

**RE: Transfer of Funds
National Association of Counties Membership
Judges new server
Insurance-Pierre Fox
Katrina Hall-Farm Bureau
Form F-11 tax assessment**

Minutes-Vermillion County Council May 14, 2007

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

Council President John Yoho called the meeting to order and led in the Pledge to the Flag.

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

Costello made a motion to approve the minutes of the April meeting, seconded by Mattick. All were in favor.

Transfer of Funds

Vermillion County Public Defenders Board transfer \$1,000.00 from Transcripts to Travel. Costello made a motion to allow, seconded by Mattick, all were in favor.

Unfinished Business

Costello asked if the County joined the National Association of counties and Hawkins said he didn't know if we wanted to handle it under unfinished or new business. He said he suggested this a couple of months ago so that we can take advantage of the prescription drug program and had given the material to Mary who had it for awhile and she didn't think anyone would have a problem with it. Hawkins said he got an email today that says when you do join and enroll in the prescription program, there are no enrollment forms, no fees, no age or income requirements, no medical condition restrictions, entire families are covered with one card, no cost to the county. This looks like a win win situation. He said the cost to join is \$400.00 and suggests it be paid out of Riverboat Gambling proceeds. Hawkins suggested a motion to allow the payment to join. Darnell said it needs appropriated and advertised and Hawkins said yes we do. Costello asked if instead we could go out of Professional, isn't there some line item in the commissioners court for professional memberships and things and if there is, can we take it out of that. Darnell said yes if there is money budgeted in that line item. If not then it will need to be advertised. Costello said lets leave and if the money is there do it and if not they will follow the proper steps.

Yoho said we need to discuss the server in the judge's office; this is something we told them to go ahead and do. Hawkins aid he talked to Phelps about that and its all been taken care of. Yoho said we need to pay it; it was approved back in November or December. Hawkins said this is another situation where we are going to pay this out of cum capital development then we need to appropriate that too. Costello said so it needs advertised. Koma said she thought that had all been done. She said the only reason they couldn't issue the check is because you had not approved it yet. Yoho said when they talked about it before, no one actually made a motion to allow it but we told him to go ahead and do what he needed to do, the money was set aside. Hawkins said its still need appropriated and advertised and then they will allow it next month.

New Business

Pierre Fox was asked to come to the meeting to discuss the Section 105 plan. In the commissioners meeting that approved the health insurance renewal for 2007, with a May 1st effective date, there was an item in there called a section 105 plan for those employees that are elected part time officials. We just needed an official yes to continuing the reimbursement program for the prescription drug and Medicare program as well as putting that program in place, they wanted to make sure that everything was done right. The only people it would affect is if you had over \$2,500.00 in prescription drug claims during the course of the year. We will be continuing what we already have in place and adding the Section 105 plan. Costello made a motion to allow, seconded by Dreher, all were in favor. Dreher stated that Pierre Fox has done a great job over the last year and looks forward to working with him again this year.

Katrina Hall, a Government Finance & Tax Specialist with Farm Bureau. Hall said there have been a lot of changes for counties in particular. Trending is a process, like reassessment, to try and create equity within a tax base. A reassessment is done on a more periodic basis. When real estate is only assessed every so often there is an equity gap between real and personal property. Trending was implemented in effort to try and keep that more current and reduce those gaps. With reassessment there is realignment but with trending its main purpose is to prevent sticker shock. The problem is that it was delayed and there are more years in this trending scenario than there actually were in the last reassessment. Hall said she has been involved with this stuff for a really long time, and even as far back as 1989 the general assembly decided that would do reassessment every 4 years to keep the sticker shock from being a problem and then we continually had delays and we never go on the schedule. She said she knew there would be a problem, there was a completed lack of information available. They had known all along that they wanted to do something for homeowners in particular, thinking that they would be absorbing a bunch of increases from other kinds of properties but none the less when numbers came in from a few selected counties, the amount of increase was not quite double, about a 24% difference. Hall said she has been tracking from her office, what has gone on in different counties so even from early on, there were a lot of accounts they were getting where increases were a lot more than that. That may not be true here but even in places that had regular reassessment, the shift from residential were extraordinary. Hall said they have been watching that. Hall said this is just a part of their system. Her concern is to do this without delays and in a smooth, uniform manner. Hall said trending depends on establishing neighborhoods and they are geographic areas where your economic influences are about the same and so they will probably have a common factor based on sales that where in the geographical area and comparing them with the assessed value and seeing how much the increases have been. 81 of the 92 counties use a firm to help do trending. Now that the general assembly has finished we expect that there will be a whole lot more tax rates that sort of pop out and so we will know a lot more. She said there are some problems with data transfer between the county and the state and that is something that will be discussed more in the future. Hall said one of the things on her mind is that when we go into trending next year, the farm land value that has been for last year and this year is going from 880 to 1140. They are expecting some shifts in agriculture and that would be expected. She said she has looked at our data for the county and said that Vermillion County is unique to other counties. Hall handed out some graphs for everyone to look at. One of the charts was taken from the abstract data that was submitted to the state for 2006. In all your tax bill was about 19 million but your taxpayers paid 14 million, the other 5 million comes from the state in terms of property tax replacement credit and homestead. Costello questioned why everyone has to scale back except for libraries. Hall said libraries are under the same tax controls generally as the county but they are not in a situation where they have to absorb things like expenses of the jail that they don't have control over. Hawkins asked if she was going to talk later on about the loss of property tax replacement. Hall said one of the things aside from the shifts in trending that is out there is that 2 years ago they decided that they would limit their contribution to reducing property tax bills. They would take the money they have aside and cap that. Hall discussed the rebate homestead checks that that will be done in the

fall. She discussed the cost of printing and mailing the checks. Cheesewright said that expense is not figured into the budget either. Hall said she thinks you just have to absorb it. Costello wants to know how much is the circuit breaker going to affect us and how many people are we going to have to pay back. Hall said with the rebate check, it won't affect us at. The homestead rebate check is one thing; the circuit breaker is a different mechanism all together. It's where you have tax rates that are approaching a high level and that means that your tax bill is more than 2% of your assessed value. If you look at AIC's website, there is a new printout on the circuit breaker. Hall discussed some legislative changes that were taking place such as Assessor has to be Level II certified, Petition remonstrance law, 3 additional local option income taxes. Hall said our county just has EDIT, so we would have the opportunity to adopt CAGIT or COIT, but it is also has 3 new laws. If you decide you want to level off your property tax rate and the increases from all the units would come from income tax then you could adopt and incremental income tax to offset that. There is an income tax where it is dollar for dollar you can adopt that up to 1%. You can provide through a local PTRC, in a homestead credit or to provide a credit to rental property. Costello said, so the people working would be paying for the people that don't work and own property. The third kind of income tax is new money. Costello questioned inventory. Hall said the inventory would be off in the rates that we get this time. When you get your rates that will really be the proof in what happens. Hall said the last thing she wanted to mention is by Jan 1, 2009 every county will have a project review board.

Costello asked Assessor Pat Ritchey what was the average increase on the trending. She said it varied all over the county. The largest increase was in commercial property, county wide, was about a 30% increase. Industrial didn't raise, so Eli Lilly saw no change in their assessment. Residential, there was just as many that stayed the same as went up. There were also a few that went down. Ritchey said she looked at the Sales Disclosure forms for the entire county for a 4-year period and found the sales that justified the increase, they were there and she couldn't ignore them.

Costello asked if we had an approved budget yet and Koma said no. Someone asked if there were any budget orders out and Hall said there 13 out and then they stopped, they got into the general assembly and they thought were going to do a more broad homestead credit, so they stopped doing that. There are about 35 counties where there could be rates right now but some of them they may hesitate because they have cross county units.

Hawkins said that Koma said in the Cum Capital Development Fund there is a miscellaneous expenditure line item and there is money in it. Is it possible to pay this invoice out of that line item? Darnell asked whose department the line item was in and Costello said it was the Commissioners. Darnell said who signed the claim. Koma said they already signed the claim and Darnell said then they don't need us, it already got appropriated, it's already in the budget, why are we talking about it. Koma said because the money was not actually allowed at the December meeting. Costello said just pay it. Hawkins said do you have advertise an additional appropriation to join the National Association of Counties unless there is money in the Commissioners budget for memberships, if there is not money then we had to do it.

Mattick made a motion to adjourn, seconded by Costello.

Read in full and approved by the Vermillion County Council on the 11th day of June 2007.

John Yoho

Fred Daniels

Lavonna Mattick

Randy Dreher

John Cheesewright

Mike Costello

Jerry Hawkins

Attest: _____
 Sherrie A. Koma, Auditor