

Randolph County Council

August 19, 2020

The Randolph County Council met for its regular meeting at 6:30 PM in the Commissioners and Council Room of the Courthouse with the following members present: Council President Gary Friend, Rick Brown, Tom Kerns, Max Holaday, David Lenkensdofer and Missy Williams. Also present was County Auditor Laura J Martin.

Council President Gary Friend presided.

Pledge of Allegiance

Solar Farm Abatement

Jason said this is a similar analysis that we have done for you in the past for the wind farm project. It shows amount of abatements savings they would generate. So, page 2 looks at kind of the abatement savings based upon 100% abatement for 10 years that is the first kind of scenario there. You can see the first 10 years are zero assessed value. Then year 11 that is when they have the full assessment. This is based upon the 252-million-dollar investment they put in their economic development payments. Then assuming the 151 million will be assessed in Union Township, 100 million in Washington Township. So, you can see after the solar panels would depreciate after year 11 the assessed value going to the tax base about 45.3 million in Union Township and 30.2 million in Washington Township. The total of assessed value that actually adds to the tax base once the abatement would roll off would be 75.6 million dollars. Then the second side of this page, looks at what the assessed value would be if you gave them the traditional 10-year tax abatement. Again, in year 1 it would still be zero because it would be assessed at 100%. Then year 10 since the abatement is on 90%, then 10% will get assessed. For Union Township it would add about 7 million dollars of assessed value to the tax base. For Washington Township it would be 4.8 million dollars, for a total of 12 million dollars. Then as you can see over time as that abatement rolls off the assessed value to the tax base will increase drastically. In year 11 the abatement rolls off you would begin that 75.6 million dollars.

Max asked if the values here are equipment not land correct.

Jason said correct. This is all equipment. We talked a little bit about the land and first of all land is not abated. So any increase in land assessed value that is just going to be above and beyond what I am showing you here.

Gary asked the land value will be a standard abatement.

Jason replied land is not abated.

Gary said at all.

Jason said at all. I talked to George the County Assessor. I think, we have had a couple conversations. He sent me a couple e-mails and each parcel are different. It is not something he could calculate even if he had the parcel. Basically, he said I believe right now it is just farm land. Any assessed value that is underneath the panel I think it would increase to around \$15,000.00 for assessed value. Then any land that is not underneath the panel that is with the parcel would be assessed something different.

Meeks said as pasture. How he explained it to me the fence, the road and anything under panel is commercial. Everything else would be AL, like agriculture pasture land. Which is different than farm ground.

Jason said it would a little more than your regular agricultural. He mentioned that he said the soil bearings and it not.

Meeks said yes, George said I can't tell you what the agricultures will be. It will depend on the soil type.

Gary asked that is just strictly the assessed value.

Jason said right.

Meeks said probably the agricultural land is probably going to comparable to what the farm land is taxed at now, is what he told me.

Gary asked the pasture land.

Meeks said comparable to what is going on now. Commercial is going to go up 3-5 times.

Gary asked is there a rule they tried to get past that zoning.

Meeks said that was a, I have it right here, but it didn't pass.

Gary said ok. There was an attempt to reevaluate 4 times and stop right there on solar panels.

Jason said my guess that will come up again this spring.

Meeks said we placed in the agreement that they can challenge their assessment, they can't challenge the method of how we are assessing it. Meaning they can't say it should say it should be at a factory commercial.

Gary said so there is a law change 4 times they can challenge it 5 times.

Meeks said you can't challenge the classification. You can always challenge the assessment.

Jason said Rick and I talked about putting a minimum assessed value in there. That is the other thing that I mentioned to Rick. I think he did this, we were talking about putting, because of the wind farms, and the overall assessed value will not fall below a certain amount. That way, if they were to sell the farm to someone else just like manufactured equipment you would typically buy it cents on the dollar that would reassess everything. So we don't want that to happen.

Gary asked if there was protection in there for that.

Jason said I have not seen it.

Meeks said it's a change in law, change in local, state or federal law with regulations that makes all or any portion of the company's property in the project exempt from taxation by the taxing or alters any applicable depreciation or real or personal property assessments or regulations. So we say change a law, there is a change of law if you don't. But we didn't place that in any of the agreements. The theory is we are giving you this abatement knowing the law is now, and we are basing those assumptions on what they are now. Probably after 10 years they could probably say they are stuck for this for 10 years.

Jason said on page 3, I show the impact on the tax rates for the 2 townships. With the 100% tax abatement and the traditional tax abatement. So, you see Union Township tax rate for this year is \$1.48. Again, keeping everything else constant for the next 10 years, just kind of looking at the assessed value isolation, we are showing the tax rate wouldn't change for the next 10 years because it is a 100% abatement. Then year 11 tax rate would go down \$1.24 and in Union Township with the traditional abatement you can see again it is \$1.48 now, first year will still be \$1.48 because you have a 100% abatement, then each year you can see the tax rate going down a little bit as that abatement rolls off. Then it assessed for the tax base. That is assumed on page 2. By year 11 again as all the assessed values the abatement roll off and all the assessed values are added to tax base then you are at that \$1.24 rate again.

Gary ask that is the only thing that will help circuit breaker losses.

Jason said right, so that is key.

Gary said that total is less than what we normally receive.

Jason said correct.

Gary said by a long shot.

Jason said we kind of showed that with Headwaters II deal. So, Washington Township same thing again. It's a \$1.49 tax rate now, once the assessed value abatement rolls off assessed value tax rates, your tax rate will drop down to \$1.33. It can happen gradually over time or with 100% abatement that would happen earlier on. On page 4 it will show what that means.

Gary asked what is the difference there Jason they both come in, one is at .49 and one at .48. So, if it's a penny, but the reduction is a dime difference why is that.

Jason it's the makeup and I don't have that. It's the makeup of like the debt or what makes it that dollar tax rate.

Gary said ok.

Jason said so for Union Township and Washington Township on page 4 I kind of show what the estimate impact is on various tax payers. A 24-cent rate reduction in Union Township for a person who owns a house of \$100,000.00 that means that their property taxes will go down \$73.00. For a person with a \$50,000 dollar assessed value home, there taxes will go down \$22.00 a year. As you can see for Ag, 2 & 6 per acre and for business in Union Township their annual tax rate would go down \$125.00 dollars a year.

Gary said on year 11.

Jason said yes on year 11.

Gary said that is what they would show in savings.

Jason said yes, exactly.

Gary said if they would ask for some pro-rated slide, that their not giving right now, because we took it to 100%.

Jason said yes, right. They wouldn't see this benefit until year 11. There are two funds, I guess just one fund candidate the CUM CAP Development Fund your CCD fund. The fund is that is different as you know is the tax base increases you can keep that tax rate the same and actually get addition revenue. By giving them 100% tax abatement, you are building that additional revenue in that fund. I am just showing the 100% tax abatement your CCD fund will stay the same. At \$369,000 dollars a year, but if you give them traditional tax abatement you can see you can potentially get a little bit more money each year out of that fund as your tax base increases. In year 2 for instance you could get \$373,000.00 instead of the 369.

Gary said so 5000.

Jason said yes. At the end you are going from 369-394 about \$25,000 dollars a year, once the abatement rolls off. Over that 10-year period you would really got for building for \$104,000 dollars from \$14,000 dollars and give them 100% abatement. But yet you more than offset that by a higher economic development payment. Then on page 6 I show that the taxes they would pay, something we done with Headwaters in the past, just taking the tax rate for this year and say it stays constant for 12 years you would see a 2% increase. So, this would make abatement savings worth more. Which gives us reason to ask for a higher Economic Development payment. On Page 6 you should show estimated property taxes again with 100% abatement there is no property taxes paid for the first 10 years in year 11 they paid \$806,000.00 for Union

Township. Under the traditional abatement you can see how their taxes would increase and gradually each year. So that 11-year period they pay \$4.2 million dollars in taxes. Washington Township with 100% abatement nothing for the first 10 years. Then in year 11 they should pay \$540,000.00 in taxes. With the traditional abatement you can see what they would be paying in taxes \$2.8. You can kind of see the total for both Washington and Union with 100% abatement in the 11 years they would be pay \$1.3 million compared to the \$7 million dollars. So, they are saving about \$5.7 million dollars in property taxes. They are going from 100% abatement to a traditional abatement. By taking that \$5.7 million dollars that is kind of how, both the economic traditional and the economic development payment is. We are forgoing the property taxes and paying a higher Economic Development payment. Taking that column, we would have to pay 7, the second column would make your property taxes. Then in their proposal they assume \$650,000 year for 4 years so I just carried that over from what they had presented. I came up with the total kind of proposed Economic Development payment that the county would have \$650,000 dollars the first two years, \$650,000 per megawatt plus the \$180,000 dollar of additional property tax savings they are getting for a total of 830. In 2025 they are proposing a \$650,000 dollars per megawatt payment plus the \$230,000 dollars property taxes savings of 880 then after that it is just the additional property tax savings. So you can kind of compare that to what they proposed as the economic development payment and you can see that their numbers are actually higher than what I am coming up with.

Meeks said that is consist with Headwaters.

Jason said and I know why, I went back and when we did the original Headwaters deal they had turbines in Stoney Creek township and Stoney Creeks tax rates are like \$1.09. Their tax rates are higher that Union and Washington, what we are using now, they prorated these payments off of Headwater's I, using higher tax rates, that is why their numbers are higher than what I am coming up with.

Gary said where are they coming up with \$650,000.00 Economic Development, at what point are you using that is it a megawatt formula.

Jason said if you take 200 megawatts times 13,000 you come up with 2.6 million.

Gary said it was less than that wasn't it. It was \$575,000.00 in the first round.

Meeks said yeah we've been up and down on those. I think we are at 11,500 on some and I thought we were down to 9 on some. I think it depends on which one.

Jason said I from your perspective it we hadn't seen their numbers and we just went with this. I would have been calculating lower numbers than what they are offering. It could be actual property tax rates from the townships.

Dave asked Meeks where are we at on Economic Development payment. Is that still being finalized?

Meeks said we have the Economic Development agreement probably 99% done. The 1% is the number, the ending number. That is the 8 and I think the commissioners haven't voted on anything. Talking to Rick today, we are probably leaning towards just accepting their numbers because we are at \$450,000.00 hard to justify all though, they are not here so I can say it, I have a very hard time and I told Rick. I have a dislike for taking the first bid, but if the first bid for \$450,000.00 higher than we can justify they will ask us where are numbers are, that's what I would. We asked them what their numbers were, how they arrived at those. I think we will be right around these numbers that Jason's saying. We might be \$100,000 dollars more but it will be very similar to these.

Gary said this is \$81,000.00.

Meek said the decommissioning agreements done and the road, and the road use agreement is not done it's probably 99.999% done.

Gary said it's not going to be so catastrophic to the roads is it.

Meeks said they are not taking the crane, they are not taking all those dump trucks full of Concrete. I am not even sure they're going to have any trucks that will constitute having a road use agreement.

Gary said right that's was on my mind.

Meeks said it is really dicey on whether or not they need one. But we told them they had to have one. So it is very similar to the Headwaters, but they just don't have any other trucks.

Gary asked in the Economic Development plan, they were saying 9-10 full time jobs after it was done.

Meeks said yes.

Gary asked how that is relevant to Randolph County because if these folks don't live in Randolph County it doesn't matter to us as far as tax bases. So why is it even in there?

Meeks said so the statue tells you have to tell them how many full time jobs you have.

Gary said ok

Missy said they could live in Randolph County,

Gary said I hope they do.

Missy said especially if we create housing for them.

Meeks said very easily, they could live, I wouldn't say they wouldn't live here.

Gary said I am just saying it's in Randolph County promotion, that we have full time jobs.

Meeks said I can't imagine having 1400 acres solar farm and not having a bunch of those people living very close. They are going to have to fix it.

Missy said EDP, says they can't live over 20 miles away. So, we just need housing, we just need to pull those guys back from Delaware County.

Jason said the benefits you are supposed to put in their investment and annual salaries and number of employees because they are going to have to submit the compliance form each year see if they did what they said they would do.

Gary said it has to be there I guess.

Jason said if you don't live in the county then you are not going to see any income tax.

Gary said no wheel tax at all.

Meeks I'm looking on their statement of benefits, oh yea, not to exceed, I didn't see where they said it.

Dave said it is in the description part.

Meeks said oh it's in the description, ok

Gary said I read it but I don't know what that means.

Meeks said 8 permanent or full-time employees, \$30-45 thousand. \$85,000 for management.

Gary said it is just be hard to accept, I am glad it is here. Delaware County is anti-everything like this, then if they live over there they get the benefit from it.

Jason said I will tell you, I have not for wind or solar, but for other economic development projects, we put in there where they have to make the best efforts to try and hire in the town, but that is kind of hard to hold someone to.

Gary said the Constitutionally it won't hold up.

Meeks said so on your preliminary resolution I was thinking and I talked to Rick about. It does state in there that if it is over \$300 million dollars then it goes to that traditional tax abatement. Now it is \$254 million dollars is this investment I think. \$46 million dollars seems like to be a big, we are facing this \$254 million dollar. It seems to me if they put \$299 million we really like we kind of shot ourselves in the foot. So, we brought that figure down the \$275 million which is consist with what we did for Headwaters. I believe that investment was like \$276 million so we said \$300 million.

Gary said we came down to \$275 so anything over \$275 is a traditional abatement. That is a 10% variance for them.

Meeks said yeah, it's not a 25% variance. I will say I have not talked to the company. That was about 4. I saw that and he sent it out today. I sent you guys the copy, then I caught it and I called Rick. We talked about it so we pulled that back. You guys can change that at your final.

Gary said the \$275.

Meeks said you can move it to 300 at the final resolution. I didn't want to do that right now. I wanted it to be left. It seems like to me that would be a big variance.

Gary said I agree.

Meeks said it just sounds like it. That is \$46 million dollars and you are basing all these abatements on the \$250 figure. What I need you guys to do today is set a public hearing for September 9th at 9:00 o'clock at your meeting. I think we just do it at 9:00 o'clock when we open. We open it up and I say do it at 9:00 o'clock, I don't think we need Jason here, unless you guys think we do.

Gary said not unless he just wants to come.

Meeks said I just need you to set that hearing and pass the resolution we have, so I can let them know. Now the final resolution is the one that matters. This is preliminary resolution.

Gary asked for any input.

Laura said so that is when we are doing this.

Meeks said we are doing this one today and then the final one on the 9th.

Dave said it looks good.

Gary asked if someone would like to make the motion to set the public hearing for September 9th at 9 a.m.

Max so moved. Dave seconded. All aye votes cast. Motion carried.

RESOLUTION 2020-13 PERSONAL PROPERTY TAX ABATEMENT

Gary said by title would someone like to make a motion to approve this resolution.

Max moves to approve. Missy seconded.

Gary said we have a motion and a seconded to pass Resolution 2020-13. Any further discussion. All those in favor signify by saying aye.

All aye votes cast. Motion carries.

Max asked do you think it would be too much to ask our Assessor to give us an estimate of what it will mean in terms of changing the value of that land.

Meeks said I will forward the council the email that George sent me. If you still have questions I will copy him on it if you want him at the meeting.

Gary said the total amount of money that Randolph County will recognized by going this route instead of traditional.

Jason said probably 5.3 million dollars.

Meeks said 8.8 minus 650 times 4. You would still get the \$650,000.00 for 4 years and that's it.

Gary said oh, ok.

Jason said it was 8.7 minus the 2.6.

Gary said we would not be recognizing going the other way.

Meeks said you would get property taxes during that time, a little bit but not the whole thing. That would be split up between townships.

Gary said I just want a number, someone wants to know the benefit to the county. It is this amount of money in a nut shell.

Meeks said I think you could say easily 8.8 in unrestricted funds.

Jason said yeah 6.1, 6.2 million of additional. I did have another report I prepared. The last time I was here I was asked to kind of show Headwaters, we gave the schools part of the economic development project funds. They kind of wanted to see the max levy would it been better off just not to do that rate, are they seeing benefits now. So, I put together this schedule. This is a 2-page reports of school wind payment analysis. So, this page, again this was Randolph Central, Union and Randolph Southern. For each one the first column is the actual Randolph Central Economic Development payment that the county gives each school district. Then the second column is the estimated loss in revenue that we think they are seeing now under the new method. As you can see, Randolph Central we are pretty close in the first couple years and then the spread gets a little bigger. You can see over the 7-year period there, you gave them \$134 thousand dollars each Economic Development payment and we are showing that they are losing about \$88,000.00. For Union School for them we are showing we gave them \$97,000.00 for each Economic Development payment, we show they lost \$125,000.00.

Gary said that is flipped over because it was missed applied to the way these things actually landed.

Jason said yes that is why we put at the bottom of our schedule. because Randolph Southern is making out quite well, we have them Economic Development payment \$1,169,000.00 but they are only losing about \$365 thousand. You are exactly right at the bottom of the page when we were giving our estimates we thought 8% investment was going to Randolph Central, 8% Union and 83% in Randolph Southern and you can see actual only 63% when to Randolph Southern. So, we based our numbers on a lot more investment was going to their school district.

Gary said so Randolph Southern is like \$800,000.00 of benefit. I realized we had this in a double session joint session and discussed this at that time the commissioners and council. We discussed so they knew, that we knew, but both bodies chose to do nothing at that time. I wanted to discuss it then, I think you had some numbers work up then. I just want them to know that we know that there was some benefit there, but Union actually show no benefit. They are losing money because of this.

Max said they have plenty of money.

Gary said I know.

Dave said I have been going through the legal ads. The highest total budget \$27 million. Randolph Central is \$25 million.

Missy said she has a lot of questions on the school payments. We are struggling try to find ways to pay bills and you got Union and Randolph Southern. I understand that Randolph Southern took a loss on that.

Gary said Union is taking a loss.

Missy said I understand that, but Randolph Southern making out like a bandit. Look at the total number of teachers they paid through out those years what their payroll was. I think you are going to see their payroll has decreased every year because the decrease in students and they didn't hire as many teachers back.

Gary asked at Union.

Missy said at both of them. If you hire unlicensed teachers transition to teaching, not going to pay them, it steps up and you are going to have to pay someone that was there. You lost a math teacher at Winchester and you replaced them with one with no teaching degree. All that adds in, you might say Randolph Southern suffered a lost, but what is there total payroll. With the number of students 21 students graduating.

Gary said Union suffered the loss.

Missy said Union doesn't have the number of teachers they did 5, 4, 3 years ago. They pay their superintendent a lot more. With a lot of fringe benefits that does not show on that contract.

Max said I understand he is the second highest paid superintendent in the county, and the smallest school.

Dave asked do you know what he gets paid.

Max said no.

Missy said it is all public record.

Dave said I know it is, I wanted to check.

Missy said \$111,000.00.

Dave said I think Randolph Eastern \$925.00 and maybe Winchester is \$114,000.00.

Max said they have money to spend on a refreshment stand and new track and restrooms for track for 3-4 kids, sorry. I don't agree with it.

Missy said the bottom line is are they getting a quality education.

Max said no they are not getting an education at all.

Gary asked anyone else.

Local Income Tax

Jason said we were asked to look at your current makeup and then look at if you were to increase your expenditure rate to the maximum level of 2.5%. If you turn to page two I kind of broke out the current situation that Randolph County has. In the expenditure rate you have 1% that is allocated to certified shares. In certified shares allocated to the county, cities, towns and townships and libraries. Then .25% allocated to public safety. Which is allocated to the county and cities and towns. .25% allocated to EDIT which is allocated to county, cities and towns. So your total expenditure rate for the county is 1.5%. You need to go up to 2.5 by statute. Then you have a .5% property tax relief and then a .25% special lit. Your total tax rate is 2.25%. We asked if you were to increase your, what kind of traditional revenue you could generate if you were to increase your expenditures rate to the maximum to 2.5%. I look at two different scenarios.

1. You allocate it by certified shares. Increasing your expenditure rate by 1% you could generate county wide the total of \$4,450,000.00 dollars. You see at the very bottom there the bottom total column. If you allocated your certified shares that \$4,450,000.00 gets allocated to the county, townships, cities and towns and library. So, the county is portion would be \$2.2 million. Jason said if you increase it 1 % to the maximum two.
2. Then I looked at what if you increase your EDIT. Where you, same size pie but you just have a bigger piece you share with less people. The 4.4 million since don't have to share it with the townships the county would get 2.5 million. Then I show what the cities and towns would get as well. Public Safety works the same as the EDIT as far as it just goes

to the county's cities and towns, but because of the way the calculation works the county actually get about \$80,000.00 less in Public Safety then they would in EDIT. So that is why I went the EDIT route versus Public Safety.

Gary asked we would get less in Public Safety then we get in standard taxes.

Jason said in EDIT. It is for the EDIT but Public Safety is allocated a little bit differently. So, you have the other units getting the \$80,000.00.

Gary said but EDIT doesn't allow council to budget the money. Only the commissioners can budget EDIT. We have to appropriate it if the money exists. So the only way the council can have money to appropriate it has to go in LIT or Public Safety but LIT gives you more than Public Safety.

Jason said both EDIT and Public Safety are local income tax. EDIT and Public Safety, you are right the commissioners control the EDIT.

Gary said the council controls Public Safety but the Public Safety is \$80,000.00 less than EDIT. That number is actually less than LIT, first one. 2.27 is that 2%.

Jason if we were to do Public Safety instead of getting \$2,505,000.00 you would get \$80,000.00 less. You would still be getting more than certified shares.

Gary said I have a question, the council having to do all of this and having to budget through this year. Is it legal the county redone or should be done. Should be all depends on the legality. We have .5 property tax relief credit. We are required by .25 to do it to the first Public Safety. Does that rule still exist.

Jason said it does not now. You are right when we original increase your income tax we were required to allow .25 for property tax relief, that is no longer required.

Gary said so the .5 is PTRC today. If shifted and become certified shares and it is still showing \$270,000.00 of circuit breaker relief due to credits. We would actually show \$900,000.00 minus that \$270,000.00 as extra income for Randolph County. It can it be done?

Jason said I would want to double check. I am following your math, I don't think it is quite that simple because giving up that property tax relief that is going to raise your gross property taxes, so people who aren't at the cap, maybe at the cap, maybe people at the cap would be more, the loses might be more than the \$275,000.00.

Gary said sure. The thing is now the .5% of income tax county returns \$275,000 instead of \$900,000 basically.

Jason said where does the \$900,000 come from?

Gary said I was using 450 because our certified shares per quarter %. Right now we get like a million seven, million eight this year. So were at .25% of about \$450,000.00 which is revenue. So I was just basing off real time. Here you show a .25% being about \$550,000.00.

Jason said yes.

Gary said I am in the ballpark.

Gary said that is just the number that the council can and cannot do. Can someone find out if shifting is legal, liable for us to do, if we so choose. The council has to choose.

Dave said for the 2021 budget.

Gary said for the 2021 budget, if the 2021 budget and we had to go to income taxes to bridge this gap that we are dealing with, what we have to do and how fast do we have to do it to recognize it to begin in 2021.

Jason said you would have to do an ordinance or resolution to amend your current Local Income Tax. You would have to set a public hearing. You have to have it done before October 31st.

Gary said October 31st is the deadline to do that.

Meeks said to have a public hearing.

Gary said and get it through.

Jason said so it would be affective for January next year.

Gary said ok. So, as we calculate the county budget this year, what I am seeing here, the .25% of tax that we would assess we could look at \$500,000.00 of revenue. Give or take a dollar or two.

Meeks said It would be \$550,000.00, right?

Gary said I just don't trust that \$550,000.00. It seems like they never give what we are supposed to have, I don't think. We never found out why we took such a hit from 2018, 2017.

Jason said 2 years ago.

Gary said we lost \$700,000.00 in LIT somehow.

Meeks said so the Economic Development that is just EDIT funds, right.

Gary said yes, the EDIT funds wouldn't help the council balance the budget unless the commissioners say.

Meeks said unless you use a million dollars of EDIT funds. I don't think there is any rule that says you can't EDIT funds for pretty much anything.

Gary said no there is not.

Jason said it use to be you could only use EDIT for Economic Development.

Meeks said they have changed it 2 or 3 times now.

Jason said now you can use it for any legal purpose.

Gary said this is need to know information. Anyone have any questions.

Meeks said the cities and towns will not be happy with you.

Gary said I know I talked to Bob today actually for him a .25% is about \$175 thousand dollars revenue. We spend about \$225 he said. We are recognizing more loss. You have a great financial plan Jason. Angela said right now with a little bit of difference, Angela said she is within about \$700,000.00 short and you say we are about \$780,000.00 short. It doesn't really matter but that is where we are at.

INAUDIBLE

Gary said in Emergency Services, we have cash funds in other accounts, but when it comes to balancing the budget the council will have to ride on the commissioner's favorable opinion too. Sometimes we need to have our own ability to balance.

Meeks said if the council decides to do something, you guys will be able get something for the public meeting.

Jason said yes, we can draft up ordinance or file for authorization. I always recommend.

Meeks said the financial fact not that this isn't perfect.

Jason said whatever you decide we can come to the public hearing and present that.

Meeks said we would want something.

Gary said I think what we will have a serious discussion Tuesday, this coming Tuesday as we get around to this subject.

Jason asked do you think you will look at reducing your property taxes replacement.

Gary said I don't know.

Jason said the only reason I say that because another county.

Gary said you did say the into the EDPR ordinance

Jason said it does get a little messy because you will see higher property tax credit losses by reducing that. Like I said it is not one to one as you would think.

Gary said no, we can see. Actually, we could add that \$275,000.00 right onto \$630,000.00 because that just brings that \$630 down. We'll make it \$630,000.00 then we go down \$270,000.00 from that our net loss of \$400,000.00.

Jason said if you could increase your income tax your circuit breaker losses are going to go up. You would have to look at that net amount. Then if you are looking at other entities', you talk about the schools, the school will be hit the hardest because with them you see the big circuit breaker losses, but they are getting no new money. You might want to look at the cities and townships as well with what you may choose.

Gary said on the PTRC that is.

Jason said looking at the County it would be a loss or increase in circuit breaker losses. So, your overall benefit looks to be a positive. But you just have to weigh you get more income tax, but circuit breaker losses would be more.

Gary said my thoughts right now we change data on this budget is you know, go back to .25% on PTRC instead of .5%, and go up .25% on LIT which is a net increase of income taxes of a .25% to the payer. If we don't stop this population lost this is just the beginning of the falling income.

Gary asked if anyone needed any more information on this.

Jason said if you want us to take a look it will require more time. But we can actually try to quantify how much increase in circuit breaker losses there would be if you reduced by .25%.

Gary said I want to know.

Jason said ok

Gary asked if Jason could also put in there what it will cost the schools.

Jason said he would do the same thing for every entity so increase in revenue and increase of circuit breaker losses, net increase or net loss. This may take 3 or 4 weeks to do that. Meeks said that would be like October 31st.

Laura said actually we don't we have to advertise that 10 days in advance.

Gary asked Missy what she thought about that extra information.

Missy said I think it would be helpful.

Dave and Max yes

Jason even if you don't use it this year you can maybe use it.

Gary said it's not going to change that a whole lot. You can keep your eye on it.

Meeks said if you are really serious considering raising that, we don't wait till mid-October. I would need it by early September, if you are really serious so we can get things scheduled.

Gary said early September.

Meeks said the meeting in September I would think. What I intended to say is the first of October meeting we are going to do it and then now we are literally running around with our heads cut off and not knowing if we are going to make it. When we get those resolutions I always send to the DLGF.

Jason said that is what I was going to recommend.

Gary said I have a personnel situation because of Ted, you have to have 6 members here even to pull it quickly and Ted's in Texas with his wife that is serious ill. So he may or may not be here I don't know.

Laura said my guess is may not.

Meeks said send it to them beforehand.

Jason said they say it will that take 45 days. It may take all 45 days.

Gary said another problem the commissioners might want to review on page 2 as we talked about taxes and also the ability of using the EDIT funds to help with this year budget and / or wind farm or both together as we try to get this budget put together.

Jason said if it's ok what I might do I will run this past you Meeks. Put together a couple different drafts. Then send it to DLGF and let them approve. It doesn't have to be, that is why you actually have to prove in a public hearing what you agree to, but especially if we are going to reduce the tax relief from .5 to .25 or to zero. That will be, I will find out from an attorney as well, if we can get DLGF to say that it's ok, that is two people we had sign off on.

Gary said I was only worried if we could see if we could get half percent not raise everybody's tax. Then we have other concerns like you said.

Angela said quickly rereport by \$700,000.00. It is \$730,000.00. The riverboat is down \$30,000.00 so Jason and I are closing in the gap.

Health Insurance funding

Gary said this is another one that is killing us. \$100,000.00 a week in claims. Is there any end in sight? Is there anything that is driving this, I mean I know you can't speak names over all but is there people worried about losing their jobs and running for elective surgery.

Laura said let me say just one thing. Paula and I discussed you were already gone for the day. We did change insurance, a lot of people went and got there higher price prescriptions filled before the new, we are still being billed.

Gary asked how does that track.

Laura said we should be switched over pretty quick, but that doesn't mean the claims are going to go down. We won't know in advance what those claims are. Well you can't guess claims.

Dave said off the old policy.

Laura said yeah like you said everybody ran and got done what they need to do.

Gary said our appropriation is going to end of this month, we will be out.

Angela said we are out right now, we spent \$600,000.00 to half million in the last 4 weeks.

Laura said I sent them, we have \$230,000.00 and if we continue at \$100,000.00 a week that is two weeks' worth of claims.

Gary asked if this was the commissioner's agenda, they have to hear this to. They have to be prepared for this as well. We run out of money they have got 150 employees and so do we that can't have insurance. We can run out of money at that rate.

Angela said yes.

Gary replied in fact it already has. This is what killing us.

Jason said Association of Indiana Cities and Towns Inc. they kind of have an insurance. The counties, there is a law firm that they have reached out to us. Then they are trying to do the same thing for counties. Because our firm invest the money with AIM we have one of our partners on the board. They do that, they also reached out. They also have good relationships with a lot of counties. They have reached out to us to see if we could help introduce them and this tool to counties. I can, if you want to hear what they have to say, their pitch.

Gary said you might want to ask the commissioners too if they want to hear something like that.

Jason said I can defiantly call them.

Gary said when they get this information here that we just got on the insurance, they will be in near panic mode like I am.

Jason said from what I heard talking to my other partner's that are with AIM, it has worked well for a lot of Communities for cities and towns. Not everyone, is a little bit different but it has worked well for them. If we can do that same thing for counties. Get a couple counties to do it and make it worthwhile.

Missy said it helps if the regions. That number is under 75,000 in your county. We are way underneath that so is Jay County so is Grant County and Henry County.

Meeks said I think the city, the county everybody is on the same.

Missy said that makes more sense.

Meeks said in Georgia that is what they said.

Gary said why don't you send us a copy and commissioners because they got to have it.

Missy asked if Jason knew anything about this in other school corporations. They are in Quad-Med. There is a consortium of schools. So we could enter into that, I don't know if we ever.

Laura said she has a price for that. I sent out to Mike because he asked for it.

Missy said it is basically the same thing you are talking about. I know school wise, insurance is always going to high. We are not going to see that go the other way.

Gary said this is beyond high.

Missy said I know.

Jason said with the COVID and everything.

Gary said that is another thing too, the COVID that means more claims, the personnel don't pay, we pay a higher premium to have COVID insurance and then we pay the claims.

Laura said Angela, Dave has a question that you may be able to answer.

Dave said the \$300,000.00 that was dedicated from the commissioners for health insurance does that include those numbers.

Gary said to make the gap between a million five, windfarm or EDIT.

Dave said it hasn't been determined yet.

Gary said we passed our portion to go wind farm. The commissioners said they may not, they may go with EDIT. So that money is available too. They have to be brought up to speed on this.

Angela said they mentioned they would help with the 27 pay.

Gary said that was a \$160,000.

Angela said we need help.

Gary asked Jason we are not alone in this mess are we.

Jason said no, in another County I do a report for them too, there trying to cut back a million dollars out of their general fund. They are struggling. I talked to Dave Bottorff on the way here and I was talking about budgets and I mentioned health insurance, I mentioned the MVH restrictive account and counties are having a tough time.

Gary said I heard there are people just doing what they can do, and they don't care.

Jason said there is some action on that, on a website. I think Purdue is doing a study whether they are trying to expand what that restrictive fund can be used for. There is also traction about reducing it from 50% to 25%. Since I am not going to be very helpful on one of the issues.

Dave said I have talked to two County Council Association and they are wanting to maybe combine all of those. Use it as to whatever your needs are for. This is just way out in left field, I think there are 4 different accounts. There is restrictive and unrestrictive.

Gary said there are 2. There is 1176, 1175, County road tax, tipping fees.

Dave said combine all of those and let the county determine what they need.

Gary said on that restrictive you know it's in there because of exurbanite wages, I don't know. Our county highway pays \$450,000.00 just for our insurance coverage. Now they are down 5 people so whatever they are paying is not helping out because they are not here to contribute.

Angela just wanted to remind everyone Monday, please be here.

Adjournment

Gary entertained a motion to adjourn this meeting. Rick so moved. Missy seconded. All aye votes cast. Motion carried

Reviewed and accepted this 8 day of December, 2020.

RANDOLPH COUNTY COUNCIL

[Handwritten Signature]

E. Max Flanagan

David Rensselaer

[Handwritten Signature]

[Handwritten Signature]

ATTESTED:

Laura J Martin
Laura J Martin, Auditor