

RE: Legislative Discussion

Minutes-Vermillion County Council March 9, 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, Lary Langley, Randy Padish, Attorney Don Darnell, Auditor Phyllis Orman, and First Deputy Auditor Amy Tolbert.

Melissa Ambre of Governmental Consulting Services was present to discuss the effects of the property tax caps that were put in place by the Indiana General Assembly last year. She also discussed some of the options that can be considered to replace the lost tax revenue.

Eugene Township, the Clinton and Newport libraries, and towns of Newport, Cayuga and Fairview Park all had representatives present.

Ambre said that local government will face many changes over the next few years, including the property tax caps, the elimination of township assessors and the fact that the county council must now review the budgets for all other units in the county before they are approved. She said the tax caps, circuit breakers, are a benefit to the taxpayer but a revenue loss for the county. She said the supplemental homestead deduction will also make a drastic difference between last year's taxes and this years. Another change is that senior citizens will now be eligible for a cap as well, meaning that their taxes can raise no more than 2% from one year to the next. Ambre said the circuit breaker will result in a loss of \$139.7 million in revenue statewide in 2009. Ambre said the challenge will be finding the right mix of income taxes, property taxes and other income for everyone in the county and making sure there is a fair balance.

Ambre said that previously the taxes available to the county were CAGIT, COIT and CEDIT and that Vermillion County has only a 0.1 percent CEDIT tax, which generates \$300,000 per year. If it were levied at the maximum rate it would raise \$1.2 million per year.

Ambre said they have from March 31 to August 1 to adopt a new tax. She said there are new taxes as well. One is the levy freeze option and does not benefit schools and must be used to freeze new levy growth. The rate is set by the DLGF.

She said that once this tax is put in place it cannot be rescinded. The second tax is for property tax relief. It is designed to provide dollar for dollar relief. Its distribution is up to the county. The third tax is for public safety and has a maximum rate of 0.25 percent but can only be passed if one of the first two options is passed.

Ambre said the best for the county to do is grow its assessed values which will help keep tax rates level. Cheesewright asked what would raise assessed values and Ambre said normal trending will help some and by bringing in new businesses.

Costello suggested that if the public safety tax was put in place, the money could be used to fund the ambulance service and take that expense away from the general fund.

Carty said that we have time to study this and do it right.

Cheesewright asked if Ambre could do a study for the county and make some recommendations regarding the best options. She said she could and that it would take 6 to 8 weeks. The council did not specifically vote to have her do the study.

The meeting was adjourned and followed by their regular monthly meeting

Read in full and approved by the Vermillion County Council on the 13th day of April, 2009.

John Cheesewright

Mike Carty

Lavonna Mattick

Randy Dreher

Lary Langley

Mike Costello

Randy Padish

Attest: _____
Phyllis Orman, Auditor