

COUNTY COUNCIL MINUTES - FEBRUARY 25, 2019

PLEDGE

Duane asked all to stand and recite the Pledge of Allegiance.

CALL TO ORDER AND ROLL CALL

Duane called the meeting to order and roll call, all County Council Board Members present

MINUTES

Regular meeting minutes for January 28, 2019 approved upon correction on page three of the minutes, change Larry Payne to Jerry Payne motion to accept upon the correction was made by Jerry Payne and seconded by Nick Cullison, all in favor motion passes.

Special meeting minutes on February 12, 2019, minutes approved motion made by Nick Cullison and seconded by Logan Pearson. All in favor, motion passes.

OLD BUSINESS

Discussion on the **hiring freeze** whether to lift the hiring freeze or keep it active for the time being. Tim said his thoughts were if the hiring freeze was lifted it would help the council by not having the agenda filled requests for hiring on an already budgeted position. Duane said in the past the council's position was if there was a hiring freeze on, if it was a budgeted position and the money was there and had not been transferred out, they could fill the position without coming before the council.

Tim made a motion to lift the hiring freeze, and allow the elected official to fill the position on the following conditions: if the position is a full-time budgeted position and all monies for that employee budgeted line item are all still available and have not been transferred out for other purposes. Motion seconded by Logan Pearson. All in favor, motion passes.

NEW BUSINESS

Todd Davis, Sunrise Coal, began by thanking the council for the invitation and for asking him to speak on behalf of Sunrise Coal. He wants to share some news on the growth we are having to add significant employees and equipment at their mines. Part of our growth stems from the

rail loop in Princeton Indiana, that has allowed us to access to have a broader base of customers.

Started 2018 with 8 customers and ended with 17 customers.

Began by shipping to three states and now we are shipping to 8 different states

They have extended their market and helped to stay open and maintain a fair number of employees.

We idled the mine in Carlisle a few years ago with the hopes of reopening. During that time, we have invested around \$5,000,000.00 per year and in July of 2018, we did just that! We reopened the Carlisle mine. We went from 5 to 10 employees and ramped up to 130 employees pretty quickly.

Sunrise is on target in 2019 to sell more coal than they ever have at \$40.00 per ton, down a bit from last year of \$55.00 per ton.

By getting the abatement it will enable Sunrise to maintain profitability, cost competitiveness, and will help to keep the Carlisle and Oaktown mines working. At Carlisle, they have 10 year reserves of coal, which they are looking at the expansion.

The abatement will allow the Carlisle Mine to continue growing, shipping around 22.5 Million Tons of coal over the 10 years of reserves the Carlisle mine, shipping around 2,500,000 tons of a coal per year.

Duane said that with a 10-year abatement and 10 years of coal reserves the Carlisle mine will take you past your longevity and you will have to run longer than the 10 years in order for Sullivan County to benefit.

Duane feels a shorter abatement time is in order rather than the 10 years you're asking for. And you are going for an abatement in Knox County for the Oaktown mine, and the \$30,000,000.00 you are looking to spend is for Sullivan County correct. Todd said, yes.

Duane talked to Lou Britton this morning about of this, your wanting to spend \$10,000,000 a year over a three-year period and we put a resolution in place you will go out past the longevity Of the Carlisle mine.

Your CEO is planning on moving your corporate offices from Colorado and moving them here to Indiana and we hope to Sullivan County, Todd said yes, but would probably locate in Vigo County and probably within the next few months.

Tim asked the question could the number of employees could be increased from 20 to more, Todd said potentially it could be done.

Lou Britton, first item is an abatement fee on any one who gets an abatement and a resolution will need to put in place before any action can be taken on an abatement. This resolution must be in place and will apply for any future abatements. This a new law.

Basically, if instituted up to 15% of the abated tax annually.

They pay whatever percentage is established up to 15%, up to a maximum amount of \$100,000.00, which unlikely.

15% of that abated tax to the county and the county is obligated to pass the monies received from the abatement to an economic development organization in the county.

Vermillion and Clay counties both pass the abatement monies through to their redevelopment commissions. Unlike TIF money, this money does not have a lot of strings attached as to what it can be expended for it can only be expended for legitimate government purpose.

It's a way to fund your redevelopment commission.

In both Vermillion and Clay counties neither have had any objections to the abatement fee and they both imposed a fee of 5%.

That is step one, Lou asked Duane if he wanted to go ahead and act on this or proceed to the next step. Duane opted to take care of step one. Lou noted that this Resolution must be acted upon before acting upon the specific abatement before them today, otherwise you can't do it, you can't impose this fee if you give them approval before this fee is imposed.

After some discussion, Tim Abrams made a **motion to impose an abatement fee of 5%**, seconded by Nick Cullison. That is my motion Mr. President, after some discussion with the council and Deanne Talley, she is hoping the funds will be placed in a non-reverting fund that the redevelopment can pull out of to help them with things they will want to do, such as tearing down blighted property, Tim ask, Count property right, her answer was yes.

Sunrise gave Deanne Talley with the Sullivan County Redevelopment a check for \$2,500.00 and Deanne passed it on to the Sullivan County Auditor's Office to be placed in the County General Fund for attorney fees.

Duane said we have a motion on the floor for 5%, at this time Curt Bedwell asked about the fee if it could be increased and the answer was yes, it could at a later date.

Duane asked for a vote of all members, **all in favor of 5% fee, motion passed.**

Resolution Number 1, completed and signed by the council.

Lou Britton, resumed the meeting to the second resolution that the council will need to act upon today.

Establishment of non-reverting fund can after the second hearing, as payments will not be coming in very soon.

Duane said that the next item they need to discuss concerning the abatement issue would be the number of years.

Lou Britton, told the council they need to decide the number of years today and this would be the first hearing, the resolutions need to be published two times before the march meeting. The hearing notice will be published and at the March meeting, they will be acting on the resolution at the march meeting and at that time they can vote on and adopt or start completely over. But all of this must be done first.

Lou said the easiest way is to go the percentage of tax that is abated. He explained the abatement process to the council members.

They are probably phasing in new equipment over a period of 3 years.

With a 10-year abatement they will actually pay 40% of the taxes they would otherwise paid, with 5-year abatement they will pay 63% and with a 7-year abatement they will pay 54% of the taxes they would have otherwise paid.

You are not limited to these schedules you can do anything you want to do.

Used to be bound by a set of state schedules and the legislature a few years ago said you can use any schedule you want, but Lou said he has not seen anyone use anything but the old state schedule.

The other thing this Resolution has is an Abatement calculation agreement.

Will have to be in place, but you will not act on this today. When a county commits to an abatement of 10, 5 or 7 years, you are committed to it, there is no backing out. You can't change your mind.

The company is not as bound by their commitment as what the county would be. The company under the statute is not as binding. There is a provision in the statute that allows you to revoke an abatement if they have substantially failed to comply with something within their control.

If the market for coal goes south, and they don't meet their commitment, they come and say it's not out fault, there is nothing the council can do about it.

With equipment, won't matter as much, if the market goes south, they load the equipment up and move to another mine and won't be taxed here anywhere.

The abatement calculation agreement tries to make obligation on the part of the taxpayer a bit more binding. Basically, it says they agree to employ a certain number of people by a certain time and usually it takes a year or two to ramp up to that number and that its payroll will be

A certain level by that point in time. It goes on to say, based on that, every year we're going to calculate a compliance ratio. If they promise you 20 jobs and they give you 10 jobs that means that in that year they will get 50% of their abatement. Tim asked if that was called a claw back clause, Lou said no, that not a claw back, that's a here is what your abatement is going to be this year. If you meet 50% you get 50% of your abatement.

There is a claw back clause in the second part. If they permanently cease operation or the assessed property value falls below 50% or their payroll falls 50% below their current level

Shown in the statement of benefits or don't meet 20% of their new jobs. If one of those things happen then there is a claw back. It's not that we will just reduce what your going to get this year, they have to give it all back.

More discussion on the claw back clause ensued.

And your free to say no to the abatement altogether.

The abatement calculation agreement needs to be signed off on by both the council and the County Commissioners. The commissioners basically make the contracts for the county so both bodies will be signing off on the abatement calculation agreement.

Tim asked the following question, when the final agreement is written up what wording will be used will it be regular full time or permanent full time, which of those would be the most binding term used in the agreement?

Lou said a full-time job is considered to be 40 hours a week. Tim said you think full time is the wording to be used. Duane interjected that the resolution says existing full time.

Lou said they could define that full time means 40 hours a week. Duane asked can it be 32 hours since that is when insurance kicks in, Lou said it our advantage to be 40.

The council need to decide the abatement term and Lou has schedules.

Duane stopped him and asked him to go over

If you give someone a 10-year abatement and they acquire the equipment over a three-year period, \$10,000,000.00 a year, each of the three years. The total time they are going to be getting the abatement is 13 years.

Because they will get a 10-year abatement on the equipment they buy the first year and a 10-year abatement on the equipment they buy second year and a 10-year abatement on the equipment they buy the third year.

Remember the percentage will remain constant, so better to look at percentage rather than the dollars. They will get whatever percentage I told you, it will just take them longer to get there. Can include on the statement of benefits, where you can say that the term of the abatement

Is limited to X years. If you were to add something to say the term of the abatement is 10 years, then they get a 10-year abatement and the end of 10 years the abatement stops.

If it takes them 3 years to get all of their equipment when they get to the end of 10 years

That last batch of equipment is only going to receive an abatement for 7 years, not 10 years.

One housekeeping item on page 3 there is a reference to resolution 6 2008, that needs to be stricken out on the copy that you signed and it should be 2019 – 1.

Duane said, basically what we have to decide on today is the number of years for the abatement and Lou said yes and also need to attach an abatement schedule that he has prepared whichever one they decide to attach.

Tim asked for a clarification, Lou reminded that the percentage stays the same no matter if they spread the equipment out over 3 years the total amount of tax abated will be the same.

Lou went on to explain, say on a 5-year abatement, they buy their first batch of equipment in 2020, in 2025 the equipment is fully abated. Then in 2021 they buy their second batch of equipment it will be fully abated in 2026 and then in 2022 they buy their third batch of equipment it will be fully abated in 2027. Then in 2017, they will get an abatement on \$10,000,000.00 and not on \$30,000,000.00.

ON setting the number of years for the abatement, Duane is thinking instead of 10, that they maybe should consider 7 years. He asked for a poll, from the other council members.

Jerry Payne, he thought 7 years was a good start. Duane asked Lou, that when they were talking that they could set an ordinance that says 7 years it where the abatement would not be taken out to nine years. Lou said they would have to amends the wording of the document in order to do that. Lou said if they do that, then do it at next months meeting. Duane said we can stop it at 5, 7 or 10, just flat stop it. Duane said we just have to decide on the years and it can still be changed at the next meeting if they want to. The one in March is the official one.

Duane continued with the poll, Jerry said 7 years, Larry Kinnett and Logan Pearison good at 7 years, He asked Logan if he wanted to stop it at 7 or go with the way it's written up. Logan said

Stop at 7. Deanne added information on the rates for Haddon Township. Haddon Township is in favor of the abatement. Curt said we could still re-examine it at the next meeting.

Tim said 5 years, Nick said he would go with 5 years also.

Duane asked for a motion. Nick Cullison made motion to go for five years Tim Abrams seconded motion. Duane asked for a vote in favor, those in favor were Logan, Tim, Curt and Nick. Those against were Duane, Jerry and Larry. Motion passed.

Duane asked for any other nominations

Curt Bedwell made a motion to appoint Roger Smith. Motion died for lack of a second.

Any other nominations, any more discussion.

There being none, Duane asked for a motion for nominations to be closed

Jerry Payne made a motion the nominations be closed, motions seconded by Tim Abrams.

Duane called for a vote: Five (5) voted in favor of Diana, they were: Duane Wampler, Jerry Payne, Larry Kinnett, Nick Cullison and Tim Abrams. Curt Bedwell voted no and Logan Pearson abstained.

Diana Ross was appointed to serve on the Park and Lake Board.

Four year terms. Council has two appointments a Democrat and a Republican. The Circuit Court Judge has two appointments a Democrat and a Republican and the Commissioners have one appointment, which can be Democrat or Republican. All of these appointments are set by Indiana Code.

Alcohol Board – Jesse Kasinger

Motion made by Jerry Payne to retain Jesse Kasinger, Nick seconded

All vote in favor of Jesse

Redevelopment Advisory Board – Jen Petty, Alyssa Arnett

4-H Board – Duane Wampler

Solid Waste Board – Curt Bedwell

Succeed – Nick Cullison

Emergency Management Board – Larry Kinnett

West Central Econ. Board – Jerry Payne

PTA/BOA Board – Two letters submitted Jim Stricklin, Jan Pugh and Jennifer Parr was on it last year. Motion made by Tim Abrams to table this appointment until Feb. 25, 2019 meeting,

Logan seconded, all in favor, vote was unanimous.

Insurance Committee – Duane Wampler, Jerry Payne and Tim Abrams

Equipment Committee – Larry Kinnett and Nick Cullison

Community Corrections – Tim Abrams and Curt Bedwell

Council Attorney – Josh Reshey

Solar Field

The council discussed the abatement on the solar field.

Need to make sure that their papers are filed accordingly.

Looked at each year.

Bonds

Duane asked if everyone had signed their bonds

Insurance Committee will have to meet the first of the month sometime.

Duane received information from Springer Insurance and Anthem has went down just a fraction below 2%. There are a few things on wellness we can help to improve the fees.

MONTHLY MEETING DATES AND TIME

Discussion on the meeting dates concerning when Logan could attend. In the end the Council decided to keep their monthly meetings on the fourth Monday of every month, except in April, they moved the meeting to the fifth Monday.

Duane asked if anyone else had anything to say

NEW BUSINESS

Diana Ross, she thanked the Council for their vote on the park board member. Due to Diana being Auditor and Secretary of the Landfill, she Did not receive a raise as secretary to landfill, she is now requesting the council for the raise. She is part-time. The amount is \$4,000.00 for the year. Tim Abrams made motion to give Diana the raise Nick Cullison seconded. All in favor, vote was unanimous.

JIM PIRTLE – WARMING SHELTERS DUE TO EXTREME WEATHER

Jim stated that due to the extreme cold weather, Emergency Management had established several shelters throughout Sullivan County, put on standby. They will be located in Sullivan, Hymera and Dugger and several churches throughout the area would also be available as warming centers. Jim invited a couple of the board members to attend the emergency management meetings.

JERRY NETHERLAIN / MVH FUND AND MVH RESTRICTIVE FUND

Jerry is bringing information to the council concerning the MVH Fund.

When the state legislature created the motor fuel tax MVH Fund, they intended for the increase to go for the roads. but the way it written, the State Board of Accounts said it was too vague and would not enforce it.

At the end of the December they have new requirements for each county to create a sub fund within the MVH Fund called MVH Restrictive Fund 1173, where half the money has to go. MVH is 1176. Council left it up to the Commissioners to deal with this issue.

DEANNE TALLEY

Duane called on Deanne Talley, asked about the Redevelopment Advisory Board appointment, Duane said that has been done. Duane said that they may have some good news coming for the county.

DUANE / EXTRA MONIES FOR MEETINGS

Duane said that they have set extra money aside for each meeting for the council for additional council meetings and insurance committee meetings of \$1,000.00 each for each meeting. The council needs to decide how to divide the money up between the members. It was decided

\$40.00 per member in attendance on both the insurance and special called Meetings. Josh Reshey will draft the necessary paperwork for the council to vote on.

CLARK COTTOM, SHERIFF / JAIL

Clark Cottom, invited all council members to come by the jail for a visit and take a tour the facility an spend some time with them, just let Jason Bobbitt or Clark and they will be there for you.

HEALTH OFFICE

Duane said that the new Health Office is open and everything is running well. They can go over anytime they are open and take a tour of the new Health Office. Kelly invited all to come over and visit.

CLARK COTTOM / JAIL CONTINUE

Duane began by saying that all the money that has been spent on the jail has not been in vain.

Clark spoke concerning the jail and the number of inmates that is being housed at this time. The jail was originally built to hold 24 inmates. We put in extra poly beds for the inmates giving us room for more inmates.

Duane has looked at several options and one of them is a new local income tax called Correction and Rehabilitation Facilities Tax, the letter he has says that the council has say as to how the money is spent.

This money would go strictly to the jail. No one else can use it. It can be used to hire more deputies, pay comp time, train the deputies, lay so much back to buy ground and build another jail.

This is a problem that needs to be addressed soon.

The other one that he has been looking at is the Public Safety Tax, it would be divided between, Fire Departments, Town Marshalls, Jail, and the Ambulance Service would also benefit from this tax.

Nick said that he would like the council to look at the local income tax again, before May. Nick asked Duane to bring it to the floor for a vote.

Duane said that when they raised it last year that the council made a motion that they would not visit the income tax again for three (3) years.

Nick reiterated that it needed to be revisited and that PERF is very important to do something now. Curt said He did not think that we could bring it to a vote right now. Curt said when can they look at the income tax again. Duane said that it was voted on that if it was to be brought up again within the three-year period, the council are the only ones that can bring it

back up. Nick asked again to bring it to the table tonight and if it doesn't go anywhere, he has done his job.

Duane said that most of the towns and the City of Sullivan of Sullivan would benefit from the Public Safety Tax.

Curt asked do we need to appoint a committee to research it.

Duane said they could use the LIT money for property tax relief if needed can go to a committee as long as they don't have a quorum.

Jerry mentioned that the two taxes that Duane discussed would be something to think about.

Clark said he has a responsibility to make the Council aware of the problems at the jail. Clark asked for a jail study committee and probably need a three to four-year plan. Tim said they did a jail study when he was a commissioner. Does it merit to do it again, yes it probably does need to be done. Clark said he thinks a jail study definitely need to be considered again. No action taken on the request for jail study at this time.

ADJOURNMENT

Tim made a motion to adjourn, second by Nick Collison

All in favor. Meeting adjourned.

Ann Mischler was on for new business, she was taken care of earlier.

Council Meeting Pay Ordinance

The council had Josh Reshey to draw up an ordinance compensating them for \$40.00 for special meetings and for the insurance meetings. Curt asked is that any meetings or only insurance. Duane clarified that it is for the special meeting and the insurance meetings as the insurance meetings can last for several hours up to three days. All in favor

Insurance Meeting

Duane gave a recap of the insurance meeting

Our co-pay will stay the same. Special co-pay for specialty doctors will increase \$5 to \$10

Basic out of pocket will increase just a bit

The insurance committee voted to use a wellness clinic at SCCH, we will be billed for all 160 employees at \$40.00 each month whether we use it or not. Several businesses are using it

And are satisfied with it. They are still working out the prescriptions.

Hopefully can get prescriptions at the hospital at no cost to us. And there are some benefits to

For using the wellness clinic and getting flu shots there. If a lot of people use the wellness center it will benefit everyone and the county as well.

Planning on having a meeting at the fairgrounds with a meal and introduce the new insurance program.

Curt has his email set up do you want me to fix your email or you want to do something.

We'll do it for you and get it all set up with Ann and Gmail.

Shelly gave Larry Kinnett information on the security meeting coming up on April 12th at 1:00 pm so that he will be able to attend it at the emergency management office.

The May meeting is on Memorial Day and we will be closed, so I put the meeting on Tuesday, is that ok, or do you want to change it. Logan will be able to attend, Tuesday will be fine.

PTA/BOA Board – We have all of our letters in for the PTA/BOA Board, Jennifer Parr, Greene County has her level three and will continue along with Jim Stricklin and Janice Pugh,

Tim made motion to put them on the PTA/BOA Board, Larry Kennett seconded all in favor, motion passed

Curt asked if we had a deadline for items to be put on the agenda. It was settled on Wednesday before the meeting to have items in.

Clark passed out some material for the council to look at. Jerry said that everyone one of the council members should go over and take a look at the jail and what needs to be done. CLark spoke for a few minutes on the jail overcrowding and invited the council to be sure and come and visit.

Next meeting is March 25th

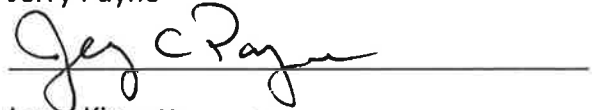
Duane asked for a motion to adjourn, Curt Bedwell made motion to adjourn and was seconded by Logan Pearson. Motion passed. Meeting adjourned.

Sullivan County Council

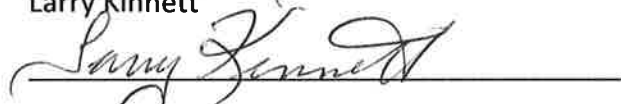
Duane Wampler



Jerry Payne



Larry Kinnett



Tim Abrams



Logan Pearson

Curt Bedwell



Nick Cullison



Attest:


Shelly Hiatt Parris, Auditor