

The Town of Cloverdale met on Aug 28th at 7:00 p.m. at 154 S. Main Street Cloverdale, Indiana. This was a special meeting to discuss utility rate study.

President Don Sublett called the meeting to order at 7:00 p.m., the pledge of allegiance was recited, and attendance was called. President Don Sublett, Vice President Dennis Padgett, Council Coweta Patton, Gary Bennington and Larry Fidler were all present along with Clerk Treasurer Cheryl Galloway and Attorney Allen Yackey.

A quorum being established, the meeting proceeded as follows:

Approval of agenda was modified by President Don Sublett (4a) add Richard Utility Manager. (4b) add Don Sublett. Coweta made the motion and Dennis 2nd. Vote was unanimous.

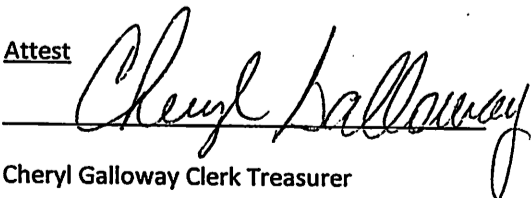
Old Business: police Cars being driven in other counties with the Fuel Price reaching \$4.00 a gallon it is the wishes of this Town Council to park the cars. Gary wants a monthly report from Chief Chad with mileage and maintance for each car. It was advised by the Town Lawyer not to take action until Chief Chad could be at the meeting. Discussion closed. (4a) Richard asked the town to rent the rock box to Rockville for a month @\$500.00 or \$25.00 a day Richard will write a rental agreement to return without damage as it was, and the money will sandblast and paint it on its return. (4b) Parking Ordinance 1986 is codified (find signs ordinance). Each board member will get with Mr. Yackey to create a new parking Ordinance.

Utility rate study-Buzz Krohn. Loss of business and residents adds up to loss of income for the Town Of Cloverdale. Solution could be a fix rate for residents and a variable (usages) for business. The town needs minimum \$904 Thousand to barely cover fixed bond rates and to maintain a minimum cover ratio of 125%. Take our gross operating revenue and de-duct or cash operating expenses there has to be enough to pay our bonds and additional 25% margin. If we do not maintain this level we are in default in the debt covenant. The Town brings in 745,000 thousand dollars a year we need minimum 158,000 thousand just to get out of the hole. Target amount will be 904 to 980 thousand dollars with the higher number being what it needs to be for the working capital and will take 2 years to get out of the hole. This is for wastewater only. Mr. Gedert suggested the Food and Beverage Tax to help offset the cost. The council asked Mr. Gedert to proceed on obtaining this tax and the Town will look into the surcharge. A PUBLIC HEARING will need to be scheduled. In closing the short fall is 300,000.00 dollars for both water and wastewater if we put a surcharge of \$27.50 on each bill for the 911 customers that will be enough to give us our margin for the bonds. and or If we get the food and beverage tax we can make the adjustments to the bills, or we could bump the cost a little and the town will have to hire Krohn again next years to do another utility rate study and we will not be able to keep our debt covenant.

Meeting adjourn: 9:55 p.m.



Attest



Cheryl Galloway Clerk Treasurer

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