LOCAL GOVERNMENT TAX CONTROL BOARD

RECOMMENDATIONS

TO THE

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

FROM

JULY 27, 2006

Call to Order

Dave Christian called the July 27th 2006 Local Government Tax Control Board meeting to order at 9:00 am. Board members present were Dave Christian, Dan Jones, Stan Mettler, Lisa Decker, and Ken Kobe. Judy Robertson was the administrative officer for the meeting.

Discussion:
Ken requested that the FFA in the last paragraph of the June 22nd Minutes be corrected to FAA. Judy also informed the Board that the Commissioner, Melissa Henson would like to speak to them at the next meeting in August.

Recommendation:
Stan motioned to recommend approval of the minutes from the June 22nd 2006 local government tax control board meeting. Lisa seconded and the motion carried 5-0.

Pike Township, Marion County
Emergency Fire Loan

Summary: The unit is requesting an emergency fire loan in the amount of $2,238,590 for a term of one (1) year for the purpose of funding the 2006 fire protection budget.

Project Costs: $2,238,590 Amount applied to debt: $2,238,590 Annual Payment: $2,320,795

Emergency Loan Calculation:	2006
Certified Property Taxes	$10,189,277
Certified Misc. Revenue	$2,758,011
Jan. 1st Cash Balance	$2,034,275
Total Funds Available	$14,981,563
Less: Prior Year Encumbrances	$415,155
Less: Estimated Expenses	$16,804,998
Funds Remaining (Needed)	**-$2,238,590**

Budget Advertised	$16,809,865
Budget Adopted	$16,804,998
Advertised/Adopted Budget	$16,804,998
Less Certified Budget	$0
Budget cut by DLGF	$16,804,998

Tax Rate Impact:	2006 AV	$5,019,348,045
	Levy Needed	$2,320,795
	Est. Tax Rate	.0462

Meeting and Publication Dates:

Date of publication for a public hearing	06/07/2006
Date of public hearing	06/20/2006
Resolution/Ordinance adopted	06/20/2006
Notice of Determination	06/26/2006

Auditor's Certificate of No Remonstrance: 07/27/2006

Financial History

Fire Fund	2006	2005	2004	2003
Budget Estimate	$0	$9,186,091	$0	$13,083,152
Cash Balance June 30	$4,715,841	$4,761,811	$0	$4,959,516
Operating Balance	$11,660,164	$0	$10,907,417	$3,578,193
Levy	$10,189,277	$9,660,391	$9,036,876	$9,039,999
Rate	0.2030	0.2022	0.1872	0.1909

Missing Information: None

Attendance
The following people attended the meeting: Herschel Frierson (Financial Advisor with Crowe Chizek) and Suzanne E. Pingel (Township Clerk).

Discussion:
Our township has grown more quickly than the levy will allow. This request is to fund the remainder of the year's budget.

Questions by board members:
Stan: Are you going to appeal this fall?
Herschel: Yes, for about $1,600,000.

Dan: What is the balance in the Rainy Day fund?
Herschel: As of today, it is $254,000.

Dan: Is that balance earmarked for anything?
Herschel: I don't think it is currently.

Dan: What are you doing with your COIT?
Herschel: It is used to fund township and poor relief funds and a small amount is used for small claims court.

Dan: According to the misc. revenue report you are using $74,000 to fund the Cum. Fire fund.
Herschel: We do use a little to help fund it.

Dan: You have a significant cash balance of $3 million with a budget of $2.1 million in the Cum. Fire fund.
Herschel: That is going to be used to buy fire equipment.

Dan: What is the difference between the certified COIT versus the actual COIT received?
Herschel: It is pretty close.

Dan: Marion County had a surplus distribution of COIT, how did that affect you?
Herschel: The Township received a small amount of that.

Ken: You are retiring a $1.6 million debt and replacing it with this $2.2 million loan?
Herschel: Yes.

Ken: What is the percentage of increase in your fire expenses?
Herschel: We are pretty stagnate right now – we have been able to stabilize the budget. The expenses last year were about $16 million also.

Recommendation:
Stan motioned to recommend approval of an emergency fire loan in the amount of $2,238,590 for a term of one (1) year. Lisa seconded and the motion carried 5-0.

Warren Township, Marion County
Emergency Fire Loan

Summary: The unit is requesting an emergency fire loan in the amount of $1,203,727 for a term of one (1) year for the purpose of funding personal services expenditures for the firefighters.

Project Costs: $1,203,727 Amount applied to debt: $1,203,727 Annual Payment: $1,264,285

Emergency Loan Calculation:	2006
Certified Property Taxes	$7,950,145
Certified Misc. Revenue	$2,877,060
Jan. 1st Cash Balance	$376,068
Total Funds Available	$11,203,273
Less: Prior Year Encumbrances	$0
Less: Estimated Expenses	$12,487,285
Funds Remaining (Needed)	**-$1,284,012**

Budget Advertised	$12,500,000
Budget Adopted	$12,487,285
Advertised/Adopted Budget	$12,487,285
Less Certified Budget	$10,757,438
Budget cut by DLGF	$1,729,847

Controlled or Uncontrolled: Controlled

Tax Rate Impact:	2006 AV	$3,109,169,030
	Levy Needed	$1,195,285
	Est. Tax Rate	.0384

Meeting and Publication Dates:

Date of publication for a public hearing	06/02/2006
Date of public hearing	06/13/2006
Resolution/Ordinance adopted	06/13/2006
Notice of Determination	06/23/2006

Auditor's Certificate of No Remonstrance: 07/24/2006

Missing Information: None

Financial History

Fire Fund	2006	2005	2004	2003
Budget Estimate	$10,757,438	$9,215,490	$8,862,341	$8,175,084
Cash Balance June 30	$575,328	$602,924	($2,225,193)	$893,652
Operating Balance	$0	$0	$0	$0
Levy	$7,950,145	$6,139,748	$6,086,228	$5,894,679
Rate	0.2557	0.2059	0.2038	0.1978

Attendance:
The following people attended the meeting: Tricia Leminger (Attorney), Steve Dyson (Consultant), Tom Marendt (Trustee), Brian Sanford (Fire Chief), and Ben Coe (Fire Union District Trustee).

Discussion:
The unit distributed a handout which detailed the following points:

- Key Points
  - Areas of coverage responsibility
  - Dramatic increase in run responses
  - Increase in housing starts
  - Loan amounts have been decreasing since 2003
  - Hiring plan
  - Savings to department by hiring fifteen additional firefighters
  - Does not currently meet the staffing requirements of NFPA 1710
  - Lack of staffing causing equipment to be out of service 70% of the time
  - Background and geological information
- Emergency Loan Request
  - Total request is $1,203,727
  - Increase in health insurance premiums, supplies and repair/maintenance costs
  - Unanimously approved by township board
- Various calculations and charts detailing information presented above

Tricia: The Union has agreed that there will be no raised for 2007 in order to hire the additional fifteen firefighters.

Questions by board members:
Dave: What is the number that you need to meet the staffing standards?
Fire Chief: The standard is four people per engine and ladder and two per ambulance. We currently have two per vehicle and sometimes have four trucks out of service.

Dave: Will fifteen get you to the minimum staffing level?
Fire Chief: Yes, it will.

Ken: In 2007 your plans are no raises and no new hires?
Fire Chief: Yes and projecting out to 2008, we do not anticipate any raises or new hires either. The current EMS billing revenue is about 85% to 90%.

Dan: What is the tax rate increase?
Steve: We estimate it to be a .0384 increase, and that is calculating the highest interest rate. In actuality, the rate has not increased for the last three years because other rates are adjusted to keep the total rate level.

Stan: Do you have any firefighters retiring this year? And if so, do you plan on replacing that position?
Fire Chief: We have one retiring and we will hire a sixteenth person to be fully staffed.

Stan: Are all the firefighters on the 77 plan?
Fire Chief: There are three individuals who are still under the 37 plan, but they have all signed up for the DROP program.

Stan: Tom, have you looked into entering into an inter-local agreement with other townships for health benefits?
Tom: Yes, we have looked into it. An original study showed a very small savings. Since there was not a significant savings, we did not pursue it. We have ordered a second study to see if we can find a more significant savings.

Dan: What percentage of the premiums does the township pay?
Tom: The Township pays 80% and the employee pays 20%.

Dan: Do you pay social security for the firefighters?
Tom: Yes.

Ken: When did you assume these new hires?
Steve: For seven months of the year.

Dan: How do you use your COIT revenue?
Steve: It is split between fire and township with the majority in fire.

Dan: How does the actual COIT compare to the certified amount?
Steve: More than likely, we will receive a little more, maybe $20,000.

Dan: Has there been any talk about consolidating with Indianapolis?
Tom: The department has looked at the numbers and has agreed that at this time it is more efficient to continue as a township department.

Recommendation:
Ken motioned to recommend approval of an emergency fire loan in the amount of $1,203,727 for a term of one (1) year. Lisa seconded and the motion carried 5-0.

Monroe Township, Delaware County
Fire Equipment Loan

Summary: The unit is requesting a loan in the amount of $360,000 for a term of six (6) years for the purpose of replacing an obsolete, unreliable fire truck.

Project Costs: $360,000 Amount applied to debt: $360,000 Annual Payment: $70,500

Controlled or Uncontrolled: Controlled

Tax Rate Impact:	2006 AV	$121,091,320
	Levy Needed	$70,500

Est. Tax Rate .0582

Meeting and Publication Dates:

Date of publication for a public hearing	05/26/2006
Date of public hearing	06/07/2006
Resolution/Ordinance adopted	06/07/2006
Notice of Determination	06/13/2006

Auditor's Certificate of No Remonstrance: 07/17/2006

Fire Marshall's Response: Equipment & price is reasonable

Financial History:

Fire Fund	2006	2005	2004	2003
Budget Estimate	$38,432	$49,881	$52,040	$49,650
Cash Balance June 30	$22,176	$7,282	$4,780	$21,235
Operating Balance	$0	$0	$1,771	$5,376
Levy	$29,183	$27,095	$26,022	$24,870
Rate	0.0241	0.0224	0.0209	0.0198

Missing Information: None

Attendance
The following people attended the meeting: Nicki Johnson (Trustee) and Fred J. Carter (Fire Chief).

Discussion:
We have a truck that is thirty years old. It would cost over $50,000 to refurbish it and continue using an older truck in the fleet. It will be more cost effective to purchase a new one. This is the last truck in the fleet to be replaced. We will not need to purchase another one for twenty to twenty-five years. The actual price may be less than the $360,000 but we do not know yet since we just sent out the bids.

There has been an increase in our population; the school has had to build an auxiliary gym and a new bus barn.

Questions by board members:
Ken: Are there any towns in the township?
Nicki: There is Cowan, Oatfield, but just one school district.
Fred: We are trying to eliminate the number of vehicles that respond to an emergency. This truck will hold six people and will hold the same amount of water that two of our current pumpers will hold.

Dave: Was this approved by you board?
Nicki: Yes.

Dave: Is some of this money for equipment also?
Fire Chief: Yes, about twenty thousand is set aside to purchase some equipment – SCBA units, radios and two antennas.

Dan: What is your current debt for?
Nicki: There are only two payments left for a previously purchased fire truck. This will be the only debt left.

Fire Chief: It will cost us an additional $7,000 to $12,000 more if we do not order the truck by mid-August because we will have to order a 2007 year model, which has higher emission standards.

Recommendation:
Ken motioned to recommend approval of a fire apparatus and equipment loan in the amount of $360,000 for a term of six (6) years. Dan seconded and the motion carried 5-0.

Adams Township, Ripley County
Emergency Fire Loan

Summary: The unit is requesting an emergency fire loan in the amount of $10,000 for a term of one (1) year for the purpose of funding the fire department's contracts for 2006.

Project Costs: $10,000 Amount applied to debt: $10,000 Annual Payment: $10,850

Emergency Loan Calculation:

	2006
Certified Property Taxes	$15,346
Certified Misc. Revenue	$15,385
Jan. 1st Cash Balance	$5,618
Total Funds Available	$36,349
Less: Prior Year Encumbrances	$16,100
Less: Estimated Expenses	$32,200
Funds Remaining (Needed)	**-$11,951**

Budget Advertised	$32,200
Budget Adopted	$32,200
Advertised/Adopted Budget	$32,200
Less Certified Budget	$32,200
Budget cut by DLGF	$0

Controlled or Uncontrolled: Controlled

Tax Rate Impact:	2006 AV	$138,252,710
	Levy Needed	$10,850
	Est. Tax Rate	.0078

Meeting and Publication Dates:

Date of publication for a public hearing	03/30/2006
Date of public hearing	04/10/2006
Resolution/Ordinance adopted	04/10/2006
Notice of Determination	04/20/2006

Auditor's Certificate of No Remonstrance: 06/01/2006

Financial History

Fire Fund	2006	2005	2004	2003
Budget Estimate	$32,200	$17,756	$29,040	$30,200
Cash Balance June 30	$7,758	-$201	$2,319	$12,648
Operating Balance	$3,456	$0	$0	$1,605
Levy	$15,346	$11,771	$10,681	$10,147
Rate	0.0111	0.0083	0.0075	0.0075

Missing Information: None

Attendance
The following people attended the meeting: Joan Gindling (Deputy Trustee).

Discussion:
This loan is to fund this year's contract. We will need to come back next year in order to fund next year's contract.

Questions by board members:
Stan: Are you going to appeal again?
Joan: Yes, we will have to.

Stan: Does the township own all the equipment?
Joan: No, the fire department does.

Ken: Does the township contract for fire protection?
Joan: Yes, with two fire departments. We give Sunman $8,250 per half and $7,850 to Morris per half.

Lisa: How do we fix this long term?
Stan: By doing appeals each year.
Joan: We have not increased the contract amount for three years.

Lisa: Are you expecting an increase in the contract amount?
Joan: They always want more, but they are aware of our situation. They are always happy when we can give them more.

Ken: The interest rate is high – higher than we have seen. Do you know the reason for the high rate?
Joan: No.

Stan: Anything over eight percent has to be approved by the DLGF. When you contacted the banks, did you tell them that these are property tax guaranteed loans and they are tax exempt? They are low risk loans.
Joan: There is only one bank in our township. That is FCN and we have never had to borrow before.

Recommendation:
Ken motioned to recommend approval of an emergency fire loan in the amount of $10,000 for a term of one (1) year with an interest rate not to exceed six percent. Stan seconded and the motion carried 5-0.

White County Unit, White County
Lease Financing

Summary: The unit is requesting approval to execute a lease to finance the acquisition, construction, installation and equipping of a new 25-bed critical access hospital to be located in the City of Monticello. Maximum annual lease rental payments will not exceed $750,000 for a term of thirty (30) years.

Project Costs: $30,105,306 Amount applied to debt: $25,500,000 Annual Payment: $750,000

Controlled or Uncontrolled: Uncontrolled

Revenue Source for Property Tax Backup: Hospital revenues.

Tax Rate Impact:	2006 AV	$1,523,807,927
	Levy Needed	$712,500
	Est. Tax Rate	.0468

Meeting and Publication Dates:

Date of publication for a public hearing	N/A		
Date of public hearing	N/A		
Resolution/Ordinance adopted	06/20/2006	07/03/2006	07/21/2006
Notice of Determination	N/A		

Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage: 07/26/2006

Missing Information: None

Attendance
The following people attended the meeting: Pam Hershberger (Vice President of Regions Bank), John Heimlich (County Commissioner), George Loy (County Attorney), Paul Cardwell (County Chief Executive Officer), Dodd Kattman (Architect), Todd Samuelson (Financial Advisor with H.J. Umbaugh), Lisa Lee (County Counsel), Rick Hall (Bond Counsel with Barnes & Thornburg).

Discussion:
Paul: We started to look at this project three years ago. We are currently housed in a hospital that was built in 1955. We wanted to make sure that this project was appropriate for the community. There has been significant coverage in the media.

In 2000 we had gross revenue of $19 million and the projected for this year is $37 million. We would like to keep our citizens at home instead of needing to send them to Lafayette. We now have 71 contracted doctors, fifty of which come from Lafayette. The lion's share of revenue is from out-patient services. There is no clinical space for visiting doctors to work. The hospital served its function well when it was built, but it no longer serves the needs of the current population. The Board and the bank are absolutely convinced that our revenues will cover the debt payment. Our net income is $1.7 million already this year. We can easily cover the debt payment.

John: I would like to look at this from the perspective of county government. We have decided to go ahead with this project using property tax backup for enhanced credit purposes. We became involved with this project a couple of years ago and did our own research as well. We also secured outside legal and bond advice. Health care is important and the need to keep our citizens close to home for health care is equally important. It is our hope that this project will serve our citizens for decades to come.

Questions by board members:
Dave: How big is your hospital?
Paul: It has fifty-nine beds.

Dave: What will happen to the current building?
Paul: We believe it is going to be converted to an Ivy Tech State College. That is still far down the line. Indiana Wesleyan University may utilize it also.
John: Early indications are the building will stay with the County or some other entity within the County and leased out for other purposes.

Dave: You are going from a fifty-nine bed capacity to a twenty-five?
Paul: We have been operating under a federal cap of twenty-five since 2000. This will just shift resources from in-patient to out-patient and emergency care.

Ken: How much does the enhanced letter of credit save you?
Paul: About $470,000 over a five-year period.

Ken: What do you estimate your coverage is?
Todd: The cash flow includes the debt service in the operating expenses. The excess is after the debt payment has been made.

Ken: The Net Income is surplus after debt?
Rick: Yes.

Ken: What are the outside sources of revenue?
Rick: There is a breakdown of all the sources on page seven of the hearing information sheet.

Dan: Page six has $995,000 for land acquisition, but one of the news articles says that the County already owns the land – is this a reimbursement for that land?
Paul: The County purchased the land and donated it to the hospital, so yes, it is reimbursement.

Stan: The property tax back-up is for half of the lease payment - $750,000, not the $1.5 million total payment?
Rick: Yes, because the County's commitment is for only five years.

Dave: Then should the lease term be only for five years?
Rick: We would like the term to be for the full thirty years of the lease so that we will not need to continue coming back for approval.
Lisa: In all the public hearings, the taxpayers were informed that the lease was for thirty-years. The County's commitment is for only five years for back-up coverage. The taxpayers are aware of the thirty-year term.

Dave: From the State's point of view, the terms could change after five years because the rate is variable?
Rick: No, the terms will not change – the maximum cap the County will pay is $750,000.

Dan: What is the major taxpayer in the County?
John: I don't know; probably Ball Corp., Indiana Beach, Vanguard would definitely be in the top five.

Dave: You have an anticipated interest rate of 4.4%?
Rick: That is the current variable rate in the market as of today.

Recommendation:
Lisa motioned to recommend approval to execute a lease in the amount of $25,500,000 with maximum annual lease payments of $750,000 for a term of thirty (30) years after construction. Stan seconded and the motion carried 4-0-1 with Ken abstaining.

Huntingburg Public Library, Dubois County
Establishment of a New Maximum Levy

Summary: The unit is requesting a levy to support the newly formed unit established in December, 2005 through January 2006, and will be effective to collect property taxes in 2007.

Fund	Budget	Levy	Rate
General	$408,410	$296,315	.0810

Resolutions:

Accepting the proposed 2007 operating fund budget No Date resolution was signed
Transferring Cass Twp from Dubois Contractual Library to Huntingburg Public Library 11/03/2005
Resolution accepting transfer of Cass Twp 11/09/2005

Budget Information:

Personnel		Supplies	
Salaries/Wages	$136,110	Office	$4,000
Benefits	$26,300	Operating	$6,000
Other	$2,000	Repair/Maintenance	$0
	$164,410	Other	$0
			$10,000
Other		Capital Outlay	
Professional	$25,000	Land	$0
Communications	$17,500	Buildings	$0
Printing/Advertising	$3,000	Improvements	$20,000
Utility	$22,000	Machinery/Equipment	$0
Repairs/Maintenance	$10,000	Other	$70,000
Rentals	$6,000		$90,000
Debt Service	$35,000		
Other	$60,500		
	$144,000	**Total Budget**	**$408,410**

Benefits should be no more than 15% of salaries. This unit's benefit line item is 19% of salaries.

Attendance

The following people attended the meeting: Lyn Blume (President of Library Board), Kathleen Lett (Library Director), Christopher Nen (Secretary), and L. Faye Terry (LDO of Indiana State Library).

Discussion:
Kathleen: There are two mistakes in the original paperwork that was submitted that I would like to correct. One of our statements says that we are in the bottom fifteen of tax levies, and it should be the bottom fifteen of tax rates. We have also changed the June 30th cash balance – a $175 difference.

The major problem we face is that the library district was formed and then the schools consolidated. This misaligned the library district with the school district and we would like to make the attempt to line them back up again.

Questions by board members:
Stan: What is your current budget and levy?
Christopher: for 2005 we had a budget of $109,000 with expenditures of $231,666.

Stan: You are asking for a budget of $408,000 – what amount is that above your current budget?
Kathleen: We currently receive $150,000.

Stan: Does the $35,000 debt belong to the current library, or the one coming into the district?
Kathleen: Yes, it the debt of the current library – it was for an addition that was constructed in 1994 for the Huntingburg Public Library.

Dan: The library had a levy of $159,500 and 2005 misc. revenue of $130,839. The $130,839 is what belongs to the library. The $159,500 will decrease to $40,000, while the rest will go to Jasper Library.

Dave: Judy's notation says that benefits should not exceed 15% of salaries, but yours is 19%.
Dan: That is not true anymore. Health insurance alone is 15%.

Ken: What is the expense increase in the budget?
Christopher: We are going from a budget of $260,000 to a budget of $408,000 – that amount is also to fund benefits that are not currently being provided – like retirement pension plan, etc. Our circulation is up 15% over the last five years.

Lisa: Was there any public objections?
Christopher: None.

Ken: Are you planning on renovating, expanding or building a new library?
Christopher: No; expansions were done in 1930, 1979, and 1994. We are in good shape right now.

Dan: Is the jurisdiction going to be the whole township?
Kathleen: Two townships, Cass and Huntingburg.

Dan: A thirty percent increase in assessed value with a resulting rate increase of three cents?
Faye: Those numbers were arrived at by looking at Jasper's new numbers in order to equalize the County.

Ken: Do we need to capitalize your capital outlay expenses over five years?
Stan: Do you know what your 2006 capital outlay expenses are for?
Kathleen: No, I did not bring the 2006 budget information with me today.

Faye: If they establish a branch, then the book expense, along with other expenses, will increase also.
Christopher: Page two of the merger documentation shows how far behind in acquisitions we are in regards to the average.
Stan: I would say that your capital outlays are close to what they are right now. The capital outlays for libraries are annual expenses – for books and periodicals, not for equipment.

Dan: Does the property tax rate go away in 2007?
Christopher: It does for us, but not for the other townships the contractual library serves. The $40,000 will not be received by us from the contractual library.

Dan: Do you have a library capital projects plan?
Kathleen: No and it will not be considered until the debt ends.

Dan: What is the balance if your Library Improvement Reserve fund?
Kathleen: As of our last Board meeting, it was $213,000.

Recommendation:
Ken motioned to recommend approval of a new maximum levy in the amount of $296,315. Lisa seconded and the motion carried 5-0.

Spencer Township, DeKalb County
Fire Equipment & Building Loan

Summary: The unit is requesting approval to obtain a loan in the amount of $35,000 for a term of two (2) years for the purpose of purchasing a used demo tanker truck to replace an outdated truck.

Project Costs: $125,000 Amount applied to debt: $35,000 Annual Payment: $18,600

Controlled or Uncontrolled: Uncontrolled

Tax Rate Impact:	2006 AV	$83,000,000
	Levy Needed	$18,600
	Est. Tax Rate	.0224

Meeting and Publication Dates:

Date of publication for a public hearing	04/05/2006
Date of public hearing	05/05/2006
Resolution/Ordinance adopted	05/05/2006
Notice of Determination	05/16/2006

Auditor's Certificate of No Remonstrance: 06/16/2006

Fire Marshall's Response:

Missing Information: Vehicle Specifications

Attendance
The following people attended the meeting: No one showed for the hearing.

Discussion:
Lisa: I think we should go ahead and make a motion.

Questions by board members:
None

Recommendation:
Lisa motioned to recommend approval of a fire apparatus loan in the amount of $35,000 for a term of two (2) years. Ken seconded and the motion carried 5-0.

City of Jeffersonville, Clark County
Lease Financing

Summary: The unit is requesting approval to execute a lease to finance the acquisition, construction, installation and equipping of land, buildings, structures and improvements comprising the renovation of Fire Station #2 and headquarters. Maximum annual lease rental payments will not exceed $400,000 for a term of twenty-one (21) years. This issue was tabled from the June 22nd, 2006 meeting.

Project Costs: $4,010,000 Amount applied to debt: $4,010,000 Annual Payment: $400,000

Controlled or Uncontrolled: Uncontrolled

Revenue Source for Property Tax Backup: Tax Increment Financing (TIF)

Tax Rate Impact:	2006 AV	$976,356,890
	Levy Needed	$400,000
	Est. Tax Rate	.0410

Meeting and Publication Dates:

Date of publication for a public hearing	N/A
Date of public hearing	N/A
Resolution/Ordinance adopted	05/01 & 24/2006
Notice of Determination	N/A

Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage: 06/12/2006

Missing Information: None

Tax Rate Impact on Typical Homeowner

Assessed Value of Home	$50,000	$100,000	$150,000	$200,000	$250,000
Mortgage Deduction	$3,000	$3,000	$3,000	$3,000	$3,000
Homestead Deduction	$25,000	$35,000	$35,000	$35,000	$35,000
Taxable Value of Home	$22,000	$62,000	$112,000	$162,000	$212,000
Tax Rate	4.1000%	4.1000%	4.1000%	4.1000%	4.1000%
Tax Impact	$9	$25	$46	$66	$87

Attendance
The following people attended the meeting: Herschel Frierson (Financial Advisor with Crowe Chizek), Sue Beesley (Bond Counsel with Bingham McHale), Tony Decker (Deputy Fire Chief), Ronald Ellis (Street Commissioner), Les Merkley (City Attorney), Clark E. Miles (Fire Chief), and Phil McCauley (Member of the City Council).

Discussion and Questions:
Sue: We provided additional information in advance of today's meeting.

Dave: There has been a lot of research and questions between us on this board. There are still a lot of unanswered questions. I see you brought a map with you today. Would you like to discuss the map and the locations of these projects?
Answer: The spokesperson pointed out the TIF Districts and the location of each of the buildings.

Dave: What is the purpose of the garage?
Ronald: It is for vehicle maintenance and repair. It is also where we house sanitation units, garbage trucks, and salt storage.

Dave: How does that fall into economic development as opposed to general obligation bonds? Let's assume that you did not have TIF, you would still need this facility for every day functions.
Phil: I don't know that there is a correlation between the TIF area and the service facility. We have recently realized economic development with the former ammo plant now known as River Ridge, which is approximately a 6,000 square foot mixed use building. In addition, we have the Clark Maritime Center with about 1000 square foot and Northport Park, another developing area. In the last ten years, there has been an unquestionable move toward revitalization. You cannot get to these areas without using the streets. One of the main questions from people wanting to do business in Jeffersonville is "How am I going to get my products to where they need to go"? Infrastructure is critical. The east is the only way to expand because the River and other Towns have us landlocked. We must deliver quick and easy access to these sites.
Sue: It is the same concept that the State is using with the Toll Road. The Major Moves project is promoting economic development.

Ken: The map helps, but we are still struggling with the philosophical aspects.
Phil: We have pledged $75,000 of our money, along with funding from neighboring cities, to develop southern Indiana. This will help in meeting that goal.

Ken: Do you ever see this TIF going away?
Phil: Of course, statutorily, they will all go away. We bickered and fought for many months and commissioned an independent study for fire protection needs. We were embarrassed to find out that we were not up to standards for fire protection.

Ken: Did you argue about using TIF versus general obligation bonds?
Phil: Yes, absolutely. We are at our max levy and we didn't know how we were going to fund these projects. We looked at our Enterprise Zone areas. I myself spent a year looking at our TIF and associated funding. After cleaning up the County Auditor's records, and separating the funding for each TIF area, we worked with the Clerk Treasurer and were able to discover what we actually had. We then realized we were not in a bad situation with our TIF's. We also had abatements available in the TIF's that were not

being utilized. With the TIF funds, plus the existing assessed value, we had some funding available. The 4th fire station will directly serve a TIF area.
Clark: Our current maintenance facility is a health hazard. It is not insulated and we use Salamanders (modified diesel fuel) to heat the building, along with our gas heaters. The drains inside the building have been closed up, so there is nowhere for liquids to drain out. There is mold and asbestos present, which is creating health problems. The ceiling is falling down in some areas. We have always been able to provide open and clean streets. Without us, no economic development can occur.
Phil: These projects are capital projects that need to be provided without an increased tax burden on our taxpayers. We have the obligation, but not the ability to provide these projects. We were able to do infrastructure by creating the TIF's that we could not have otherwise done.

Dave: You speak of your TIF funds – are those funds pooled from each of the TIF areas?
Phil: That was part of the process we completed when we segregated the funds. We do have some funds that are hard to segregate, like homestead, etc. The major funding is the largest TIF area and the inter-city road.

Lisa: I applaud your efforts with doing more analysis and giving us more information. It does help seeing this map.

Dan: What is the total TIF revenue?
Herschel: That amount was provided with the additional information – it was about $2.8 million.
Phil: Our calculation showed $2,444,308 – Herschel's amount is a little higher.

Dan: Will all the current debt be retired in 2015?
Herschel: One of them goes until 2027.

Dan: Do you have any projections about when the TIF's will expire?
Herschel: They all have thirty year terms. The worksheet shows when the revenue will cease.
Harbours/Fall Landing was established in 1985 and there is a piece of that area that goes on indefinitely.

Dan: In your loose equipment list you have riding mowers for each fire station – how much real estate is associated with each station?
Clark: The location of the headquarters is ten acres – two of that is associated with the station itself. Fire station #4 sits on 2.5 acres.

Dan: On that same list is two cascade systems (which I don't know what they are) – station #2 has a cost of $45,000 and station #4's is $28,500 – why the difference?
Clark: A cascade system is what is used to fill up the air tanks. The reason for the difference in price is because of the size of the system – the one that will be used at the headquarters is a bigger unit.

Recommendation:
Lisa motioned to recommend approval of property tax backup for a lease in the amount of $400,000 for a term of twenty-one (21) years for the construction of fire station #2 and fire headquarters. Ken seconded and the motion carried 4-1 with Stan opposed.   Stan opposed because there are other methods for capital construction other than Tax Increment Financing, which is for economic development of an allocated area.

City of Jeffersonville, Clark County
Lease Financing

Summary: The unit is requesting approval to execute a lease to finance the acquisition, construction, installation and equipping of land, buildings, structures and improvements comprising a new Fire Station. Maximum annual lease rental payments will not exceed $221,000 for a term of twenty-one (21) years. This issue was tabled from the June 22nd, 2006 meeting.

Project Costs: $2,180,000 Amount applied to debt: $2,180,000 Annual Payment: $221,000

Controlled or Uncontrolled: Uncontrolled

Revenue Source for Property Tax Backup: Tax Increment Financing (TIF)

Tax Rate Impact:		
	2006 AV	$976,356,890
	Levy Needed	$221,000
	Est. Tax Rate	.0226

Meeting and Publication Dates:

Date of publication for a public hearing	N/A
Date of public hearing	N/A
Resolution/Ordinance adopted	05/01 & 24/2006
Notice of Determination	N/A

Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage: 06/12/2006

Missing Information: None

Tax Rate Impact on Typical Homeowner

Assessed Value of Home	$50,000	$100,000	$150,000	$200,000	$250,000
Mortgage Deduction	$3,000	$3,000	$3,000	$3,000	$3,000
Homestead Deduction	$25,000	$35,000	$35,000	$35,000	$35,000
Taxable Value of Home	$22,000	$62,000	$112,000	$162,000	$212,000
Tax Rate	2.2600%	2.2600%	2.2600%	2.2600%	2.2600%
Tax Impact	$5	$14	$25	$37	$48

Attendance

The following people attended the meeting: Herschel Frierson (Financial Advisor with Crowe Chizek), Sue Beesley (Bond Counsel with Bingham McHale), Tony Decker (Deputy Fire Chief), Ronald Ellis (Street Commissioner), Les Merkley (City Attorney), Clark E. Miles (Fire Chief), and Phil McCauley (Member of the City Council).

Discussion:

See discussion and questions above.

Recommendation:
Ken motioned to recommend approval of property tax backup for a lease in the amount of $221,000 for a term of twenty-one (21) years for the construction of fire station #4. Lisa seconded and the motion carried 4-1 with Stan opposed.

City of Jeffersonville, Clark County
Lease Financing

Summary: The unit is requesting approval to execute a lease to finance the acquisition, construction, installation and equipping of land, buildings, structures and improvements comprising a new City Services Facility. Maximum annual lease rental payments will not exceed $457,000 for a term of twenty-one (21) years. This issue was tabled from the June 22nd, 2006 meeting.

Project Costs: $4,615,000 Amount applied to debt: $4,615,000 Annual Payment: $457,000

Controlled or Uncontrolled: Uncontrolled

Revenue Source for Property Tax Backup: Tax Increment Financing (TIF)

Tax Rate Impact:	2006 AV	$976,356,890
	Levy Needed	$457,000
	Est. Tax Rate	.0468

Meeting and Publication Dates:

Date of publication for a public hearing	N/A
Date of public hearing	N/A
Resolution/Ordinance adopted	05/01 & 24/2006
Notice of Determination	N/A

Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage: 06/12/2006

Missing Information: None

Tax Rate Impact on Typical Homeowner

Assessed Value of Home	$50,000	$100,000	$150,000	$200,000	$250,000
Mortgage Deduction	$3,000	$3,000	$3,000	$3,000	$3,000
Homestead Deduction	$25,000	$35,000	$35,000	$35,000	$35,000
Taxable Value of Home	$22,000	$62,000	$112,000	$162,000	$212,000
Tax Rate	4.6800%	4.6800%	4.6800%	4.6800%	4.6800%
Tax Impact	$10	$29	$52	$76	$99

Combined Tax Rate Impact on Typical Homeowner (all three lease financing projects)

Tax Impact	$24	$68	$124	$179	$234

Attendance
The following people attended the meeting: Herschel Frierson (Financial Advisor with Crowe Chizek), Sue Beesley (Bond Counsel with Bingham McHale), Tony Decker (Deputy Fire Chief), Ronald Ellis (Street Commissioner), Les Merkley (City Attorney), Clark E. Miles (Fire Chief), and Phil McCauley (Member of the City Council).

Discussion:
See discussion and questions above.

Recommendation:
Lisa motioned to recommend approval of property tax backup for a lease in the amount of $457,000 for a term of twenty-one (21) years for the construction of a City Services Facility. The motion failed due to no second.

Ken motioned to recommend the denial of property tax backup for a lease for the construction of a City Services Facility. Stan seconded and the motion carried 4-1 with Lisa opposed.