STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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Local Government Tax Control Board
Meeting Minutes
May 22, 2008

Call to Order: The monthly meeting of the Local Government Tax Control Board was held on Thursday, May 22, 2008. The meeting was held in the Indiana Government Center South, Conference Center Room A, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Dan Jones, Lisa Decker, Ken Kobe, John Stafford, Mike Bozymski, Chuck McLean (Administrative Officer), and Linette Pedigo (Administrative Secretary).

Minutes and Discussion: Ms. Decker began by asking for any changes or corrections to the April 24, 2008 minutes. Mr. Stafford said that on the second line of page 9 of the minutes, "wash bays" refers to the other Noblesville petition (the Street Department project); the bays being discussed are extra fire trucks bays for the fire station petition. Mr. Stafford then noted that in the third paragraph on page 24, the minutes should say that the "annexation appeal really does not apply." Mr. Bozymski stated that on the call for a vote for Buck Creek Township in Hancock County, on page 13, he abstained from the vote, not Mr. Giffin. Mr. Stafford motioned to approve the minutes as amended. Mr. Kobe seconded, and the minutes passed by a vote of 5-0.

Portage Township, St. Joseph County; Emergency Township Assistance Loan: The unit is requesting approval to obtain a loan in the amount of $1,200,000 for a term of (1) year for the purpose of providing township assistance.

Project Costs: $1,200,000
Amount applied to debt: $0
Annual Payment: $1,200,000

Tax Rate Impact:

2007 AV	$1,789,000,000
Levy Needed	$1,250,000
Est. Tax Rate	.0671

Meeting and Publication Dates:

Date of publication for a public hearing	1/10/2008
Date of public hearing	1/29/2008
Resolution/Ordinance adopted	1/29/2008
Notice of Determination	1/29/2008

Auditor's Certificate of No Remonstrance: 2/28/2008

Present for the hearing: Charlotte Barrier, Deputy Trustee; and Charles M. Voreis, Portage Township Trustee.

Comments: Mr. Charles Voreis began by stating that he feels this $1.2 million is needed. They try to do everything possible to assist the needy individuals in Portage Township to the best of their abilities; they try to stretch the hard-earned taxpayer dollars as far as they can stretch them. He said that on September 27, 2007 all assistance for the needy in their township was cut by half. There are not enough funds generated through property taxes, so sometimes they have to borrow money. With the economy being so bleak, everyone is feeling the crunch of the gas bill. He said that people are having to make tough choices. He also said that for 2008, all staff members in his office did not take a raise. When people come in to the office and find out that they slashed all assistance in half, they understand because times are tough everywhere. As time goes on and prices keep going up, they want to get back on track so they can take care of the needy individuals.

Ms. Charlotte Barrier took the floor next and said that in 2007 their expenditures were $320,178.16. This year their expenditures are $281,414.70, and that is with half-assistance. They have had to cut what people might be eligible for in trying to get the community to help the individuals who have applied in order to keep the services on. Right now she said they are in a situation where there are no more funds in any agency in St. Joseph County.

Mr. Stafford said that on their Hearing Information Sheet, the description of their emergency is confusing. He asked for them to explain. Ms. Barrier said that the budget for 2008 was $1,376,518, and they have spent $158,000 as of April 4. Assistance given has had to be reduced to half so the funds can last longer. Mr. Stafford wanted to clarify that a quarter of the way through the year they have spent $158,000 out of a budget of $1.3 million. Ms. Barrier said with half-aid, yes. She said their budget was estimated because of the utility assistance that they usually give. She said they never know from one year to the next whether or not the municipal program for winter warmth will be available so they put that in the budget just in case it were not available. Mr. Stafford asked if the program was approved this year. Ms. Barrier said it was approved for last year, but they have to go through the whole process again for the winter months. Mr. Stafford said according to their figures, they are on track to spend $650,000 this year. He said they have already spent $158,000 in Township Assistance for the first three months. Ms. Barrier said that is with half-aid; these figures need to be doubled.

Mr. Kobe wanted to confirm that with this loan, they will go back to full-funding. Mr. Voreis said they would certainly like to. Ms. Barrier said there are no funds available. Mr. Kobe asked if they are going to go back and make up the half payments, and Ms. Barrier said no. She said they did take that issue to the Commissioners one time and they ruled that they would have to go back and pay the difference for only one person; the only person they would do that for because it would bankrupt them. Mr. Kobe asked if they do clothing assistance, and Mr. Voreis said no; they refer them to another agency. Mr. Voreis said they assist with rent, mortgages, gas bills, water bills, electric bills, food vouchers, non-food vouchers, etc. Ms. Barrier said the only thing they did not cut in half was prescriptions because that would have been an impossibility.

Mr. Jones stated next that they have taken the $158,000 for the first quarter and annualized it to roughly $650,000, which is one-half. If they double that it becomes $1.3 million. Mr. Jones said that on the Emergency Loan Calculation section of their Hearing Information Sheet, if they drop in that $1.3 million their deficit is only $770,000. Ms. Barrier said that is what it would be if they got the same amount as last year, but they are not going to because of the Circuit Breaker. She said they do not have an approved budget yet and do not know what they are going to be getting. Mr. Jones said they cannot increase their levy because of the Circuit Breaker. He added that they are going to have a reduced levy for 2008 because of the Circuit Breaker, but they will not know that until the end of the year. Ms. Barrier said that is why the figures are based on what they received in 2007.

Mr. Jones then wanted to clarify that on their Hearing Information Sheet, they have their last Emergency Loan listed in 2003. Mr. Kobe said that there is mention of a current debt service in 2007. Mr. Jones said that does not agree, and Mr. Kobe said there is no 2007 line. Mr. Kobe wanted to clarify that they had an Emergency Loan in 2003, but no loan in 2004, 2005, or 2006. Ms. Barrier said that was correct. Mr. Stafford wanted to confirm next that last year they asked for $800,000 and it was cut in half. Ms. Barrier said she believed it was $1 million and it was brought down to $400,000. Mr. Stafford said this is very difficult to track.

Mr. Stafford then wanted to clarify that they anticipate in 2007 that they will have spent $930,000 in Township Assistance. Ms. Barrier said that is what they spent in 2007, and that three months out of that year was at half-aid. Ms. Barrier said the figures are exact. Mr. Kobe said given that they have been giving at half-aid for five months and they don't anticipate having to go back and make that up except for one person, he wanted to confirm that for almost five months they spent $281,000. Ms. Barrier said that was correct. Mr. Kobe said that for five months, they spent roughly $60,000 a month. Mr. Voreis agreed. Mr. Kobe said that for the remaining seven months, the amount will go up to $120,000 a month. Both Ms. Barrier and Mr. Voreis said that was a possibility. Mr. Kobe said that $120,000 for seven months is $840,000. That plus $300,000 is $1,140,000, which compared to $930,000 last year is over a $200,000 or 25% increase. Mr. Kobe asked if those numbers compare to what they are experiencing. Ms. Barrier said depending on the cost of gas bills, one never knows. Mr. Kobe asked if that equates to new clients or an increase in their assistance rules. Mr. Voreis said there are a lot of new faces coming in to the office he has never seen before.

Mr. Kobe asked next what their service area is, and Mr. Voreis said they serve almost the entire City of South Bend.

Mr. Stafford wanted to confirm that their Board approved a budget of $1,376,000 for 2008, which was their best estimate at providing full, 100% benefits. He added that they had roughly $620,000 coming in to the year in their Township Assistance Fund. With last year's levy, their cash balance for Miscellaneous Revenues is estimated at about $620,000. Mr. Stafford said that even if they agreed that the full budget amount is appropriate, there is still a difference of $680,000 not $1.2 million. He asked if they are looking to build up a cash balance to run off of for a couple more years. Ms. Barrier said no, but that the DLGF recommended that they ask for that amount. Mr. Jones said they were probably just suggesting the maximum amount.

Mr. Kobe asked what they would estimate their cash balance to be if they were granted the $1.2 million. Ms. Barrier said that since they are about $300,000 in the hole at this time, and if they spent out like they normally would if there was no winter warmth program, that would be an additional $600,000 to $700,000 depending on how bad the winter. Mr. Kobe said there are two sides to this equation; there are revenues and expenses. When asked again what their cash balance would be if they were granted the $1.2 million, Ms. Barrier said she did not know. Mr. Kobe said that is a fairly fundamental calculation. He added that an emergency loan's purpose is to fund the current year's shortfall in order to meet the anticipated expenses. He then said that he feels the $1.2 million will give them a positive cash balance. He asked what number would get them to zero. Ms. Barrier said $770,000 if they use the levy from last year. Mr. Kobe said if they spend their full budget of $1,376,000, he thinks they will be $200,000 short of that even if they resume full payments. He said he realizes there are a lot of "if's" here.

Mr. Stafford asked next about page 3 of their Hearing Information Sheet where it has them bringing in a cash balance of $11,542. He said the best they can estimate is if their levy is the same as last year; $563,000. He said they are estimating additional revenues, which he assumes to be excise tax, etc. at $45,728. This does not add to $605,000; it adds to more. Mr. Voreis said it should be about $622,000. Mr. Stafford said that takes them down to about a $750,000 shortfall assuming that their budget is an appropriate amount.

Mr. Jones wanted to confirm that they have $86,000 in Rainy Day funds. Ms. Barrier confirmed that. Mr. Jones then wanted to confirm that in their Portage Township General Administration Fund they currently have $451,000. Ms. Barrier said that is what is supposed to be in there, but the ending balance is $298,000; that is what they have in the bank right now. The $451,000 is the money in the fund that they would have to work with, but they are depleting the Township Fund by using the money in the bank to cover expenses for the Township Assistance Fund. Mr. Jones asked if the combined total fund balance of all of their funds is $380,000, and Ms. Barrier said yes. Mr. Stafford said that is their cash currently; they are not funding a shortfall with an emergency loan.

Mr. Kobe then wanted to go through his calculation with the Board to see if it is reasonable. He said that the Township spent $930,000 last year. If that is increased by 10%, which he feels is generous, then it becomes $1,025,000. There is tax revenue of $625,000, which calculates to a loan of $400,000 that will fund township assistance. Mr. Stafford asked if the $1,025,000 is based on 100% or 50% aid. Mr. Kobe said that he understood that last year they were on a half-aid system for three months. This year they have been on this half-aid for five months, so it should reduce the budget if anything. He said that he feels $400,000 is what they should do on the outside.

Motion: Mr. Kobe motioned to recommend approval of an Emergency Township Assistance Loan in the amount of $400,000. Mr. Stafford seconded, and the motion carried by a vote of 5-0.

Clark County Building Authority, Clark County; Lease Rental: The unit is requesting approval to issue $4,000,000 in General Obligation Bonds and to enter into a lease rental agreement with Jefferson-Clark County Building Authority for the purpose of rehabilitating the Clark County Courthouse. The term of the lease shall be twenty five (25) years with maximum annual payments of $300,000.

Project Costs: $4,000,000
Amount applied to debt: $0
Annual Payment: $300,000

Tax Rate Impact:

2007 AV	$3,800,000,000
Levy Needed	$276,000
Est. Tax Rate	.0073

Meeting and Publication Dates:

Date of publication for a public hearing	2/10/2008
Date of public hearing	2/21/2008
Resolution/Ordinance adopted	2/21/2008
Notice of Determination	2/26/2008

Auditor's Certificate of No Remonstrance: 5/20/08

Common Construction Wage: 3/12/2008

***This is the third time that this unit has been scheduled to appear before the Board. The first time was back in October of 2007 where the Board had many unanswered questions and therefore motioned to have the unit reappear in 2008 once the Clark County budget was approved. The minutes from the October 2007 meeting are attached below for reference. The unit then withdrew its request before its second scheduled appearance. The original amount requested was $13 million. The unit has since reduced their bond issue to $4 million.**

Present for the hearing: John Leuthart, Building Authority President; Hal E. Kovert, Architect; Mark Van Gilder, Building Director; John Doehrman, Attorney; Jim Gutting, Attorney and Bond Counsel; Jim Higgins, Financial Advisor; Ralph Guthrie, Clark County Commissioner; and Dan Moore, Clark County Government.

Comments: Mr. Hal E. Kovert began by stating that this project is a $4 million bond issue that serves to replace the HVAC system. The building was constructed in the late 1960's, so it is now over 40 years old. The technology and the wear and tear on this facility has reached the point where it needs replacement. He said they feel by doing this, energy costs will be reduced and the indoor air quality will be improved. Included in this project is $3.4 million to replace the boilers, the hot and chilled water piping system, air handling units, the fan-coil reheat boxes, and the temperature controls, which will become fully electronic. Mr. Kovert added that this project also includes asbestos abatement, engineering fees, and cost of issuance fees; all of which adds up to $4 million. He then stated that there is some additional work that will be undertaken by the County Council, and they will be funding it directly. He said this is not part of the bond issue, but he wanted to show that there is going to be some local funding as well. Mr. Kobe asked what the source of this funding is. Mr. Jim Higgins, Financial Advisor, answered that the County's portion is cash balances.

Mr. Higgins then reminded the Board that when they were here in October of 2007, there was some disagreement between the County Council, the Commissioners, and the Building Authority as to how this project was to be funded. The County Council's position was that they would take the existing debt that was rolling off of the building and leverage the tax rate; that is how the $4 million was determined because that is the amount that could be leveraged.

Mr. Stafford wanted to confirm that they did have debt on the Courthouse with an annual payment of $290,000 year. Mr. Higgins said that is correct and that is what they leveraged going forward; that same rate. He said that last time, what they attempted to do was take two debts that were rolling off, one for the Courthouse and another for an old jail, and leverage both of them to get a bigger project. The Council disagreed with leveraging that second roll-off.

Mr. Stafford then asked what happened to the other components of their original proposal. Mr. Kovert said they are not going to be done at this time. Mr. Dan Moore, from the Clark County Government, said that some of their original proposal was new construction, but now the project is relegated to only the necessary building components within the existing building.

Motion: Mr. Stafford motioned to recommend approval of General Obligation Bonds in an amount not to exceed $4,000,000 with maximum annual payments not to exceed $300,000 for a term of 25 years. Mr. Jones seconded the motion, which carried by a vote o 4-0-1. Mr. Kobe abstained from the vote.

October 25, 2007 Minutes from the unit's first appearance at Local Government Property Tax Control Board:
Comments:
Jim Gutting: We are asking for lease financing of $13,000,000 for renovations and expansions for the Clark County Government Building. The HVAC and other components are 39 years old and operating on a 40 year lease. This will be within the levy so as to have no impact.

Hal Kovert: We are rehabbing the existing building. The technology is old. Some of the major components include a new electric system and maintenance of the HVAC system. Some original equipment like the piping must be replaced. This will help with operating costs. There is also a new construction component. Currently prisoners go through the same corridor as the public; we need a new corridor. There is also a need for added security for the judges.

Questions by board members:
Stan Mettler: Do you have a guaranteed energy savings contract?
Hal Kovert: No.

Stan Mettler: Does the building house outside prisoners?
Hal Kovert: No, this is strictly administrative and courtroom areas.

John Stafford: The building is already 40 years old and these are 25 year bonds. What will the condition of the building be like when they expire?
Hal Kovert: It was built extremely well which is one of the values of this building. We are replacing the components that tend to wear out.

John Stafford: Do you feel confident that only cosmetic changes will be needed?
Hal Kovert: Yes.

Dave Christian: And contingencies? Is the total subject to renegotiation?
Hal Kovert: We would bid it out as a fixed fee construction project.

Dave Christian: Too often they come back and say we didn't anticipate certain costs. I would like to see things locked in.
Hal Kovert: We rounded up to have more room for contingencies.

Dave Christian: We have a letter from the Jeffersonville City Council asking us to deny this proposal. (Dave read from the letter.) Have you seen this?
Hal Kovert: Yes.

Dave Christian: Is anyone present?
Ralph Guthrie: Yes, four of us. We have had no discussion of turning this into a judicial center. Jeffersonville moved out and left us space, but we've never had that discussion. We have a serious mold problem and asbestos problem. Piecemealing this out is costing us money. Prisoners in the hallway is a problem waiting to happen. Health and public safety is an issue here. To drag this out is a mistake. We are going to do this without raising taxes. We cut it down to no frills. We have had lots of meeting and no one has shown up to object. If we don't do this now it is going to cost more money down the road.

Kenneth Giffin: I don't understand the divergence. I was elected to the City-County Council in Indianapolis for 24 years. If this many had been against a project it would not have moved forward. How can you not pay attention to the opposition?
Ralph Guthrie: The opposition was directed to the DLGF, not to us.

Dave Christian: Are the two bodies housed in the same building?
Answer: Yes, the council had a meeting but had no comment.

Dave Christian: Other than that letter, this opposition is a total surprise?
Ralph Guthrie: No, but the general public didn't step up.

Lisa Decker: The County isn't all on the same page. We have other letters here too.
Ralph Guthrie: Yes, but they have their own buildings.
Daniel Moore: Information is the key. The letter, and everything else has been considered, but no other plan has been brought forward. How to do another project hasn't come forward. The county purchased the city's share. For health reasons, these things must be addressed. This sounds good, but the objection hasn't been laid out.

Kenneth Giffin: But if the majority of an elected council is against it and you are still plowing forward, I question that.

Dave Christian: You said you only received it yesterday, but the people in this room knew long before that.
Daniel Moore: We prepared a written response.
Chuck Moore: I am part of the bipartisan council that has opposed this. They called yesterday and asked for a second copy of the letter. I have been at the meetings and have asked questions. They have known of the opposition for a year. My brother is a County Commissioner and they knew our opposition. A different plan isn't our job; it's the Building Authority's job. No tax impact? We are told that our levy may be taken away. This bond from 2005 pay 2006 is supposed to be gone, but it is not. Taxpayers are asking the board not to allow this. It will triple the bond payment.

Dave Christian: Did you or the Council send a formal representative to address the Commissioners?
Chuck Moore: Other than the letter?
Dave Christian: Were your questions during the formal hearing? Were you in somebody's Minutes?
Chuck Moore: I assume so.

David Abbott: I got on the agenda for a meeting and asked them to slow spending because I didn't know what we had. We are trying to clean up these messes and this is another one. We want to use rainy day and slowly do some repairs. At the meeting when I spoke, I was offended; it was almost like they took a break. I want you to deny this. I speak for the whole seven member Council.

Lisa Decker: A year from now this board is going away and you will be forced to work together to solve these problems.

Dave Christian: These repairs aren't needed?
David Abbott: No, they are, but we want a smaller bond issue, or to use money out of rainy day. We could probably commit to $1,000,000.

John Doehrman: This is obviously a political disagreement. Two units must pass the plan; the Building Authority and the County Commissioners. The County Council has no legal authority.

Kenneth Giffin: That is your stance?
Dave Christian: That is an absurd stance.
Response: We will have the same building with the same problems if we don't do this. The problems like the judicial center, no one has ever even talked about. We don't want a tax rate increase, but phasing it in will cost more.

Kenneth Giffin: As a board member I can't support something that the County Council is opposed to.
Dave Christian: Are we talking hypothetical [about the judicial center] or is this real?

Answer: The Council has heard this from the judges themselves.

John Stafford: The fiscal body has to approve most leases. The Building Authority and County Commissioners are here; what is the approval process?
Dan Jones: The appropriation must be included in the budget and this would fall before the County Council.
Jim Gutting: The Council doesn't need to approve or agree to anything.

Dan Jones: Lease payments must be approved though.
Jim Gutting: Right.

Dan Jones: So what if the council won't appropriate?
Jim Gutting: The DLGF will levy.

John Stafford: You are asking the DLGF to act as the fiscal body?
Jim Gutting: I didn't write the statute.
Chuck Moore: It will be shoved down our throats in the future.

Dave Christian: If we approve and the Commissioner approves, then the DLGF will have to approve a levy.

Kenneth Giffin: The political reality is that it would be irresponsible for us to approve this.
John Doehrman: The money is going to be spent whether you approve it or not.
Dave Christian: Stop talking.

Dan Jones: I suggest postponing to the February meeting because the Commissioner won't sign it until the Clark County Budget is ready anyway.

Lisa Decker: You guys have to figure out how to get along.
Mark Van Gilper: Last week we lost a boiler and a transfer switch. Our system can't withstand two more years without replacing things. Outside of politics, I have a building that is going to fail.

Dave Christian: You have a problem in more than just the building. You are acting as a magician to keep things together. There are some issues that need to be worked out. Egos need to be checked at the door. If in February we are in the same position this board is not going to be as favorable as you think. I'm directing this to all of you. Don't tell us you are going to do it anyway.

Recommendation:
Dan Jones motioned to postpone to the February meeting. John Stafford seconded and the motion carried with a vote of 5-1 with Ken Kobe abstaining.

City of Noblesville, Hamilton County; Fire Department Lease Rental: The unit is requesting approval of a lease purchase financing in the amount of $6,770,000 for a term of twenty (20) years for the purpose of constructing a new fire station.

Project Costs: $6,770,000
Amount applied to debt: $6,770,000
Annual Payment: $578,900

Tax Rate Impact:

2008 AV	$2,880,272,885
Levy Needed	$523,907
Est. Tax Rate	.0182

Meeting and Publication Dates:

Date of publication for a public hearing	1/31/2008
Date of public hearing	2/12/2008
Resolution/Ordinance adopted	3/11/2008
Notice of Determination	2/16/2008

Auditor's Certificate of No Remonstrance: 3/20/2008

Common Construction Wage: 3/27/2008

Present for the hearing: Jim Treat, Financial Advisor; John Kirkwood, Bond Counsel; Ken Gilliam, Fire Chief; Skip Keltner, Construction Manager; Joyceann Yelton, Senior Planner for the City of Noblesville; Jim Cates, Architect; and Kostas Poulakedas, Bond Counsel.

Comments: Mr. Jim Treat began by stating that had previously appeared at April's Control Board hearing where the Board recommended to approve their Street Department project, and they had already received the official Order of approval of the project from the Commissioner. He also mentioned that at that hearing, the Board voted to postpone the fire station project (this project) until today's meeting in order to allow both sides more time to consider the proposal. He continued and said that since that time, they have made considerable effort to respond to the questions that were raised and to take another look at the project's scope and cost estimates. Mr. Treat said that they have focused on the land costs and the acreage. He added that this is not a substation; it is a major, stand-alone station and they would like to build four bays instead of building two now and expanding later. He said that cost comparisons were another area that they focused on.

Mr. Treat continued and said that this is an 18,000 square foot station; they have extra bays, a training area, and about 10 acres of land. What they are going to offer is fire, EMS, rescue and training at this station. He added that this fire station will cover the far southeast portion of Noblesville, which includes the Corporate Campus (a 3200 acre development) and the brand new Lifestyle Center (retail center) that was opened by Simon last month. There is at least $200 million in new development that needs to be protected, and that does not include residential development or the fact that three major hospitals already have land and are already committing to building facilities in the area.

Mr. Treat said next, in referring to a handout that contains an appraisal report for their land, that eight comps in the area range from $40,000 - $57,000 an acre, which substantiates their $50,000 price. He said this site is ideal because it not only takes in to account where their other fire stations are, but it creates a good balance in the service area. Another key point, he said, was that this location will allow them to not have to build a station #8 for a long time.

Mr. Treat continued and stated that they are accommodating a station that is 50% larger than the average station that the Board is used to seeing. He said it is actually 33% larger than the average substation that Noblesville has built in the City now. They have to meet buffering requirements and have a retention pond. He added that of the 10 acres, there are about four additional acres that are a part of the training facilities. The retention pond will not only be there for runoff, but also for dive rescue training and a number of other activities. He said that with 10 acres at $50,000 an acre, they are hoping to recover that half million that has already been spent through this bond issue. He admits that this does throw their numbers off with all of the additional site costs because it is out in the country, such as the fact that there is no sewer service yet and they will have to use a septic system. When all these extra costs are being allocated to the per-square-foot cost, the numbers add up.

Mr. Jones asked if they have a breakdown of the costs, or at least a ball park amount, for the septic system. Mr. Treat said they lowered it to $60,000; it was $150,000. Mr. John Kirkwood, Bond Counsel, clarified that the original amount was $150,000 and it was reduced to $55,000. Mr. Treat added that with a lot of other fire stations, they do not have to worry about this cost because they already have the sewer lines there.

Mr. Treat stated next that with the initial staffing of this station of about 7-8 men, and the equipment, they can probably start off with just two bays. But, he said, in about 3-5 years they will need the other two bays. They did confirm in the last month that the cost of $280,000 was an accurate cost of the two bays. He then emphasized that the bays are not going to sit empty; they are going to use them for internal training activities, such as a repel wall. He said that by remobilizing the two bays as a second project down the road in five years could triple the cost. Therefore they feel that it makes more sense economically to go ahead with the four bays now and to not defer it because in the long run they feel it will be a cost to the City, not a savings.

Mr. Treat continued and said that the cost estimates were done when the project was put together late last year. He said that when they reevaluated everything, they started out $190,000 in the red because of cost increases within the last six to seven months. For instance, steel prices went up 30% and the cost of operating major equipment went up about $20 an hour higher. He said they started out knowing that they had to make up that $190,000. He said they went through some significant redo's of the design. He said that not only did they make changes with the septic system, but they also made significant changes with the design of the roofline. The design, structure, and the materials have all been changed and simplified to lower the cost. So with the $30,000 that will be cut out of issuance costs if both projects are approved, they came up with

$368,000 in real reductions. He said, though, that with the $190,000 cost increase they are looking at a net decrease of $208,000. They are now asking for approval of a $6,566,542 project.

In regards to cost comparison, Mr. Treat said Station 5, built in 2003, was 11,000 square feet. Station 6 jumped up to 14,000 square feet with some increase in the per square foot cost. The difference there in the size is that Station 6 has a police substation and a community meeting room in it. He said that most of the additional square footage in Station 7 is due to the bays. He said that Station 5 cost $203 per square foot, which is about 30% lower than the cost for Station 7. On an annualized basis, he said that is about a 6% jump a year, which a lot of that can be attributed to inflation. Station 6 compared to Station 7 has about a 2% increase per year, which is less than inflation. Mr. Treat said that Station 7 is very comparable on the pure building costs to what they have done before for Noblesville projects. He said the fire station has been simplified some, but they do not feel like the building has been over-designed and overdone.

Mr. Treat then talked about the living quarters of the fire station and how it affects the square footage costs. He said the station will have separate living quarters for each individual instead of bunk style or locker room style. They also have a space in the station to be able to build out to accommodate 12 individuals ultimately.

On the training aspect of this project, Mr. Treat stated that they are wanting to be able to rotate staff through all the stations in order to do on-site training. When they have to send their fire personnel out to train, they have to pay them overtime because they are having to do this outside of their schedule. They want to do as much training as they can on site; they will be training during their regular standby, straight-pay time so there will be no extra personnel costs. He said that over time they believe this will result in dramatic savings to the City.

Mr. Treat then said that the City has already spent, with the infrastructure, 146th Street, the improvements they needed to do the Hamilton Town Center, and the exit around the Corporate Campus, $100 million in public money. They already have $200 million in private investment, so there is no question they need a station in the area. He added originally, before they reduced the project, they estimated a tax rate of 1.8 cents. For the average homestead in Noblesville, that equates to about $1 a month in additional property tax. He said this reduction would be about a $37,000 a month reduction in the annual lease payment on a 20-year deal. He said with their high AV, the adjustment in the tax rate caused by the reduction in the cost of the project is very minimal so he does not feel it necessary to keep reducing the project.

Mr. Jones commented that all of his questions from their last meeting were addressed; he said he was concerned about the cost but now he realizes the fire station is more than just a fire station and that the costs are justified.

Mr. Kobe asked if the construction manager and the architect are from the same firm. Mr. Treat said no. Mr. Kobe said that sometimes the architect will perform the same functions as the construction manager, so he asked why they chose to segregate the functions. Mr. Ken Gilliam, Fire Chief, said that there are many difficult challenges associated with this site so the need for a construction manager was justified. He added that he felt their price was very reasonable for the services they provide.

Mr. Kobe asked next what they are planning to do with the four extra acres. Mr. Treat said they have already been bought and they want to replace those funds with bond funds. He said they would like to get the $6,566,000 if they can.

Mr. Stafford then asked if they have recalculated the maximum annual lease amount. Mr. Treat said they can, but they do not have firm numbers yet. He said they are still going to do a 20-year deal, though he estimates about a $20,000-$30,000 drop in payments.

Mr. Kobe wanted to confirm that the total cost of the project is $6,566,000. Mr. Treat confirmed that. Mr. Jones then wanted to clarify that the cost includes a new fire truck with a 20-year estimated life. Mr. Treat said that was correct.

Motion: Mr. Kobe motioned to recommend approval of a lease purchase financing in the amount of $6,567,000 for a term of 20 years, with the corresponding maximum annual payments to be determined by the DLGF. Mr. Stafford seconded the motion which carried by a vote of 5-0.

Additional Comments: Mr. Treat said they will probably have to submit a revised order for consideration, and they will submit a number in that. Mr. Kobe said he has full faith in the Commissioner, and Mr. Jones said the DLGF will be glad to accept that.

Town of Cedar Lake, Lake County; Annexation Appeal: The unit is seeking an annexation appeal in the amount of $3,900,000 to recover the cost of annexations that occurred in 2005 and 2006. The unit was heard in November of 2007 and was asked by the Board to return in March. There was considerable data not available to the Board at that time, and the Board wanted to see a more concrete proposal.

Max Levy: Civil
Requested: $3,900,000
Advertised: $4,000,000

Appeal History: $10,000 order granted 12/07 Civil-Fire

Tax Rate Impact:

Appeal Rate	.0896
Unit Rate	.5222
District Rate	3.5927
Unit Increase	17.16%
District Increase	2.5%

Present for the hearing: Jim Bennett, Financial Advisor; Ian Nicolini, Interim Town Manager; Dennis Wilkening, Town President; and Amy J. Sund, Clerk-Treasurer.

Comments: Mr. Bennett took the floor and began by saying that their assessment values have remained the same at about $340-$345 million in 2004, 2005, and 2006. In 2007, the value went up $98 million, so they jumped about 30% last year. They anticipate another 30% jump this year as well. He said they were trying to do the right thing and not raise taxes by coming in for an appeal when there was vacant land. When they started to develop, they came in for the annexation appeal because they thought that was the best way to handle the situation. He said he didn't believe the 30% AV adjustment increase would get them to the funds that they would need over the three years, so they are asking for $3 million dollars over a period of time. He added that the housing market has slowed down some up in their area, but there are still experiencing some growth.

Mr. Kobe said he thought the Board was fairly clear at the last meeting that what they need is a three-year financial plan that shows what the anticipated increases in budget costs are likely to be as well as what levies are associated with that. Mr. Bennett said that he thought they wanted an analysis of the actual AV's for the last period of time to show what growth factor they anticipate. He added that Lake County has not yet been certified, so they do not have the 2008 numbers yet. Mr. Kobe said there is a request here to spend $4 million over a period of time, and their question was fairly straightforward; what is it going to be used for and over what period of time. Mr. Bennett said he thought he explained that during their first meeting that it is mostly for public safety purposes. They had set it up so that the total ambulance service would increase from $56,000 to $96,000. Mr. Kobe asked what two periods he is talking about here. Mr. Bennett said they originally asked for the whole amount, so they would spread that over the three-year period. He added that they have authorized the $6 million budget; they have authorized for 2008 a budget that would include an approval of the whole amount. He said they are not spending at that level because they do not yet have it approved, but he was under the impression that if they did this over three years, they would go back and rebuild the plan based on what that growth factor is. Mr. Bennett said the priority is going to be public safety, which is the real shortfall of the Town. Mr. Kobe said they were hoping that at this meeting that he would be in a position to share that plan with the Board. Mr. Ian Nicolini, Interim Town Manager, stated that the initial annexation fiscal impact plan had the rue brick for how they made their estimates based on the population and the AV growth, as well as the national standards. Mr. Nicolini said that the numbers that Mr. Bennett is referencing is in their revised, shorter submission. Mr. Bennett said that the numbers are not spread over three years because they were originally going after the whole amount, knowing that it would increase the tax rate too severely the first year. He said they decided to spread it out over three years as their growth factor comes in, but it is broken down in their packet on how they would do that. Again, he said the priority, if this were spread over three years, would be public safety. He said he honestly believed that at their last meeting the Board wanted to see the assessment trends to show the massive growth. Mr. Kobe said the AV simply shows their capacity to fund. Mr. Bennett said that he thought that was the concept of them being able to show the Board what they thought was their ability to cover this over a period of time without dramatically increasing the rates to the other taxpayers.

Mr. Kobe then looked at the previous meeting's minutes which stated that he asked Mr. Bennett for a three-year projection of levy growth and a three-year itemized detailed budget regardless of levy limits. The minutes then read that Mr. Bennett said he would happy to put those numbers together. Mr. Bennett apologized and said he will do the three-year projections and have them overnighted to the DLGF. He said he could do the AV in a minute because he believes the number will double in the next three years. As far as the budget, he will take the numbers and spread them out over their priority list to show what the factor will be in the three-year period.

Mr. Jones stated that they talked at the last meeting that this should really be a three-year growth appeal. He said that this is very similar to the Westfield appeal where they wanted the impact phased in over time. Mr. Jones said he did not remember how they were going to control that, whether it would be in rate growth or levy growth or both. Mr. Bennett said he was looking at a levy growth control to get them to the factor. He added that that is why he was doing the AV projections, because based on the first year that is certified, if that continues, it would safely get them within that tolerance of having that doubled AV in three to four years. Mr. Kobe said an AV can either cause taxes to go down or expenses to go up. Mr. Bennett said in their case, they are trying to find a neutral case in between those. Mr. Jones then said that as this case is developing, he said it would work better as a three-year growth anyways.

Mr. Kobe stated that in 2009, there is going to be a more general appeal. He said they could come back in September and say that they cannot perform their governmental functions. Mr. Stafford said that appeal got modified. He said HEA 1001 says that only in certain circumstances, such as natural disasters, is the appeal relevant. Mr. Stafford then said that he believes this case to be a series of three-year growth appeals. He added that he is not sure they will get to the numbers they are asking for, and certainly not as fast as they want, but that is all the authority that the General Assembly gives them. Mr. Bennett said he understands that.

Mr. Stafford stated next that their AV was not growing very fast until 2007, so they could have filed for the appeal now. He said the first time that they had known that their AV had skyrocketed well above the six-year average was in 2007. Mr. Bennett said he agrees that this was the first year that they knew this was coming and they planned on this appeal because the AV had finally started hitting the town. Mr. Jones said Lake County is very unique because they just got their 2007 numbers very recently. Mr. Stafford said he believes that they need to file a three-year growth appeal, and then they can consider the things that Mr. Kobe asked for. Mr. Kobe wanted to clarify that his questions were then premature, and Mr. Stafford said yes, but that is the basis for determining how much of the three-year growth appeal they are going to get. Mr. Kobe asked if that will be a 2009 question, and Mr. Jones said it would be 2008 for Lake County. Mr. Stafford said it might actually be 2009 once they get it attached to the controlled levy. Mr. Kobe wanted to confirm that they started this project last fall, and Mr. Bennett said yes and that they appealed as part of 2008. He said they started this back in their budget cycle, but nothing has happened yet because they have no AV's. Mr. Jones said Lake County is so far behind. Mr. Stafford said this is the first time there has been a case for a three-year growth appeal. He said that once they get their 2008 numbers, they will probably be back for another appeal, and that once they get their 2009 numbers, they will be back again. He said they will not get to where they want to be as fast, but that is how it has to be.

Mr. Bennett asked the Board next what they should do so they will get some effect in 2008. He asked if they should resubmit the appeal as a three-year growth. Mr. Jones asked Mr. McLean how the current proposal reads. Mr. McLean said they have all the information to switch it over to a three-year growth appeal, so he does not believe that they need to do anything. The DLGF can take care of this internally and calculate out how much money they will get. Mr. Jones wanted to confirm that they can amend their original annexation appeal to a three-year growth appeal. Mr. McLean confirmed. Mr. Jones then wanted to confirm that they requested $3.9 million, and Mr. McLean again confirmed. Mr. Kobe wanted to clarify that the Board would then recommend the maximum amount under the three-year growth appeal. Mr. Jones said that is correct.

Motion: Mr. Kobe motioned to recommend approval of the maximum amount under the three-year growth appeal. Mr. Stafford seconded and the motioned carried by a vote of 5-0.

Additional Comments: Mr. Kobe said he would certainly like to know what that amount is. Mr. Stafford said he thinks they will be back next year. Mr. Bennett said by doing it this way, they will most certainly be back. Mr. Stafford suggested that when they make that appeal, please bring all requested information. He said that is information they need to judge whether or not they should get the full amount or not. He said he does not believe there is any question this time, but in the future it would be helpful.

Town of Lowell, Lake County; Property Tax Shortfall Appeal: The unit is requesting the restoration of $157,065 to its account caused by a shortfall in dispersements in fiscal year 2007. The unit has chosen the option to come to the Local Government Property Tax Control Board instead of going directly to the Commissioner.

(A) Fund	(B) Certified Levy	(C) Actual Distribution	(D) Difference (B-C)
General	$1,749,148.	$1,649,758.	$99,400.
MVH	$522,008.	$492,344.	$29,664.
Park	$274,702.	$259,091.	$15,611
Metro Pols	$55,541.	$51,384.	$3157.
Cum Fire	$40,154.	$37,873.	$2281
CCD	$48,035.	$45,306.	$2729.
Cum Sewer	$74,305.	$70,082.	$4223.
Total	$2,763,903.	$2,606,838.	$157,065.

Present for the hearing: Greg Guerrettaz, FSG Financial Advisor; and Judith Walters, Lowell Clerk-Treasurer.

Comments: Mr. Greg Guerrettaz began by stating they are here to ask for assistance in being able to recover their taxes that they have not collected. There is a $157,000 shortfall; a real deficit they will never recover. He said every dollar is critical and they are just trying to get back to a whole position.

Mr. Stafford asked what caused the shortfalls. Mr. Guerrettaz said that Correction of Errors are notorious in Lake County, and their required documentation gives an entire list that has detailed reasons for the shortfalls. Mr. Jones then commented that on that same page it breaks down the rate by district and proportions it between the total shortfall and the unit's portion. He said it shows that the unit's portion is $127,917. Mr. Kobe asked if that is the number they should be looking at rather than the $157,000. Mr. Jones confirmed that. Mr. Guerrettaz said they obviously seek the higher number. Mr. Kobe asked if there is a good argument for the higher number, and Mr. Guerrettaz said yes because they lost it. Mr. Kobe wanted to confirm then that the higher number is the difference between the levy and the distribution; the lower is the actual application of the statute. Mr. Guerrettaz said that is correct, but they are real lost dollars.

Motion: Mr. Kobe motioned to recommend approval of a shortfall adjustment in the amount of $127,917. Mr. Stafford seconded and the motion carried by a vote of 4-0. Mr. Bozymski was absent for the vote.

Southwest Central Fire Protection Territory, St. Joseph County; Establish Levy: The unit is a newly formed Fire Territory as of 3/06/2008. The territory will take effect on July 1, 2008. The unit needs to now establish an initial levy.

Present for the hearing: Peter J. Agostino, Attorney; James Hare, Chief of Center Township; Terry Korpal, Chief of Portage Township; and Charles M. Voreis, Portage Township Trustee.

Comments: Mr. Peter Agostino began and stated that they are here to establish their levy. Portage, Centre, and Greene Townships are 68 square miles, contains 28,000 people, five schools, and one airport. This is an area where volunteers are going down and calls for service are going up. He said they established a fire territory because it was the only way the different units could provide service under the budget levy restrictions. Mr. Agostino added that they are looking to establish 24/7 coverage out of the station versus having volunteers getting called to the station from their homes. The plan they have come up with calls for 31 firefighters and three stations. He said they are going to use the existing stations in Portage Township and Centre Township. Greene Township does not have an existing station or an existing fire department; they have always relied on Liberty and Centre Township to provide service under contract. Greene Township will have to build a fire station and they have already made an offer on a parcel of land. The plan with the 31 personnel is to staff each station on rotating 24-hour shifts with at least three people. In each shift there will be a Battalion Chief, a Captain, two Lieutenants, and six firefighters. So at each station, there will be one Battalion Chief that oversees all three stations each shift, a Captain or a Lieutenant at each station, and two firefighters at each station. The minimum amount of people they would like to go out on a call should be four, but with this plan it would be at least three. Mr. Agostino admits they are still below the industry standards, but this is a move in the right direction.

Mr. Agostino continued and talked about their proposals for pay. The Chief would be paid $48,000, the Battalion Chiefs would be paid $38,000 a year, the Captains at $35,000, the Lieutenants at $33,000, and the firefighters at $31,000 per year. He said this totals $1,023,000. He said this pay scale is well below surrounding areas. He also said this amount represents about half of the budget projection for the territory. They estimated at $150,000 the costs for overtime, vacation, sick, personal, and other benefits. PERF contributions, Social Security contributions, unemployment, Medicare, etc. are estimated at $206,000. A list of supplies for each station is estimated at $27,500. Mr. Agostino then discussed a breakdown of different categories of expenses based on what occurred in the past and then projected what those would be for all three stations to operate on; $216,000. They would still need to contract with volunteers, which would run $75,000. At the paid staffing level that they need, they will still fall short of the NFPA requirements of having at least 14 people on a fire site. The health insurance projection is $220,000 ($7000 per firefighter). He said that when all of this is added up, the total is $2.1 million, plus an extra $50,000 in capital outlays for the territory, which would cover unexpected expenses.

Mr. Agostino continued and said that in regards to the equipment replacement fund, using the 2007 certified AV's, the Cum Fund limit would be 3.3 cents per 100. That would be $182,000 but they are only asking for $150,000. He said that right now they have very little new equipment. They have a total of 17 pieces of equipment that they own right now. Centre Township owns 11 pieces; a 1975, a 1971, a couple from 1993, and the most recent vehicle from 2004. Portage Township has a 2000 tanker, a 1994 engine, a 1995 pumper, a 1995 rescue rig, and a 2006 engine. The equipment ages are spread out, but it is all in good shape so they will be using the existing equipment to equip the Greene Township station, which needs to be built. He said that in 4-5 years, though, they most likely will be looking to replace some equipment, hence the need for the equipment replacement fund.

In terms of effects on rates, Mr. Agostino said that based on 2007 certified AV's, they have $548 million in fire fund assessment. In St. Joseph County, they average about a 16% increase in valuations, though these particular townships average less; about 7-8%. He said he would expect their AV's to be higher this year, which would make their estimated rate even lower. In 2007, Portage Township had a certified rate for fire of .19 and .0219 for cum fund. Greene Township had a rate of .03 and nothing for cum fund. Centre Township had a rate of .0893 for fire and .0163 for cum fund. He said if one takes their budget and Cum Fund request against the 2007 AV, the fire territory rate would be .3926 and the Cum Fund rate would be .027, for a combined total rate of .42. Mr. Agostino admits that the rate is high compared to what people in the area are paying now, but it translates to a $200 increase in taxes for a $100,000 home. He said that given the changes in the law in regards to fire territories, the fact that next year they will be limited in increases, they had to build some of that in to the initial levy so that they are not coming back for an emergency loan and shortfalls. This budget allows them to provide 24/7 coverage without having to borrow money for equipment or operations.

Ms. Decker asked about the fact that Mr. Agostino said this rate would increase a $100,000 home's property taxes about $200; she wanted to know what they are paying now. Mr. Agostino said a $100,000 house in Portage is paying about $210 now, which would be about $420 after. Mr. Kobe said in Portage it will double, and in Greene the rate will go way up. Mr. Agostino stated that they had public hearings in each township where the tax increase was explained. He said that people appreciate fire service, and they see the tax increase as getting 95% back in service; it is worth it to most people.

Mr. Kobe stated that he thought that most of Portage Township is inside the City of South Bend, and therefore served by the City's fire service. Mr. Charles Voreis, Portage Township Trustee, said yes, most of it is. Mr. Agostino said that about 6000 residents are not. Ms. Decker asked if there were any discussions with South Bend. Mr. Voreis said no. Mr. Agostino then said that with the other townships, it is a lot more expensive to get fire service through the City than this way.

Mr. Stafford then asked if they could describe the development patterns in the proposed territory. Mr. Agostino said that Centre Township has had some pretty significant growth, and Greene Township would be where the future growth will take place. He said that Centre Township has experienced 13.25% growth, Greene experienced 7.03% growth, and Portage Township at 2.67%.

Ms. Decker asked about their handout under "Repairs and Expenses." She said many appear to be annual expenses, but some appear to be one-time expenses. Mr. Agostino said the gear would be a one-time expense, but most things, such as computers, refer to maintenance.
Mr. Jones commented that they will need this information resubmitted in a different format; they will need it in the format that they normally accept an annual budget. Mr. Agostino referred to the first page in his handout, and Mr. Jones said that is only one form. He said they need that, but they still need a 16-Line Statement and a Miscellaneous Revenue Form.

Mr. James Hare said, in response to Ms. Decker's previous question, that with the computers, the price will drop quite a bit after they get their initial servers set up. Mr. Stafford said the concern is that they are setting a permanent levy here, and if they include those numbers, their levy is just too high. Some of the things should be paid out of their Cum Building Fund, not their operating budget. Mr. Agostino said they are not starting out with any big Cum Fund dollars. He said the way the territory's law currently works is that the subsequent year's levies have to be reduced if there is extra money. He said they can put up to 5% in their Cum Fund, and the rest reduces the levy; they are not stuck with a high permanent levy because they can always go down. Ms. Decker stated that they are concerned they will not do that. Mr. Agostino said he believes they will not have a choice, and that they can be forced to do that. He then restated that they can transfer up to 5% of their levy from their operating fund in to the equipment replacement fund. The next year, they will have to reduce their levy. Mr. Kobe wanted to clarify that he is not talking about their maximum levy because that remains the same. Mr. Agostino said yes, there is a maximum on what they can increase based on their growth quotient. He added that there is not a limit on how much their levy can go down. Mr. Kobe said what they are focused on here is making a recommendation to the Commissioner about an appropriate maximum levy as a starting point for the Territory.

Mr. Stafford then stated that it would appear to him that there are two logical reasons to create a fire territory; one would be that they could provide better and more efficient services with the three units working together rather than the three townships doing it independently. The other would be the jump from a volunteer-driven fire department to a paid, substantially higher level of service fire department. He asked how much of their proposal is the latter and how much is the former. Mr. Agostino replied that in the case of Greene Township, if they had to go out and not only build their own fire station, but buy their own equipment and staff it, their rate would be even higher. He said there is definite efficiency there when all three units are put together. Mr. Agostino added that with the volunteer system, more and more people are working and are not available to come in as volunteers. He said the volunteers are decreasing and the number of calls are increasing, so something must be done to cover that gap, and that is to go to a paid system. Mr. Stafford said the way he was going with his prior question was if the majority of this is to change the level of service, it comes at a pretty substantial impact to the taxpayers of these three townships. He asked what the reaction was of the taxpayers and the Board members, because this is not going to fall under the radar. Mr. Agostino said the process they went through was to be fairly transparent about the tax impact from township to township. They didn't just have one meeting; he said this process was over a year long where there were several informational meetings where this was discussed. He said nobody likes to see taxes go up, but if they do go up and it is for a service that people get directly, people accept that. This money is collected locally, it stays locally, and it is for a local service. Mr. Stafford asked what the votes for the Boards were, and Mr. Agostino said they all had unanimous approval. Mr. Kobe then wanted to clarify whether this approval was for establishing the fire territory or for this fiscal plan. Mr. Agostino said the yes to establishing the territory. He said the fiscal plan was presented before the votes were taken so that people would know. He added that he personally answered questions at the meetings and informed people of the tax rate increases. Mr. Kobe asked if this fiscal plan that they have is identical to the plan that was presented at the local meetings. Mr. Agostino said the plan has been tweaked a little bit, but it is pretty close. Mr. Kobe asked how close, and Mr. Agostino said within $100,000. He said they took a look at the staffing needs and added a couple more firefighters so that they could have three at each station.

Mr. Kobe asked if the airport has their own fire department and Mr. Terry Korpal said yes. Mr. Kobe asked if they pay any fees to them, and Mr. Korpal said no. Mr. Kobe then asked what their support role is to the airport. Mr. Korpal said they follow St. Joseph County's HOA plan. Mr. Kobe wanted to clarify then that they are not providing any special support that the City of South Bend wouldn't provide. Mr. Korpal said South Bend responds and they respond with them for the tanker operations due to the fact that they do not have water at the airport itself.

Mr. Jones wanted to go through the worksheet in their packet to make sure they are capital in nature. He said they have $12,000 for computers; he asked if this is a one-time purchase. Mr. James Hare said yes, but then it will drop down and there will be a maintenance fee. Mr. Jones said they have washers listed for $3000 and radios for $10,000. Mr. Hare said those are for yearly maintenance. Mr. Jones then asked about gear being listed for $45,000. Mr. Hare said they have to equip all new personnel with uniforms and turnout gear, so that number will drop substantially. Mr. Jones said they have the station listed at $10,000, and Mr. Hare said that is yearly maintenance to the buildings. Mr. Jones asked how they are paying for it now, and Mr. Hare said that each township is paying for it, but the territory contract will now take care of the day-to-day maintenance, though the heavy AC units, etc. would still be done at the township level. Mr. Jones wanted to confirm that that will then get transferred from the three township budgets to the fire territory, and Mr. Hare said that was correct. Mr. Agostino said that most of these costs are currently being incurred, minus the $45,000 for gear. Mr. Jones continued and said they have equipment listed for $9000, and Mr. Hare said Portage has five acres of grass to cut, Centre has some, and the lot that Greene is buying has an acre-and-a-half. He said that amount is for fuel, oil, maintenance on the lawn equipment, and the lawn equipment itself. Mr. Jones said they have $30,000 listed for dispatch. Mr. Hare said that all 13 townships pay a central dispatch fee to St. Joseph County, and Mr. Agostino added that that is being paid right now. Mr. Jones continued and said they have automobiles listed for $75,000, and Mr. Hare said that is for the truck repairs. Mr. Jones said they have insurance listed for $220,000 and Mr. Hare said that is the health insurance for the personnel. Mr. Jones said he will add this up and subtract it out. Mr. Kobe said it looks like there may be an extra $50,000 in there; a significant portion of the "Gear" line item are one-time purchases.

Mr. Kobe asked if they think the fire tax rate for the City of South Bend is more than 42 cents, and if they know if it is a separate fire levy. Mr. Agostino said he does not see a separate listing for that in the certified levy chart. Mr. Kobe said he doubts there would be.

Mr. Kobe then asked the Portage Township Trustee, Mr. Charles Voreis, who was there earlier for a Township Assistance Loan, if that levy along with this 21 cent tax rate increase all computes. Mr. Voreis said yes. Ms. Decker said it is going to be tough for those folks to swallow another $200 a year. Mr. Agostino said there will eventually be a cap on property taxes with the Circuit Breaker. He said if the State picks up the school portion, he believes they will all be well within the 1% for residential. Mr. Kobe said the idea was not for the State to pick up property taxes so that other local property taxes could go up. Mr. Agostino said that is not what he meant; he meant that the burden, from a property tax owner's standpoint, will ultimately be more reasonable. Poor relief may be a different reaction to that, but he believes that when it comes to fire protection, they know what they are paying for.

Mr. Jones asked next what the total combined fire budgets are for all three townships now, including capital. Mr. Agostino said that, including the Cum Fund, it is about $590,000. Mr. Jones wanted to clarify that they are wanting to go from $590,000 to over $2 million. Mr. Agostino said yes because of the way the new statute is structured in terms of what they can do after. He said they want to be at a point where they do not have to continue borrowing. He added that Greene does not have anything, and they are being undercharged as it is.

Mr. Stafford asked who owns the fire stations today, and who will own them under this plan. Mr. Agostino said Portage and Centre each own their own station, and Greene will own its station. The stations will continue to remain under ownership of the separate townships, and maintenance and operations for those will be paid by the territory. Mr. Stafford then asked who will cover the costs of major repairs, and Mr. Agostino said that would remain the township's responsibility since they own the building. The Township inter-local agreement would allow a unit to come to get funding for that through the territory, but that would require approval of all members of the territory. Mr. Stafford wanted to clarify that under this agreement, each township would be losing their fire and their cum fire funds. Mr. Agostino said that was correct. Mr. Stafford said they would then have no way to pay for any work to their fire station other than to come to the Territory. Mr. Agostino said that may be correct, but there will be some Rainy Day Fund. Mr. Stafford said he was just curious as to why the property was not given over the Territory as well. Mr. Agostino said that if someone would want out of the Territory, then they would still have their fire station. Mr. Jones then wanted to clarify that the township will retain ownership of all the equipment, and Mr. Agostino said yes, the rolling stock. Mr. Jones asked why they are even forming the Territory then. Mr. Agostino said they will be used by the Territory, and as it gets retired it will be replaced by the Territory. He said he feels ownership of the rolling stock is not as significant as who pays for the ongoing expenses.

Mr. Jones stated that they have presented a budget of $2,152,000, and he will suggest that they reduce that by $145,600 to make an adjustment for 80% of the capital. It is their position that they will only fund 20% of the capital that is within an operating budget so that is only funded at an operating budget level continuously through the operating portion of the property tax levy. Mr. Kobe said it basically assumes a five-year amortization of it. Mr. Jones said that when they submit the Miscellaneous Revenue pages and the 16-Line Statement they will make other adjustments to their revenues. He said they will also need information about their income taxes that have been adopted by their County; whether or not the County has adopted any Local Option Income Taxes, especially as they relate to public safety. He added that they would need to make any adjustments to their operating levy for other miscellaneous revenues.

Mr. Kobe wanted to confirm that this is a first-year annual budget, and Mr. Agostino said yes. Mr. Kobe said the Territory is starting July 1, and Mr. Agostino said it would be a Pay 09. Mr. Kobe asked how they are operating after July 1. Mr. Agostino said they would have to figure that out. Mr. Kobe again wanted to confirm that this is then a request for a maximum levy for 2009, and Mr. Agostino confirmed so. He then added that they know they are here early, but they do need to know where they are at plan-wise. Mr. Stafford stated that money goes to the two parts of the reasons for creating a fire territory. He asked if they didn't get anymore levy than what they already get then they probably wouldn't be doing this. Mr. Agostino said they would be applying for some other source of money, such as emergency loans or some relief from the levy limits. He said this was the best way because it will put an end to continued borrowing and will bring some efficiency to the departments. Mr. Stafford said he agrees that this is the most honest way of presenting it to the taxpayers.

Mr. Jones said next that it is going to be very difficult to make a motion because they can't really say what levy limit they are going to recommend. Mr. Kobe said he believes they can only base it on the $2 million that Mr. Jones suggested, and then leave it to the Commissioner, along with Mr. Jones' assistance, to determine what negative adjustments need to take place.

Mr. Agostino then wanted to clarify some things. He asked Mr. Jones if they were counting the computers as capital, and Mr. Jones said yes. To further clarify matters, Mr. Jones said he started with the computers where he backed out 80%. He reduced the gear from $45,000 to $9000 and then took $40,000 out of capital outlay. Mr. Kobe said all their deductions came to $145,000, which they then rounded to $2 million. He added that this amount would be further subject to any adjustments from miscellaneous revenues. Mr. Agostino said they are not interested in taxing more than they have to, and the County is going to toy with other tax options. Mr. Kobe asked if their territory will benefit from any existing income taxes. Mr. Agostino said it would be minimal. Mr. Jones commented that if they levy more property tax, then they will be receiving more income tax as well; the other units will be receiving less. Mr. Agostino asked if they foresee any adjustments being made in the equipment replacement fund levy which was proposed at $150,000. Mr. Jones said he will have to look.

Motion: Mr. Jones motioned to send the Southwest Central Fire Protection Territory's request to the Commissioner to set a maximum levy based on a $2 million operating budget and their requested equipment replacement fund. This is all contingent upon receiving a 16-line Statement and a Miscellaneous Revenue form. Mr. Stafford seconded, and the motion carried by a vote of 4-0. Mr. Bozymski was absent for the vote.