

COUNTY COUNCIL REGULAR MEETING – MAY 12, 2003

The meeting was called to order by President, Brent Waltz.

I. ROLL CALL

The following members were present: Charles Canary, Ron West, Paul Reed, Keith Wright, and R.J. McConnell. Richard Mason arrived during the presentation from the Local Technical Assistance Program and Indiana County Commissioners. John P. Wilson was present as Council's Attorney.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

IV. APPROVAL OF 5/12/03 AGENDA

Mr. Waltz requested the following amendments to the agenda:

- Report on the Alcohol & Drug Fund following the Johnson County Public Library
- Add a request for a transfer of funds in the Reassessment budget from the County Assessor following the request from the Sheriff

Mr. Wright moved to approve the agenda including the amendments. Mr. McConnell seconded the motion that carried unanimously.

V. APPROVAL OF 4/14/03 MINUTES

Mr. Canary moved to approve the minutes as presented. Mr. Wright seconded the motion that carried unanimously.

Local Technical Assistance Program (LTAP) & Indiana County Commissioners Association Presentation – “Road Funding Developments”

Jerry Larson, Training Specialist from Purdue University (LTAP) and Bill Haan, Executive Director from the Indiana Association of County Commissioners (ACC) appeared to give a presentation on LOHUT (Local Option Highway User Tax). Mr. Larson began the presentation explaining the following:

Sources of \$\$ for Local Roads

- **Gas Tax**
 - Motor Vehicle Highway (MVH) Account
 - Local Road & Street (LRS) Account
- **Federal Highway Funds**
 - T.E.A.-21 (80/20 match)
 - Distributed through INDOT or MPOs
- **Property Tax Cannot fund road repairs or paving**

Mr. Larson calculated the county could only pave 92 miles of the 620 miles of roads a year based upon the current funding.

Optional Sources of Money

- E.D.I.T. (Economic Development Income Tax)
- C.O.I.T. (County Option Income Tax)
- C.A.G.I.T. – (1%) (County Adjusted Gross Income Tax)
- Cum Cap Funds
- Distressed Road Fund
- LOHUT (Wheel Tax)

The LRS money was reduced for Johnson County resulting in a loss of \$960,000.00 a year. He noted LTAP proposed a .07-cent increase in the gas tax at the 2001-02 Legislature and the State approved .03 cents (HB 1001). One cent of the three cents goes to local government (\$266,000 a year for Johnson County).

Mr. Haan appeared explaining the LOHUT is two different taxes, county motor vehicle excise surtax and county wheel tax. Both must be adopted concurrently. The tax can only be used for road funding (construct, reconstruct, repair, or maintain roads, not personnel). Presently 28 counties have adopted LOHUT. He explained the differences between the two taxes.

County Motor Vehicle Excise Surtax

- A surtax on the vehicle excise tax paid at time of registration
- Applies to:
 - Automobiles
 - Motorcycles
 - Trucks under 11,000 pounds
- The excise surtax can be:
 - 2% to 10% of the excise tax (but not less than \$7.50), or
 - A flat amount from \$7.50 to \$25.00 per vehicle
- Must be same rate or amount on each motor vehicle
 - Excise taxes run from \$12 to \$812

County Wheel Tax

- County Wheel Tax is really a vehicle tax
- Applies to all vehicles not subject to the excise surtax
 - Buses, recreational vehicles, semi trailers, tractors, trailers, trucks
- Must be registered in County

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- Wheel Tax “exceptions”
 - Owned by the state
 - Owned by a political subdivision
 - Subject to the annual excise surtax
 - Buses owned by religious or nonprofit youth organization

- Wheel tax rates
 - Rates may be between \$5.00 and \$40.00 per vehicle
 - May have different rates for each class of vehicles
 - May have different rates within each class

He noted the County Council must concurrently pass an ordinance adopting the Excise Surtax and the Wheel Tax. The county, cities, and towns share all the money raised from the LOHUT tax by using the Local Road and Street formula.

Mr. Waltz thanked Mr. Haan and Mr. Larson for attending the Council meeting and educating everyone on LOHUT.

Mr. McConnell noted another option for road funding is bonding and asked Mr. Larson what source of revenue can be used to make the bond payments.

Mr. Larson responded EDIT, Cum Cap tax, or LOHUT could be used to make the bond payments.

Discussion was held on the possibility of bonding for road improvements and the source of revenue could be used to pay for the bond.

Mr. Reed moved to reject the Wheel Tax for 2003. Mr. Wright seconded the motion.

Mr. West commented he felt it is a little premature to vote on the Wheel Tax at this time since other options have been discussed. He noted he is not prepared to vote in favor of or against the Wheel Tax at this time.

Mr. Waltz noted that the Council has discussed the Wheel Tax for three months and feels it is time to vote on the issue. He feels the county should fix the short-term road problems using Cum Cap Funds and hopes in a few years the State will give counties some relief.

Mr. Canary commented why does the Council want to delay the problem that the county is facing with road improvements. He does not feel property taxes such as Cum Cap Funds should be used to pay for the roads.

Mr. McConnell commented the Council should consider adopting the Tax subject to three conditions: (1) by adopting the Wheel Tax and reducing the Cum Cap Fund to provide property tax relief, (2) the ordinance should state the tax is used for road construction and repairs only, (3) the Tax would have a four-year sunset provision.

Mr. McConnell moved to table the vote on the Wheel Tax until the June Council meeting. Mr. Canary seconded the motion that failed with a three to four vote, Mr. Waltz, Mr. Reed, Mr. Wright, and Mr. Mason voted nay.

Mr. Mason expressed he feels the county needs to pass an impact fee for the developers to pay whom seem to be damaging the roads during development. He thinks the gasoline tax is the best tax for road issues.

Mr. Canary noted that an impact fee does not help the roads in the townships that are not being developed.

The original motion passed to reject the Wheel Tax with a four to two vote, Mr. McConnell and Mr. Canary voted nay. Mr. West abstained from voting.

VI. PUBLIC COMMENTS

There were no public comments.

VII. JOHNSON COUNTY PUBLIC LIBRARY

-Public Hearing & Approval of the Proposed Library Capital Projects Fund

There were no public comments concerning the Capital Projects Plan.

Beverly Martin, Director, appeared to request approval of the proposed Capital Projects Plan for 2004.

Mr. Wright moved to approve the Plan as presented. Mr. Mason seconded the motion that carried unanimously.

VIII. SALARY ORDINANCE AMENDMENTS, ADDITIONAL APPROPRIATIONS, REDUCTIONS, & TRANSFERS:

REPORT ON THE ALCOHOL & DRUG FUND (A & D)

Cynthia Emkes, Superior Court No. 2 Judge, appeared to give the report. She distributed a handout containing the A & D fees collected from January 2002 thru April 2003 and an estimate of receipts and disbursements for thru December 2004. The Fund was negative at the end of 2002 and the Council approved to pay for the payroll and benefits from the General Fund for six months. She feels the A & D fund would be able to be self sufficient to pay a portion of the payroll and benefits in the future, but she does not know when that might start. She noted the State Statute states:

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IC 12-23-14-14

Sec. 14 (a) The costs of an alcohol and drug services program established under this chapter shall be paid out of the city general fund or the county general fund and may be supplemented by payment from the user fee fund upon appropriation made under IC 33-19-8

COUNTY SURVEYOR CORNER PERPETUATION FUND – (269)

Mr. West moved to approve the request for transfer of funds as presented. Mr. Mason seconded the motion that carried unanimously.

From: #269-410.0 – Equipment	(\$ 189.00)
To: #269-315.0 – Professional Services	\$ 25.00
To: #269-110.0 – Surveyor	\$ 164.00

PROSECUTOR DEFERRAL PROGRAM – (327)

Michelle Murray, Prosecutor's Office Manager, appeared to request an additional appropriation in the amount of \$1,669.97 for Deferral Program Participants. She explained the money is for the Trafalgar Police Department to purchase uniforms.

Mr. Wright move to approve the request as presented. Mr. Reed seconded the motion that carried unanimously.

#327-313.0 – Deferral Program Participants	\$ 1,669.97
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SUPERIOR COURT NO. 1 – (132)

Raymond Kickbush, Special Judge, appeared to request an additional appropriation in the amount of \$30,000.00 (Professional Services) and \$260.00 (Office Equipment) for the State of Indiana v Ronald Shanabarger case. He explained the Council approved funds in April of 2002 for the case and the amounts requested are needed for attorney fees \$30,000.00 on appeal and the \$260.00 for transcription equipment.

Mr. Reed moved to approve the request of at presented. Mr. Mason seconded the motion.

The motion carried unanimously for the \$30,000.00.

The motion carried for the \$260.00 with a six to one, Mr. Wright voted nay.

#132-301.0 – Professional Services	\$ 30,000.00
#132-440.0 – Office Equipment	\$ 260.00

CUMUALTIVE CAPITAL DEVELOPMENT FUND – (254)

William Walker, County Commissioner, appeared to request to use \$500,000.00 of the \$1,000,000.00 (#254-408.0) appropriation for road construction/reconstruction that was dedicated to the road offset/intersections. He noted the Board of Commissioners plan to return to the Council requesting an additional \$250,000.00 for road repairs.

Mr. Waltz asked if the Highway Director and Sheriff have discussed and analyzed the possibility of having someone to check the overweight vehicles on the roads.

John Price, Highway Director, and Terry McLaughlin, Sheriff, appeared explaining they calculated how much money it would take to have an officer, uniform allowance, radio system, vehicle, equipment, benefit package, portable scales, and training is approximately \$77,000.00.

Mr. Waltz asked if existing law enforcement officers could be used to check for the overweight vehicles.

Sheriff McLaughlin responded he did not think it would be feasible to have an existing officer checking for overweight vehicles when they currently don't have enough officers on the road responding to calls. He estimated it would take an hour to check overweight vehicles vs. approximately fifteen minutes for a normal routine police stop.

Discussion was held concerning the damage that overweight vehicles are causing on the roads and the different options the county may have to solve the problem.

Mr. Mason moved to approve the request to use \$500,000.00 of the \$1,000,000.00 (#254-408.0) appropriation for road construction/reconstruction that was dedicated to the road offset/intersections. Mr. McConnell seconded the motion that carried six to one, Mr. West voted nay.

CUMULATIVE CAPITAL DEVELOPMENT FUND – (254)

BOARD OF COMMISSIONERS – (122)

Mr. Waltz noted the Council received a letter from the Board of Commissioners withdrawing the request for Fairgrounds Improvements from the Cum Cap Fund.

Mr. Canary questioned if the withdrawal was for the total request of \$91,000.00 or just the portion for the new entrance of \$60,000.00. The Fair Board needs \$31,000.00 for various maintenance projects and a new horse arena.

Commissioner Walker explained they wanted to withdraw the request of \$60,000.00 for the new Fairgrounds entrance only.

Mr. Canary moved to approve the request of \$31,000.00 for the following:

Maintenance:

A) Electric Upgrade, Livestock Barns/Indoor Arena	\$ 15,000.00
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B) Miscellaneous Painting to Facilities	\$ 8,000.00
C) Electric Upgrade, Grandstand Area	\$ 5,000.00
D) New Warm-Up Arena for Horse & Pony	<u>\$ 3,000.00</u>
Total	\$ 31,000.00

#254-430.2 – Fairground Improvements \$ 31,000.00

Mr. Reed seconded the motion that carried unanimously.

Mr. West moved to approve the additional request of \$5,000.00 for 4-H Premiums from the Board of Commissioners budget. Mr. Mason seconded the motion.

Mr. Canary suggested that in the future all the 4-H Premiums be budgeted during the Budget Hearings.

Mr. Wright questioned what would the increase of \$5,000.00 for the premiums be used towards.

Larry Vandenburg, representing the Johnson County Fair Board, explained they requested the additional \$5,000.00 last year and it was approved. He agreed with Mr. Canary that the Fair Board would like to have all the premiums budgeted at budget time totaling \$15,000.00. Each 4-H member that submits a project receives \$5.00, and remainder is used to purchase trophies and ribbons.

Mr. Wright noted he would rather increase the premiums and make improvements rather than approve a new fairground entrance.

The motion carried six to one, Mr. Wright voted nay.

#122-391.0 – Social Service Contracts (4-H Premiums) \$ 5,000.00

SHERIFF & JAIL – (105) & (124)

Terry McLaughlin, Sheriff, appeared to request several additional appropriations in the Sheriff and Jail's budgets. He asked if the request of \$176,671.00 for the Johnson County Police Retirement Plan and Benefit Plan could be discussed first. He introduced Elaine Beaty from McCready & Keene to address the Council concerning the Plan.

Ms. Beaty explained McCready & Keene is an actuarial firm that provides services once a year by collecting information from the Trust Fund and from the Sheriff's Department concerning the salaries of deputies and eligibility requirements. Once all the information is collected, the firm does a comparison to see what the obligations are of the fund and how much money has been appropriated for payment. As a result of this year's audit the firm has determined the minimum funding requirement payment is short \$176,671.00 for 2003. She noted over the past three years investments have been down and resulted in the funds shortfall. She also explained the amount needed for 2004 will be considerably higher than in the past few years.

Mr. Waltz commented the Pension Fund has approximately \$5.5 million and for the last three years the investment market has been down resulting in the shortfall. He noted the audit was done in January of 2003 and for the last four months the market seems to be turning around resulting in the DOW increase of 20% and the NASDAQ even more. He explained if the audit were performed today versus January of 2003 there would not be such a shortage.

Ms. Beaty explained they perform the audit every year in January for consistency. She noted a separate company does the investments, not McCready & Keene. Under Indiana State law, minimum annual contributions are required to prevent any deterioration in the actuarial status of the trust fund. The law requires termination of the pension trust if contributions made for three successive years are less than the minimum annual contribution.

After further discussion, Mr. Wright moved to approve the request of \$176,671.00 for the Pension Fund. Mr. Canary seconded the motion that carried six to one, Mr. Waltz voted nay.

#105-164.0 – Pension \$ 176,671.00

Sheriff McLaughlin requested a salary amendment for a deputy from \$34,495.00 to \$39,239.00. He noted there was sufficient money already budgeted for the increase.

Mr. Reed moved to approve the request as presented. Mr. West seconded the motion that carried unanimously.

#105-118.1 – Deputy - \$34,495.00 to \$39,239.00

Sheriff McLaughlin withdrew the request of \$900.00 (#105-251.0) for wearing apparel. He indicated the expenditure would be paid from the Sheriff's Commissary Fund.

Sheriff McLaughlin requested an additional appropriation in the amount of \$4,000.00 for equipment repair & maintenance. He explained several line items are under budgeted for 2003 and he anticipates he would have to return for additional funding in several line items.

Mr. West moved to approve the request as presented. Mr. Mason seconded the motion that carried unanimously.

#105-331.0 – Equipment Repair & Maintenance \$ 4,000.00

