

The Board met in due form with the following members present: Roosevelt Allen Jr., Frances DuPey and Gerry Scheub. The Council Members present: Will Smith Jr., Donald Potrebic, Thomas O'Donnell, Ron Tabaczynski, Elsie Franklin and Larry Blanchard. They passed the following orders, to wit:

There was a moment for the Opening Prayer and the Pledge was given.

Order#1

In the Matter of Presentation on Issues related to the 2% cap credit.

Joseph A. Woszolek, the Town Council President in Highland, stated he sent a second letter with respect to the interpretation that the Indiana Association the cities and towns has on the affect of this 2% cap and how it affects our ability to fund all of our budgets. He doesn't want anybody to think he is trying to be an adversary, because we're all in the same boat here trying to fund our budgets, trying to fund our government. The interpretation as we see it from the cities and towns stand point is that any time any of us do any bonding it will have an affect on your ability to fund your General Fund. The one document that was provided, it was actually on line by the Indiana Association cities and towns, reflected a statement from the Department of Local Government Finance that stated that the circuit breaker will in effect require that bond payments be made first with the remaining amount of money left over for the General Fund. With that kind of philosophy we can bond ourselves out of our ability to be able to even have people in our building here. The whole purpose that I wanted to come in front of you was to not try to stop the needs that you have. Because after talking to the gentleman at Ameresco your needs in the Lake County Government with respect to the buildings and the conditions that they're in are similar to those in Highland. We did a similar study in Highland with respect to our town hall and police facility. This has been ongoing for about four years. We found similar issues. Roof needs to be replaced, Electrical is in further need to meet code, heating systems are in disrepair, the police department works in poor conditions, and we need to do something better for them. Unfortunately the flood in Highland had a disastrous affect on our ability to provide that for them and now we're looking at putting infrastructure that can help us protect the lives and property and citizens before we start looking at the ability to fund a project similar to what we were hoping to be able to do. I have no disagreement with your study. I have not seen it. I have to assume that it was done by a professional company that identifies areas that need to be dealt with. Building built in 1970, if our homes were built in 1970 we would have remodeled them by now. That hasn't happened at the Lake County Government because of funding, primarily and now we're faced with the fact that any bonds that are totally outside the spending freeze that's entirely correct. But it's the repayment that has an effect on all our General Fund. Michael Griffin, Highland Clerk-Treasurer, put together our comprehensive financial account report, and he identified three of our biggest taxpayers in Highland. If the 2% cap were in affect today the biggest paying taxpayer (Meijer Store) in Highland their bill would have been reduced by \$56,000.00. Highland Grove is our third highest taxpayer if this was 2010 their \$413,000.00 would've been reduced by \$72,000.00. Page 117 these are the additional revenue screens that we fund our government on in Highland. In 2005 we had \$7 million in property tax, excise tax is another tax we do fund our general fund from partially. We lost \$125,000.00 from 2004 to 2005. The financial institution tax we lost \$60,000.00, the excise tax \$28,000.00, and so on. Even though our property tax went up our general fund and components of it did not go up by that same amount. Our ability to fund our government has again been straddled. Joseph Wszolek saw in today's paper there is a \$5,000,000.00 bond that is being advertised right now, which kind of comes into play in all the areas. The issue that still comes into play is how can we collectively, the L.C. Government, the local government, the school, and libraries, we have seven different entities that make up the Highland tax base or tax bill. About six weeks ago sat in the same room here trying to pull together municipal people with respect of identifying a 2% cap response from Lake County. If there was any one issue that came to light with respect to the 2% cap, this is just an example. I'm not here to debate the needs. That's not my intention. My intention is to let you know your decision like my decisions with bonds affect both of our abilities to fund our general fund. We need to collectively come together with one voice down in Indianapolis. Before you do pass the bond, if it would make sense to defer one more time to see if numbers can be crunched to see what the impact would be so that your needs can be embraced by all the community.

Councilman O'Donnell stated the Council got copies of the e-mail Mr. Woszolek sent to his office. The e-mail talked about the \$17.2 million bond issue. Mr. Woszolek asked me what impact would it have on Highland as taxpayers in Highland and I responded to him the impact on a \$1000,000 A.V. home would be about \$6.00 in a year. And in a \$200,000 home it would be about \$16.00 for the taxpayer in that home. The impact is not negligible but I would think that an average taxpayer wouldn't have a problem with paying 6, 10 or 12 dollars to have the improvements done here that is going to be covered by either operational savings or actual dollar for dollar energy savings. O'Donnell stated everybody up here I think is against the 2% circuit breaker for commercial in 2010 and multi family in 2008. O'Donnell asked Dante Rondelli what impact if we bond and put a penny extra on the tax rate what impact does that have on Highland general fund, on Munster general fund, Lake Central School Corp. general fund?

Dante Rondelli answered there's a lot of issue to dangle here. There's current 2%, there's the migration of a tax rate transferring into a higher tax rate or bond issue transferring into a higher tax rate, obviously producing more 2%ers cutting into bond issue. And there is lots of assumption is there that has to be explored before you even go down that path. Number 1 we all have our maximum levy and no way does our levy and what we do here effect the levy in Highland. However you're going to assume if one penny, which may increase the tax rate, assuming there's no A.V. growth, it will translate into one penny across the board and one penny for Highland and it will go from a net tax rate of 2,000 cents to 75 cents to \$2.76. So you're looking at a worse case scenario of one penny. What happens though when the 2% comes in as another issue, if your tax rate goes up at all the more tax rate you have or the higher your tax rate is and the more homes you have at the medium point especially in the County the more you're going to have in the 2% bucket the more the units of government have to pony up to pay for the 2% and they don't have the money to pay for the shrinkage in the bond issue. If you're assuming the one penny is going through, no A.V., during the rate bracket currently that's going to shove them where the 2% kicks in. It will short their bond issue fund and their general fund will have to pay for that just like with us. Certainly as they migrate into a bigger 2% next year there's going to be issues, no questions about that. The only way it can impact him our 1% or our bond issue translates into a one penny increase forces his tax rate up forces more people into 2% forces shrinkage in the bond issue.

Councilman Blanchard said quick figuring it looks like approximately 4 or 5 steps away from going over to or 2% tax rate at this point. They're close but it will take more than our penny to make a bond payment, if that would be the case. Also based on the 2% and that penny \$30,000.00 or \$40,000.00 Countywide in short fall in collections on an annual basis of the \$2 Million levy to pay them to bond. In other words that \$40,000.00 short fall in coming up to that \$2 million payment that we would owe could be spread across every unit in the County. A very small amount of shortfall based on this one set rate that any unit will experience and you all know where the biggest percentages of credit are.

Joseph A. Wszolek, stated a gentleman in Hammond has a A.V. that's not in the million-dollar range but has a tax rate that's real high, like Gary for instance. When you look at the trending, I know that's another issue that we're looking at here. There

are so many unknowns that come into play. Even though Highland is not impacted there are other communities that are already going to be impacted. I know Munster is one, but if you a low A.V. and high tax rate there's greater chance of people hitting that and Hammond is one of those areas. We look at the trending as being making the assumption that the A.V. is going to go up but I know for instance the City of Gary has been working on reconstruction, rehabilitation, moving unsafe properties. It's very possible that through their efforts that they can end up having a low A.V. at any one time even though their making improvements on their property value. And the 2% cap can negatively impact them. The bond will not have any affect on our local levy. This bond does impact our tax bill on the county rate portion of our tax bill, which if we then have people that are at that 2% level that one-cent could push people over. And that becomes a problem for all of us.

Councilman Ron Tabaczynski stated to talk about the 2% in relations to the bond issue is almost physically splitting hairs compare to what's going to happen. And you're figures here show what's going to happen. We passed the 2% and I think it's ironic that we're talking about an opposition to the 2% as it is now that in fact the 2% originated here. But when it originated it was voluntary and homestead only. There are very few tax entities in Lake County that cannot handle and manage a 2% that extends to homestead only. Unfortunately what came back from the legislature is much different from what we passed. I think these figures when you're projecting out the 2010 and I think these impacts are lower than they will actually be because I think they were projected on ecstatic numbers that certainly aren't going to remain static. We know when the inventory tax goes away the tax rate is going to go up which will put more people above the 2%, which is going to increase tax bills. What the legislature did to the 2% is not going to work. These impacts are huge. The time is now to really start getting together with the other municipalities and school systems and try to get something that makes sense. I think our original 2 % is workable, hopefully there are more numbers being crunched. Our bond issue is going to have a small impact if any impact but it certainly points to problems that are down the road but not very far down the road.

Commissioner Gerry Scheub stated the Determination to Issue Bonds to Provide Funding for the Construction of Energy Conservation Measures is just one portion of what this whole bond issue is. The major part of the cost is going to be the upgrading and replacement and renovation of the building. Because of the safety and welfare of the constituents and the workers are fragile due to the problems that we have. The Energy Conservation Measure has to be expanded to include all the renovation and everything that we do.

Councilwoman Franklin says its imperative that we lobby our representatives that's going back to Indianapolis because they've been listening with a deaf ear because they have not, with all the decisions that they have made they never came back or sat down with us to even talk about the things that they were doing. So hopefully we can convene a meeting with our legislatures and let them know our feelings about what's going on and ask them to listen to us and for once listen and perhaps we won't be in the same mess that we're in now because of the way they did not listen to anything anybody said to them.

Councilman Will Smith, Jr. stated the chair would like to take a 5-minute recess.

#### Order#2

In the Matter of Adoption of a Resolution making a Preliminary Determination to issue Bonds to provide Funding for the Construction of Energy Conservation Measures in various Lake County Government Buildings.

Dante Rondelli stated it will come through it's own fund, Fund 320 which is a standard bond fund that in appropriation. Any money that's bond from Riverboat to Commissioner's budget will have to appropriated then transferred over probably by a Resolution sometime during the year if not no later than budget for 2008. But the bond rate, the bond appropriation will be there in fund 320 maybe not the rate and how it can short-circuited through a transfer by a reduction in the budget. And when the rate comes on to satisfy it depends on our bond schedule budget the bond comes on in July, which I think it will. We're going to need an appropriation between now and July. Assuming the first payment will be in July if we can get this whole thing down state right a way, it will be December 31 to get it in for 2007we will need an appropriation to pay for the first payment by July 2007.

Councilman Will Smith, Jr. said he was in receipt of a letter, an invite, from Representative Chet Dobis Friday. This was a request, him inviting to attend a very special meeting to discuss the negative impact of the 2% circuit breaker on our taxing district. He also invited our fiscal assistant to attend this particular meeting that will be held at the Gary Regional Airport 9:00 a.m. on November 28, 2006. The meeting is closed to all except invited guest. We did affirm to attend the meeting. He is appointing Larry Blanchard and Dante Rondelli to represent this Council and County government at this meeting. On the issue that there has been no reaching out I can confirm today that there has been. So hopefully we will be able to dialogue and come out of that with something that makes sense for us as we go forward. In addition on that note is setting up an informational form for all of the heads of the taxing units in Lake County to be held here in our Auditorium to be sponsored collectively by the Council and our Commissioners. Informational form on two issues – 2% Circuit Breaker Impact and the home town matter information that needs to be dialogued so all of our taxing units can understand the pros and cons of that program. We will be inviting the President or Executive Director of IAAC David, the Chair of the Cities and Towns Association, and our Legislative Representatives from Lake County. We will want to do that prior to our meeting in December which is the second Tuesday the 12<sup>th</sup> of December because we have a Resolution coming up for that meeting but to have this meeting with the taxing unit heads with a petition with a cover and then when we do our meeting that Tuesday with our resolution and tack it on we can send it down. We've been concerned not only our Lake County citizens coming in all of our facilities and buildings but our employees as well our elected officials. Our aging buildings here are from 1924 up to 1974. So anybody got to understand the changing and the millennium change of technology and we are now and what we got to look for in the future. Certainly our facilities here cannot withstand that. Commissioner Allen, Jr., Councilman Will Smith, Jr., Councilwoman Elsie Franklin, and Councilwoman Christine Cid on the minority issue that we was concerned about minority having a chance to participate in this project is very important to us from many ends, economically. People talk about racial barriers in Lake County. Well people can go live where they want to live if they had the dollars and the means to do so. The options are limited based on income. Where we have in fact the City of Gary right now from 8 to 10 thousand people who make less than \$10,000 a year. They have no options to move where they want to move. We have these major projects, it's important that minorities including women certainly are able to participate in the kinds of programs and projects that we have. We're happy to note that those things are now included into our agreement.

Councilwoman Franklin made a motion, seconded by O'Donnell, to approve the Resolution making a Preliminary Determination to issue Bonds to provide Funding for the Construction of Energy Conservation Measures in various Lake County Government Buildings. Motion passed 6-0, Councilwoman Cid absent.

Commissioner Allen made a motion, seconded by Commissioner Scheub, to approve the Resolution making a Preliminary Determination to issue Bonds to provide Funding for the Construction of Energy Conservation Measures in various Lake County Government Buildings. Motion passed 3-0.

RESOLUTION NO. **2006-16**

PRELIMINARY DETERMINATION RESOLUTION

WHEREAS, Lake County, Indiana ("County") published notice of a preliminary determination hearing on November 20, 2006, in *The Post-Tribune (Merrillville)* and *The Times (Munster)* and mailed such notice to any organizations requesting such notice as provided in Indiana Code 6-1.1-20-3.1; and

WHEREAS, a preliminary determination hearing has been held in accordance with said notice and Indiana Code 6-1.1-20-3.1;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the County preliminarily determines to issue bonds for the funding of the construction of energy conservation measures in various Lake County Government buildings and all related improvements, equipment and necessary appurtenances, including expenses incurred in connection therewith and on account of the issuance of bonds therefor.

BE IT FURTHER RESOLVED that the bonds will have a *maximum* maturity of 10 years, a maximum principal amount of \$18,500,000 and estimated interest rates ranging from 4% to 7% resulting in total interest costs of \$5,561,722.

BE IT FURTHER RESOLVED that the Auditor is hereby authorized and directed to publish and post the notice of this preliminary determination in accordance with IC 6-1.1-20-3.1 and IC 6-1.1-20-5.

BE IT FURTHER RESOLVED that if a petition pursuant to IC 6-1.1-20-3.1 is filed, the Auditor is hereby authorized to publish a notice of the applicability of the petition and remonstrance process pursuant to IC 6-1.1-20-3.2.

LAKE COUNTY, INDIANA BOARD OF COMMISSIONERS

**Gerry Scheub**

Commissioner

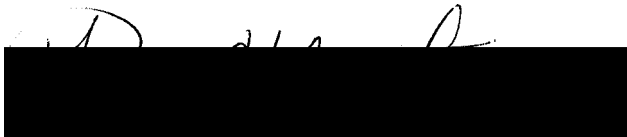
**Roosevelt Allen, Jr.**

Commissioner

**Frances DuPey**

Commissioner

Attest:



The following officials were Present:  
Attorney John Dull  
Attorney Ray Szarmach

The next Board of Commissioners Meeting will be held on Wednesday, December 20, 2006 at 10:00 A.M.

There being no further business before the Board at this time, Scheub made a motion, seconded by Allen, to adjourn.

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GERRY SCHEUB, PRESIDENT

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FRANCES DUPEY

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ROOSEVELT ALLEN, JR.

ATTEST:

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PEGGY HOLINGA KATONA, LAKE COUNTY AUDITOR