

CITY OF
CHARLESTOWN

EST. 1808
Dr. Treva Hodges, Ph. D.
MAYOR

April 16, 2021

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

Re: Sanitary Sewer Board Ordinance Veto

Dear Council Members:

After careful consideration of your comments in support of the establishment of a sanitary sewer board, Ordinance 2021-OR-03, presented at the April 8, 2021 council meeting, I have decided to enact a mayoral veto of the ordinance. In addition to public feedback in opposition to the board, the reasons for this veto are listed below:


- **A sanitary sewer board will unnecessarily increase costs during a time when it is critical to practice conservative spending.**
 - Prior to last year, the wastewater operating fund suffered extensively from extreme financial losses:
 - - \$210,309.02 loss in 2017
 - - \$108,274.06 loss in 2018
 - - \$401,390.95 loss in 2019
 - Under current management, the department has experienced financial, operational, and facilities improvements. Breaking the trend of significant losses from previous years, we ended 2020 with an excess capital reserve of +123,310.40, reversing the department's downward financial spiral. Additionally, wastewater engineering costs in 2020 totaled \$45,000, a 31% reduction from the average engineering costs for the previous eight years.
 - Unlike the Board of Public Works, which currently oversees the management of the sewer department, a Sanitary Sewer Board is a paid board. The added expense of paying three board members the Council's recommended \$500/month each, plus additional fees for a dedicated attorney, stenographer, materials, time, and labor associated with managing a new board are simply unwarranted.
 - Council members cited a need for professional advisors as justification for creation of this board. Such a statement overlooks the fact that the city already employs some of the most respected professional engineers, financial advisors, and operational review experts in our region. Adding more opinions simply adds additional costs at this point – something that works against the goals of Council members who have proclaimed a desire to keep rates as low as possible for our existing customers.
 - A sewer board will not result in cost savings simply because one member of the board is required to be a licensed engineer. The engineering board member cannot provide engineering services to the department, as doing so would represent a conflict of interest. All costs associated with the implementation of a sewer board will be additional expenses and will not reflect any savings.
 - **The numbers show that the department is moving in a healthy direction, adding costs at this time will jeopardize our financial gains.**

- **The City of Charlestown will not benefit from this additional layer of government bureaucracy.**
 - Currently the Board of Public Works, under the Executive branch, oversees the day-to-day operation of all city services. The small size of our staff and limited resources we have available make it essential that we maintain flexibility. The addition of a Legislative controlled sewer board complicates daily operations and is a barrier to cooperation between departments since the wastewater department will report to a different board than the rest of the city's service departments. By creating this board, the Council is limiting the Mayor's ability to "lend" employees and resources from one department to another as needed. Additional staff will be required in both the Wastewater Department and City Maintenance departments to cover the duties that have previously been shared. This change results in additional expenses on both the rate-based wastewater operation fund and the tax-based city maintenance fund.
 - Contrary to the Council's notion that this board will "provide help" and free up time so that the Mayor can tend to "other duties," this board requires additional monthly meetings, which the Mayor is required to chair, an extensive and complicated establishment process and period, and resource drain that is not needed since current management under the Board of Works demonstrates effective operation of the department. Further, the Council's stated goal of providing help substantially misunderstands the function of a sewer board, which exists to make decisions, not perform tasks. Transferring executive, decision-making authority to representatives of the Council does not in any way lessen the work to be done or contribute to the performance of that work.
- **Transitioning to a Sanitary Sewer Board risks delays in much needed repairs and expansion.**
 - The Wastewater Treatment System requires extensive repair and expansion if we are to provide quality service to our existing customers and meet our growth demands. Through the Board of Works, the city has spent the last year performing a thorough audit of our collection and treatment systems, expansion needs, and rate performance.
 - Information obtained in these reviews has resulted in modifications and improvements that have brought the system back into compliance with the Indiana Department of Environmental Management after it was recognized that it had been in non-compliance for an extended period of time.
 - To change the responsibility of management at this point risks setting us back at a time when we are ready to move forward with other long-overdue improvements.

As the Executive head of the department, I have worked diligently over the last 15 months to gather all relevant data so that I could present our needs to the Council and work collaboratively to solve our wastewater problems. This move toward the establishment of a sewer board is contrary to those goals and comes at a time that is not advantageous for our ratepayers or potential growth. For these reasons I am issuing a Mayoral veto of Ordinance 2021-OR-3 on the establishment of a Sanitary Sewer Board.

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