

Vermillion County Council Meeting Agenda/Minutes

Monday, December 7, 2015

6:30 p.m.

Commissioners Courtroom, Courthouse, Newport, Indiana

- I. **CALL TO ORDER:** The Vermillion County Council convened in a meeting at 6:30 p.m. on Monday December 7, 2015
- II. **ROLL CALL:** Members present were President Michael Carty, Vice-President Michael Costello, Randy Dreher, James McLain, Jill Wesch, Brent Bush, Basil Ave, Auditor Phyllis Orman and First Deputy Amy Tolbert and Attorney Don Darnell.
- III. **MINUTES:** Carty said he had talked to Tolbert and discussed the October 13, 2015 minutes. He said that what he had asked for was not reflected in the minutes but the corrections have been made at this time to reflect what was agreed upon at the last meeting. Wesch said in regards to the unsafe building request, the motion says allow but should say tabled. Tolbert said those changes have already been made as well. Carty noticed that under new business Orman said he would have the Treasurer Wendy Farley send “him”...but nothing clarifies who “him” is. The minutes will be changed to replace the word him with Carty. Costello made a motion to allow the minutes as corrected, seconded by Wesch. All were in favor. Motion carried.
- IV. **COMP TIME:** Carty said the report is basically the same as it was last month, there wasn't much change. He said he believes the Commissioners have acted on the two claims that have been in question and he applauds their actions. He said it is time to move on. He thanked the Commissioners for moving forward on that.
- V. **COUNTY TREASURER'S MONTHLY REPORT.** Carty acknowledge receipt of the report. He said there is almost 21 million in the bank at the end of October 2015.
- VI. **TRANSFER OF FUNDS, REPORTING ONLY.** There were no questions.
- VII. **TRANSFER OF FUNDS:** The Council approved the request for the transfer of funds. The following resolution was adopted.

Be it resolved, the Vermillion County Council hereby approves the following request for transfer:

Wesch made a motion to adopt the following transfer; the motion was seconded by McLain and carried unanimously.

Amount: \$1000.00

From: 1000-33601-000-0105

County General/Dog Pound/Sheriff

To: 1000-21601-000-0105

County General/Flares & Ammo/Sheriff

Wesch made a motion to adopt the following transfer; the motion was seconded by Ave and carried unanimously.

Amount: \$500.00

From: 1000-31100-000-0105

County General/Legal Services/Sheriff

To: 1000-21601-000-0102

County General/Flares & Ammo/Sheriff

Ave made a motion to adopt the following transfer; the motion was seconded by Costello and carried unanimously.

Amount: \$309.02

From: 1000-32200-000-0105

County General/Postage/Sheriff

To: 1000-21601-000-0105

County General/Flares & Ammo/Sheriff

Bush made a motion to adopt the following transfer; the motion was seconded by McLain and carried unanimously.

Amount: \$434.30

From: 1000-41202-000-0132

County General/Improvements/Jail

To: 1000-35000-000-0132

County General/Meals/Jail

Wesch made a motion to adopt the following transfer; the motion was seconded by Bush and carried unanimously.

Amount: \$8,000.00

From: 1000-12102-000-0132

County General/Jailer 3/Jail

To: 1000-35000-000-0132

County General/Meals/Jail

Costello made a motion to adopt the following transfer; the motion was seconded by Bush and carried unanimously.

Amount: \$600.00

From: 1000-21500-000-0133

County General/Gas & oil/EOC

To: 1000-33505-000-0133

County General/EOC Equipment maintenance/EOC

Costello made a motion to adopt the following transfer; the motion was seconded by Bush and carried unanimously.

Amount: \$50.00

From: 1000-41205-000-0133

County General/Computer equipment/EOC

To: 1000-33505-000-0133

County General/EOC Equipment maintenance/EOC

McLain made a motion to adopt the following transfer; the motion was seconded by Wesch and carried unanimously. The request is to purchase a new tractor. Costello asked if anyone was present to discuss if bids were taken and no one was.

Amount: \$3,000.00

From: 1000-33401-000-0146

County General/Water & Sewage/Park

To: 1000-41100-000-016

County General/Office Machine & Equipment/Park

Ave made a motion to adopt the following transfer; the motion was seconded by Costello and carried unanimously.

Amount: \$125.00

From: 1206-21200-000-0433

Local Health Trust/Office supplies/ LHD

To: 120-11500-000-0433

Local Health Trust/Nurse/LHD

Ave made a motion to adopt the following transfer; the motion was seconded by Costello and carried unanimously.

Amount: \$125.00

From: 1206-21200-000-0433

Local Health Trust/Office supplies/ LHD

To: 120-11700-000-0433

Local Health Trust/Data Entry Clerk/LHD

VIII. **ADDITIONAL APPROPRIATION/REDUCTION REQUESTS:** The Council considered additional appropriation requests as published. President Michael Carty reviewed the appropriations from the written requests submitted by Auditor Phyllis Orman. Thus, the following ordinance was adopted: WHEREAS: it has been determined it is now necessary to appropriate more money than was appropriated in the annual budget for 2015, BE IT ORDAINED, by the County Council of Vermillion County Indiana, for the expenses of said county government, the following additional sums of money are hereby appropriated and ordered set out of the funds herein specified, subject to the law governing the same:

FUND/DEPT	AMOUNT REQUESTED	AMOUNT APPROVED
Cumulative Capital Development	\$50,000.000	\$0

1138-33405-000-0258 to tear down unsafe buildings in the county.Carty asked if this is to remain tabled or if it she be pulled for now. Tolbert explained that the request will need to be asked for again in 2016 as we cannot table from one year to the next. Dreher said to remove it for now. He said he is working with Jim Coffenberry and once they get brought up to speed they will approach it again.

Costello made a motion to allow, seconded by Ave. Motion carried.

FUND/DEPT	AMOUNT REQUESTED	AMOUNT APPROVED
General	\$289,000.00	\$289,000.00

1000-12500-000-0130 Group Insurance. Carty said the request is to cover what appears to be short this year. He said they asked last month what had happened and that he talked with Forrest Sherer. He said the issue is that they blew it in 2015. The reason is because the way they do the budgeting. In 2015 on the page where it shows the amount expended at \$1,287,000.00, but the budget for 2016 was only \$1,015,000.00. He said it was obviously not questioned, so the budget from 2014 to 2015 is short. He said if they had gone to the actual amount spent then they would be more in line with where they should be. He said Payroll Deputy Becky Julian told him that they had transferred \$310,000.00 in 2014 to cover those shortages. He said it did not get covered in the budget. He said the good news is that they do have it correct in the 2016 budget. Dreher said so we are back on track and Carty said yes, we are where we should be. Carty said they are going to look at their options prior to the next renewal. He said they need to get with the Commissioners and get some direction. Dreher asked if they would look at other alternate bids and Carty said they would.

McLain made a motion to allow, seconded by Wesch. Motion carried.

FUND/DEPT	AMOUNT REQUESTED	AMOUNT APPROVED
General	\$1,500,000.00	\$1,500,000.00

1000-41104-000-0130 Spec Building loan. Attorney Lou Britton said he has gone back and forth with Darnell to come up with an agreement. He said it is a little bit messy because the money is coming from the Council, then it is going to the Commissioners, then it is going to the Reuse Authority, then it is going to Garmong. He said the money is going to be frayed by the time it gets to where it is supposed to go but the general scheme is that you will appropriate the money to the commissioners on the condition, your resolution will condition it on the Commissioners entering the agreement called the agreement regarding reimbursement with the Reuse Authority. That agreement spells out that the Reuse Authority will make certain agreements with Garmong and those agreements include the document that is attached, which is the developer authority project. It spells out what the developer is going to construct. It has a number of exhibits to it which aren't completed yet. He said he has shared them with Darnell. It states what the building is going to be. He said it is basically a shell building. The floor won't be poured but the rest of the building will basically be completed and ready to be finished for a tenant to move in to. Britton said it will include the drawings they have scene showing the appearance of the building. It also spells out that the building will have a maximum cost of \$3.4 million dollars. Costs over that amount, there is an agreement to change that amount, costs over that amount are on Garmong so they have a guaranteed price for that specific building. It also spells out that Garmong will maintain the insurance on the building and pay the taxes and all other things which you would find in a lease. He said it is similar to a lease. He said keep in mind, this building is owned by Garmong so why are we specifying what they build and answer is because you are putting up the \$1.5 million dollars and you want to know you are getting something out of it that is worthwhile. Britton said the Reuse Authority will be covering the cost of Garmong's money until the building is sold. We are reimbursing them for their interest on the difference, the \$1.9 million, during the period of time that we are holding the building. So if the building sets there for just a year then the Reuse

Authority gets the interest payments back. If it is not sold after the first year, they don't get those payments back. The Reuse Authority wants to know that the building is properly built and that it will be the kind of building they want because they don't want it to sit there forever while they are paying interest, hence the agreement with Garmong. The agreement they will execute with the Commissioners also specifies that there will be a note and mortgage from Garmong to the Reuse Authority for the amount of \$1.5 million. It is not coming directly from the Commissioners or Council, it is coming from the Reuse Authority so technically the Reuse Authority is loaning them the \$1.5 million. They will give us a note. That note will be due upon the sale of the building, a lease of the building, or in any event, within 10 years. That note will be secured by a mortgage. They have to provide us with title insurance showing that the mortgage is a first mortgage so that the building cannot be sold or transferred without that mortgage being paid. The agreement specifies that the Reuse Authority has to enter in to an agreement with Garmong to that effect before the \$1.5 million can be released. It also provided that in the event the property is sold or leased, the first payments made out of that will be made to the Reuse Authority and then paid back to the county. It also provides that the Reuse Authority cannot modify its agreement with Garmong without the consent of the council. So we can't make this deal, walk out and change it. He said he and Darnell have gone through it several times and Darnell has had some great insight on things to add to protect the county's interest. He said he thinks the county's interest are very well protected. He said the Reuse Authority's interests are also well protected. He said everyone will be much better off if the building sells quickly rather than if it doesn't but there is not a whole they can do about that. It is a risk everyone is taking. He said it is a calculated risk that everyone has thought about carefully. He said Garmong has built a number of these buildings and typically what happens, first of all, the Indiana Economic Development Commission is pushing counties, cities, and towns to have spec buildings available for developers because they will tell you that everybody they get as a prospect in that office wants something that is already built or pretty nearly already built. If you don't have anything that you can put somebody in right away, your chances of landing a prospect are not very good. Garmong's experience with these, once they are have built them they have not only occupied them but have also expanded them for the client. Britton said the buildings are readily expandable and they have plenty of grown to expand on. He said all the infrastructure will be there. He said this is one of the things that induces Garmong to build. They build the building, it is very likely they will be hired to do the expansion. Britton said the counties desire and willingness to participate in this project is great. It shows a great deal of cooperation between the county and the Reuse Authority. He hopes it proves to be a wise investment by everybody. He said if there are any questions about any specific nature of the arrangements, he realizes they are kind of complicated, but he doesn't feel they can uncomplicated it. Dreher asked if Garmong would be the only one who could do the expansion and Britton said Garmong owns the building and the ground so they would have control over it. Dreher asked how long Garmong's other projects have taken to sell and Britton said he wasn't sure but would say around three to four years. He said they could answer that better than he could. Dreher asked where the building would sit and Britton said across from the jail, just across the fence on the north side of the north guard shack. Wesch asked what would happen if the building was leased and Britton said the agreement states that the money is due upon sale or lease so basically they would get the money up front. Bush asked why the money needed to be appropriated now. Could it not stay in the county accounts until the money is due, which is when the building is weather tight. Britton said Garmong has a time frame that they have to meet because this is coming in at the back end of a 1031 exchange. He said basically they sold some property and if they reinvest elsewhere within a fixed amount of time they will not have to pay the capital gains tax. Bush said he understands that but doesn't understand why the money has to be appropriated to the Reuse Authority and then sit in their accounts for seven to eight months. Britton said at the closing of the real estate and once everything gets signed they are going to want to see the \$1.5 million in the commissioner's hands. Carty said the way it is going to work is like anything else, we appropriated it and then it is available for the Commissioner's to spend. He said there is not going to be a payment until the Commissioner's accept a claim to pay it. It will sit in our bank until that time. Bush said so in January they could want their money. Dreher said he assumes that what they are doing is legal. Cary said Barnes and Thornsburg researched it and gave their opinion. Britton said the opinion for Barnes and Thornsburg is the reason for all the hoops they are going through. Darnell said what Bush is trying to say is that the \$1.5 million shouldn't be paid to the contractor until the building is weather tight. Britton said which would be in about seven to eight months. Darnell said so the contractor won't get their money until that time. Britton agreed and said he hasn't spoken with the contractor about that specifically but he feels that as

long as the money has been appropriated they will be satisfied. Darnell said they will see the ordinance and see that it has been appropriated. Costello said one Commissioner is having some concerns and was wondering if the agreement has been signed at this point? Britton said not the documents have not been signed but they have took action to request the appropriation. He said he spoke with the Commissioner's last week at their meeting and one expressed any concerns. Costello said it has occurred within the last couple of days. Wilson said he has not spoken with Mr. Yocum but had heard he had some concerns over when Garmong would get their money. Dreher asked if they should appropriate the money before the agreement was signed. Tolbert explained that the state won't take any more requests after the 15th. Orman said next year no requests will be considered until after the budget is approved. Costello said if they don't sign the agreement then the whole thing is null and void. Carty agreed. Britton said that the motion needs to be specific and he provided the auditor's office with the language that was needed. The motion made by McLain stipulated that the funds appropriated are to be used to fund the payments contemplated by the Agreement Regarding Reimbursement in the form and substance submitted to the meeting upon execution of that Agreement by the Commissioners and the Newport Chemical Depot Reuse Authority.

Dreher made a motion to allow, seconded by Costello. Motion carried.

FUND/DEPT	AMOUNT REQUESTED	AMOUNT APPROVED
Clerks Record Perpetuation	\$7,000.00	\$7,000.00
1119-39999-000-0274 to be used to lease or purchase election equipment.		

Dreher made a motion to allow, seconded by Bush. Carty was opposed. Motion carried.

FUND/DEPT	AMOUNT REQUESTED	AMOUNT APPROVED
County Covered Bridge	\$14,400.00	\$14,400.00
1134-33506-000-0000. Wilson said the work has been done to replace the two arches at the Newport Covered Bridge. Carty said the work was done before the money was appropriated? Wilson said they would need to ask Yocum.		

Wesch made a motion to allow, seconded by Costello. Motion carried.

FUND/DEPT	AMOUNT REQUESTED	AMOUNT APPROVED
Park Non-reverting	\$1,900.00	\$1,900.00
1179-38406-000-0216 for removal of trees at Ernie Pyle rest park. Someone mentioned that the work has been done on this as well. Costello said we need to stop people from doing this. Carty asked Orman to remind everyone of the proper procedures and Orman said they have tried. Carty said one day they can pay it.		

Bush made a motion to deny, seconded by Dreher. Motion carried.

FUND/DEPT	AMOUNT REQUESTED	AMOUNT APPROVED
Park Non-reverting	\$2,400.00	\$0
1179-38406-000-0216 there was some questions as to who was going to get the bid to plant the trees. Bush said since no one is present they should table it. Since we are starting a new year it was decided to deny and they could ask for it again next year.		

IX. OPEN ISSUES

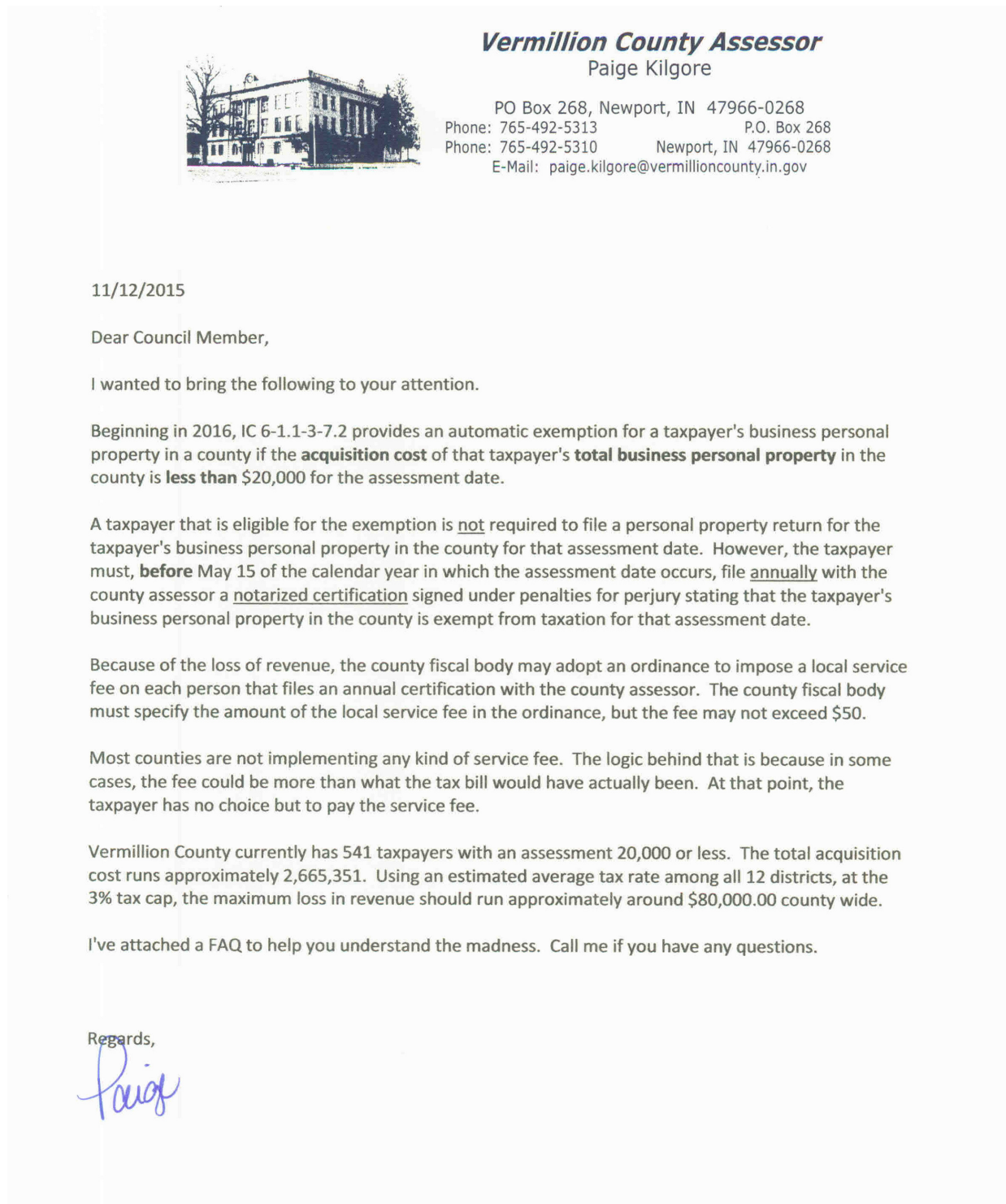
- a. Rainy Day Fund. Tabled.
- b. Spec Building. Already talked about.

X. NEW BUSINESS

- a. 2016 Meeting schedule. The times for September were backwards. Wesch made a motion to allow as adjusted, seconded by Dreher. Motion carried.
- b. 2016 Appointments. Carty said all appointments will be made in January. He suggested everyone think about them now so they can get some people in mind that might be interested. He said Pat Ritchey is up on the PTABOA board, he said he is up on the Economic Development Commission and Council and would like to step down. He suggested that Jill Wesch take his place and they appoint someone else to her position. Carty said Bob Rendenci wants to step down as well and he suggested Roxanne Scott from the bank in Dana. He said Doug Samuelson wants to step down as well and he suggested an employee from Elanco, Shantel Booth. Costello said Monte Kern has resigned from his position. They spoke about Cynthia Myers and stated she does a very good job on the Alcoholic Beverage Board. Carty asked about the E911 board and Ave said he would be interested. Carty said these were just some suggestions for everyone to think about.

c. 2016 Salary ordinance. Carty explained that the salary ordinance states that they employees are to receive the 2015 rate for the first two pays in 2016 and then they will get the 2016 rate for the remaining 25 pays. He said they will be short money in the budget for 2016 and Julian has estimated it to be around \$110,000.00. He said they will deal with that later in the year. Ave asked if the public defenders got a raise and Carty said no, they are contractual. Dreher made a motion to accept the 2016 salary ordinance, seconded by Bush. All were in favor. Motion carried.

d. Personal Property Assessment. Carty said they received a letter from Assessor Paige Kilgore:



Carty said if the fiscal body doesn't do anything then they could lose around \$80,000.00. He said he knows the forms are a pain to complete so he believes people would not have an issue paying the fee. He said he understands that other counties may not be implementing a fee but he would like for Vermillion County to set a fee to offset that loss. He said he disagrees with the part where she states that the fee could end up costing the taxpayer more than the tax bill actually would have been. He asked that it be placed on the next agenda for discussion.

e. City Election, county pay. Clerk Pruitt stated that the City of Clinton held two elections this year and they will have to reimburse the county by the end of the year for holding those two elections. She said she would like to pay her employees who worked those days instead of them receiving comp time. She said the total hours would be around 40-50. Darnell asked if

she had it in her budget. She said she did not know and would need to work out the details with the Auditor’s office. Carty suggested that when she gets a figure to ask for an additional appropriation and they will act on it then.

AYE

NAY

Michael Carty, President

Michael Costello, Vice-President

Randy Dreher

James McLain

William Brent Bush

Jill Wesch

Milisa Carty

ADJOURNMENT: Having no further business to come before the Council, the motion to adjourn was made by Dreher, seconded by Wesch.

ATTEST:

Phyllis Orman, Auditor