

LOCAL GOVERNMENT TAX CONTROL BOARD



RECOMMENDATIONS
TO THE
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
FROM
July 28, 2005

Call to Order

James Riehle called the July 28th 2005 Local Government Tax Control Board meeting to order at 9:00am. Board members present were James Riehle (am only), Richard Eckerle, Stan Mettler and Robert Harris. Teresa Hemmerle was the administrative officer for the meeting.

Discussion

Stan noted that in the discussion for the City of Carmel from the June 16th minutes that the territory should be “contiguous” and not continuous.

Recommendation

Stan Mettler motioned to approve the minutes, as changed, from the June 16th 2005 Local Government Tax Control Board meeting. Bob Harris seconded and the motion carried 4-0.

Town of Cicero, Hamilton County Fire Equipment Lease

The unit is requesting approval to enter into a lease with the Indiana Bond Bank for the lease of two command trucks, the purchase of one new fire truck with the associated loose equipment needed to furnish the truck, and the refinancing of a truck previously purchased in 2003. The project cost is \$590,000 with maximum annual lease rental payments of \$80,000 for a term of eleven (11) years. The estimated tax rate is .0366 based on an assessed value of \$200,834,123 and an annual levy of \$73,600. This is an uncontrolled project because the project cost is less than \$2,000,000. The Common Construction Wage is not applicable because no construction is involved.

Taxpayer Objections:

The unit reports that a public hearing, a Notice of Determination and the Remonstrance/Petition process is not applicable. A resolution was adopted May 17th 2005.

Attendance

The following people attended the hearing: Steve Peachey (Fire Chief), Janice Unger (Clerk Treasurer), Kathy Raver (Financial Advisor with H.J. Umbaugh), Ryan Usher (Financial Advisor with H.J. Umbaugh), and Dave Arrensen (Attorney with Baker & Daniels).

Discussion

Fire Chief: We are a small community and are having budget issues with reduced COIT amounts. Our fire engine is twenty-one years old and we would like to replace it with a new one. The ISO recommends also that we replace the engine. We also want to refinance one we are paying for currently. We depend mainly on volunteers.

Questions by Board Members:

Jim: Are you an all-volunteer department?

Fire Chief: We have seven paid firefighters and twenty-eight volunteers.

Jim: Is your board supportive of your request?

Fire Chief: Yes, we have submitted their motion and resolution in support.

Bob: The existing truck that is wrapped up into a lease, was that issue approved by the DLGF?

Clerk Treasurer (C/T): No, it was funded through the general fund at the time of purchase.

Bob: I have a problem with including the existing truck into this debt request since there was no prior DLGF approval for the lease.

C/T: COIT has been cut all over the state, particularly in Hamilton County. Previously, COIT had funded half of their Town's budget. We are looking for ways to manage the general fund budget. This would benefit the Town.

Bob: The DLGF recommends units seek approval for payment backup because loss of revenue is possible.

Bob: What will you do with the old equipment?

Fire Chief: Look at a trade-in value. We would also look to southern Indiana fire departments to see if they would like to purchase it.

Bob: How old is the truck you are currently leasing?

Fire Chief: 2 ½ years old.

Stan: What is the lease term?

Fire Chief: The term is for seven years with payments just under \$30,000.

Bob: The debt rate you have listed on page 2 of the hearing information sheet, when did that debt first go on the books?

C/T: In 1999.

Bob: Does page four of the hearing information sheet list the correct balance of the truck?

C/T: Yes.

Bob: It looks like you have had several meetings, were any of them advertised?

Fire Chief: All town board meetings are advertised.

C/T: We have a news article that discussed the truck.

Bob: Did you advertise this project specifically?

C/T: No.

Bob: I have concerns, even though it is not required, that taxpayers don't know what is going on.

Fire Chief: I have had several phone calls about the truck and we have discussed it with many people.

Bob: You have listed loose equipment at \$50,000 – the Commissioner typically requests a list of items and amounts that make up the loose equipment.

Fire Chief: He has such a list, but getting costs from companies could be difficult. He could give us the cost estimates that he used.

Rich: How many members are on your town board?

C/T: Five.

Rich: Did they all agree with your plans?

C/T: Yes, they did.

Fire Chief: The Fire Commission board members are also in agreement.

Stan: Why did you choose an eleven-year term?

Fire Chief: To keep the payments affordable for the town. The life span of the equipment is well over ten years. Fire and rescue trucks have a life-span of twenty years.

Stan: Typically, units with their assessed value use a term of six years.

Kathy: We wanted to keep the payments down to around \$80,000.

Bob: Why did you list this as "Other" debt request?

Kathy: Because this is a bond bank issue.

Dave: This is not a typical loan.

Recommendation

Stan Mettler motioned to approve fire equipment lease in the amount of \$590,000 for a term of eleven (11) years, assuming the additional information is given to the Commissioner. Rich Eckerle seconded and the motion carried 3-1 (Bob opposed the motion).

Hamilton Township, Delaware County Fire Apparatus, Equipment and Building Loan

The unit is requesting approval to obtain a fire loan in the amount of \$300,000 for a term of six (6) years for the purpose of purchasing a new fire truck to replace one that is twenty-four (24) years old. The estimated tax rate is .0228 based on an assessed value of \$237,000,000 and an annual levy of \$53,929. The total project cost is \$330,000 with maximum annual payments estimated to be \$59,502. This is an uncontrolled project because the project cost is less than \$2,000,000. The Common Construction Wage is not applicable because no construction is involved.

Taxpayer Objections:

The date of publication for a public hearing was March 12th 2005. A Public Hearing was held and a Resolution adopted on March 22nd 2005. The date of publication for the Notice of Determination was March 26th 2005. The Auditor certified No Remonstrance on April 27th 2005.

Attendance

The following people attended the hearing: Ralph Flowers (Trustee) and Robert Wilson (Fire Chief).

Discussion

Trustee: We are facing a strong building growth in the last five to six years. We have no incorporated towns in our township, but have many subdivisions. We are located directly north of Muncie. We typically collect 98% of our billed property taxes. We have experienced a lot more runs and it is wearing our equipment down. We developed a five-year plan with the fire department. We have thirty-five volunteers and no paid firefighters. We have the highest ISO rating. We must buy a new tanker. The purchase will have minimal impact on our tax rate. We have held public hearings and have had two people make a donation toward the purchase of a new truck. We are one of the top five companies in east central Indiana. We have received small grants to pay for some of the equipment. We do not see Build Indiana grants coming back.

Fire Chief: I have been the fire chief for twenty-five years and have seen growth in the department. We are proud of what we have, but we need to upgrade the equipment.

Questions by Board Members:

Jim: How big is your fire department?

Fire Chief: We have thirty-five volunteers, ten of them picked up in the last year. We now have some outside of the township who want to join.

Jim: Do you have mutual aid agreements with anyone?

Fire Chief: Yes, with all of Delaware County, including Muncie.

Trustee: If we had to enter into a contract with Muncie, it would cost us over a million dollars. If all of our firefighters were paid, it would cost over two million dollars. We are doing well for having a budget of \$120,000. All of our equipment is well-maintained.

Rich: Do you have EMT's also?

Fire Chief: Yes, they go to all the auto accidents; we have advanced life support as well. Many volunteers carry the equipment with them. We do not have ambulance service but Delaware Township does have.

Stan: Are you going to replace a pumper with a tanker?

Fire Chief: This is the last truck they built. It is a tanker, but it has a pumper on it.

Stan: The other two tankers, do they still have sufficient capacity?

Fire Chief: We have some hydrants in the community. One truck has a 2500-gallon capacity, one has a 1,000-gallon capacity, and a third has 500-gallon capacity.

Stan: Did you check the price with the State Fire Marshall's office?

Bob: The Commissioner will confirm before approving.

Trustee: If the bid comes in higher, we will come up with other funds to pay for the additional equipment items. One way would be to hold a large hog roast to raise funds.

Bob: No current debt?

Trustee: The only debt issue we have is being paid out of the cum fund.

Bob: Are you able to comfortably make the payments from the cum fund?

Trustee: Yes.

Bob: Will the new truck fit in the bay?

Trustee: Yes.

Recommendation

Rich Eckerle motioned to approve a fire loan in the amount of \$300,000 for a term of six (6) years. Stan Mettler seconded and the motion carried 4-0.

Johnson County Public Library, Johnson County General Obligation Bonds

The unit is requesting approval to issue bonds in the amount of \$5,120,000 for a term of five (5) years for the purpose of constructing a new Trafalgar Library building. The estimated tax rate is .0359 based on an assessed value of \$4,783,223,640 and an annual levy of \$1,719,520. Total project cost is \$5,120,000 with maximum annual debt payments estimated to be \$1,910,578. This is a controlled project. The Common Construction Wage is applicable; the hearing was held June 29th 2005 and passed with a 3-1 (1 abstained) vote.

Taxpayer Objections:

The date of publication for a Notice of Public Hearing was May 5th 2005. A public hearing was held and a resolution adopted May 17th 2005. The Notice of Determination was published May 26th 2005. The Auditor certified No Remonstrance on June 29th 2005.

Attendance

The following people attended the hearing: Kathy Raver (Financial advisor with H.J. Umbaugh), Ryan Usher (Financial advisor with H.J. Umbaugh), BJ Deppe (Deppe Fredbeck & Boll), Bev Martin (Library Director), Gary Kiesel (Library Board Member), Jane Herndon (Bond Counsel with Ice Miller), and Bill Brown (Architect with VPDS).

Discussion

Library Director: Planning began in 1998. They have conducted focus groups to determine library needs. They have studied the tax rate impact. They employed Library Planning Associates to look at facilities and see what would be needed. The library board completed

strategic plan. They have used the Matrix model, which has been built in major communities and built to their individual needs. They have hired an architectural firm that has done a number of southern Indiana library buildings. They sent out post cards in the community to gather input on the facility. The board wanted to construct the new building the way the community wanted. There have been five different news articles to let people know what the library was doing. The site has been selected. They convened a county-wide advisory group. They supported the Trafalgar project and a proposed Franklin project.

Questions by Board Members:

Jim: Then public support has been good?

Director: People are asking when they can make donations. They have been very supportive. We hope to form partnerships to allow some Morgan county residents access.

Stan: You are going to have five buildings?

Director: We currently have four. We want to build a small one in Trafalgar; we currently already have one in Franklin.

Rich: Will you be coming back for more money in the future?

Director: Yes, we will need to come back if the Franklin project is approved.

Jim: Do you have the same things at all the facilities?

Director: Trafalgar has agricultural information. Clark covers home schooling. Collection focus changes from one building to another.

Jim: Have you considered building maintenance for five buildings?

Director: We are trying to reduce operating costs through energy efficiency.

Jim: What about personnel costs?

Director: We are trying to centralize staff or having patrons checking-out themselves.

Stan: What about computers?

Director: We will handle our computer needs mostly through the Capital Projects plan.

Stan: Do you offer your catalog on-line?

Director: Yes, we have since 1999.

Bob: The DLGF would like to have a detailed list of the loose equipment you have budgeted for.

Director: We thought we had to get approval before moving on.

Bob: Go ahead and prepare the list.

Jane: There is a list on page 4 of the hearing information sheet. Do you need more?

Bob: If there is more detail available, then yes, we would like more.

Bob: Will you explain what the furniture, fixture and cabling consultants are for?

Director: Sometimes you can save a lot of money by customizing items. Everything (cables) would be under the floors. It is more on the technology side. We could get a better definition.

Bob: \$252 per square foot seems high.

Jane: The construction only cost is \$190 per square foot.

Bob: On page 4 of the hearing information sheet, what is quality control testing?

Director: To make sure that the heating/cooling is operating correctly and efficiently.

Jane: It is a common item, though it is not usually broken out. It is usually under general conditions for the construction manager.

Bob: Has anyone spoken out against the project?

Board Member: There were twenty people who attended the meeting and they all spoke in support. They even discussed financing alternatives to get community input.

Director: We set up community groups to get the entire county involved. We feel that we have solid support.

Bob: Do you already own the land?

Director: Yes.

Bob: Where is the land located?

Director: At the corner of 252 and Tower. We regularly attend town and planning meetings to discuss the project.

Stan: You plan to pay this off in four years?

Kathy: Yes, with the Franklin project possibly coming in the near future they want to get this project paid off before. Large assessed value allows for little impact.

Stan: This says you have negative interest?

Kathy: No, it is capitalized interest.

Rich: What is the Franklin timetable?

Director: We plan to start the Franklin project in three to five years.

Bob: The cost per square foot seems high, can you explain?

Architect: The estimate is based on two previous projects in Evansville and adjusted due to inflation. This cost is below the national average for library buildings.

Bob: What is the national average?

Architect: Based on construction costs only, it is \$252 per square foot. We have tried to factor in cost increases for concrete and steel.

Stan: Why did one board member abstain on the common construction wage?

Board member: It's the policy of the governor's representative to abstain, per the Department of Labor's policy on neutrality.

Recommendation

Stan Mettler motioned to approve general obligation bonds in the amount of \$5,120,000 for a term of five (5) years. Bob Harris seconded and the motion carried 4-0.

Ohio Township, Bartholomew County General Obligation Bonds

The unit is requesting approval to issue general obligation bonds in the amount of \$598,000 for a term of twenty (20) years to provide funds to renovate an existing fire station and to replace an aging fire truck. Total project cost is \$598,000 with maximum annual debt payment of \$56,000. The estimated tax rate is .0571 based on an assessed value of \$94,354,720 and an annual levy of \$53,900. This is an uncontrolled project. The Common Construction Wage is applicable and the hearing was held June 25th 2005 – the vote was 4-1 with the governor’s representative abstaining.

Taxpayer Objections:

A resolution was adopted on May 24th 2005. The Notice of Determination was published June 2nd and 9th 2005. The Auditor certified No Remonstrance on June 27th 2005.

Attendance

The following people attended the hearing: Lucy Emison (Bond Council with Ice Miller), Charles Wells (Attorney), James Frederick (Trustee), Lonnie Therber (Financial Advisor), Wayne Freeman (Township board member), Dana Stidham (Township board secretary), Fred Baldwin (Township board president), and David W. Correl (Architect with O.T.I.D.)

Discussion

Trustee: This building project has been considered for six years. The current facility is a former elementary school. The school deeded over the building and grounds. This project will make it functional as a fire department. They have four fire trucks pull in to a long hallway area stacked back to back. They have had the first truck in the row not start and so hold up getting to the needed vehicle. Their plans are to turn the gymnasium into a truck bay. It has heating/cooling, plumbing and roof issues that need to be addressed. It is far cheaper to renovate the current building than to build a new one. The project has been advertised in the newspaper and we have held hearings. There was no opposition raised.

Questions by Board Members:

Jim: Do you have good public support?

Trustee: Yes.

Bob: Typically, units go for a six-year term on bond issues but if your assessed value is below \$60 million you can have a term of up to fifteen years. What is the code cite you are using that allows for a twenty-year term?

Lucy: IC 36-1-10, the general leasing statute; also IC 36-6-6-14.

Bob: That code cite allows townships to borrow for longer than six years?

Lucy: Yes.

Bob: The township has for township loans it is paying for?

Trustee: The township is paying for a school building project for a new middle school, the county has a project, and there are another couple of projects hitting the taxpayers.

Bob: Did you advertise any of the meetings?

Trustee: Yes, in both newspapers; we also posted notices as well. We contacted the newspaper to give a reporter the opportunity to attend, but no one showed up.

Bob: Tell us about the truck part of your request.

Trustee: We need to replace an old tanker. The next tanker is a 1978 model.

Bob: Will the new truck fit into the bay?

Trustee: Yes.

Jim: Is your township growing?

Trustee: Yes, we have a couple of lakes in the northern part of the township that is starting to be populated.

Recommendation

Rich Eckerle motioned to approve general obligation bonds in the amount of \$598,000 for a term of twenty (20) years. Jim Riehle seconded and the motion carried 2-1-1 with Stan opposing due to the need to check the legality of the request and Bob abstaining until he can review the code cites.

Town of Kouts, Porter County Redevelopment District Bonds

The unit is requesting approval to issue bonds in the amount of \$495,000 for a term of ten (10) years to provide funds to address much needed water distribution system improvements and replacements including the renovation of the Town's main water tower. Total project cost is \$495,000 with maximum annual debt payment of \$67,825. The estimated tax rate is .0860 based on an assessed value of \$74,899,232 and an annual levy of \$64,434. This is an uncontrolled project. The Common Construction Wage is applicable and the hearing was held June 13th 2005 (no information received on the results of hearing).

Taxpayer Objections:

The Town adopted a preliminary resolution on June 2nd 2005. The Notice of Preliminary Determination was published June 24th 2005. A meeting was held and a resolution adopted on July 6th 2005 to appropriate the proceeds of the bonds. Since this is an uncontrolled project, a

Notice of Determination was not published. The Petition/Remonstrance period is not applicable at this time.

Attendance

The following people attended the hearing: Todd Samuelson (Financial Advisor with H.J. Umbaugh), Robert Schwerds (Attorney), Jason Schiesser (Bond Counsel with Baker & Daniels), and Dave Arrensen (Bond Counsel with Baker & Daniels).

Discussion

Attorney: The Town of Kouts has 1800 residents and they are located ten miles south of Valparaiso. There is one industry in the town – Merritt Steel. We are here seeking approval of a \$495,000 bond issue with a term of ten years. The purpose of the bond issue is to improve the water in the town. We have established a redevelopment district in the downtown area. We need to take old unlined four-inch pipes out, which have rusted from the inside out. We will replace the water mains with ten-inch pipes. We would also have a liner to clean up the water and improve the water pressure. It will also serve to increase fire protection. Looping the lines will improve water quality. It will also allow for growth of business with better water services.

Questions by Board Members:

Jim: Are your citizens on wells?

Attorney: Yes, artesian wells.

Stan: Does Kouts have a utility company?

Attorney: Yes.

Stan: Why not issue revenue bonds through the utility company?

Attorney: We did not want to raise the rates. Merritt Steel uses 75% of the water, but not in the redevelopment area.

Todd: That is why we are going this route. We did not want to have the majority of the impact on the businesses not in the district.

Stan: When was the redevelopment district established?

Attorney: In February or March of this year.

Jim: Does the community own the utility?

Attorney: Yes.

Jim: You are replacing four-inch lines with ten-inch lines, are you expecting growth?

Attorney: Yes, there are new subdivisions popping up. We are very conveniently located to Chicago.

Jim: How big is the well field?

Attorney: Large – engineers say there is a tremendous supply available.

Bob: Do redevelopment districts fall into the March 1st deadline to levy a tax rate next year?

Dave: I am not sure – I can look into that.

Bob: The Commissioner may need that information.

Todd: I think they establish and issue bonds in the same year, typically.

Stan: How many feet do you need to replace?

Attorney: A 1,000 ft X 400 ft area - probably a total of 6,000 feet. There was no remonstrance filed by the community.

Bob: Did you advertise any of your public hearings?

Attorney: Yes, we also posted in more places than required.

Bob: When will the debt rate listed on page two be paid off?

Todd: The old debt will be paid off in January of 2006. The net impact of this is 6.6 cents.

Recommendation

Stan Mettler motioned to approve redevelopment district bonds in the amount of \$495,000 for a term of ten (10) years subject to legal aspect of being formed within a certain time. Rich Eckerle seconded and the motion carried 4-0.

DeKalb County Unit, DeKalb County Lease Rental Financing

The unit is requesting approval to enter into a lease with the DeKalb County Airport Building Corporation for the purpose of financing the acquisition of real estate and the construction of a new 12,000 sq. ft. aircraft hanger and adjacent and abutting 10,000 sq. ft. service apron for the new hanger. Total project cost is \$2,000,000 with maximum annual debt payment of \$520,000 for a term of five and a half years (5 ½). The estimated tax rate is .0259 based on an assessed value of \$1,854,228,843 and an annual levy of \$480,590. This is an uncontrolled project. The Common Construction Wage is applicable and the hearing was held June 1st 2005 and passed with a 3-0 vote.

Taxpayer Objections:

The date of publication for a public meeting was May 27th 2005. A meeting was held and a resolution adopted on June 6th 2005. Since this is an uncontrolled project, a Notice of Determination was not published. The Petition/Remonstrance period is not applicable at this time.

Attendance

The following people attended the hearing: Connie Miles (County Commissioner), Jim McCanna (Attorney), Phil Gutman (Bond Counsel), Jim Mason (President of the Airport Board), Brad Stump (Secretary of the Airport Board), and Russ Couchman (Manager of the Airport Board).

Discussion

Commissioner: Their request is for \$2million. The county has a longstanding commitment to the airport. They have previously had two bond issues. The existing hanger space is full. The county needs to assist in the economic development initiative. We believe the lease/rental payments to be fair and reasonable with no undue burden on the taxpayers. The county has approved the lease and preliminary plans. No one objected at any of the public hearings.

Questions by Board Members:

Jim: How much land will you need to buy?

Answer: A little over sixty-three acres.

Bob: How far along are you with the purchase?

Answer: We have an option that expires October 2005. We have previously purchased forty acres.

Stan: Will you need to extend the runway?

Answer: This will provide the expansion of the runway.

Stan: How large of a plane can you accommodate?

Answer: Larger planes already land, but this will give them a safer environment.

Bob: Any complaints from homeowners?

Answer: The airport owns the house adjacent. They have a twenty-year plan to purchase some to the east.

Bob: No subdivisions in the area?

Answer: No.

Rich: How long is the runway?

Answer: 5,003 feet.

Jim: Is it a hard surface?

Answer: Yes.

Jim: Any opposition?

Answer: None.

Bob: None from owners of homes you may purchase?

Answer: No. We plan to purchase the homes as they become available. We have not condemned any land. We have a liaison that lives in the area that communicates with the neighbors.

Rich: This is to take care of existing industry?

Answer: Yes.

Russ: We have added instruments to allow all-weather landing. We have the same amenities of larger airports.

Stan: Why a five and a half lease term?

Phil: To keep the levy at about the same level. We will use capitalized interest for six months. Page 3 of the hearing information sheet has an error – the subtotal should be \$143,760.

Recommendation

Rich Eckerle motioned to approve a lease in the amount of \$2,000,000 for a term not to exceed five and a half years (5 ½). Stan Mettler seconded and the motion carried 4-0.

Damon Run Conservancy, Porter County General Obligation Bonds

The unit is requesting approval to issue general obligation bonds in the amount of \$12,000,000 for a term of twenty-six (26) years for the purpose of purchasing a public water supply system and sanitary sewer collection facility that is being constructed by a private developer to serve existing properties and anticipated future development within the Districts' existing and expanded boundaries. The estimated tax rate is .7023 based on an assessed value of \$125,916,220 and an annual levy of \$884,260. This is a controlled project. The Common Construction Wage is not applicable since there is no construction involved.

Taxpayer Objections:

The date of publication for a public hearing was June 14th 2005. A public hearing was held on June 24th 2005. The Notice of Determination was published June 28th 2005. The remonstrance period will end July 28th 2005.

Attendance

The following people attended the hearing: Todd Samuelson (Financial Advisor with H.J. Umbaugh), Lisa A. Lee (Bond Counsel with Ice Miller), Bill Ferngren (Legal Advisor with Hoepfner Watner & Seans), Jack Barko (Director), Jeff Kowe (Financial Advisor with H.J. Umbaugh), and John Julien (Financial Advisor with H.J. Umbaugh).

Discussion

Todd: Located in northern Porter County. Primarily, the conservancy is bare ground with some development in the area. We are requesting a \$12,000,000 bond issue with a term of twenty-six years. We are going to use a bond anticipation note for the first five years, and then have a bond issue for twenty-one years. This request is due to the schedule of development to build out. This is to wait for development to be completed and increase assessed valuation. The District was established in 2004 to provide sewage and drainage. The developer is constructing the infrastructure and the Conservancy District will purchase it upon completion. One taxpayer in

the District and he is here to answer questions. Anyone else wanting to be in it, they would bear the tax impact. Indiana American Water Co. provides water service. Portage City provides sewer services. We have a contract with both to provide service to us.

Questions by Board Members:

Bob: Can you provide paperwork on the creation of the District? The reason we need this is because we can't allow a tax rate unless you were properly established. Do you not have a tax levy currently?

Todd: No.

Bob: How did you establish an assessed valuation of \$125,000,000 for 2009 pay 2010?

Todd: Based on the proposed build-out. I can provide you a copy of the report I prepared. I assumed a \$200,000 assessed value per home.

Bob: You expect the build-out to be completed by 2009 pay 2010?

Todd: Yes.

Bob: What happens if the build-out is not complete by then?

Todd: Then the tax rate will go up.

Bob: Page one of the hearing information sheet has a tax rate for 2006 pay 2007, will you need a tax rate in place by 2007?

Todd: Yes.

Bob: I have a concern that a \$12 million project is on a \$24 million assessed value presently. What if it is not built-out as fast or it just does not happen.

Todd: The developer pays financing for the \$12 million. There is only one taxpayer affected and he supports this project. Any others that would be part of it would know.

Bob: What all is involved in this project?

Todd: One subdivision currently. Others have asked to tie into the system. We have others petitioning to become part of the district. The ground in the area is not conducive to septic systems. We are in the Chesterton school district on Route 6.

Bob: The tax rate impact is \$1.86 on a \$200,000 home?

Answer: Yes, for pay 2007 that would mean about \$629 per year.

Bob: What are they paying now?

Answer: Several projects have already been completed. The homes will be of higher value. If I add \$630 to the tax bill, the total bill will probably be \$1,000 to \$1,500 currently since we are in an unincorporated area. There are several subdivisions on well and septic systems that are now asking to tie into our system.

Bob: Are they aware of the cost?

Answer: No one has commented on it.

Stan: Did the district start out at forty-three acres?

Answer: Yes.

Stan: And is that its current size?

Answer: Yes.

Stan: What kind of process would it take to expand – a court order?

Answer: Yes, similar to the creation of the district. We would have to petition the courts to annex the area.

Stan: Would you need a percentage of homeowners to get approval?

Answer: Yes, 51% of owners must sign.

Stan: Who bills for water and sewer services?

Answer: Portage bills for sewer and Indiana American for water.

Stan: Is everyone required to tie in?

Answer: The district can require.

Stan: Who pays for the lateral line to tie in?

Answer: From the street to the house is the property owner's cost.

Stan: What is the connection fee?

Answer: There are two - \$500 for the district fee and \$2,200 for Portage water line.

Bob: Is the water/sewage distribution system complete?

Answer: It is being completed in phases. Phase 1 will be complete by August 30th 2005; the second by the end of November. The project was broke into phases for the bidding process. There is a lot of interest in the area. You do not have to have one-acre lots when you are on water/sewage service.

Bob: Do you have a Certificate of No Remonstrance?

Answer: Yes, we will submit it.

Bob: Was the assessed valuation of \$24,000,000 provided by the County Auditor?

Answer: We based that on current parcel value.

Recommendation

Stan Mettler motioned to approve general obligation bonds in the amount of \$12,000,000 for a term of twenty-six (26) years. Bob Harris seconded and the motion carried 3-0.

**City of Fort Wayne, Allen County
Park District Bonds**

The Township is requesting approval to issue bonds in the amount of \$10,000,000 for a term of ten (10) years. Proceeds of the bonds will be used to finance the purchase of misc. equipment, improvements to existing park facilities, and acquisition of the property for the location of new park land and open space in the north, northwest and Aboite Township areas of the park district. The unit reasonably expects to pay the principal and interest of the bonds from CEDIT (County Economic Development Income Tax). The estimated tax rate, if CEDIT revenue is insufficient, is .0166 based on an assessed value of \$7,293,307,701 and an annual levy of \$1,213,000. The total project cost is \$10,000,000 with annual payments of \$1,213,000. This is an uncontrolled project because of a tax rate is not anticipated to repay the debt. The Common Construction Wage is applicable; the hearing date is to be scheduled.

Taxpayer Objections:

A public hearing for an Additional Appropriation from the sale of bonds was published May 27th 2005. A public hearing was held and a resolution adopted for the additional appropriation on June 16th, 2005. A Declaratory Resolution for the issuance of bonds was adopted on May 19th 2005. A confirming resolution and a resolution authorizing the sale of bonds were both adopted on June 16th 2005. Since this is an uncontrolled project, a Notice of Determination was not published. The Petition/Remonstrance period is not applicable at this time.

Attendance

The following people attended the hearing: Randy Rompola (Bond Counsel with Baker & Daniels), Pat Roller (City Controller), Jennifer Bell (Consultant with Crowe Chizek), David Ridderheim (Interim Director of Parks and Recreation), Perry Ehresman (Park and Recreation Administration), Jeff Baxter (Parks and Recreation Administration), Tom Guevara (Financial Advisor with Crowe Chizek), and Garry Morr (Associate Director of Parks).

Discussion

Director: The people of Fort Wayne are passionate about their parks – they are very supportive. This request relates to the comprehensive plan to determine what the community wanted. We have unveiled the plans locally and have held public hearings. The park board approved the plan unanimously, as did the city council. Two editorials have endorsed the project.

Garry Morr: We recently completed a comprehensive plan. A public workshop was held and we surveyed the community. Over 75% said they would support a bond issue. We want to improve maintenance on the parks. We took public input and are trying to give the public what they asked for. We looked at the current conditions, safety and accessibility of the facilities. We also want to make improvements to the botanical conservatory, add lights to soccer fields, and re-surface tennis and basketball courts. We are looking into developing some 200 acres for a new park in a newly annexed area.

Controller: We intend to use CEDIT dollars for this plan. We have used conservative numbers and did not plan for any increase in CEDIT. We have sufficient cash flow to cover the debt payment if CEDIT does not. The council was comfortable with the current cash balance and we received unanimous support.

Questions by Board Members:

Bob: What do you use your CEDIT for now?

Controller: In 2004 we paid off a previous park bond and this issue is about the same amount.

Bob: When we word the order, it will be worded as long as funds are available. Would you be comfortable with that?

Controller: Yes.

Rich: Is your CEDIT revenue committed to other projects?

Answer: For some infrastructure debt, but allocated only a portion.

Bob: You have allocated \$10,000,000 for debt?

Answer: Not legally, just allocated.

Stan: It looks like they are covered by CEDIT.

Rich: Do you feel confident that CEDIT will continue to cover debt?

C/T: CEDIT is at its lowest level since 1999. We feel sure we have been very conservative.

Bob: What has your CEDIT revenue been?

Answer: It is \$16,000,000 this year; it was \$15,000,000 last year. It has been fairly flat.

Stan: You have had an estimated \$2,000,000 increase?

Answer: Yes, due to annexation.

Bob: How much have you allocated for equipment?

Answer: \$800,000.

Bob: Is the equipment for the parks or furnishings for buildings?

Answer: Both and some vehicles.

Bob: How many vehicles?

Answer: It is for some mowers and trucks, but I do not know how many.

Bob: Will you send us a detailed list of the equipment included in the request?

Bob: Would this equipment last ten years?

Answer: Yes, criteria require that the equipment last the term of the bond issue.

Recommendation

Stan Mettler motioned to approve park district bonds in the amount of \$10,000,000 for a term of ten (10) years. Bob Harris seconded and the motion carried 3-0.

City of Hobart, Lake County Park District Bonds

The unit is requesting approval to issue bonds in the amount of \$5,200,000 for a term of eleven (11) years to provide funds for the completion of shoreline stabilization, property acquisitions, and park renovations, including trails, playgrounds, bridges, parking lots, fencing/screenings, landscaping where needed, and other improvements within the Park District. The estimated tax rate is .0184 based on an assessed value of \$1,108,246,878 and an annual levy of \$203,371. Total project cost is \$9,348,370 with an annual debt payment of \$214,075. The unit reports that this is an uncontrolled project because the debt portion of each individual project does not exceed \$2,000,000. The common construction wage is applicable. The first hearing was held December 20th 2004 and passed with a 4-0 vote. The second hearing was held May 23rd 2005 and passed with a 4-0 vote.

Taxpayer Objections:

The Notice of Determination was published June 17th and 24th 2005. A Resolution was adopted on June 13th 2005. The Auditor certified No Remonstrance on July 12th 2005.

Attendance

The following people attended the hearing: Lisa A. Lee (Bond Counsel with Ice Miller), Denarie Kane (Director of Development), Mike Farrell (Director of Parks and Recreation), John Hevel (Hobart Pk), Linda Buzinec (Mayor), and Todd Samuelson (Financial Advisor with H.J. Umbaugh).

Discussion

Mayor: Our staff is aggressive is applying for grants. We will lose money if we do not move. Our community demands park services. We have looked at short term loans and the general fund. We are now doing short term loans for operations. No remonstrance has been filed.

Director: The targeted projects are in the center of the city. They include:

- Pavese Park- we need to add new restrooms, lighting, parking and playgrounds, and make shoreline improvements
- Fred Rose Park – we need stabilize the shoreline, add a paved walkway and a small parking lot
- City Ballpark – we need to add new fencing, a playground and a picnic area
- Triangle Park
- Oak Savannah Trail – we need to purchase land
- Lakefront Park 3 – we need to add a parking lot and a paved walkway

Mayor: Lakefront Park is for the purpose of revitalizing downtown. The local high schools use the city ballpark for athletic activities.

Questions by Board Members:

Bob: Is the park and recreation budget within the city budget?

Mayor: Yes, it is.

Bob: The problem I have is that the cost is \$5,200,000, separated into several smaller projects, and did not allow the taxpayers the chance to object.

Mayor: We held many public meetings and had no negative comments.

Lisa Lee: We are comfortable with six independent projects – section 2.5 of the park board project says that we must go through separate procedures for each project. The city laid out each project separately in all aspects. The community was given the opportunity to speak on each project. The city also applied for grants for each project. There were two main purposes in bringing the projects together. The first is cost – it is costly to do six separate financings. The second is timing – timing of the grants would run out on some if we did not proceed with the plans. We feel that we have met the statutory requirements.

Todd: I would like to point out that the Noble County Library did similar projects. If there is a remonstrance, then the unit may want to reconsider the process. This project has had a lot of support and it is cheaper to do one financing.

Bob: Did you advertise any of your hearings?

Mayor: Yes, we held many meetings to discuss our plans.

Stan: Are there other parks than what is listed here for improvements?

Answer: There are throughout the city, small neighborhood parks primarily. These are the older parks within the district.

Bob: The debt service on page two of the hearing information sheet, are these bonds listed on page eleven also?

Todd: Yes.

Bob: Is parks subject to the 2% debt limitation?

Answer: This request is under IC 36-10-4 for park districts. It does not count against the city.

Bob: Have you purchased the land yet?

Answer: For the Lakefront Phase 3, it will be done as part of the INDOT process.

Bob: Is there any timeline for offers, or is that available yet?

Answer: We have already met with property owners. We meet again on August 25th and will start after clearing INDOT rules.

Bob: What has been property owner's response?

Answer: Positive.

Bob: How many acres in total?

Answer: Basically, the last third of two city blocks. The other acquisition was for the Oak Savannah Trail and went through fairly formal procedures. TE grants mean formal INDOT procedures.

Recommendation

Stan Mettler motioned to approve park district bonds in the amount of \$5,200,000 for a term of eleven (11) years. Bob Harris seconded and the motion carried 3-0.

City of Hammond Redevelopment Commission, Lake County Redevelopment District Bonds

The unit is requesting approval to issue bonds in the amount of \$10,000,000 for a term of eleven (11) years for the purpose of financing the acquisition and redevelopment of certain real property on which is situated a certain apartment complex located within the District and commonly known as the River Park Apartments, including demolition and clearance work related thereto. Total project cost is \$10,000,000 and the annual debt payment will not exceed \$1,395,950. The unit intends to use riverboat gaming revenue to make the annual debt payments. The estimated tax rate, should riverboat gaming revenue be insufficient, is .0571 based on an assessed value of \$2,314,037,855 and an annual levy of \$1,321,500. This is an uncontrolled project because of the property tax backup consideration. The Common Construction Wage is applicable and the hearing was held June 27th 2005 and passed with a 4-0 vote.

Taxpayer Objections:

The Notice of Determination was published May 27th 2005. A Resolution was adopted on May 17th 2005. The Auditor certified No Remonstrance on July 1st 2005.

Attendance

The following people attended the hearing: Edward Krusa (Consultant), Tom Froehle (Bond Counsel), Karl Cender (Financial Advisor), Tom McDermott (Mayor), Kevin Smith (Attorney), Dan Repay (City Council member), and Scott Peck (Bond Counsel).

Discussion

Their request today is for \$10,000,000 for the redevelopment commission and \$10,000,000 for the City of Hammond. This is for the acquisition of a dilapidated area located on the south side and redevelopment it. There are two issues for a total of \$20,000,000. We receive significant gaming revenues. If those become insufficient, then we are asking for a property tax back-up consideration. We are requesting a ten and a half maturity date, but expect to pay it off earlier. We did not treat this as a controlled project.

Mayor: The River Park apartment complex was built in the 1960's. Within the last decade, it has declined. There are people migrating from Chicago and taking out short-term leases. There is a huge drug problem and the violence is increasing. A teacher started and ended school with thirty students and only three of the original students were there at the end of the year. We have many students that move in and out.

We plan to expend a great deal of public safety on this small area via plans to develop the area. Just buying it will improve the area. There have been few remonstrators to the project.

Councilman: The council vote was 7-0 with one absent. We have received only positive comments from the taxpayers.

Attorney: There are three pending lawsuits against the city for illegal searches and civil rights issues. The mayor suggested meeting with the owners to get settlement. The condemnation agreement has been signed plus the settlement fee of \$3,000,000.

Consultant: There are two bond issues because neither unit has bond capacity on its own. Hammond Redevelop has no tax backed debt currently. They receive \$35,000,000 from casino revenue. 10% goes to each district and there are six districts, 30% goes to the mayor, and 10% goes to the local capital improvement fund for matching fund purposes. Two of the six councilmen have committed \$650,000 each per year towards the debt service on the bond issue, and the mayor has committed over \$1,000,000. We expect to retire the debt early. There are four developers interested in the property currently. We have received no objecting petitions.

Questions by Board Members:

Rich: Did you negotiate a price for the property?

Answer: Yes.

Bob: Is the purchase agreement in place?

Answer: The agreed judgment on the condemnation is \$14,000,000, an average of two appraisals, plus the \$3,000,000 judgment fee, plus funding for demolition.

Bob: Are you comfortable with not needing a property tax?

Answer: Yes. The purpose for the property tax backup is to make the bonds sellable.

Bob: How are your gaming revenues going?

Answer: Growing annually. Hammond Casino has been the best producing casino in northwest Indiana.

Bob: What is the timeline to start project development?

Answer: No rental leases are beyond December 31st 2005. The buildings are becoming less occupied. We could evict any that remain after December. We will use proceeds from the sale of the land after demolishing the buildings to retire some of the debt.

Bob: You are expecting \$7,000,000 from the sale of the land?

Answer: Between \$7,000,000 and \$8,000,000. No developer would have taken a loss on the property. The city had to step up to take care of the blighted area.

Recommendation

Stan Mettler motioned to approve the issuance of redevelopment bonds in the amount of \$10,000,000 for a term of eleven (11) years. Bob Harris seconded and the motion carried 3-0.

**City of Hammond, Lake County
General Obligation Bonds**

The unit is requesting approval to issue bonds in the amount of \$10,000,000 for a term of eleven (11) years for the purpose of financing the payment of certain judgments entered against the City, including (1) a judgment requiring the City to pay damages to Graoch Associates #52 Limited Partnership, d/b/a River Park Apartments and (2) a judgment requiring the City to pay condemnation proceeds for the acquisition of real property on which is situated a certain apartment complex located in the City owned by Graoch and commonly known as the River Park Apartments. Total project cost is \$10,000,000 and the annual debt payment will not exceed \$1,395,950. The unit intends to use riverboat gaming revenue to make the annual debt payments. The estimated tax rate, should riverboat gaming revenue be insufficient, is .0571 based on an assessed value of \$2,314,037,855 and an annual levy of \$1,321,500. This is an uncontrolled project because of the property tax backup consideration. The Common Construction Wage is not applicable.

Taxpayer Objections:

A resolution to issue bonds was adopted on February 28th 2005. The Notice of Determination was published May 26th 2005. A date of publication for a public hearing for an additional appropriation was June 27th 2005. A public hearing was held for the additional appropriation on June 27th 2005.

Attendance

The following people attended the hearing: Edward Krusa (Consultant), Tom Froehle (Bond Counsel), Karl Cender (Financial Advisor), Tom McDermott (Mayor), Kevin Smith (Attorney), Dan Repay (City Council member), and Scott Peck (Bond Counsel).

Discussion

See above discussion with the City of Hammond Redevelopment Commission.

Recommendation

Stan Mettler motioned to approve issuance of general obligation bonds in the amount of \$10,000,000 for a term of eleven (11) years. Bob Harris seconded and the motion carried 3-0.