

COUNTY COUNCIL SPECIAL MEETING – SEPTEMBER 30, 2008

The meeting was called to order by President, Josh McCarty.

I. ROLL CALL

The following members were present: Anita Knowles, Beth Boyce, John Price, Steve Hollenbeck, and Charlie Canary. Ron West was absent.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

IV. RESOLUTION NO. 2008-04 – Resolution to Transfer Funds

Mr. McCarty stated that this resolution would authorize the Johnson County Auditor to transfer from the Cumulative Bridge Fund #206 an amount up to \$1,700,000 and from the Cumulative Capital Development Fund #254 an amount up to \$950,000 into the County General Fund #100, Health Fund #210, and Animal Shelter #219 as a temporary loan for cash flow purposes.

Mr. Price asked what the balance would be in the Bridge Fund if they took \$1,700,000.

Barb Davis, First Deputy Auditor, replied that she had spoken with the Highway Director, Gary Vandegriff, and he was unsure on the amount they needed; therefore, they will transfer amounts, as needed, up to the \$1,700,000 until the County receives its CAGIT money, which should be around the first of November.

Mr. Price moved to approve Resolution No. 2008-04 as presented. Mrs. Knowles seconded the motion, which carried unanimously.

V. RESOLUTION NO. 2008-05 – Authorizing Petition of Department of Local Government Finance to Approve Installment Tax Payments

Mr. McCarty stated that this resolution is to authorize the petition of Department of Local Government Finance (DLGF) to approve installment tax payments.

Mr. Price expressed that he has received several calls from taxpayers concerned about the timeline for paying their taxes. He then asked if the DLGF established the time line for the tax payments.

County Auditor, Jan Richhart, responded that DLGF actually proposed up to six installments, but we decided to only have three installments. The first installment will be due November 12, 2008 and the other two additional installments would be due December 12, 2008 and January 12, 2009.

Mr. Price then asked if that schedule was for all taxpayers or just the ones who pay their taxes directly and not through a lending company (escrow).

Mrs. Richhart replied that if taxpayers have their taxes escrowed then all of their taxes would be due on November 12th; the three installments would not apply to them.

Mr. Price then asked when the tax bills would go out.

Rita Sievertson, County Treasurer, stated that by statute, the tax bills have to go out 15 days before they are due. She has met with the printer and they are scheduled to be mailed out around October 20th, which will be more than the 15 days.

Leona Burton, taxpayer, commented that she didn't understand why agriculture and commercial properties don't fall under the timeline of installments; they have to pay everything within 15 days of receiving the bill carte blanche, nothing extra – is that true or not true?

Mrs. Sievertson replied that was true. What they will do is anyone who has a homestead, they will split out the taxes for the dwelling and one acre and those taxes would be due within the three installments; the remaining acreage taxes would then be due by November 12th.

Mr. Canary expressed his opinion that he didn't feel like it was right that only one group of taxpayers are eligible for three tax installments. He also stated that they need to start planning now for next year's taxes so that we don't get in this same mess again.

Mr. Price agreed. He also expressed that if employees need to work over or come in on weekends to get the work done, then so be it. This is a priority matter that affects a lot of people and entities.

Several discussions were held regarding the tax collection dates. Mr. McCarty also read aloud a letter to County Auditors and Treasurers from John Mallers, DLGF Budget Division Director, regarding a property tax installment plan. The letter stated that an installment plan must be approved by the DLGF and adopted by the County Council and the plans have to be done within a minimum of three installments and up to six installments.

Mr. Price asked why they couldn't just make all taxes due thirty days after the bills are sent out.

Mrs. Sievertson replied that DLGF would not allow that; in fact, having the three installments will be causing more work for her staff because the taxpayers who want to do the three installments have to sign a verification of eligibility and then they have to keep track of that.

Mr. McCarty asked what happens if the taxpayer does not come in to complete the proper paperwork.

Mrs. Sievertson answered that then all of their taxes would be due November 12th.

The council members expressed concern that there will be confusion among the taxpayers as to when they need to pay their taxes.

If the tax payments are extended, then that means there will be less money coming into the county and less money available to distribute to the different entities, such as schools, cities, libraries, etc. and they will have to borrow more money to function.

Mr. Price stated that he was not in agreement with the whole process, but they don't have much choice at this point and they need to keep moving forward.

Mr. Price then moved to approve Resolution No. 2008-05 as presented. Mrs. Boyce seconded the motion that carried five to one; Mr. Canary voted nay.

VI. ORDINANCE NO. 2008-02 – Authorizing the Issuance of Tax Warrants for the Family & Children's Fund

Kim Blanchet, representing Barnes & Thornburg, appeared before the Council to explain they will be serving as Bond Counsel for the Tax Anticipation Warrant from the Family & Children Fund. She commented that she had been communicating with Mrs. Richhart, County Auditor, and Barb Davis, First Deputy Auditor, regarding some temporary financing that is needed to fund some deficits in the Family & Children Fund in anticipation of some tax distributions to be received. If tax warrants are issued and mature before the end of the year, then they don't have to go to a public sale like normally tax warrants have to do when they carry over to the next year. They will mature December 30, 2008, which they will negotiate. She also expressed that Mrs. Richhart has contacted Heartland Bank for some temporary financing. She further stated that the ordinance was similar to ones in the past; with the exception of normally you borrow from the General Fund and this time it is from the Family & Children Fund specifically. The ordinance also states that the amount not to exceed \$1,600,000 to cover the short term interest on the loan, the cost of the issuance and at a rate not to exceed 8%; which is more than needed, it is just as a protection so that they don't have to appear before the Council again in case something happened.

Mr. Canary moved to approve Ordinance No. 2008-02 – Tax Warrants for Family & Children's Fund as presented. Mr. Hollenbeck seconded the motion, which unanimously carried.

There being no further business, Mr. Price moved to adjourn the meeting. Mrs. Knowles seconded the motion that carried unanimously.