

**RE:   Correction to Octobers Minutes  
      Transfer of Funds  
      Additional Appropriations  
      Laptop Grant-Ramon Colombo  
      Prosecutor amended budget  
      Soil & Water-Sewer proposal  
      Economic Development-CEDIT Tax  
      Keeling Internet-Antennas on Courthouse  
      Circuit Breaker-Budget Finance Committee**

**Minutes-Vermillion County Council November 13, 2006**

The Vermillion County Council met in the Commissioners Courtroom, Courthouse, Newport, Indiana.

President Mike Costello called the meeting to order and led in the pledge.

Roll call was taken. Present were Lavonna Mattick, Randy Dreher, John Cheesewright, Mike Costello, John Yoho, Jerry Hawkins, Auditor Sherrie Koma, Attorney Don Darnell, and Deputy Auditor Amy Tolbert. Fred Daniels was absent.

Minutes from October meeting. Dreher asked that the paragraph in reference to Les Zimmermans secretary getting half the raise be stricken from the record. Costello has said that she should get half the raise, \$375.00, but it was not voted on.

Costello said they are going to have Darnell look into what it means to be part-time, full-time part-time, salary, etc.

Dreher made a motion to accept the minutes with the correction, seconded by Mattick.

Transfer of Funds.

Family and Children \$3,000.00 from Care of Wards in Insititutions to adoption Services. Cheesewright made a motion to accept, seconded by Yoho.

Prosecuting Attorney Child Support. \$500.00 from 100-144-4323 Travel to 100-144-4412 Office Furniture. Prosecutor Alexander stated that she was advised by the State that they needed to upgrade their computer system in order to meet requirements to support access to State ISETS system.

Shelly Smith spoke with Costello this morning about her transfer for the Park & Recreation. He told her they would go ahead and do it but normally they don't do it this way, without notice. He said they would go ahead because this is a once year transfer, they do not normally do transfers.

Vermillion County Park & Recreation. \$15,049.00 from various funds to 100-146-4335 Maintenance Equipment. Yoho made a motion to accept, seconded by Hawkins.

#### Additional Appropriations

##### Vermillion County Jail

Jail Equipment 100-132-4335. \$5,000.00. Yoho made motion to accept, seconded by Dreher. Hawkins stated they had damage to their camera system and the insurance only paid \$3,706.90. The outstanding balance is \$12,615.48. Dreher and Cheesewright feel that someone needs to look into why the insurance did not pay more.

Jail Maintenance 100-132-4334. \$3500.00. Yoho made motion to accept, seconded by Dreher.

Electricity & Natural gas 100-132-4332. \$10,000.00. Yoho made motion to accept, seconded by Dreher. Hawkins said the money is needed to pay the electricity for September through December.

Jail Water 100-132-4331. \$3,000.00. Yoho made motion to accept, seconded by Dreher. Hawkins said the money is need to pay water bills for September through December.

Gas & Oil 100-105-4215 \$18,000.00. Yoho made motion to accept, seconded by Dreher. Hawkins said the money is needed to pay invoices fro September through December.

Ambulance Service 100-130-4318. \$23,899.19. This money is needed because after the three year contract was signed in May and the adjustments for the payments paid at the one-year contract price were done, this is the money still due. There was some discussion to a \$15,000.00 appropriation that was done. The appropriation was approved but never done. This additional will cover November and Decembers payment. There was also some discussion as to whether the contract went from May to May or did it revert back to January. It was agreed that the contract goes from January to January. Dreher made a motion to accept, seconded by Hawkins.

Non-Reverting Park. Capital Outlays. \$115,810.97. This is a yearly appropriation and is used to buy equipment for the Parks. Cheesewright made a motion to accept, seconded by Mattick.

Highway. MVH, Major Moves money needs appropriated. \$270,288.15. Dreher said he talked to Paula Neild, she said the money is there, it just needs appropriated. Dreher made a motion to accept, seconded by Yoho.

Area Plan Commission. Legal Services fund 256. \$1,000.00. John Koma stated that due to the State cutting the amount of money for legal services. This money is needed for his final installment for the legal services for the APC & BZA. Koma said they still owe Attorney Larry Thomas \$4,000.00. Dreher asked if the fund was in county general? Koma said no, its area plan. There was some discussion on how much money was in area plan. Auditor Koma said that they had to cut the budget at the end of the year and it was never done. They had to cut out \$6,000.00. The correct balance in the fund is \$12,300.00. APC Secretary Ann Smith offered some information about the APC for the council. She said they have been working on this budget for years. The area plan budget doesn't actually have the \$12,000.00 in it. The appropriation for the zoning administrators salary, \$13,800.00, was transferred out sometime after April 30 but the money has never transferred from the cash. The balance of the account as of today is in the negative, its about \$2.00 in the whole. Anytime personal services are paid out of it, such as PERF, Medicare, and Social Security, it's going to be about \$1700.00 in the red by the end of the year. The fund is really in trouble. She said the reason its in trouble is because their revenues have dropped. The projection they had, they were supposed to have about \$3,000.0 left based on anticipated revenue of \$12,800.00. So far their income is only been \$9,800.00. The best possible outlook for this fund is to start the year off with a zero balance. John Koma said that the DLGF does that because they realize they cannot meet it. The DLGF bases it on what was made the previous year. Smith said that what needs to be done is to adjust this budget; the money that went into payroll has to come out of the cash balance in that fund. Smith said that if our revenue at the end of year is about \$1,500.00 we would still be at a zero balance by the first of the year. The budgetary status shows \$12,314.00 but the payroll has never been taken out of that fund. Smith said she keeps a ledger and August is when this fund kicks in pays the salary. Hawkins asked why it was changed and Koma said the State Board of Accounts suggested they change it. Yoho asked if it was mandated or suggested and Koma said suggested. Smith said it doesn't matter if it was coming out or not because by the end of the year there wouldn't be enough because the revenue was less than anticipated. Smith said the State does not cut the budget as a punishment; they do it because if the APC can't fund a \$25,000.00 budget then they're not going to give them permission to spend it. Smith said she is going to take this problem to the Area Plan Commission in December and they will make a decision and recommendations. Hawkins asked if they could go back and keep the ledger as before. Smith said she does keep a ledger. Smith said she talked to DLGF today and they suggest she talk to State Board of Accounts. If the appropriation is put back into the fund there will be enough money to pay his salary, according to Smith. Hawkins asked who sets the fees for permits. Koma said it's through the State. He said he has to tell them what he would like to do and if they approve it then he will submit it to Commissioners for approval. Smith said she thought there were two installments left not one. Koma said there was \$1,000.00 left to pay. Smith said he had only been paid \$2,000.00 according the budgetary status. Koma said no, there is only \$1,000.00 left to pay. Smith said

that she thought he was to get paid \$4,000.00 and Koma said; no he gets paid \$3,000.00. Koma said he gets a set salary a year but if they go to court he charges \$65.00 per hour. Koma also stated they have one case pending now in civil court. Costello said there is no money in that account, therefore it can't be paid but it has to be paid by the end of the year. He suggested they get it from County General. Attorney Darnell said it has to be advertised as coming out of the County General, so it cant be done at this time. Costello told Koma to request it come from County General, he does not need to come back next month, they will do it, they just need to advertise it and fill out the appropriation form.

Ramon Colombo was present to discuss the grant for 10 Aerial Photography Laptops. He said the only stipulation is that the county has to pay for the computers first then they will get reimbursed. Hawkins questioned if there were any disclaimers in the grant that would prevent the county from getting the money back and Colombo said no, the grant has been awarded and the State guarantees the money will be put back in within about a month. Dreher asked who was going to receive the laptops. Colombo said the 9 Fire Departments and the EMS. Cheesewright made a motion to allow. Costello asked if this was a request and was it advertised? No it wasn't. Colombo will have to come back next month and request. Darnell questioned where the money was coming from. Costello questioned if Colombo was a department head or does he need to go through the Commissioners to get the money. Costello thought this was discussed last month and explained that it needed to be advertised as an additional appropriation. Costello told Colombo that he would not have to come back next month, just get it advertised and they will approve it next month.

Nina Alexander said that she filed two budgets, one for the last 6 months of this year and one for the first 6 months of next year, because that is the grant cycle. It runs from July 1 to June 30. The reason its so late, according to Alexander, is because that even though it was approved June 30, we didn't get the notice of approval, the Grant letter until October 23<sup>rd</sup>. That is why she didn't bring it in when they did the original budget hearing. Costello asked if this was an amended budget? Alexander said no, they are all fund 312, and it's not the amended one. There is one for the last 6 months of this year and one for the first 6 months of next year. The amended budget is because it doesn't run on the same fiscal year as the county. The money for travel was in the first 6 months of the year and it should have been in second 6 months. Yoho made a motion to accept, seconded by Mattick.

Les Zimmerman with Vermillion County Soil & Water Conservation District. He said he was present to bring everyone up to date on their progress on a proposal for the solutions to some of the sanitary sewer issues. Zimmerman said about a year and half ago they started looking for solutions to problems with raw sewage in our streams and drainage ditches throughout the county. He said they held a couple of meetings, which were attended by various county officials, town officials, economic development, and other interested citizens. Zimmerman said

at a meeting it was decided that there is a serious problem here in Vermillion County and that in our County Income Tax structure we have some room. He said that even though this is a significant clean water issue, that perhaps the Economic Development Issues are much more urgent. The decision was made at that point to let Economic Development Council take this over, which they did. Zimmerman said as a result of this process, they introduced the issue to the council in June of this year. Zimmerman said he gave a brief overview of the problem then Ed Cole gave a presentation, which offered some preliminary tax scenarios. The council then asked that they develop a more detailed proposal. Zimmerman said that is what they are doing at this time and then intend on having it ready by January, February at the very latest. He said basically what it all comes down to is that we have a situation in our County, which is unacceptable, not only from a clean water standpoint, and a health standpoint but also from an Economic Development standpoint, with the exception of Cayuga and Fairview. They have already installed sewer infrastructures in their communities. With those two exceptions, none of our small communities in this county can have any commercial development, because the State cannot permit them. Residential development is difficult in these small communities because multiple lots are required for a single house because of the sewer issues. Zimmerman used Dana as an example, he said they had a building collapse this past summer and that was followed by a fire that destroyed the only grocery store in a 15 to 20 mile radius. The lack of a sewer infrastructure in Dana makes it nearly impossible for them to rebuild that grocery store, even though it is the intention of the owner. Zimmerman said Newport is the only County seat in Indiana that does not have sewer infrastructure. He said that when a toilet is flushed in the courthouse, it goes right into the little Vermillion River. The point is the small towns all have similar problems. The good news is that there are achievable solutions to these problems. It will not be easy but it can be done. Zimmerman feels that in the long term, the benefits of investing in basic infrastructure will far out weigh the costs. He said thanks to Economic Development, Common Wealth Engineering has been hired to do a feasibility study of Perrysville, Newport, Dana and Universal. In what we intend to have at the end of this study is to be able to determine some rate scenarios. This is what will be needed to make some decisions. These rate scenarios will be based on treatment options, grant options and various other factors. The feasibility study will be completed by the end of the year and in January or February it will be presented to the Council. We will then ask the Council to raise County Income Tax from .1% to 1.25%. What we are asking for is only about 1/4 of the increase, about .3%. 1/4 of the increase would be allocated to create a County wide sanitary sewer district. This will not take power from the various communities; it would basically be formed to form an umbrella organization. Each community would be able to put the infrastructure in or not. Most of the rest of the increase will go toward property tax replacement. Zimmerman said that the Newport Chemical Depot may very well revert to County ownership and if our communities do not have basic infrastructures, they are going to miss out on a golden opportunity to grow and prosper. Zimmerman believes we need to do this and we need to do it now.

Ed Cole with Economic Development was present to ask the Council to consider increasing the County CEDIT tax, also known as EDIT tax and to enact a county adjusted gross income tax or CAGIT. Vermillion County has the lowest CEDIT tax in the State at one tenth of one percent. The CEDIT tax was first enacted in the fall of 1995 and has not been increased in the 11 years since its inception. Cole said Vermillion County in comparison to other counties, Fountain, Parke, and Warren Counties; their County option taxes are significantly higher. Cole had a handout that pointed out the careful use of these county option taxes. The money has aided several successfully community and economic development projects. Cole said that they are currently working with two Ethanol companies, one near Cayuga and one near Clinton. The Cayuga plant would bring in 44 new jobs and a 1.5 to 1.8 million-dollar payroll. Cole said the reason to increase CEDIT and CAGIT is so they can do more. Cole said the VX neutralization is at nearly 30%, and after speaking with Commander and Chemical Materials agency, they believe all the VX will be neutralized in 2 years. Cole said that it will more than likely revert back to Vermillion County and would hope to use most of the land for and industrial park. Cole said the Economic Development Council asked him to recommend to the council to increase the CEDIT tax from one tenth of one percent to five tenths of one percent. This would increase the county CEDIT fund from and estimated \$231,000.00 to about 1.1 million. He was also asked to recommend enacting a CAGIT tax of .75 %, which would produce and estimated 1.7 million dollars. That 1.7 million dollars would go to reducing property taxes and \$324,000.00 would be considered new money and would be used for any lawful purpose that the county sees fit. CEDIT and CAGIT taxes are not for people on fixed incomes. Cole said in a recent meeting with Dale Grubb, he asked him where he thought property taxes were going, and Grubb thought that unfortunately we could see as much as a 20% increase in property taxes. Zimmerman said the Little Vermillion River in Illinois has been designated by the Illinois EPA as an impaired river. The only reason that's its not been done in Indiana is because our agency has not got around to doing it, but they are on their way. Alexander asked what the max was on the CEDIT and CAGIT. Zimmerman said those were the maxes. Alexander asked if it had to all be increased at once, and Cole said no, it can be done in stages or phases. Zimmerman said the in January or February they will have a detailed proposal and a suggested structure. He said the important thing to remember is that each community would continue to be its only utility; each effort would have to rise from within the community because in that way you can maximize your grants. For example you could get a 5,000.00 grant for each community instead of one \$5,000.00 grant to share between all the communities. Zimmerman said some of the money could also be used to help Cayuga and Fairview, to buy down those rates. Commissioner Wilson said that he lives in Cayuga and for his family of four his water/sewer bill was \$168.00 last month. He said he is not against the sewer system but we need to create some new jobs, bring in new people to help pay for this. Zimmerman said that by statute if these taxes are going to be raised they have to be done by April.

John Cheesewright said the Commissioners will be meeting in regards to the internet and antennas on the buildings. He said we made mention at the last meeting that they would not accept that and he would like to make a motion now to not let the courthouse be open for commercial use. Mattick seconded the motion.

Hawkins the budget finance committee has discussed several things over last few years, such as paying the taxes at the bank, doing the technology audit, etc. One thing that concerns him and he would like to have the councils support on is that in the view of the circuit breaker and increase in taxes, he thinks we should contact someone to take a good look at revenue and expenditures for the next 5 to 7 years. He asking that they council let the budget and finance committee look into it and then come back to the council with their findings. The council said to go ahead and look into it and then they will discuss it.

Mattick made a motion to adjourn, seconded by yoho

Adjourn: 8:47 p.m.

Read in full and approved by the Vermillion County Council on the 11<sup>th</sup> day of December 2006.

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Attest: \_\_\_\_\_  
Sherrie A. Koma, Auditor