

**RE: Council Elections
Circuit Court software
Poet Biorefining ethanol plant
Governmental Consulting Services-Melissa Ambre-Circuit breaker
Sheriff Discretionary Fund
Old business-agenda listings
EOC**

Minutes-Vermillion County Council January 12th, 2009

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

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

Roll call was taken: Present were John Cheesewright, Lavonna Mattick, Randy Dreher, Mike Carty, Mike Costello, Randy Padish, Lary Langley, Attorney Don Darnell and Auditor Phyllis Orman, and First Deputy Auditor Amy Tolbert.

Langly made a motion to approve the minutes of the prior meeting, seconded by Dreher. All were in favor.

Old Business-none

Elections

Costello nominated John Cheesewright as council president. Carty nominated Mike Costello as council president but Costello declined. Costello said Cheesewright was doing an excellent job. Langley seconded Costello's nomination and all were in favor except Carty.

Costello nominated Randy Dreher as vice president, seconded by Langley, all were in favor.

Judge Bruce Stengel informed the council that he was advised by the state that his system that is currently used to store information will not be compatible after 2010. He is looking for a new system with the help of Mike Phelps. He has sent a letter to all council members at the end of December. He said the maintenance agreement on this old system is due April 30 and would like to get a new system in place before paying this. He said the state is attempting to develop a system that will make all courts compatible He said the Clerk has some funds that he can use to help pay for the new system. He said he will come back to the council when he has more information.

Mike Roth from Poet Biorefining was present to discuss the company's proposed 65 million gallon per year ethanol plant near Clinton. He said the plant will use 22 million bushels of corn and it will come from the surrounding area. He also said the plant will employ approximately 40 people. He said it is one of the most technologically advanced and efficient in the United States. He said the company has already met with the zoning boards and with Economic Development about special exceptions, zoning changes, and other items. Roth said the company intends to request a 10-year tax abatement from the county. Costello said the council has always supported abatements and he was sure they would continue to do so. Dreher and Carty said they also support it. The council told Roth that he needed to get with Attorney Darnell about starting the application process. Cole said he would work with Roth on the application process before he leaves. Mattick asked Roth what guarantee he could offer that the company would still be there in 10 years. Roth said he could not make any guarantee, but that this company is betting 155 million that they would be there. Dreher asked how soon construction would start and Roth said financing is an issue, but felt there was a good chance that it could be taken care of this year and once ground is broken, they would be up and running within 14 months.

Melissa Ambre of Governmental Consulting spoke to the council about local option income taxes and circuit breakers. She explained that the caps take effect this year, capping taxes at 1.5 percent for residential, 2.5 for agricultural and 3.5 for all other properties. In 2010 these caps will be reduced to 1, 2, and 3 percent. She presented some figures showing what various taxing units can expect as far as revenue loss as a result of the caps. According to her estimates, the county general fund will see a loss of \$45,193 in 2009 and \$166,174 in 2010. The City of Clinton will see losses of \$62,162 and \$156,887 in those years, North Vermillion Schools will lose \$2,587 and \$14,524 and South Vermillion Schools will lose \$65,849 and \$211,516. Ambre said the council may adopt LOIT taxes between March and August, and they will require a public hearing before they are adopted. She explained that there are three types of LOIT taxes which can be adopted. The first type is used to help offset levy increases from year to year by funding those increases from year to year by funding those increases with LOIT taxes instead of property taxes. The tax rate for this type is set by the DLGF. The second type is used directly to provide property tax relief and is reflected as a credit on property tax bills and replaces the property tax money with money generated from the income tax. This tax may be up to 1 percent, and the rate is set by the county council. The third type is for public safety, and can be set by the council at up to 0.25 percent. This can be used to generate additional money from EMS, courts, jails, and other public safety casts. This tax can only be put in place if one of the first two is also used. Ambre mentioned that the county's current 0.1 percent EDIT generates \$304,000 per year, meaning a 1 percent LOIT tax would generate just over 3 million. Cheesewright said he felt they should look at income taxes so that everyone will pay, not just property owners. He said the property taxes will get so high that we won't be able to pay for them. Costello asked that if once the caps are in place in 2010, the loss of revenue would level off, and Ambre said it

would, provided nothing happened which resulted in a significant change in property values. Ambre said she encouraged the council to communicate with other taxing units so they would not be surprised by major projects which could affect tax rates, because with the caps in place, those rates can have an effect on each other, and cause other tax units to lost money as a result. Cheesewright said it would be a while before anyone knows what will happen with property taxes, as the legislature could make additional changes. Ambre suggested the council not sit back and wait to see what happens. They are looking at making these caps constitutional, so they can't be rescinded. Carty suggested having a meeting with representatives of other taxing units, and the possibility was discussed of having it before a regular council meeting, since no one knew of any other boards which met the same night. The council considered holding the meeting prior to the February meeting but chose to wait until March instead. Ambre said her company could prepare a study showing what the results of passing LOIT taxes would be, so the council could see how much money could be raised.

Sheriff Spence had sent a letter in the council packet regarding his discretionary fund but had to leave the meeting early for an emergency call. Diana Spence said she wasn't sure of the details but knew the council had to be made aware of the fund balances and that he does this report yearly.

Carty said there was nothing listed under old business but the council had previously discussed reviewing the fees paid to members of various boards to try and get them to be more consistent. He said that this matter was never resolved and that it should be put on the agenda under old business until it gets resolved.

Wilson said the commissioners and council need to hold a joint executive session to discuss the EOC. It was agreed to hold that meeting prior to the next council meeting.

Costello complimented the sheriff's department, Clinton Police Department and local fire departments on the handling of Sunday evening's power outage.

Mattick made a motion to adjourn, seconded by Dreher.

Read in full and approved by the Vermillion County Council on the 9th day of February 2009.

John Cheesewright

Mike Carty

Lavonna Mattick

Randy Dreher

Lary Langley

Mike Costello

Randy Padish

Attest: _____
Phyllis Orman, Auditor