

**TIPPECANOE COUNTY COUNCIL
TIPPECANOE COUNTY COMMISSIONERS
JOINT MEETING
MAY 1, 2006**

The Tippecanoe County Council and Tippecanoe County Commissioners held a joint meeting on Monday, May 1, 2006 at Noon in the Tippecanoe Room in the County Office Building. Council members present were: President David S. Byers, Ronald L. Fruitt, Betty J. Michael, Thomas P. Murtaugh, and Kevin L. Underwood. Commissioners present were: President John L. Knochel, Vice President Ruth E. Shedd, and Member KD Benson. Others present were: Auditor Robert A. Plantenga, Commissioners' Assistant Jennifer Weston, Attorney David W. Luhman, and Secretary Pauline E. Rohr. (Councilmembers Jeffrey A. Kemper and Kathy Vernon were absent.)

Greg Guerrettaz, President of Financial Solutions and Tippecanoe County's Financial Consultant, was also present.

President Knochel called the Commissioners' Meeting to order.

President Byers called the Council Meeting to order and led the Pledge of Allegiance.

Report: Meeting with Legislators re Juvenile Detention Facility

President Knochel reported that Commissioner Benson and Councilmember Murtaugh met with our Legislators and asked for their report.

Commissioner Benson reported that they met with State Representatives Joe Micon, Sheila Klinker, and Tim Brown, and State Senator Ron Alting last week.

- The Legislators want to meet with them again as well as with Judge Rush to learn all the pertinent details about the proposed Juvenile Detention Facility before carrying legislation for a tax increase.
- The Legislators want the County to gain support from regional legislators. This will help when seeking support from the entire Legislature.
- The Legislators want the County to consider all taxing options. Since the tax increase will be paying for our own children, they suggested looking at increased Income Tax rather than a Food & Beverage Tax that will be collected from non-Tippecanoe County citizens.
- Community consensus is important.
- Re-using vacant or soon-to-be vacant buildings was encouraged.

Councilmember Murtaugh commented that the Legislators want us to have a strategic plan and stressed the importance of local officials testifying during the Legislative Session regarding the need for the facility. President Knochel commented that a show of support before the Legislature should not be a problem.

Commissioner Benson asked for confirmation that an additional 0.1% Income Tax would generate approximately \$2 million.

President Knochel asked the amount of estimated shortfall for operating expenses which Mr. Guerrettaz confirmed to be around \$2 million. President Knochel asked how the County can take into account factors that will affect us three to four years from now when we are talking to the Legislators because he said it is his understanding that a funding method can only be implemented for the amount needed. Mr. Guerrettaz confirmed President Knochel's conclusion and suggested assembling some action items to keep the process moving.

Action Items

1. Capital Plan: Plantenga, Weston, Luhman, & Guerrettaz
2. Operating Plan: Plantenga, Weston, Luhman, & Guerrettaz
3. Power Point presentation showing needs w/Cary Home component: Benson & Murtaugh
4. Ask DOC if grant money, without a lot of red tap, is available for operating costs:
5. Facility: Knochel
6. Letters to Commissioners and judges in surrounding counties as well as counties in Homeland Security District 4 to determine their interest in sending juvenile to our proposed facility (cc our Legislators): Shedd

Commissioner Benson stated they were told by the Legislators that next year would be a good time to get the enabling legislation in place. Mr. Guerrettaz said the County's course should be solidified and the course charted sometime this summer.

President Byers asked if we are planning to open the facility to other counties. Commissioner Shedd said some counties expressed interest in the early stages of the plan but we had no firm numbers at that time.

President Knochel said the Commissioners are working on acquiring an existing facility but he was not prepared to reveal any further information.

Mr. Guerrettaz suggested proceeding with approval of resolutions with not-to-exceed amounts inserted so the County can react quickly if an appropriate facility becomes available.

Attorney Luhman reported that he and Commissioner Shedd are finishing work on a RFP for the Cary Home addition to get a schematic design.

Attorney Luhman suggested involving bond counsel early to examine capital and operating financing.

Capital Improvement Projects by Priority

Mr. Guerrettaz said the Capital Projects list looks good but thinks the Council and Commissioners need to decide how to manage the projects to get them done.

President Byers discussed the option of paying off the EDIT Courthouse Bonds at the end of June 2006, re-writing them, and using the same money we're now using to make the payment toward payment of the new bond and pay for 2006 and 2007 high and medium priority capital projects. If the \$20 million allocated for 2007 for the juvenile facility is subtracted, the total amount needed for 2006 and 2007 capital projects would be approximately \$6.5 million.

Mr. Guerrettaz said we may not have to rewrite the Courthouse Bonds but could borrow with Bond Anticipation Notes. Another option is to keep whittling at the projects but he questioned how the \$2.5 million for the Fairgrounds Exposition Building slated for 2007 could be funded.

Auditor Plantenga said the Courthouse Bond Ordinance says we have to appropriate \$1.3 million annually but our payment is approximately \$800,000. Mr. Guerrettaz said when the bonds were issued, the intent was to use the \$500,000 difference to pay off the bonds early.

After examining the bond payoff schedule, Auditor Plantenga announced that the County doesn't have enough money to pay off the bonds until the end of June 2007. At the end of June 2006 we will owe \$3.5 million but we only have \$3.1 which will leave a \$400,00 balance owed. At that point, Mr. Guerrettaz said he and Auditor Plantenga need to examine the numbers and interest rate to determine the best course of action to recommend.

Auditor Plantenga, the Commissioners, Jennifer Weston and Councilmember Byers will prioritize capital projects to recommend for completion in 2006 and 2007.

← President Knochel left the meeting and Vice President Shedd assumed the chair.

Next Joint Meeting

Tuesday, June 13, 2006 at Noon in the Tippecanoe Room in the County Office Building.

2% Circuit Breaker

Mr. Guerrettaz asked Auditor Plantenga to explain the new 2% Circuit Breaker Law that he believes will have a dramatic impact on cities, towns, and counties going forward.

Auditor Plantenga explained that the Circuit Breaker Law says the net taxes cannot exceed 2% of the gross assessed valuation. In that case, \$967,000 of the \$108,000,000 net taxes we bill would not be collected because those properties are over 2%. There are no properties in Lafayette School Corporation that meet the 2% which includes most of the City of Lafayette. Most of the properties over 2% have a higher rate and are located in the City of West Lafayette. Circuit Breaker takes effect for residential properties in 2008 and for all properties in 2010.

Mr. Guerrettaz said, if the Circuit Breaker stays in place, the County may have operating funds for the Juvenile Center but may not be able to levy the tax to pay the debt service which, by law, taxing units are required to fully fund.

Auditor Plantenga said residential properties with the Homestead Deduction will not be affected but non-residential property without a tax abatement will. He noted that Tippecanoe Mall will save because it is over 2%. Mr. Guerrettaz said the County will have to figure out how to replace the lost revenue. Auditor Plantenga said the City of West Lafayette will lose a substantial amount because of all the rental properties. Although Tippecanoe County's levy will increase 3.9%, Auditor Plantenga said we may not be able to collect all the tax because of the Circuit Breaker.

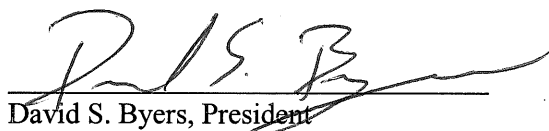
Attorney Luhman interjected that, when approving the 2007 Budget, the projected income will be the lesser of 103.9% of last year's levy or 2% of the gross assessed value.

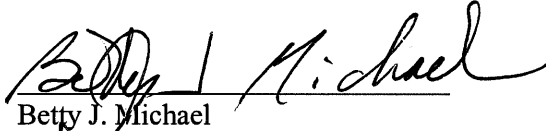
Mr. Guerrettaz stated that Income Tax dollars become more valuable if Circuit Breaker becomes effective because they are excluded dollars. For this reason, he cautioned against using current Income Tax dollars to pay ongoing expenses for a Juvenile Center.

ADJOURNMENT

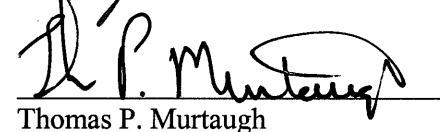
- Councilmember Underwood moved to adjourn the Council, seconded by Councilmember Michael; motion carried.
- Commissioner Benson moved to adjourn the Commissioners, seconded by Commissioner Shedd; motion carried.

TIPPECANOE COUNTY COUNCIL

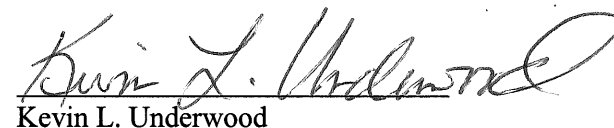

David S. Byers, President

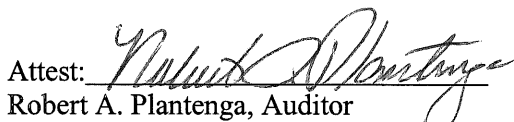

Betty J. Michael

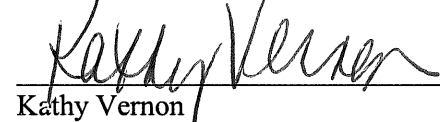
ABSENT
Jeffrey A. Kemper, Vice President


Thomas P. Murtaugh


Ronald L. Fruitt


Kevin L. Underwood

Attest: 
Robert A. Plantenga, Auditor


Kathy Vernon