

COUNTY COUNCIL SPECIAL MEETING – JUNE 22, 2005

The meeting was called to order by President, Ron West.

I. ROLL CALL

The following members were present: Charlie Canary, Steve Hollenbeck, Paul Reed, Rick Mason, Josh McCarty, and John Price. John Phil Wilson was present as the Council's attorney.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

IV. Second Reading – Ordinance #2005-03 Imposing the Johnson County Food and Beverage Tax

Mr. West first asked for public comments; there were none.

Mr. West commented that the main issue to discuss tonight is who is going to collect the tax, the County or the State.

Mr. Canary asked what the procedure is as far as the motion that he made at the last meeting, which passed, consisted of the County collecting the tax.

Mr. West first stated that he talked with the County Treasurer, Jan Richhart, who was willing to collect the tax. They reviewed some things that they would be involved such as printing costs, personnel requirements to administer the collection of it, audit trails and filing. She felt like that she could collect the tax and the interest that the County would receive on the funds prior to disbursement to sending the State their portion would help offset any increase costs that she may incur. He also stated that Mrs. Richhart has been before the Council in the past requesting more help, but due to budget constraints, has not been very successful; this would be an opportune time to help her with that. A new person would be responsible for the collection of this tax as well as assist in the day-to-day needs within the office.

Mr. West noted that another issue is whether or not when fines or penalties are assessed, does the State get 50% of those as well. This tax is a listed tax and so he thought that the collecting agency would be able to retain those fees. House Bill #1120 says that 50% of the tax collected goes to the State. He feels that the fines and interest are outside the scope of the tax collected and the County should get to keep all of that. He also stated that when he and some other Council members attended a meeting at the Governor's mansion, it was said that the counties would have the option to collect the tax, for which the majority of the response was for the counties to collect the tax.

Mr. McCarty stated he understands that if the County wants to begin collecting the taxes, and then decide to have the State collect it, they can do that. But what if the State begins to collect the tax, and the County later decides they want to collect it, can that be done?

Mr. West replied yes, they could put language in the ordinance to address that matter. Mr. Canary asked if Mr. West and Mrs. Richhart had any idea of how much it would cost if the County collected the tax?

Mr. West replied that with printing and personnel costs, they estimated it would cost about \$9,000 a year, noting that the interest they will receive would well offset these expenses. He also mentioned that there are about 440 establishments in the county that would be involved with this.

Kirk Grable, with Barnes & Thornburg, was present on behalf of the Governor's office. He stated that the Governor's office feels it is in the best interest for the vendors in the county, for Johnson County itself, and for the State if the State collects the tax. He then listed the pros and cons for the State collecting the tax verses the County:

PROS

- Vendors would pay this tax by the same deadline as their sales tax – on the 30th of each month
- Any collection of late fees, fines or penalties would be split 50/50 with the counties
- Any disputes on the collection of taxes or contributions, the State would handle
- Bond holders for the construction of the stadium and convention center projects would have greater comfort knowing that there is one gatekeeper collecting the tax

CONS

- Vendors would have two deadlines – Food & Beverage Tax due on the 20th of the month to the County; Sales Tax due on the 30th of the month to the State
- County loses out on any interest from the period of collection until distribution to the State
- Incur additional costs for printing and personnel

Mr. Grable also noted that so far, Johnson County is the only county that is having their Treasurer collect the tax.

Mr. Mason asked if the tax was on food, beverage, or both?

Mr. Grable replied that he believes the tax would be on the beverage sold for consumption on the premise with that food, also prepared food, or heated food that is sold on or off the premises.

Mr. West recommended the following changes:

- Page 1, first paragraph – strike the language “*and the retention of a National Football League franchised professional football team in Indianapolis*” should now read “**WHEREAS, the construction of a world-class convention center**

and stadium facility in Indianapolis is critical to successful economic development throughout central Indiana; and”

- Page 2, third paragraph – change the language from “*paid monthly by the Treasurer of State to the county auditor, upon warrants issued by the Auditor of State*” and now read as **“WHEREAS, the Act provides that if there are no existing Projecting Obligations, the entire amount of Tax Revenues from the Food and Beverage Tax imposed by a county shall be paid retained by the county auditor; and**
- Page 3, section 3, subparagraph a – add the words “Food & Beverage” between “County Revenues”; it should now read, **There is hereby established a County Food and Beverage Tax Fund into which the County Treasurer shall deposit all County Food & Beverage Revenues.**

Mr. Canary made a motion to approve on second reading Ordinance #2005-03 (County Treasurer to collect the tax) with the language amendments as read by Mr. West. Mr. Mason seconded the motion.

Mr. Reed commented that although he considers this tax a luxury tax, he would be voting against it because he disagrees with the \$48 million payment for the Colt’s stadium.

The motion carried six to one; Mr. Reed voted nay.

V. HIGHWAY CONSTRUCTION & RECONSTRUCTION – (205) LOCAL ROAD & STREET – (207) Both Tabled from 6/13/05

Don Sanders, Highway Director, appeared to request additional funds for paving, which was tabled from the last meeting.

Mr. Price commented that he has had discussions with Jerry Dunn from Center Grove School Corporation and a few of their board members and he has also talked with Commissioner McConnell and Commissioner Ripley regarding the project of the Morgantown Road and Stones Crossing Road intersection. Since 1996, when this project was first looked, there have been increases in traffic counts, traffic accidents, assessed values, and school enrollment. He feels that when you consider those increases and if the Commissioners and Center Grove work together, they can help get this project completed.

Mr. Dunn was also present and spoke to the Council in reference to the possible diversion of funds for the Morgantown Road and Stones Crossing Road intersection project. This intersection is very dangerous and has been the cause of several accidents. Since 1996, the school’s enrollment has increased, which has created the need for more buses; there has also been many new subdivisions built and the traffic count has increased as well. Currently, the school has off-duty sheriff deputies and uses their own custodian and

maintenance employees help direct traffic through this area. He encourages the Council to not let the funds for this project to get away and stressed the need for it again.

Mr. Dunn then noted that the school is willing to work with the County by donating the land they own for the right-of-ways to alleviate that expense for the County. He also said that a few years ago the School Board was approached and asked to give a monetary donation to help with this project, but the Board at that time chose not to do that. There is a new Board now and he would be willing to present that request to them to see if they would like to make any financial contributions to this project. He again stated that due to the location of this intersection and the traffic count, he asked that the Council work to make this project successful.

Mr. West asked that this information regarding the donation of the right-of-way be put in writing.

Mr. Dunn stated that they have a meeting July 11, 2005 and will talk to the board about that.

Commissioner R. J. McConnell stated he appreciates the effort the Center Grove School Corporation is making to help with the project at the intersection of Morgantown Road and Stones Crossing to donate the land for right-of-ways.

Mr. McConnell noted the Board of Commissioners has identified the following list as priority projects:

- Morgantown Road & Stones Crossing Intersection
- East/West Corridor
- Centerline Road/State Road 44 Intersection
- Widening of State Road 135
- The new Franklin High School road project

Mr. Price commented that through working with Mr. Sanders and the Commissioners this past week, he feels like they found a way to use funds available within the current budget to help with the roads and proceed with the scheduled projects.

Mr. Price made a motion to remove the request from the table. Mr. Canary seconded the motion and the motion carried unanimously.

Mr. Price then made a motion to approve the following transfer and additional appropriation:

<u>Cumulative Bridge Fund – (206)</u>	
206-469.0 – Morgantown Rd/Olive Branch Rd	(\$ 584,450.00)
206-480.0 - Paving	\$ 584,450.00
<u>Highway Construction & Reconstruction – (205)</u>	
205-460.0 – Liquid Asphalt, Hot Mix, Chip & Seal	\$ 250,000.00

Mr. Canary seconded the motion, which unanimously carried.

VI. Solid Waste Agreement

Mr. West stated that an inter-local agreement needed to be signed to dispose of the tires from the Highway Department.

Mr. Canary moved to approve the agreement as presented. Mr. Hollenbeck seconded the motion, which carried unanimously.

There being no further business, Mr. Mason moved to adjourn the meeting. Mr. McCarty seconded the motion that unanimously carried.

June 22, 2005

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Attest:

Johnson County Auditor