

**PORTER COUNTY COUNCIL
Special Meeting
March 31, 2003**

The Porter County Council met on Monday, March 31, 2003 at 10:00 p.m. in the County Administration Center, 155 Indiana-Suite 205, Valparaiso, Indiana.

Members present were Carole Knoblock, Robert Poparad, John Ruge, Al Steele, Rita Stevenson, and President William Carmichael. Also present was Attorney David Hollenbeck, Auditor Sandra Vuko, Sheila Riley, and Jan Noll.

Mr. Carmichael called the meeting to order with the Pledge of Allegiance.

**SECOND READING
ORDINANCES 03-3-25 and 03-3-25A**

Mr. Carmichael, Since **there's** no agenda tonight other than the ordinance, which is for consideration on second reading. Can you hear me now? Okay. We have two things on the table. One is Ordinance 03-3-25, which is the ordinance conditionally imposing the County Adjusted Gross Income Tax, which was passed on the first reading. The second ordinance is 03-03-25A, which is the ordinance on the economic development income tax. With that, I will open it up to the floor if anybody has anything to say before the board takes this under its own consideration. Now is the time to say it. Yes, ma'am.

Helen Boothe, Mr. Carmichael, I live at 3 Pine Lane, Dune Acres, Chesterton.

Mr. Carmichael, Okay.

Ms. Boothe, I have not seen the resistance to the CAGIT and EDIT from the Council here that I saw during the COIT discussions, even though the CAGIT and CEDIT are six times higher. I would be interested to know if **you're** willing to tell me how individual council members are going to be affected by these two taxes. I'd like for instance to have some understanding of how Mrs. Knoblock will be affected by the CAGIT, by the property tax reducing CAGIT, and how Mr. Poparad would be affected by the inventory language in the CEDIT income tax. I **don't** think you and Ms. Stevenson, as I know **you're** not going to be affected much at all, and Mr. Ruge. I'd just be interested to know how.

Mr. Carmichael, The inventory tax, I paid it for 40 years, Helen, on the same equipment.

Ms. Boothe, Oh I know, but I mean...

Mr. Carmichael, The lady next door to you can testify to that. Okay, if a...

Mr. Poparad, I, I...

Mr. Carmichael, A council member wants to respond, we can do that.

Mr. Poparad, I pay the inventory tax, yes, and at 1.25, I'll pay a hell of a lot of income tax too.

Ms. Boothe, No, what I was asking, Bob, was how your personal economy is going to be.

Mr. Poparad, No, I mean, I guess I wouldn't be paying the inventory tax. Yes.

Ms. Boothe, Is that a big thing in your life?

Mr. Poparad, I was going to ask that question to Candy what the percentage was, and I **didn't** today; I **didn't** know what the answer was. We **didn't** have the answer. I didn't talk to my accountant about it.

Mr. Carmichael, Well that's self-assessed.

Mr. Poparad, Yes, I **don't** know what the percentage is between that and personal property. Yes, I pay the inventory tax.

Mr. Carmichael, But don't you get a separate statement on that? I always did.

Mr. Poparad, Yes.

Ms. Crone, Well the inventory and financial and personal property are in one.

Mr. Poparad, Combined statements.

Mr. Carmichael, Oh, in the same lump?

Mr. Poparad, Yes.

Mr. Carmichael, Oh, Okay.

Mr. Poparad, But then I'd pay more, obviously I'll pay the income tax.

Ms. Boothe, I wasn't asking about that, Bob.

Mr. Poparad, Well I mean, I'm just telling you. **It's** not like I'm going to get away scott-free here, because I own a business. So if that's the point...

Ms. Boothe, I'm in the same boat you are, Bob.

Mr. Poparad, If that's the point, right, you're...

Ms. Boothe, You know.

Mr. Poparad, The point **you're** trying to draw out, yes, I mean I'm not hiding behind anything. Yes, I **won't** pay the inventory tax, and I'll probably pay more in income taxes.

Mr. Carmichael, Okay, does anyone else want to respond to that? Board members?

Mrs. Knoblock, No.

Mr. Carmichael, Well I'll take the public, but I want the board, she asked three people or asked three questions. What did you ask, Helen? You asked Carole something.

Ms. Boothe, About the property tax reducing, part of the CAGIT. I'd like to know how that would affect Mrs. Knoblock, and about the CEDIT with Mr. Poparad. That was my questions.

Mr. Carmichael, Okay.

Mrs. Knoblock, About what tax? For the?

Ms. Boothe, How would you be affected by the CAGIT? Personally, your own personal economics?

Mrs. Knoblock, How would I be affected?

Ms. Boothe, What?

Mrs. Knoblock, I don't know what you mean, how would I be affected. It would...

Ms. Boothe, Well, do you own a lot of property? Do you pay a lot of property taxes?

Mrs. Knoblock, Yes, we do.

Ms. Boothe, And so the CAGIT would affect you favorably?

Mrs. Knoblock, Probably more so.

Ms. Boothe, That's all I wanted to know.

Mr. Carmichael, Okay, that's it?

Ms. Boothe, That's it.

Mr. Carmichael, Thank you. The gentleman back here had his hand up first. I'm sorry. Then I'll come over here, and the lady right behind you had her hand up. Then I'll take this gentleman--Mr. Whitcomb. Yes, sir.

Patrick McKuen, 856 Burrow Drive in Chesterton. I was at the COIT meeting tonight in Chesterton, and spoke against the county option income tax. Mr. Evans was there, and made a very blunt statement of after I spoke, indicating that tomorrow morning Porter County would have a tax, whether it was COIT or CAGIT and the economic development income tax. I tried to rebuff that misperception, but unfortunately I was, I was voted down by the **Robert's** Rules of Orders amendments that were enacted by the Chesterton Town Council.

But I'm concerned that this County is bluffing its citizens with respect to CAGIT for a couple of reasons, and the economic development income tax as well, for a couple of reasons. Number one, because I **don't** believe that CAGIT or EDIT deal with the pressing economic concerns that this Council has voiced in the newspaper about loss of immunization, closing the door, county layoffs, because as I understand the law with respect to CAGIT and EDIT, its simply a revenue shifter, not a revenue raiser. And certainly not a revenue raiser of the magnitude that some on the commission--Porter County Commission--has expressed that they need in order to keep the lights on on this particular building, and I'm sure it's not cheap to turn them on at 10:00 at night either.

But more importantly, I'm concerned that **tonight's** vote by you folks is, is simply a vote without an impact, because CAGIT and EDIT both require the passage of an ordinance by April 1st, and I know that this meeting was set up at 10:00 so that you could deal with the impact of the COIT no-votes by the Chesterton Town Council.

But I also **don't** believe that this council can pass an ordinance by midnight tonight to meet the statutory deadline, because under Indiana law, we have a bi-cameral county government. We have the commissioners, and we have the council, and Indiana Code 36-2-4-8, and I **won't** bore you with the, a, a quote from it, but it requires that ordinance is only passed, only passed upon a majority vote of the council, and of the commission. I **didn't** see a public notice advertising that the commission was going to meet subsequent to this meeting to approve or disapprove any CAGIT or EDIT ordinances. So you may claim to Indianapolis that the ordinance was passed by midnight on March 31st, but I **don't** believe in effect you will have passed an enforceable ordinance by the deadline. And I'm sure I'm not the only citizen or attorney whose recognized the dilemma, which is why I've always believed that CAGIT was a bluff to try and force the municipalities into COIT, and when that failed, I think **tonight's** vote is purely symbolic because I **don't** think an ordinance can be passed without action by the commission, which clearly cannot take place by midnight, because there was no public notice of any meeting. And I'll simply say that those of you sitting on the fence may wish to hold your political conscience, because I **don't** think this tax will pass without a court challenge, which can get awfully expensive. Thank you.

Mr. Carmichael, David, do you have a response?

Mr. Hollenbeck, **It's** clear to me that the provisions of the county adjusted gross income tax statute, vests in you the obligation and responsibility to adopt the ordinance. I'm not aware of any requirement that that be taken to the county commissioners for approval as well.

Mr. Carmichael, Okay.

Mr. McKuen, May I briefly respond?

Mr. Carmichael, No, I think you've responded enough.

Mr. McKuen, Okay.

Mr. Carmichael, We heard you the first time, and we have an attorney here who we pay good money to.

Mr. McKuen, Certainly, and I certainly trust Mr. Hollenbeck's opinion, and...

Mr. Carmichael, Your service is free.

Mr. McKuen, Probably more than mine on administrative matters.

Mr. Carmichael, He knows it pretty well.

Mr. McKuen, Certainly.

Mr. Carmichael, That's why he has the job.

Mr. McKuen, Absolutely.

Mr. Carmichael, The lady, yes ma'am.

Valerie Kubacki, My name is Valerie Kubacki from Hebron. My question here is, I actually have two questions. Why the 1.25, it can be set at any rate, what was the reasoning behind the 1.25?

Mr. Carmichael, Okay, **that's** just the rate we chose, and **that's** what was decided upon.

Ms. Kubacki, I mean you could have put 1.5, but you went with 1.25?

Mr. Steele, Yes.

Mr. Poparad, No.

Mr. Steele, No.

Mr. Carmichael, Is it 1-point...

Mr. Steele, You can have...

Mr. Poparad, Your cap is 1.25.

Ms. Kubacki, That's the cap, I understand that, but, I'm, I guess I'm.

Mr. Steele, David, is it correct that CAGIT can come in at .5, .75 or 1?

Mr. Hollenbeck, Correct.

Ms. Kubacki, What was the choice, why 1 as opposed to the .5?

Mr. Steele, I for one had no input. I was not even told about that, so.

Ms. Kubacki, I understand that, sir. I'm not directing, I guess I'm directing at the ones...

Mr. Steele, Okay.

Ms. Kubacki, That were in it.

Mr. Steele, I understand.

Mr. Carmichael, When I asked the county attorney to draw it up I asked him to put it in at 1%. Okay?

Ms. Kubacki, There, there was no reason behind the amounts or anything that?

Mr. Carmichael, **It's** a large property tax relief, **that's** what the farmers wanted, to push CAGIT all the way. So we put it in at 1%, so they could, the large landowners would get property tax relief, which is what **they've** screaming about for years, and years, and years.

Ms. Kubacki, Okay, and my other question I guess would be, why did all the other towns and cities vote against the COIT? Do you have any clue except one?

Mr. Carmichael, Why what?

Ms. Kubacki, Why except for one town, city, voted against?

Mr. Carmichael, Well **I've** seen a lot of reasons printed in the newspaper, but most of them deal with fact that the towns are running for re-election. The town boards are up this year. **That's** been repeated in the newspapers over and over again, so I think it was plain for everybody to see that.

Ms. Kubacki, So if you **don't** pass this tonight, you could put this up to vote next year when it's not a re-election year?

Mr. Carmichael, You could put it up next year.

Ms. Kubacki, The COIT?

Mr. Carmichael, Does this county have an election next year?

Mr. Steele, You should know that, Bill.

Ms. Kubacki, But it's a county election next year. It's not the towns or the...

Mr. Carmichael, Oh, okay.

Ms. Kubacki, I guess **that's** the point I was making. It would probably pass at that time. I mean if you weren't up against an election, so if you pass this tonight though.

Mr. Carmichael, Well I can tell you, **ma'am**, from my standpoint, it has no bearing on my being re-elected to anything. I've served long and hard in this county.

Ms. Kubacki, And the threats that Mr. Hollenbeck was making to the towns and the, as far as not providing the services, is, is that going to be held?

Mr. Carmichael, Well, **that's** going to be a fact of life no matter what happens here tonight.

Ms. Kubacki, Not taking prisoners at the jail and stuff from the towns?

Mr. Carmichael, That what?

Ms. Kubacki, Not accepting prisoners?

Mr. Carmichael, We are going to have to look at it, **that's** one option **that's** been mentioned to me by several people is...

Ms. Kubacki, So those of us that have paid for that jail, but because **we're** living in Hebron, now you're not going to take them.

Mr. Carmichael, You **aren't** paying the full cost. **That's** what we are trying to tell you. **You're** not paying the full cost for county government. It costs \$34 a day--I believe that's what the figure shows--to keep a prisoner in the Porter County jail.

Ms. Kubacki, **Isn't** it, do you not have to provide? I mean you put in this big jail that we all have to pay for, and now you're telling us you're not going to take prisoners.

Mr. Carmichael, The cities can put in their own jail. You can keep them down in Hebron if you want them. Put in your own jail. You can do that in Portage. You can put in your own health department.

Ms. Kubacki, And what about all the counties, all the towns and cities that assist you with the policing?

Mr. Carmichael, But the bill is not being paid. It's that plain and simple.

Ms. Kubacki, That's, that's all I needed to know.

Mr. Carmichael, **There's** not sufficient monies there to afford the services we are providing.

Ms. Kubacki, So, so you will not provide services for us because we're in a town?

Mr. Carmichael, **That's** an option. Who takes them? You drop them off at the jail, and you say: County, **it's** yours, take them through the court system, take them through the clerk's office, adjudicate them, put them back in jail, and you pay the bill.

Ms. Kubacki, Hebron, Hebron chose not to...

Mr. Carmichael, We can no longer pay the bills.

Ms. Kubacki, Hebron chose not to vote tonight, and yet he walked right up to us, and had a lot of say about what he would or would not do for us, and.

Mr. Carmichael, Who did?

Ms. Kubacki, Attorney Hollenbeck.

Mr. Carmichael, What he would or would not do?

Ms. Kubacki, What the County will or will not do for Hebron now.

Mr. Carmichael, Well he's facing the facts. He knows what we are thinking.

Ms. Kubacki, That's fine.

Mr. Carmichael, And somehow or another **we've** got to try to keep county government operating.

Ms. Kubacki, We had no say in whether it passed, did not pass or whatever, and **I'm** sorry that was wrong. You know, there was no reason for him to walk up and tear into us like that.

Mr. Carmichael, Well, **you'll** have to take that up with him. The gentleman back over here, I didn't see your hand up. Yes, sir.

Russell Verone, Russell Verone, I live in Valparaiso, 2206 Sherwood Drive. I've called a few of you people on the County Council before. I think **there's** a good thing that happened tonight, and a bad thing that happened. The good thing was COIT **didn't** pass. I think the bad thing that I see from all of this is all we are talking about is a tax being enacted, and I think Mr. McKuen touched on that. None of you people seem to

come to the point that **you've** got to run a more efficient government, and **you're** running a wholly efficient government from my opinion, wholly inefficient government I should say, in my opinion, and it seems to come across party lines. I mean I, I have to congratulate Mrs. Knoblock, Mr. Steele, Mr. Poparad, you know, for fighting against some of these tax increases, and **it's** funny you got some Democrats and some Republicans, and the Republicans are supposed to be the party for smaller government and less taxes, and Mr. Ruge, Mr. Carmichael, and Mrs. Conover--is not here this evening--I would shame on you for all this. I'm frankly disgusted with you, and I **think**...

Mr. Ruge, I'm not ashamed.

Mr. Carmichael, Well, can I answer your question?

Mr. Ruge, I'm not ashamed of myself.

Mr. Verone, You voted, you all decided COIT, and that's.

Mr. Carmichael, Where would you start cutting? Have you got an idea?

Mr. Verone, Sure.

Mr. Carmichael, Where?

Mr. Verone, Personnel; county personnel.

Mr. Carmichael, In what departments?

Mr. Verone, All of them.

Mr. Carmichael, The sheriff's?

Mr. Verone, Yeah, I think, I'll tell you what I'd do too, whatever your pay, cut 20%, decrease, and all the pay for the people on the County Council. How about that?

Mr. Carmichael, We cut our...

Mr. Verone, How about benefits for part-time employees?

Mr. Carmichael, Pay 10% up front.

Ms. Riley, We don't have benefits for part-time employees.

Mr. Verone, Oh, you don't?

Ms. Riley, No.

Mr. Carmichael, No, that's a distortion in the newspaper. That's not correct.

Mr. Verone, A lot of distortion.

Mr. Carmichael, The only part-time employee that was on the health insurance is Carole Knoblock.

Mr. Verone, How about Mr. Uzelac's efficiency?

Mr. Carmichael, What?

Mr. Verone, How about Mr. Uzelac that spoke at the large meeting, his efficiency report?

Mr. Carmichael, Well I think he went back to settle his case with the treasurer over there that seems to be under some investigation with his tax service.

Mr. Verone, Well I'll tell you what, Mr. Carmichael, give me ten minutes with your budget, and I'll figure something out.

Mr. Carmichael, Okay, I'll give you those ten minutes. You come into the office...

Ms. Riley, Yes, come into our office.

Mr. Verone, And any cut I make will be a realistic cut, **we'll** vote a contract, how does that work.

Mr. Carmichael, **We'll pull...** I **don't** know whether it will or not. I **don't** know what cuts you intent to make.

Mrs. Vuko, Sir, why **don't** you come to our offices and see what we do before you judge what we do? You have no clue; you have never been in one of our offices.

Mr. Verone, I think I have, yeah, okay.

Mrs. Vuko, No, you haven't.

Mr. Verone, Well he's going to give me ten minutes, and I look forward to that.

Mrs. Vuko, No, I invite you to my office to spend a day.

Mr. Verone, I'd rather spend time with Mr. Carmichael and see the budgets.

Mr. Carmichael, Well wait a minute now.

Mrs. Vuko, Well no, the budgets are in my office. It's in my office.

Mr. Verone, Well he offered.

Mr. Carmichael, Thanks for your input anyway.

Mr. Verone, Thank you.

Mr. Carmichael, I'll be interested to hear. Yes, ma'am.

Marg Hefner, People are talking about the jail. Do I understand it correctly that when Porter County brings in people from other counties that they are not charged for the jail. Do I understand that right?

Mr. Carmichael, I **don't** think **that's** correct. No, they charge \$35 a day, **isn't** it, if you're a state...

Mr. Poparad, The DOC, state.

Ms. Hefner, Well I'm talking about from, you know...

Mr. Carmichael, The state is \$35.

Ms. Hefner, From Lake, how many are Lake County?

Mr. Carmichael, Yes, they are \$35, and the federal is \$40.

Mr. Poparad, Yes, but **that's** not the question **she's** asked. If we pick up somebody that's wanted in LaPorte County and hold them, is that what you are asking?

Ms. Hefner, From out of county, out of our county.

Mr. Poparad, I don't...

Mr. Carmichael, But we return them to their county of...

Mr. Poparad, Yes.

Mr. Carmichael, Origin.

Mr. Poparad, If they come get the, right?

Ms. Hefner, But if they're in our jail from another county?

Mr. Poparad, I don't think...

Mr. Carmichael, I don't know how that operates, Marge.

Mr. Poparad, I don't think we bill them.

Ms. Boothe, Bill, if **you're** arrested on I-94, the deputy brings you to the Porter County jail, your address might be LaPorte County, but of course you have to get them to the LaPorte County jail.

Mr. Carmichael, The state police brings them, you know.

Ms. Boothe, Sure.

Mr. Carmichael, Yes, I **don't** know the total answer to that, Marge. We can look into it and see what the story is.

Ms. Hefner, Yes, I would like the answer, please.

Mr. Carmichael, Okay. Yes, ma'am.

Paulene Poparad, Paulene Poparad, from Burns Harbor. I was just wondering. Does anybody know why Mrs. Conover isn't here?

Mr. Carmichael, She called me today, and **she's** with her brother-in-law and her husband, both are with his brother, I guess, in Montana or somewhere. She told me she would not be here.

Ms. Poparad, Okay, thank you.

Mr. Carmichael, She gave no other reason, you know.

John Whitcomb, I'm still here, Bill.

Mr. Carmichael, Oh I thought I could get by you. Go ahead.

Mr. Whitcomb, I live at 2059 S. SR 2, and I'm against all these taxes, and especially that CEDIT tax. Now our benevolent legislature has got a plan already in effect to get rid of the; what's that tax you was talking about?

Mr. Carmichael, The inventory?

Mr. Whitcomb, The inventory tax, so we don't need that.

Mr. Carmichael, Okay.

Mr. Whitcomb, So mostly it will be economic development, which we **don't** need either, because if people want to come here economically, they are going to get the benefit of being here, and we don't have to pay them for it. It will...

Mr. Poparad, Could I respond to that?

Mr. Carmichael, In a minute, Bob, let him finish.

Mr. Poparad, Oh, I thought you were done. I'm sorry.

Mr. Carmichael, Bob will answer you in a minute. Go ahead.

Mr. Whitcomb, If the.

Mr. Carmichael, We've got time, I think the same way sometimes.

Mr. Whitcomb, Out of the.

Mr. Carmichael, Well let Bob answer it, and we'll come back to you.

Mr. Whitcomb, Alright, go ahead, it's just a word I've got to think of.

Mr. Poparad, All the state legislature is doing is shifting that over to the property taxes. Whatever the inventory tax is, if I'm correct, 20% a year is going to be shifted over to the property taxes anyway.

Mr. Whitcomb, Yeah, I imagine.

Mr. Poparad, So **you're** going to, **it's** the same amount of money, just a different pair. It's the same pair of pants, different pockets.

Mr. Whitcomb, Well, you know, I've been through my lifetime been promised tax cuts.

Mr. Poparad, Well I...

Mr. Whitcomb, And this is going to be so good for me, and **it's** never went down. I've always paid more taxes.

Mr. Poparad, I agree.

Mr. Whitcomb, So it, this...

Mr. Poparad, But I mean **it's** not like the tax is going to go away and **it's** not going to be replaced, that's all I'm saying, you know.

Mr. Whitcomb, Well I'm, I've got a...

Mr. Carmichael, Just like I heard when I joined the Navy, they said **don't** ever volunteer for anything.

Mr. Whitcomb, Alright, I've said enough.

Mr. Carmichael, No, it **didn't** work. Okay, did anyone else have their hand up? Gus, I never heard from you. You know, and I've wanted to hear from you. Did you want to say anything to us?

Gus Olympidis, Just on account of a personal invitation?

Mr. Carmichael, Anything.

Mr. Olympidis, Just, my name is Gus Olympidis, 478 Scarborough, just to commend you on the process. I know **it's** been incredibly intense as it should be. The very future of our county very much depends upon your deliberation, and I think you have brought about the variety of options, and good luck with your decision.

Mr. Carmichael, Thank you, I appreciate it.

Mr. Olympidis, Thank you.

Mr. Carmichael, I didn't mean to put pressure on you, Gus. I just wanted...

Mr. Olympidis, That's quite alright.

Mr. Carmichael, Yes, sir.

Jack Rust, Jack Rust from Kouts, and also I'm president of Farm Bureau incorporated, and as you know, Bill, that, that Farm Bureau clear down the state always pushes to get a shift onto the tax relief, and try to come up with a fairer tax for all the people, because property taxes definitely are not fair for the working man. Okay. So our president and clear on up to the national president always says that you need to eliminate the, our tax, and the only way he can do that still on the government is come up with an option income tax, and the only good one that I can see is a CAGIT, which will give you almost 75% tax relief on your property tax.

And I **don't** understand why people are so upset over that, because if **you're** working, and **you're** making money, **it's** going to cost you a little bit, I, you know, and in the state, but yet on the same hand, you turn around, and on your property taxes you get a discount on that, which will end up a lot bigger than what you pay out. So, you know, and hopefully that little bit that I think is \$4,000,000 or something like that, I **don't** remember the numbers, the amount of money that you will get on the difference will help fund the government, and keep it going so that we can still have our services that everybody wants, and everybody expects in this county.

So I think myself, and most, **we've** got some of the people here from, the vice president, and everything from our Farm Bureau Incorporated board, and we are glad that, that the other one was voted down, and we do get some tax relief.

Mr. Carmichael, Okay, thank you very much.

Mr. Ruge, I too are in favor of some form of CAGIT if there is property tax relief, and **that's** what we should have. We **shouldn't** rely only on property taxes. It gives property tax relief. It's the fairer taxation.

Mr. Carmichael, Okay, thank you, John. Anyone else in the audience have anything to say at this time? I'm sorry.

Chris Stalbaum, Chris Stalbaum from Hebron, I'm on the town council.

Mr. Carmichael, Yes.

Mr. Stalbaum, This CAGIT **doesn't** help you at all, does it? Not even an ounce. You count your financial woes; CAGIT doesn't help your government at all.

Mr. Carmichael, First of all, over a ten-year period **we're** looking at \$500,000 interest on the money we've borrowed.

Mr. Stalbaum, Okay, right, except forgiving the interest, but really **there's** not going to be a dime of infusion for the County in this at all, is there?

Mr. Carmichael, That would forgive the interest, okay, and over a period of five, what I've said is, over a period of five years, they asked for a backup plan and a long-range plan. Over a period of five years it would begin to produce spendable dollars. It **doesn't** solve the problem in the short-term at all. But in the long-term it will solve the problem as much as we can guesstimate today what county government is going to cost in five years. Who knows? If **you've** got a crystal ball you might be able to tell me, but who knows what...

Mr. Stalbaum, Does CEDIT help your bottom line right off the bat?

Mr. Carmichael, No, immediately it doesn't help the bottom line, except.

Mr. Stalbaum, The forgiveness of the interest loan.

Mr. Carmichael, It forgives the interest with us. Duneland Schools, the interest is over a period, as it was stated tonight, over a period of ten years is \$1,000,000. So, you

know, there is some benefit to it, yes. The downside is, is that **it's** so much greater on your payroll, on your adjusted gross, **it's** so much greater than what a COIT would have been. That's the difference. That's why it's not the most desirable tax to put into affect.

Mr. Stalbaum, Another question if I may?

Mr. Carmichael, Yes, sir.

Mr. Stalbaum, With the reassessment coming in, none of us have a clue what the numbers are. The state has said nothing. In fact, the senate, I believe said, 50% estimated bills are going out.

Mr. Carmichael, Yes, 50 to 70.

Mr. Stalbaum, Okay, so no one is going to be able to live until the end of the year. No government in this county is going to be able to make it until the end of the year. **Let's** get that statement out to the media downstate, none of the governments can live on 50% estimated payment, nobody.

Mr. Carmichael, They are going to be down 30% immediately, you know, with the 70%. If they're down 50%...

Mr. Stalbaum, The question I have is that, and I'm sure **you've** considered, but, would it be a good idea if you are going to enact CAGIT to start it at the lowest rate you can start it at and see what it does. See what happens with property tax relief, because you may have to go back later and increase it. But in my experience as a government official, taxes **don't** go down. Once **they're** set, **that's** it; they stay there. For the farmers, I will not deny that it is good relief. For some property taxes is it not, it is not any relief. They are going to be paying \$300 or \$400 more a year in a new tax. **There's** no such thing as a tax that actually gives relief to people, otherwise they **wouldn't** call it a tax. So my question to you is, it **doesn't** help you. It **doesn't** help the County. The CAGIT nor the CEDIT **doesn't** help you, except the loans, which is a huge amount over five to ten years--I will give you that. So why **couldn't** you, if **you're** going to, and I'm not saying you should or whatever, couldn't you start the CAGIT at .5, instead of 1?

Mr. Carmichael, Well instead of...

Mr. Stalbaum, It's a really bad economy out there, and you won't know this.

Mr. Carmichael, Well instead of solving the problem in five years, now **you're** talking about ten years before you really get, and what do you do in the meantime? How are you going to...

Mr. Stalbaum, In the meantime, **you're, you're** already out of luck. You already said **you're** out of luck in the meantime. There is knowing in the next five years **you'll** be fine. You already said **you're** not fine, without COIT **you're** not fine. So five or ten, **you're** just like all of us, and this, absolutely what happens to the County is going to happen in Hebron. **There's** no question that some of the things that happened to them, some, we rely on him for some of our services, **there's** not a question some of our services are going to be cut. Our taxpayers can live with that.

Mr. Carmichael, Where did you get your tires for your cars?

Mr. Stalbaum, Well that was in 2000, so. Whose covering all of south county right now? Police-wise?

Mr. Carmichael, I don't know.

Mr. Stalbaum, Ask your, ask your sheriff the last time the county police covered 3A at night.

Mr. Carmichael, I don't have the slightest idea.

Mr. Stalbaum, We cover county calls outside of Hebron. Do you know how much flak we face from our taxpayers that our cars patrol outside of town? Now we did that as a cooperation with county government because of the dispatch situation. **That's** an excellent situation for us, but **we're** putting wear and tear on cars, overtime, and hiring extra police that we probably **didn't** really need, and we are covering a large five-mile area around Hebron.

We get a lot of flak for that in government. People say: Hey, my taxes pay for that police car in this town, what is it doing out at the grain elevator; Why is Kouts calling Hebron for assistance; Why are we going over there on regular routine traffic stops. **We're** doing that because we know **you're** in trouble. We know **we're** in trouble. **We're** kind of co-consolidating police between Hebron, Kouts in Porter County to help out, and **we're** okay with the fact that if they **don't** want to assign somebody down in 3A, we have two guys on duty, **we'll** cover. When county dispatch calls, we jump; **we're** gone out of town going to take care of domestic things, where my officers are in as much danger as yours are.

I guess I'm worried **we're** all going to get hurt by this. No today solution, because there **isn't**. Tonight there is no solution when we walk away from here for you tomorrow morning. The County is still in a lot of trouble, which means I'm in trouble the day after. You may be in trouble April 1st, April 2nd, I'm in trouble.

Mr. Carmichael, Yes, I read the newspapers.

Mr. Stalbaum, Yes, so, that's where our council is.

Mr. Carmichael, You had 14-some dollars left to pay payroll or something?

Mr. Stalbaum, Oh no, that, **don't** tell me that you had the money to pay through January every year.

Mr. Carmichael, The what?

Mr. Stalbaum, You know as well as I do, you **don't** get a tax payment until two, every, every year we survive on our surplus until we get our tax payments. Correct? We **don't** issue tax warrants; never have. We borrow from in-house. We borrow from sewer; we borrow from water; we borrow from storm water. Luckily for us we anticipated stuff like this, and we put away surplus funds, and **we've** been lucky. We **didn't** have a Bethlehem close. We had a lot of businesses close. **We've** had a lot of trouble down there of course. I'm not in your boat, but I will, after this night is over, but all I'm saying is that, in light of the economy, in light of **what's** going on, is it possible that if **don't** vote it no, if you bring it in at a ½%, a .5, at least **you're** easing it. **CEDIT's** still what, .25? Correct? **EDIT?**

Mr. Carmichael, Yes, ¼ of a percent.

Mr. Stalbaum, A quarter of a percent. **That's** still there. **That's** all I'm saying is that I'm not demanding you **don't** do anything or whatever. I'm just saying that have you considered that alternative of starting it easier, because it can be moved up. Every year you can move it up. If you find that it works well when the reassessment hits and you need more, you have room.

Mr. Carmichael, Do you know how hard it is to get somebody to vote on anything like that?

Mr. Stalbaum, Yeah, of course.

Mr. Carmichael, To increase it each year. **You're** voting every year to increase it. You know, you're asking almost the impossible.

Mr. Stalbaum, I'm here on behalf of the 20 or 30 taxpayers who said you know how hard it is to get rid of a tax once its in. Do you know how impossible it is to get rid of a tax the minute it gets put in? I'm not speaking just for myself. I'm bringing up the concerns that I received letters from Carole, that I received from Rita, and Karen Conover describing the whole situation. And again, as Mr. Olympidis said, I want to thank you for going through the process because I was just on that side of the table at

7:00 p.m.

Mr. Carmichael, How did your vote turn out?

Mr. Stalbaum, We **didn't** vote. There was no point. Once Kouts came in at 7:10, there was no point in voting.

Mr. Carmichael, So **you're** on the record then as to whether **you're** in favor of it or not in favor of it.

Mr. Stalbaum, No, we were, we would be still in our meeting six hours later taking public comment about your situation, and **that's** the problem. I **can't** even tell people how does this affect their homestead credit. Can you? Could you tell me **what's** going to happen exactly if I showed you my tax bill, could you tell me, from last year what this means to me?

Mr. Carmichael, Not with reassessment under the fire that its under right now.

Mr. Stalbaum, Could you even tell me off of last year's? Could you even say...

Mr. Carmichael, We could tell you, we can find that figure off of last **year's**, absolutely, sure.

Mr. Stalbaum, Okay. Well, I **don't** think, maybe I'm just not the brightest sharpest tack in the box, I **couldn't** get it, and I made a lot of phone calls to a lot of people, and Mr. Hollenbeck was very gracious in explaining to me, maybe I'm just a hard head, because I could not still go back and say: Based on your tax bill, **here's** what this does to you on COIT, on CAGIT, on CEDIT. That was our basic bare problem with the information is that the assessor's office couldn't tell me.

My local assessor **couldn't** tell me when I came out with specific questions: well, **what's** the homestead credit this year; what is it going to be next year. Well we **don't** know, **that's** fine, but I've got to be able to go to people with a chart saying **here's** the tax, **here's** what it costs you, **here's** how much **you're** getting back. Now why was I not able to do that? Why was I never able to hold a little chart up in front of people showing that at a 1.25, 1% CAGIT, and .25 CEDIT, here's what it affects you if you make this.

Mr. Carmichael, I think all those figures were provided, weren't they, David?

Mr. Hollenbeck, I thought so.

Mr. Steele, There right here, Dave.

Mr. Stalbaum, Maybe I did, maybe we're hardheaded, and just can't...

Mr. Carmichael, We certainly had the figures.

Mr. Steele, We've got the figures right here for each township.

Mr. Stalbaum, I was at the meeting and got those numbers. I had those numbers from the meeting that night. I had to write it down off the slide, but the whole right-side column was missing, which he did fill in the information.

Mr. Carmichael, Well I thought we sent all the information to each one of the town boards in the county.

Mr. Stalbaum, Well actually, I got, maybe there was a miscommunication somewhere. I did get something from **Sandra's** office, but it was only a repeat of the ordinance.

Mr. Hollenbeck, We sent a packet of information to each town.

Mr. Stalbaum, Okay. You had the slide?

Mr. Hollenbeck, It had the whole slide presentation, it had all the other data we had.

Mr. Stalbaum, But, you know, Bill, right, wrong or indifferent, we looked at it, and there were four council members there tonight, and three of them, I probably knew the most, and they looked at me, and I said, well, **here's** what I know, what I **don't** know adds up to about more than what I do know.

Mr. Carmichael, Well we provided you with the information, and the fact that you didn't understand it or read it is not, you know, there isn't much more we can do.

Mr. Stalbaum, We took it to people who would understand it, and still...

Mr. Carmichael, You saw the presentation the night at the Expo Center.

Mr. Stalbaum, Right.

Mr. Carmichael, Did you understand that?

Mr. Stalbaum, Oh, I think we understood it, but I think that then you made the change and put the CAGIT in front of us at the last minute, and that threw all those...

Mr. Carmichael, I thought you were only voting on COIT tonight. You **weren't** voting on CAGIT.

Mr. Stalbaum, No actually, with that hanging over your head, every council that had to vote tonight, that was hanging over our heads like a 40 pound monkey. Everybody could, we could feel that, and I'm not accusing anybody on this council of threatening us with anything, but **that's** how it polled on the street. **That's** how it was interpreted in our meeting on street, and it was in the public comment and brought up to us as that. To which we went, well, reading into that a little bit, but the County has to do something. Is that, **that's** absolutely right, the County, you have to do something. I return to my original question. Cannot CAGIT be .5, and that's all I want to say.

Mr. Carmichael, Okay, thank you.

Mr. Whitcomb, I thought you passed CAGIT already.

Mr. Carmichael, No.

Mr. Steele, The first reading.

Mr. Carmichael, The first reading, **it's** been adopted on first reading. It takes a second reading at two separate meetings to do it, unless you have a motion to suspend, a unanimous vote to consider it on second reading at the same meeting. We **didn't** do that, so **that's** why we had a second meeting tonight. Okay? Alright, that seems to be the end of the questioning. Do the council members have anything to say at this time?

Mr. Ruge, I want to make a motion.

Mr. Carmichael, Let me read it, John. What we are considering here tonight is the CAGIT, the county adjusted gross income tax and the code is identified in the ordinance, and also at the same time, we are considering under this ordinance an income tax...

Com. Evans, An EDIT.

Mr. Carmichael, A CEDIT, excuse me, I'm sorry, it's EDIT, isn't it?

Mr. Steele, It's either way, Bill.

Mr. Carmichael, Either.

Mr. Steele, It's CEDIT or EDIT, either way.

Mr. Carmichael, This one is listed as EDIT. Whereas the Porter Council has simultaneously to the adoption of this ordinance proposed to the Porter County Income Tax Council the adoption of COIT and EDIT. Whereas the Porter County Council is desirous of adopting CAGIT if and in the event that the Porter County Income Tax Council rejects the adoption of COIT and EDIT. Therefore, be it ordained by the Porter County Council imposes a County Adjusted Gross Income Tax on county taxpayers of Porter County. The County Adjusted Gross Income Tax is imposed at the rate of 1% on county resident taxpayers, and a county rate of .25 of 1% on all other county taxpayers. That's if you work out of the county.

The tax shall be in effect July 1, 2003, and only in the event the Porter County Income Tax Council fails to adopt COIT and EDIT by March 31st, statutory deadline, the Porter County Auditor shall record all votes taken on this ordinance, and in the event that the Porter County Income Tax Council fails to adopt COIT and EDIT by the statutorily imposed deadline of March 31st, shall therefore send a certified copy of this ordinance imposing the County Adjusted Gross Income Tax by certified mail to the Indiana Department of Revenue.

Mr. Hollenbeck, Bill, in paragraph 1 of the ordinance part that I believe we need to clarify that out of the statute. The percentage **that's** applied to non-resident taxpayers is $\frac{1}{4}$ of 1%. The figure is right, 0.25%, but it says at the rate of 25-hundredths of 1%. Is that the same thing?

Mr. Steele, Yes.

Mr. Hollenbeck, Okay, then **we're** okay. 25-hundredths of 1%, which is 0.25%. Same thing.

Mr. Carmichael, Okay, thank you, David.

Ms. Boothe, David, it's .025.

Mr. Hollenbeck, No, it's...

Mr. Poparad, No, it's .25.

Mr. Hollenbeck, No it's .25 with a percentage sign after it. It's $\frac{1}{4}$ of 1%.

Mr. Carmichael, Did I say $\frac{1}{4}$ of 1%?

Mr. Hollenbeck, You said it right. I just **wasn't** sure if we had it right here, but I'm being told that we do. 25-hundredths of 1%.

Mr. Carmichael, Okay, I've read the ordinance, and **that's what's** under consideration at this time. Is there a motion to adopt CAGIT?

Mr. Ruge moved to adopt Ordinance 03-03-25 on second reading. Mrs. Stevenson seconded.

Mr. Poparad, Question. We just voted on CAGIT, and not EDIT together, or just CAGIT?

Mr. Hollenbeck, They are two separate ordinances.

Mr. Poparad, Okay.

Mr. Carmichael, Okay, did you get clarification on that, Bob?

Mr. Poparad, Yes, I just wanted to make sure. We're going to take two votes.

Mr. Carmichael, The motion has been made and seconded, is there any further discussion? Roll call.

Motion failed on the following roll call vote:

Carmichael	-	Yes	Knoblock	-	No
Poparad	-	No	Ruge	-	Yes
Steele	-	Yes	Stevenson	-	No

Mr. Carmichael, Okay, will you read the results of the vote.

Mrs. Vuko, Okay, CAGIT is 3 yes's and 4 no's.

Mr. Steele, Can't be, it's 3 and 3.

Mr. Carmichael, It's got to be 3 to 3.

Mr. Steele, Unless we've got a ghost in here.

Mrs. Vuko, I **didn't** tell you, but **there's** a joke in there. I was going to say there was a tie. It's 3 and 3.

Mr. Carmichael, 3 and 3, the vote ends in a tie.

Mr. Steele, Which means?

Mr. Carmichael, Does anybody wish to reconsider? No one wishes to reconsider. It dies in a tie. Is that correct, David?

Mr. Hollenbeck, Correct, you need four affirmative votes.

Mr. Carmichael, Okay, we'll move on. The second portion is the EDIT.

Mr. Hollenbeck, I was able to round up some materials since **Tuesday's** night meeting on how the inventory tax reduction would work. I mailed that all to you. Hopefully that helped everyone understand the mechanism in place **that's** inherent to what you are proposing here. I'd be happy to answer any questions to the best of my ability as to how that works. I would also warn you that as this is set up, it provides that you are electing to use the EDIT to reduce property taxes.

A couple of comments in that regard, one of which I learned today, that was not in the correspondence, but **there's** seems to be a difference of opinion on this. But the issue was raised to me today that since we are beyond March 1st, which is the assessing date, it may well be that the **state's** attitude would be that this would not take effect until taxes that are payable in 2005, as opposed to 2004. So be aware that that may be an issue out there as well.

Plus, as I indicated to you, this is brand new stuff out of the special session of the Legislature, and it is still not clear to me to what extent. See, the way the special legislation is written, it really assumes you already have EDIT in place, which to the extent that there are counties that do, and **that's** the case, and what the legislation allows you to do is raise the EDIT level above your maximum level of .5 in order to capture the inventory tax that you are losing.

That's a little different here because **you're** thinking about imposing EDIT for the first time, and you are at .25, you are already above the level that Professor DeBoer tells us you need to capture all that inventory. The material I sent you, you saw that Professor **DeBoer's** calculations say that **you'll** need .23 of EDIT to cover the inventory tax. So the other miniscule amount of 200-hundredths of 1% would be available, I guess, like EDIT would be, **you'd** have to make a plan to spend **the--**I'm being facetious, but **the--**800 bucks or whatever you would end up with extra in terms of the whole process.

But what I want to point out is, I've done all I can to the best of my ability under current understanding of this, whereby this ordinance commits you to use this EDIT to reduce inventory taxes. I'm not going to tell you that **that's** a lie, because once we get beyond March 31st, **we've** got to look at actually implementing this, and how you do it. It is my belief that you can do it until the end of the year, in the sense that even if you **didn't** commit to inventory tax reduction tonight, I suspect, although I **can't** guarantee,

that **there's** still a mechanism out there or down the road before the end of the year, you could use this, you could make the commitment to use the tax for inventory.

Mr. Carmichael, Well, David...

Mr. Steele, Dave, excuse me. Dave, how much will we raise with CEDIT?

Mr. Hollenbeck, With a .25 CEDIT, does somebody have a calculator? No matter what kind of tax it is, a 1% tax raises, countywide, \$30,000,000. So take...

Mr. Steele, Seven and a half.

Mr. Hollenbeck, \$7,500,000 countywide. If you look at Professor **DeBoer's figures--you've** got them, Al--the first column, what does he say that we get in inventory tax? That's about...

Mr. Steele, That would be a wash, because it's \$7,769,000.

Mr. Hollenbeck, Right.

Mr. Steele, So it would come out even.

Mr. Hollenbeck, Right, so **that's** consistent with what I am saying. I thought it was .23, it maybe .2, you may have to use the whole .25.

Mr. Steele, So would it be correct, Dave, the only people that **we'd** be helping is the people with inventory, with a large inventory, with this tax. **That's** where it would really go, but it would be a little offset.

Mr. Hollenbeck, **Let's** back up a second, and understand the whole mechanism, and Bob alluded to it earlier. What the Legislature gave us was, the inventory tax goes away, the last time people would have to pay it is 2006. If you do nothing, and just wait for that to happen, what will happen is, the way the inventory tax goes away is the assessed value that's assigned to inventory goes away.

If your assessed valuation goes down, and **you're** allowed to raise the same number of dollars in your levy, **what's** going to happen to your tax rate. **It's** going to go up. So if you do nothing, you **won't** lose any dollars. What will happen is, **everybody's** property taxes will go up to replace the lost inventory tax. What the legislature gives you is the option to do it now instead of in 2007, and it gives you the option of not generating the lost revenue through higher property tax, but through an economic development income tax.

Which again is the debate about **what's** a better kind of tax. **It's** going to be paid by people who have income versus people who own property, and you can argue until the cows come home the advantages and the disadvantages of that. I'm sure back to the farmers and CAGIT, I'm sure the farmer, the last thing the farmers want to hear is that in 2007 your property taxes are going up because **you're** not going to pay inventory taxes. I suspect in the case of a farmer, it's not even a wash.

Mr. Rust, It's just ramming it home.

Mr. Hollenbeck, Right, your taxes are going to go up, because the inventory tax is gone.

Mr. Rust, Mr. Chair.

Mr. Carmichael, A two-part question, David. When DeBoer figured this, did he reduce the assessed valuation on all of Bethlehem's property to zero?

Mr. Hollenbeck, No, that wasn't what he was asked to do.

Mr. Carmichael, Or did he reduce it to 87%, you know, their tax appeals are on file with the state?

Mr. Hollenbeck, Right, and part of our agreement though to settle that case is that they abandon all of those appeals.

Mr. Carmichael, On personal property or real estate?

Mr. Hollenbeck, On everything.

Woman in the audience, But they are going to...

Mr. Hollenbeck, 70% of what Bethlehem Steel pays is...

Mr. Carmichael, And he figured that in this 2.3 or whatever the case maybe? 2.5?

Mr. Hollenbeck, Well the figures are, is income tax calcs. He figured, what was it, AI, 7.7 million?

Mr. Steele, Close enough.

Mr. Hollenbeck, That includes what personal, what inventory, inventory is simply a kind of personal property tax. The inventory tax that was paid in, is the schedule we pay is 04, I don't have that form in front of me. Is that what it says, AI, estimated for '04.

Mr. Steele, Estimated for '04, yes.

Mr. Hollenbeck, Right, so **he's** estimating. If your question, Bill, of me is whether his estimate includes or excludes Bethlehem Steel, the answer to that is, I don't know.

Mr. Carmichael, Okay.

Mr. Steele, It included manufactured and non-manufactured.

Mr. Hollenbeck, And **that's** another thing. He divides between manufacturing and non-manufacturing inventory tax, and there may be a good reason for that, but I have not been able, in the last week here that **we've** been looking at it, I have not been able to discover why that distinction is made. I **don't** know its relevance to the issue of getting rid of it.

In other words, if you are going to ask me, can we just get rid of non-inventory, non-manufacturing inventory tax, I **haven't** seen any authority to do that. So DeBoer is pretty bright, but I don't know why he's making that distinction.

Mr. Carmichael, The second part of my question: By the year-end we have to file a plan if we impose EDIT.

Mr. Hollenbeck, Actually, it's before you spend any of the money, right.

Mr. Carmichael, As to how we are going to use the money.

Mr. Hollenbeck, Right.

Mr. Carmichael, So our item two here, paragraph two, is superfluous.

Mr. Hollenbeck, Well it may well be, and I warned you of that last time when you had me present this, that the implementation strategy of going from adopting an EDIT to attaching it the inventory reduction is still an area **that's** gray, because this is brand new thing. The 14 counties that have already done it, were 14 counties that already had EDIT in place. So what they were doing was raising their EDIT. I think you can raise it up to, I think you can add .25 to it. You can add .25 to what **you've** already got in order to replace the inventory tax. That's a pretty obvious simple mechanism.

This is complicated by the fact that **you're** trying to simultaneously do two, if **that's** what you are going to do. Two things, establish the EDIT for the first time, you **don't** have any plan in place at all--these other people had a plan as to how to spend their money--and then commit yourself to implementing a strategy that will reduce the

inventory tax with this new money that you generate, realizing that again, because **we're** past March 1st, this may not come into plan at all until 2005, and then **you're** only going to have two years of earliness, in terms of getting rid of it. But again, if you took that out, I don't think that's fatal to a decision down the road to commit to using your by...

Mr. Carmichael, But we still have to vote on a plan.

Mr. Hollenbeck, Right.

Mr. Carmichael, Yes.

Mr. Verone, Thank you for recognizing me again. Does CEDIT standing alone get us the interest relief that we spoke about with CAGIT and COIT?

Mr. Carmichael, Yes.

Mr. Verone, And if so, that sounds to me like the only reason this board would want to enact CEDIT tonight given the possibility that the proposed plan to replace inventory taxes with CEDIT may not fly. So the only reason they would want CEDIT tonight is to get interest relief on the loans we took out from the State of Indiana, and I think that rationale for the two other incomes taxes--COIT and CAGIT--failed to carry the day, so perhaps we ought to put off CEDIT for another evening. Thank you, Mr. Chair.

Mr. Carmichael, Thank you. Yes, Helen.

Ms. Boothe, Well he spoke twice, I can speak twice.

Mr. Carmichael, Okay, I was working under board rules, but go ahead. We **don't** want to cut you.

Ms. Boothe, I'm looking to next year, when we are no doubt going to have to approach COIT again. If you pass a CEDIT tonight with the misinformation that floats around in our newspapers, **you're** going to have a hard, darn time with people who next year are going to say, oh, you just passed a tax. So why not wait until next year. You may as well be hung for a sheep as a goat, and just forget this CEDIT business.

Mr. Carmichael, Thank you, Helen.

Katie Rust, I'm from Kouts, and I served on the finance committee this past summer. But my question is, CEDIT is an economic development tax. How can it be used for county money? It says right here, revenues are meant to promote economic development, public expenditures used to subsidize private industry can be effective in attracting new firms or promoting firm births, but local officials must ask whether expenditures designed to benefit private businesses. Now are you considering the County as a private business?

Mr. Hollenbeck, I'm not sure I understand your question. The ability to adopt a CEDIT or an EDIT to replace inventory tax came out of the special session of the Legislature last year as the tax reform package. Clearly **there's** statutory authority to do that, and indeed 14 counties have done it. If your broader question is, how do we spend EDIT or CEDIT, it is true that the EDIT or CEDIT tax is for economic development. I will tell you that the concept of economic development has been defined exceedingly broadly. They, for instance, you can build a road; you can work on your roads, under the theory that good roads mean economic development. You could pay off the debt at the jail, that's how broadly...

Ms. Rust, That's my question.

Mr. Hollenbeck, Right.

Ms. Rust, Because I thought it was for businesses, and I **didn't** know we consider...

Mr. Hollenbeck, Well, in theory **it's** to do things of an infrastructure nature that will make your community more interesting for people to come and conduct their business.

Ms. Rust, Right, that's what I'm talking about.

Mr. Hollenbeck, And it's a very broadly defined concept.

Mr. Carmichael, Will it buy sheriff's cars?

Mr. Poparad, Capital purchases.

Mr. Hollenbeck, You can make capital purchases. I suppose you can argue it, a safer community is better for economic development. I will tell you that the concept of economic development is spinning. Statewide, all the counties that have adopted this, have used, and quote, maybe got away with it, **isn't** the right terminology, but have been allowed by the state to expend this money on very diverse, very broad things. **They've** even been allowed to bring, two counties have been able to pool their money together to do things.

Mr. Carmichael, Okay. **You've** heard the proposal, what is your pleasure? Rita, did you have some input on that?

Mrs. Stevenson moved amend Ordinance 03-03-25(A), deleting Paragraph 2 regarding the inventory tax.

Mr. Carmichael, In other words, you would leave it up to a later date to decide, to file a plan in how you are going to spend it.

Mrs. Stevenson, Yes, just go with the straight tax.

Mr. Carmichael, A motion has been made to eliminate Paragraph 2.

Mr. Ruge seconded.

Mr. Carmichael, We have a motion and a second. We still have to file a plan regardless before the end of the year. Is that what you are telling us, David?

Mr. Hollenbeck, Well, again, independent of the new legislation, you have to complete the plan before you spend any of the money whenever that is. The legislation that triggers the inventory tax reduction talks about doing it before the end of this calendar year. I will emphasize, so it **doesn't** come back to haunt me, to the best of my ability to figure out in the last week, I think you can still accomplish that after tonight.

Mr. Carmichael, Okay.

Mr. Hollenbeck, Am I going to bet my firstborn on it? No I'm not, because **it's** a brand new procedure, and **it's** not structured to do what **you're** doing, and **that's** create the tax for the first time, and get it into inventory tax reduction.

Mr. Carmichael, Okay, the motion then is to eliminate; can we use it adopt the ordinance or just delete paragraph?

Mr. Hollenbeck, Well as I hear the amendment, **it's** to delete Paragraph 2. **You've** got a motion and a second for that. Correct?

Mr. Carmichael, Yes.

Mr. Hollenbeck, You need to take a vote on the amendment, which would be to delete Paragraph 2.

Mr. Carmichael, Roll Call.

Motion carried on the following roll call vote:

Knoblock	-	No	Poparad	-	No
Ruge	-	Yes	Steele	-	Yes
Stevenson	-	Yes	Carmichael	-	Yes

Mr. Carmichael, 5 to 3.

Mrs. Vuko, Yes, it's a tie vote.

Mr. Carmichael, I'm kidding, Sandy.

Mrs. Vuko, I know, so am I.

Mr. Carmichael, It was 4 to 2. Now I will entertain a motion for the adoption of Ordinance 03-03-25(A) as amended. Is there a motion to that effect?

Mrs. Stevenson moved to adopt Ordinance 03-03-25(A) as amended on second reading. Mr. Ruge seconded.

Mr. Poparad, Are we planning on going back and address the inventory later. Is that what you are thinking?

Mr. Carmichael, Yes, Bob, it looks like we **won't** be doing until 2005, and I **won't** be here or 2004, whatever the case may be. So you'll have to do that yourself. Okay.

Mr. Poparad, 2004 is next year.

Mr. Carmichael, I know **it's** getting late. Sorry about being so slow, but, you know, we have to hear everyone out. The motion has been made and seconded for the adoption of the ordinance for the economic development tax with Paragraph 2 eliminated, and no inserted language in that paragraph. Renummer the paragraphs from 3 to 2. If there is no further input, I will call for the roll call vote on the adoption of EDIT. Ready.

Motion carried on the following roll call vote:

Poparad	-	No	Ruge	-	Yes
Steele	-	Yes	Stevenson	-	Yes
Carmichael	-	Yes	Knoblock	-	No

Mrs. Vuko, It's 4 to 2.

Mr. Carmichael, It's adopted on a vote of 4 to 2. Is there any further input?

Mr. Hollenbeck, Can I have your authority to clean up? I'm going to have you sign, to clean up the front page, and take Paragraph 2 out.

Mr. Carmichael, Well the back page is the signature page.

Mr. Hollenbeck, Right, but I'm asking for your authority to just take that out so I don't have to send downstate.

Mr. Carmichael, You'll have to change 4 to a 3 on the back page at the top.

Mr. Hollenbeck, Yes, okay. Does anybody have a problem with that?

Mr. Carmichael, We can sign the back page.

Mr. Hollenbeck, Yes. Does anybody have a problem with what I'm asking?

Mrs. Knoblock, No.

Mr. Steele, No.

Mr. Hollenbeck, Why **don't** you sign like four of them. And again, I **don't** want to beat a dead horse, but I'm not guaranteeing to you that **we'll** be able to do this. Okay? Does everybody understand that?

Mrs. Knoblock, I don't sign it, do I?

Mr. Hollenbeck, If you didn't vote for it you shouldn't sign it.

Mr. Poparad, Oh, you shouldn't.

Mr. Hollenbeck, Not if you **didn't** vote for it. We **didn't** set it up with a yea or a nay. John, you need to sign it.

Ed Gooch, Mr. Carmichael, my name is Ed Gooch from Center Township.

Mr. Carmichael, Yes.

Mr. Gooch, As this tax was passed, I would like to personally charge this Porter County Council with the ability and discretion to use this money wisely to pay bills and whatever, rather than benefit the developers of this county. I believe that the developers can foot their own bills, and that this money should go directly to subsidizing the County. Thank you.

Mr. Hollenbeck, But this is EDIT, we can't do it.

Mr. Carmichael, Okay, thank you very much.

Mr. Whitcomb, Use that broad interpretation.

Mr. Hollenbeck, But we can't pay the electric bill with it, John.

Mrs. Knoblock, I thought you said the roads, the jail bond, and.

Mr. Verone, A county with an open county complex is much more attractive to business, if you could access the **clerk's** office and the **treasurer's** office. It would be good for them.

There being no further business, meeting adjourned at 9:25p.m.

**PORTER COUNTY COUNCIL
PORTER COUNTY, INDIANA**

William Carmichael

Karen Conover

Carole Knoblock

Robert Poparad

John Ruge

Al Steele

Rita Stevenson

Attest: _____
Sandra Vuko, Auditor