

August 20, 2012

Pursuant to adjournment comes now the Starke County Council and meet in regular session at 5:30PM in the Annex meeting room, Knox Indiana and the following proceedings were held to wit:

The meeting was called to order by Council President Dave Pearman.

Absent from the meeting was Councilwoman Judy Benninghoff.

MINUTES

Councilman Radkiewicz made a motion to approve the minutes of the August 6th meeting, seconded by Councilman McLaughlin. The motion passed with all ayes. Councilman McLaughlin made a motion to approve the minutes of the July 16th meeting, seconded by Councilman Radkiewicz. The motion passed with all ayes. The final minutes of the June 18th meeting were signed.

ORDINANCE ESTABLISHING AN ADDITIONAL COUNTY ECONOMIC DEVELOPMENT INCOME TAX RATE

President Pearman advised the floor was open for discussion in regard to the proposed increase to the County's existing CEDIT tax rate. The increase in the County's CEDIT income tax would provide the funding for the proposed new county jail project. Councilman Semans stated he would like to keep the current tax rate, and the funding for the Starke County Economic Development Foundation as is for now, but could review it later in regard to any reduction. Councilman McLaughlin advised they need to keep in mind the fact that, as a result of the federal lawsuit against the County, a federal judge might be dictating to the county as to what to do with their county jail and they will have to do it without any regard for the county's budget. He also noted he was concerned with the public perception of this .65% increase and believed a .60% increase would work. Jason Semler, of Umbaugh advised any additional income received would allow the county to pay off their bond issue earlier, and it will also make the bond issue more appealing for investors. Councilman Semans made a motion to approve the establishment of an additional CEDIT income tax rate, in the amount of .65%. Councilman Radkiewicz seconded the motion, and it passed with five ayes and one nay (McLaughlin). Councilman McLaughlin advised County Attorney, Marty Lucas, to notify the attorney in the federal lawsuit, of this action, and possibly work out an agreed judgment in order to reduce the attorney fees.

KNOX FERTILIZER AND AMERICAN OAK REQUEST FOR TAX PHASE-INS

Todd Wallsmith, attorney representing Knox Fertilizer appeared before the Board. Councilman Semans made a motion to open the public hearing portion of the meeting in regard to the tax abatement request for Knox Fertilizer. Councilman Sims seconded the motion. The motion passed with all ayes. There were no public comments. Councilman Semans made a motion to close the public hearing, seconded by Councilman Smith. President Pearman reminded the Board the tax phase-in had been approved at the July 16th meeting. The tax abatement was for a term of ten years on real property, and five years for the personal property involved with the Knox Fertilizer addition. The Resolution Approving Two Statements of Benefits for Tax Abatement Filed by Knox Fertilizer Company & KMB Technologies (2012-2C) were then signed by the Board.

Todd Wallsmith, attorney representing American Oak appeared before the Board to present the Petition for Declaration of Economic Revitalization Area in order that consideration may be given to a request for tax abatement. He advised American Oak has purchased 37.5 acres of the North Judson Industrial Park. The property is actually located outside of the town's limits. Attorney Lucas read the resolution into the record. Councilman McLaughlin made a motion to pass the resolution as read, seconded by Councilman Semans. The motion passed with all ayes. The public hearing is scheduled for the September 17th Council meeting.

2013 NJ-SP SCHOOL BUDGET

Councilman Semans made a motion to adopt the 2013 North Judson-San Pierre School budget. The motion was seconded by Councilman Smith and passed with all ayes. President Pearman advised, due to the lack of guidance from the State, they would try to have a better understanding of the school budget in future years.

2013 STARKE COUNTY BUDGETS

County Treasurer, Kasey Clark, appeared before the Board to request that \$3,500.00 for extra help, be added to her proposed 2013 department budget, which had been incorrectly cut from her budget prior to the budget hearing on Aug. 8th. Councilman Semans made a motion to approve her request, seconded by Councilman McLaughlin. The motion passed with all ayes. Councilman Semans made a motion to open the public hearing in regard to the 2013 County budgets, seconded by Councilman Radkiewicz. The motion passed with all ayes. President Pearman advised during the budget hearing, on Aug. 8th, several of the departments' budgets were cuts and no pay raises were given. At the end of the day, they had asked the Auditor to prepare the financial information to show a possible 1%, 2%, and a 3% increase in pay. He advised Auditor Chaffins had provided that information to them, via email, prior to the meeting, and now they are considering giving a pay increase for 2013. (A copy of the document is on file in the Auditor's Office.) Councilman Smith noted he is concerned with the cash flow in the County General Fund, and the County should be careful not to spend to the levy. There was a brief discussion in regard to the overestimate of misc. revenue in the preparation of previous years' budgets, and how that could have created a cash flow shortage. When asked, all three of the County Commissioners stated they were in favor of a 3% pay increase for 2013. President Pearman noted the State certified growth rate is at 2.8%. He noted, following the budget hearing, the budget total for the County General Fund was at a .4% increase, and if the 3% pay raise was approved, that would raise the total County General Fund 2013 budget to be a 1.73% increase over the 2012 budget. He noted that did not include a pay raise for the Sheriff. Attorney Lucas advised that was permissible to specify a particular office to not

receive a pay raise, but the County could not reduce the salary of an elected office holder during their term. There was a brief discussion if the pay raise would apply to elected officials also and the consensus was that it should. Councilman Semans made a motion to approve the 3% payroll increase for all the County's budgets, seconded by Councilman Radkiewicz. The motion passed with all ayes.

Commissioner President, Kathy Norem, advised, in order to monitor the amount of misc. revenue the County has received into the County General Fund, that Auditor Chaffins had devised a way to post the estimated misc. revenue, that had been projected in the preparation of the 2012 budget, in the financial software, and include that information in the Budget Status Report that the Commissioners review. That will show, as the misc. revenue is being received, if the County is on track to receive the amount projected and reported to the State.

Councilman Semans made a motion to approve the 2013 budget of the Solid Waste Management District.

Councilman Smith seconded the motion, and it passed with all ayes.

Councilman Semans made a motion to approve all the 2013 County budgets, with changes (payroll increases and extra help for the Treasurer's Office). Councilman McLaughlin seconded the motion, and it passed with all ayes. Auditor Chaffins advised the final adoption, of the 2013 county budgets, is scheduled for their September 17th meeting.

IN OTHER BUSINESS:

President Pearman advised they need to appoint a Councilperson to fill the vacancy due to the resignation of Councilman Smith from the Starke County Community Corrections Board. Councilman Semans made a motion to appoint Councilman, Bob Sims, to the SCCC Board, seconded by Councilman Radkiewicz. The motion passed with all ayes.

There was a brief discussion in regard to the funds of the Convention and Visitor's Commission. Since there was no one in attendance from the CVC Board, except for Attorney Lucas, Councilman Smith made a motion to table the issue until the next meeting. Councilman Radkiewicz seconded the motion, and it passed with all ayes. President Pearman noted they would like someone from the Board to appear at the next meeting and present the mission of the CVC. Commissioner Norem advised a possible option would be to repeal the County's innkeeper's tax.

President Pearman advised, in regard to the transfer of appropriations of the County Corrections Fund (0526), Commissioner Norem and he had met with Director Hinojosa, of the SCCC to discuss the 50/50 split of the appropriations. Director Hinojosa advised they wouldn't have a need for the existing funds, but would like to still be entitled to half of the draw they will be receiving from the State in September. Commissioner Smith made a motion to approve the transfer of the remaining portion of the County Corrections Fund, to the Sheriff to utilize between the jail and the police department. Councilman Semans seconded the motion and it passed with all ayes. Councilman McLaughlin noted possibly the County Corrections Funding could be used to pay the expense of housing Starke County prisoners in the Pulaski County Jail. Attorney Lucas advised that would be a proper use of those funds.

Councilman Semans made a motion to approve the transfer of \$5,000.00 from the Treasurer's Department budget, (\$3,500.00 from line item 003-2000.2 tax statements, and \$1,500.00 from line item 003-1000.03 extra help), to the Clerk's Department budget, line item, 001 000-3000.01, postage. Councilman Smith seconded the motion, and it passed with all ayes.

Councilman Semans made a motion to approve the request of the Sheriff to appropriate the funds received from the State from the riverboat wagering tax proceeds to be sent to the County Police Department's pension, in the amount of \$101,222.03. Councilman Radkiewicz seconded the motion, and it passed with all ayes.

Councilman Sims inquired as to when they will be receiving a report from the Sheriff in regard to the Commissary Fund. He was advised the Sheriff had presented his report at the July 16th meeting, and Councilman Sims had been absent.

With there being no further business, Councilman Semans made a motion to adjourn the meeting, seconded by Councilman Radkiewicz. The motion passed with all ayes and the meeting was adjourned at 7:05PM.

AUGUST 20, 2012

Dave Pearman, President

Mitch Semans, Vice President

ABSENT
Judy Benninghoff

Marvin McLaughlin

Mark Smith

Tony Radkiewicz

Robert Sims

Katherine Chaffins,
Starke Co. Auditor & Council Secretary