

CITY OF
CHARLESTOWN

EST. 1808

Dr. Treva Hodges, Ph. D.
MAYOR

May 11, 2020

City of Charlestown Common Council
304 Main Cross Street
Charlestown, IN 47111

Re: Updates – City Facilities re-opening plan and COVID-19 emergency, Budget Impact, Notice of Veto

Dear Council Members:

On Friday, May 1, 2020 Governor Eric Holcomb extended the State of Emergency for COVID-19 until June 4, 2020 and outlined his plan for reopening businesses and social events over the next two months. The Governor's order allows municipal leaders to adopt reopening plans that work best for their local situations. Charlestown businesses have been encouraged to follow the Governor's orders on reopening and to adopt proper safety protocols moving forward. I have released a three-phase reopening plan for our city facilities that includes our parks, City Hall, Police Headquarters, and rental facilities such as the A&E Center and the Family Activity Center. This plan does not include specific dates but establishes criteria that must be met before moving through the phases. For the time being, until data shows a local infection decrease, we remain in Phase Zero with all facilities closed to in-person business and staff working remotely and on alternating shifts when in person. We have seen one week of declining percentage positive tests and I'll watch for the next seven days to see if that number continues to decline. I have included the text of the Charlestown reopening plan for your records.

The COVID-19 pandemic is causing significant economic hardship for our businesses and families and it is expected to affect the City's revenue as well. I have received an unofficial review of our monthly cashflow from our financial advisors at Baker Tilly in which they assume a **30% collection rate for June property tax settlement** and an **overall delinquency of 10%**. Additionally, it is expected that the next **MVH distribution will be 50-60% less** than typical due to a reduction in road and fuel taxes. **It is estimated that we will have a budget shortfall of \$1.5 million this year due to the reduction in tax revenue caused by the pandemic.** While this is only an estimate, it is imperative that we make financial decisions that bear this potential shortfall in mind. This comes at a difficult time for many of our departments that have reached critical need for equipment and resources. In order to save money where possible I have reminded all supervisors to monitor spending carefully with a focus on needs, not wants. This means that some of the quality of life initiatives such as parks renovation and sidewalk construction have been temporarily halted.

The financial impact of COVID-19 also delayed the City's adoption of the Cumulative Capital Development Fund this year. This fund offers critical revenue for municipalities at a low impact on individual homeowners but, like you, I agree that our present circumstances make any extra tax, however small, inappropriate at this time. **I wish to clarify that the CCD fund is not a new concept for our City.** The prior administration adopted this fund with Resolution 2016-R-8 in July of 2016. Unfortunately, the DLGF rejected this adoption due to a procedural defect in the filing of the required public notices and noted that the city's legal counsel at that time failed to publish the notice twice as required by state statute. This year in anticipation that I would sponsor the CCD legislation at the April council meeting, I took extra care to request assistance from our financial advisors in order to make sure the public notices were filed appropriately. Unfortunately, that publication has created some confusion due to a difference in standard practices between Baker Tilly and Charlestown's Clerk Treasurer's office. Baker Tilly includes

the names of the representatives of the governing body on their public notices so that taxpayers know who to contact to express their opinions about the proposed fees. **This does not mean that the individuals support or sponsor the legislation, only that they have authority to approve or deny the legislation.** This is not the standard practice of Charlestown's Clerk Treasurer and our notices typically include the name of the person (usually the attorney) who submitted them. This confusion prompted the council to pass Resolution 2020-R-8 at the regular meeting in April. Council rules of decorum established in Resolution 2020-R-1 dictate that all legislation in the form of ordinances or resolutions must be submitted to the Clerk Treasurer's office no later than Thursday afternoon for a Monday meeting. The Clerk did not receive a copy of Resolution 2020-R-8 until weeks after the meeting occurred, and this caused the resolution to be passed under the wrong number, therefore making it an invalid resolution. Subsequently, a copy of the resolution was not distributed to the Office of the Mayor until the third week after the meeting in which it was approved. This procedural error prompted an Executive Veto of the resolution which has now been overridden by the Council as of the May 4th regular meeting, the number having now been corrected.

During the May 4th Council meeting Resolution 2020-R-5 "A Resolution Authorizing Representation of Former Mayor of Charlestown in Lawsuit and Waiving Potential Conflict of Interest for Common Council Attorney" was passed unanimously. An Executive Veto was issued immediately for two reasons.

- First, I do not believe this action represents the best financial interest of the city. The city attorney, Mickey Weber, believes that former mayor Bob Hall has immunity from this lawsuit based upon IC 34-13-3-5(a). Mr. Weber has filed an answer to the complaint on behalf of the City and has made a motion to dismiss the case. Included in his filing is a motion to have Bob Hall and Tony Jackson removed from this lawsuit. Mr. Weber is contracted at a lower hourly rate than the Council's attorney, Michael Gillenwater. Our current budget situation mandates we exercise care in spending and allow Mr. Weber to take appropriate action in this matter instead of paying the higher cost we will incur if Mr. Gillenwater performs the work. I have included a financial review sheet for you that shows the amount of money we have spent on attorney fees this year and a review of the prior four-year period for city attorney fees with a comparison community. **Please note that our budget for attorney fees this year is \$50,000.**
- Second, the Council does not have the authority to hire an attorney for a former employee. State statute 36-4-6-24 allows the Council to hire their own attorney, but only the head of the Department of Law (City Attorney Mickey Weber) can authorize the employment of attorneys for other people associated with the City past or present (IC 36-4-9-11 and IC 36-4-9-12).

Please let me know if you have any questions or would like additional information about the items presented in this letter.

Sincerely,



Dr. Treva E. Hodges, Mayor
City of Charlestown, Indiana