TIPPECANOE COUNTY COUNCIL
TIPPECANOE COUNTY COMMISSIONERS
JOINT MEETING
OCTOBER 9, 2007

The Tippecanoe County Council and Tippecanoe County Commissioners held a joint meeting on Tuesday, October 9, 2007 at 12:00 p. m. in the Tippecanoe Room in the County Office Building. Council members present were: Vice President Thomas P. Murtaugh, Andrew S. Gutwein, David S. Byers, Betty J. Michael, Kathy Vernon, and Kevin L. Underwood. Commissioners present were: President KD Benson, Vice President John L. Knochel, and Member Ruth E. Shedd. Others present were: Auditor Jennifer Weston, Commissioners' Assistant Frank Cederquist, County Attorney David W. Luhman, Secretary Jennifer Prange and Greg Guerrattaz from Financial Solutions Group.

Commissioner Benson called the commissioner's meeting to order.

Vice President Murtaugh called the council meeting to order.

- Commissioner Knochel moved to approve minutes from the April 10, May 15, and July 10, 2007 joint meetings, second by Commissioner Shedd; motion carried.

- Councilmember Vernon moved to approve minutes from the April 10, May 15, and July 10, 2007 joint meetings, second by Councilmember Underwood; motion carried.

Commissioner Benson opened the meeting with discussion on the Youth Center. Attorney Luhman reported the County and MailCode have not reached a mutual agreement for leasing the property.

Youth Services Director Rebecca Humphrey reported twenty vacant land parcels and six existing buildings have been visited for consideration of the juvenile facility. She confirmed existing properties are more costly to renovate and a new facility would be better use of taxpayer dollars. Director Humphrey informed members that vacant land located on the corner of State Road 25 and US 231 may be an option for the center. Director Humphrey reported the land is not for sale, but does fit all necessary criteria for the center as far as accessibility, proximity, and location on the bus line.

Judge Rush suggested the council and commissioners move forward with the juvenile center. She explained the goal of the center is rehabilitation for youth and local retention for the children. The center needs to be built to meet the growing and changing needs of our community. She further explained this center should be full service and focus on reconnecting youth with their families and rehabilitation.

Mr. Guerrattaz spoke regarding the Request for Proposal (RFP) for Cash Management and Interest Income. He provided a list of banks that will receive the proposal. He added the proposals will be due November 2, 2007.

He presented an updated Income Tax Study which has been reconciled with the state's figures. He highlighted changes from the previous version of the study. With new legislation counties are allowed to shift funding of some items from property taxes to income taxes. The three options available under the new legislation are:

- Option A allows the county to enact a new income tax to be used for one of three property tax credits.

Income taxes would increase and property taxes decrease. Several counties are considering Option A since it has the opportunity for diversity from year to year.

- Option A1 assumes that the new income tax revenue would be used to provide a property tax replacement credit to all property tax payers.

- Option A2 assumes the new income tax revenue would be used to provide an additional homestead credit.

- Option A3 assumes that the new income tax revenue would be used to provide a property tax credit to all "qualified" residential property. This credit, unlike the homestead credit, would also apply to apartments and rental properties.

- Option B provides that an income tax be established to fund a portion of levy growth. If Option B is enacted, all levy controlled funds would have their current maximum levies frozen and growth in the levies would be funded by a new income tax. Option B also requires that the income tax be doubled for the first year to create a stabilization fund. Option B does not address the school portion of the property tax rate which is normally the largest portion of the tax rate.

  This option is good for 2 years, and has the possibility of resuming property taxes and obtaining the following year's growth quotient as they are established.

- Option C allows a county to enact a new income tax for public safety. The legislation includes a wide range of uses defined as public safety, including the funding of police and fire pensions, juvenile detention facilities, county jails, emergency medical services and communications systems. In order to enact an income tax for Option C, an income tax for both Option A and Option B must also be enacted.

  This option would allow the county to fund the juvenile facility and match any technical corrections on LOIT for public safety. It is capped at .10% with a maximum .25%.

Mr. Guerrattaz's study represents 1% for Option A; .04% for Option B; and potentially .25% on Option C. Commissioner Benson questioned with current legislation and growth continuing at 4%, how long before the county outgrows the 1% property tax. Mr. Guerrattaz reported the county would outgrow the 1% in approximately 4.2 years with a 3.7% rate for welfare. If welfare triples it could be 3 years and in 5 to 6 years the tax will be maxed out. At that point, Mr. Guerrattaz confirmed the county would need to request a change from the legislature for the maximum or request a return to property taxes.

Councilmember Murtaugh questioned whether or not the county should explore Option B. Mr. Guerrattaz suggested Options B and C need fine tuning and proposed Option A as the best choice which will allow the county to change options in two years. In the future, he implied the state may allow uniform options one year and PTRC the following year.

Councilmember Gutwein questioned how the maximum and minimum tax rates were established. Auditor Weston explained the rate is figured from the number of districts within each county and are computed on an average.

PUBLIC COMMENT

None

- Commissioner Knochel moved to adjourn the commissioner's meeting.
- Councilmember Byers moved to recess until the 2:00 p. m. council meeting.

TIPPECANOE COUNTY COUNCIL

absent
Jeffrey A. Kemper, President

Betty J. Michael

Thomas P. Murtaugh, Vice President

David S. Byers

Andrew S. Gutwein

Kevin L. Underwood

Attest: Jennifer Weston
Jennifer Weston, Auditor

Kathy Vernon

BOARD OF COMMISSIONERS OF THE COUNTY OF TIPPECANOE

KD Benson, President

John L. Knochel, Vice President

Ruth E. Shedd, Member

ATTEST:

Jennifer Weston, Auditor