerri Teibel, Member and Steve Kil, Town Manager. The following members of the Sanitary and Waterworks District Boards were present: Bob Myers, President; Alex Monanteras, Vice-President; Kenneth Gembala, Member; Michael Hanlon, Member; Patricia Sims-Smierciak, Member; Pete Faberbock, Robinson Engineering; Bob Pharazyn, Director of Operations; Randy Wyllie, Attorney and Sherry Sury, Clerk-Treasurer. Absent were Gregory Volk, Town Council Member and David Austgen, Town Council Attorney. Also in attendance was Karl Cender.

**BLB St. John – Gates of St. John – Subdivision Issues** – Mr. Barenie referenced the handouts and asked that Mr. Wyllie and Mr. Myers lead the discussion as they have had numerous discussions regarding this matter.

Mr. Wyllie stated that it looks like they have agreement on both sides on most items. There are about four to six items that are not major issues that have to do with timing of when he begins payment of the fire station, how soon the construction of the water line starts, issues like that. He stated that he spoke with both of Mr. Lotton's attorney's today and said the Town owes them discovery and a response to the injunction motion this week. The attorney's told him they will not push litigation and perhaps this can be settled sometime this week and that he wanted everyone to see where they are with this.

Mr. Myers added that he agrees with Mr. Wyllie that they are pretty much there, the four to five items left are not a deal breaker and they will explain to Mr. Lotton why they don't want those included in the agreement. They had plenty of discussions and they will build the water treatment plant without a rate increase and stated that Mr. Cender is in attendance to answer any questions they may have. Mr. Cender has met with Mr. Pharazyn and Mr. Monanteras numerous times to discuss the financing portion.

Mr. Cender stated that they looked at the existing rates for the year ending December 31, 2008, and it appears they do have, adjusting some of the operational maintenance items, to have what they are proposing for the 2009 budget. They will still be able to cover those items and include that service in not only the existing bonds but on the total 3.9 of what they are proposing for the facility. The bond ordinance will probably be for \$4 million, there will not be a rate increase and after the engineers look at the project, there will be a resizing of the bond.

Mr. Barenie asked if there would be any undue stress put on the rest of the projects in town that may need to be delayed or deferred for a time. Mr. Myers stated that there was nothing major that needs to be stopped. It will tighten Mr. Pharazyn's budget a bit; he won't have as much money to spend the next few years. He also said the system development fees will now come to the town instead of the recapture agreement. Mr. Pharazyn stated that the only capital improvement work they will be doing, that is shown in Mr. Cender's budget for next year, will be the water meter replacement program. The water meter replacement project will cost about \$145,000 per year for the next three years and paid through the system development fees fund.

Discussion ensued regarding the pay off of any current bond issues, the need to have a schedule (timetable) and Mr. Monanteras explained the offset regarding the anticipated revenue to be received for the capital improvements from the increase in the system development fees.

Mr. Fryzel referenced the open issues as noted in the handout and inquired about the first line of Mr. Lotton's attorney's letter, clarification on the 3.5 million plus interest. Mr. Wyllie stated that this is regarding the sanitary line that Mr. Lotton is required to run to Schererville, the amount he is to recapture is up to \$3.5 million and the District doesn't think he is going to expend \$3.5 million. Discussion ensued regarding the recapture up to \$3.5 million. Mr. Wyllie stated that the recapture starts once the construction starts. Discussion ensued. Mr. Kil asked for clarification of the construction start and notification as to when to begin the recapture so that the information could be forwarded to Building and Planning to begin collecting the fee district wide. Mr. Myers stated that items two and three are not of concern to Mr. Lotton, the time frame is of concern to the Town. Discussion ensued.

Mr. Fryzel expressed concern why the original attorney, Mr. Kiel, was not at the final meeting and why an assistant was there. Discussion ensued. Mr. Myers said it didn't matter as Mr. Lotton's attorney's showed up with two new documents. Item four is that Mr. Lotton wants to see the final plans and Mr. Monanteras stated that they were finalized last March.

Mr. Myers stated that they hope to get this finalized this week and then send it to the Town Council for approval. Once they get Mr. Lotton's signature they will also ask for permission to release the permits.

Ms. Teibel asked what the utility board's requests are. Mr. Myers stated that his comments are the ones in front of the document handout.

Discussion ensued regarding the timeline for the agreement and release of the building permits. Mr. Myers stated that there are three parts to the agreement: sign the agreement, a copy of the contract with his developer that he's going to put in the sanitary sewer line; and an order sheet showing that the material for that line has been ordered. If Mr. Lotton does these three things they could release the permits and the Town Council could act on the agreement.

**Any and all business that may come before the Board – None**

**Public Comment – None**

**Adjournment – Mr. Forbes motioned to adjourn the meeting. Seconded by Ms. Teibel. Motion unanimously passed. Meeting adjourned at 6:28 P.M.**

ATTEST:

/s/ SHERRY P. SURY, Clerk-Treasurer