

**Memorandum of the Meeting
Regular Study Session
Twenty-Seventh Town Council of Highland
Monday, January 20, 2014**

The regular study session of the Twenty-Seventh Town Council of the Town of Highland was convened at the regular place, the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana, in the council meeting room on Monday, January 20, 2014 at 7:00 o'clock p.m.

Silent Roll Call: Councilors Bernie Zemen, Mark Herak, Dennis Adams, Konnie Kuiper, and Dan Vassar were present. The Town Clerk-Treasurer, Michael W. Griffin, was present to memorialize the proceedings. A quorum was attained.

Staff present: Rhett L. Tauber, Town Attorney; Randy Bowman, Assistant Inspector, Electrical; and Ed Dabrowski, IT Consultant (Contract) were also present.

In addition, Scott V. Cherry, Vice President, Skillman Corporation; Thomas Brown, CIC, Brown Insurance Group; Robin Carlascio and Theresa Badovich, Idea Factory were also present.

General Substance of Matters Discussed:

1. The Town Attorney and Mr. Cherry briefed the Town Council regarding the progress and status of the Public Safety Building Construction Project. Mr. Cherry outlined the timelines that he represented as of April a bid packet for the site preparation and readiness portion of the project could be made available. He further suggested that a second bid packet could be made ready in June or July, for the actual other elements of the building construction. He finally believed the project could be completed in July of 2015.

The discussion included the consequences of a telephone conference conducted on Friday January 17, 2014 between the Clerk-Treasurer, James A. Shanahan, Bond Counsel, Rhett Tauber, Town Attorney, and Scott Cherry of Skillman regarding the information that Wilson Estes would be requiring a greater percentage of their total contract amount and draw before Bonds were sold than the already authorized \$300,000 revenue note would support. The discussion included a consideration of the group's surprise in that in electronic communication between the Clerk-Treasurer and Wilson-Este the architect, there was a perception that the \$300,000 revenue note would be adequate.

It was further noted that it was the determination of the participants on the conference call of January 17, 2014 that the revenue note approach should be abandoned to be substituted with bond anticipation note (ban) to be allowing in an amount not to exceed \$1.5 million. It would be designed as a draw note or line of credit that would only have interest payments due on the amount drawn alone.

I was further noted the Town Attorney would be preparing the proper legislative instruments to establish the formation of the Building Corporation that would be used to finance and execute construction of the public safety building and another to authorize the bond anticipation note.

Mr. Cherry also indicated that he hoped to begin the process of site organization and preparation by applying to the Plan Commission regarding the project for the approvals that may need to be granted by it.

2. Robin Carlascio and Theresa Badovich of the IDEA FACTORY, a media advising group, currently contracted to produce the monthly news letter distributed to all municipal utility customers, were present to discuss a proposal to regarding updating and maintaining the Town of Highland Website. It was noted that the vertical integration of the newsletter and the added platform of the municipal website had positive elements.

The proposal included fees as well as a description of the scope of services associated with them. (These are on file in the Office of the Clerk-Treasurer.)

Ms. Carlascio and Ms. Badovich also presented a request that the monthly agreement for the production of the newsletter, which the fee for services is \$1,500 monthly, be increased by \$250 a month, to cover the cost of the use of inserts and stock images. These images have an associated cost to the Idea Factory, which has been provided to the Town at no additional charge.

3. Tom Brown of the Brown Insurance Group made a presentation regarding the underground tank insurance, workers compensation coverages and group dental insurance.

It was noted that the premiums for the underground storage tank insurance and the group dental insurance, there were no increases to the previous premiums. It was further noted that a 2% increase to the Workers Compensation Premiums was estimated.

The Town Council President indicated that the underground storage tank insurance and the workers compensation renewal could be taken up at the next plenary business meeting of Monday, January 27. The group dental could be taken up in February.

Mr. Brown departed at this time.

4. The Town Council and the Clerk-Treasurer discussed the requirements of the County Economic Development Income Tax (CEDIT) and the Capital Improvement Plan particularly required to be filed by the Town Council President with the County Auditor before any the of CEDIT funds could be lawfully distributed to the Town.

The Clerk-Treasurer provided a sample form of a Capital Improvement Plan to inform discussion on the uses of the proceeds. He further reminded all that Congressman Peter Visclosky had been convening a small group of public officials to discuss the ways and means of producing a local funding source to support the eventual extension of the south shore interurban electric commuter train to Dyer, Indiana. It was further noted that it was suggested that the use of the CEDIT funds be pursued and that all cities and Towns in Lake County as well as Lake County itself would be solicited to include the project in the Capital Improvement Plans.

The discussion included acknowledgement of receipt of the CAGIT Public Safety LOIT funds that were also projected for the Town. It was further noted that the amounts had varied from the initial percentages that were extrapolated from some early estimates from the Legislative Services Agency. The following tables were provided by the Clerk-Treasurer:

The following was used by the County Council in adopting its enabling ordinance.

Income Tax Allocation by Levies for Lake County

	<u>Public Safety LOIT</u>		<u>CEDIT by Levy</u>		<u>2010 Population</u>	<u>CEDIT by Population</u>	
Cedar Lake	0.60%	\$136,242.00	1.01%	\$228,263.00	11,560	2.3%	\$528,086
Crown Point	2.58%	\$585,162.00	2.78%	\$629,270.00	27,317	5.5%	\$1,247,901
Winfield	0.16%	\$35,498.00	0.32%	\$72,051.00	4,383	0.9%	\$200,225
Dyer	1.16%	\$261,872.00	1.34%	\$303,591.00	16,390	3.3%	\$748,731
East Chicago	12.52%	\$2,835,800.00	10.25%	\$2,322,364.00	29,698	6.0%	\$1,356,670
Griffith	1.52%	\$344,923.00	1.67%	\$379,487.00	16,893	3.4%	\$771,710
Hammond	10.20%	\$2,310,170.00	8.74%	\$1,980,787.00	80,830	16.3%	\$3,692,493
Munster	1.94%	\$439,572.00	3.38%	\$765,105.00	23,603	4.8%	\$1,078,237
Highland	2.39%	\$541,883.00	2.43%	\$549,895.00	23,727	4.8%	\$1,083,902
Schererville	2.40%	\$543,682.00	2.60%	\$588,234.00	29,243	5.9%	\$1,335,885
Hobart	3.78%	\$855,699.00	4.19%	\$949,811.00	29,059	5.9%	\$1,327,479
New Chicago	0.08%	\$17,899.00	0.08%	\$18,847.00	2,035	0.4%	\$92,963
Lowell	0.73%	\$165,679.00	0.80%	\$180,146.00	9,276	1.9%	\$423,748
St. John	1.39%	\$315,275.00	1.38%	\$312,907.00	14,850	3.0%	\$678,381
Schneider	0.03%	\$7,370.00	0.03%	\$7,780.00	277	0.1%	\$12,654
Whiting	2.26%	\$512,391.00	1.73%	\$391,242.00	4,997	1.0%	\$228,274
Merrillville	2.30%	\$520,254.00	2.72%	\$616,250.00	35,246	7.1%	\$1,610,115
Lake Station	1.25%	\$283,928.00	8.74%	\$306,576.00	12,572	2.5%	\$574,317
Gary	19.50%	\$4,419,340.00	18.48%	\$4,187,050.00	80,294	16.2%	\$3,668,007
Unincorporated	33.21%	\$7,525,946.00	34.73%	\$7,868,949.00	43,755	8.8%	\$1,998,825
Total:		\$22,658,585.00	Total:	\$22,658,605.00	496,005	100.0%	\$22,658,605

Gross Base
\$9,063,434,000

Source: LSA

The following iteration represented a variation using the percentages, which issued from the LSA version now based upon new countywide certified income baseline. (See next page)

Income Tax Allocation by Levies for Lake County

	<u>Public Safety LOIT</u>		<u>CEDIT by Levy</u>		<u>2010 Population</u>	<u>CEDIT by Population</u>	
Cedar Lake	0.60%	\$145,991.84	1.01%	\$245,752.94	11,560	2.3%	\$567,086
Crown Point	2.58%	\$627,764.93	2.78%	\$676,428.88	27,317	5.5%	\$1,340,060
Winfield	0.16%	\$38,931.16	0.32%	\$77,862.32	4,383	0.9%	\$215,012
Dyer	1.16%	\$282,250.90	1.34%	\$326,048.45	16,390	3.3%	\$804,026
East Chicago	12.52%	\$3,046,363.14	10.25%	\$2,494,027.34	29,698	6.0%	\$1,456,862
Griffith	1.52%	\$369,846.00	1.67%	\$406,343.97	16,893	3.4%	\$828,701
Hammond	10.20%	\$2,481,861.35	8.74%	\$2,126,614.53	80,830	16.3%	\$3,965,189
Munster	1.94%	\$472,040.30	3.38%	\$822,420.72	23,603	4.8%	\$1,157,867
Highland	2.39%	\$581,534.18	2.43%	\$591,266.97	23,727	4.8%	\$1,163,949
Schererville	2.40%	\$583,967.38	2.60%	\$632,631.32	29,243	5.9%	\$1,434,542
Hobart	3.78%	\$919,748.62	4.19%	\$1,019,509.71	29,059	5.9%	\$1,425,516
New Chicago	0.08%	\$19,465.58	0.08%	\$19,465.58	2,035	0.4%	\$99,829
Lowell	0.73%	\$177,623.41	0.80%	\$194,655.79	9,276	1.9%	\$455,043
St. John	1.39%	\$338,214.44	1.38%	\$335,781.24	14,850	3.0%	\$728,480
Schneider	0.03%	\$7,299.59	0.03%	\$7,299.59	277	0.1%	\$13,588
Whiting	2.26%	\$549,902.61	1.73%	\$420,943.15	4,997	1.0%	\$245,132
Merrillville	2.30%	\$559,635.40	2.72%	\$661,829.69	35,246	7.1%	\$1,729,024
Lake Station	1.25%	\$304,149.68	1.35%	\$328,481.65	12,572	2.5%	\$616,731
Gary	19.50%	\$4,744,734.93	18.48%	\$4,496,548.80	80,294	16.2%	\$3,938,895
Lake County	33.21%	\$8,080,648.57	34.72%	\$8,448,061.37	43,755	8.8%	\$2,146,441
Total:		\$24,331,974.00	Total:	\$24,331,974.00	496,005	100.0%	\$24,331,974
	100.00%	\$24,331,974.00	100.00%	\$ 24,331,974.00			
Gross Base		New Gross Base					
		\$9,732,789,600					

County CAGIT LOIT \$ 97,327,896.00

Revised

The following shows the change in the percentages from the estimated ones from the LSA data to the most recent DLGF distribution for the CEDIT:

Income Tax Allocation by Levies for Lake County

		<u>CEDIT by Levy Revised by DLGF</u>		<u>CEDIT based upon LSA percentages</u>	
Cedar Lake	0.85%	\$205,783.96		1.01%	\$245,752.94 (\$39,968.98)
Crown Point	2.74%	\$666,854.89		2.78%	\$676,428.88 (\$9,573.99)
Winfield	0.25%	\$61,390.86		0.32%	\$77,862.32 (\$16,471.46)
Dyer	1.46%	\$354,877.84		1.34%	\$326,048.45 \$28,829.39
East Chicago	10.14%	\$2,466,069.81		10.25%	\$2,494,027.34 (\$27,957.53)
Griffith	1.63%	\$396,940.36		1.67%	\$406,343.97 (\$9,403.61)
Hammond	10.48%	\$2,550,917.18		8.74%	\$2,126,614.53 \$424,302.65
Munster	3.38%	\$821,651.94		3.38%	\$822,420.72 (\$768.78)
Highland	2.36%	\$574,418.40		2.43%	\$591,266.97 (\$16,848.57)
Schererville	2.57%	\$626,484.78		2.60%	\$632,631.32 (\$6,146.54)
Hobart	4.17%	\$1,014,805.42		4.19%	\$1,019,509.71 (\$4,704.29)
New Chicago	0.08%	\$20,247.82		0.08%	\$19,465.58 \$782.24
Lowell	0.79%	\$192,932.38		0.80%	\$194,655.79 (\$1,723.41)
St. John	1.36%	\$331,874.35		1.38%	\$335,781.24 (\$3,906.89)
Schneider	0.03%	\$8,209.26		0.03%	\$7,299.59 \$909.67
Whiting	1.68%	\$407,568.33		1.73%	\$420,943.15 (\$13,374.82)
Merrillville	2.87%	\$698,570.82		2.72%	\$661,829.69 \$36,741.13
Lake Station	1.42%	\$345,604.81		1.35%	\$328,481.65 \$17,123.16
Gary	16.31%	\$3,969,503.73		18.48%	\$4,496,548.80 (\$527,045.07)
Lake County	35.42%	\$8,617,267.01		34.72%	\$8,448,061.37 \$169,205.64
Total:		\$24,331,973.95		Total:	\$24,331,974.01
	100.00%	\$ 24,331,974.00		100.00%	\$ 24,331,974.00
Gross Base		New Gross Base			
		\$9,732,789,580			\$9,732,789,600.00

County CAGIT LOIT \$ 97,327,896.00

The following shows the change in the percentages from the estimated ones from the LSA data to the most recent DLGF distribution for the CAGIT Public Safety LOIT:

Income Tax Allocation by Levies for Lake County Compared

		<u>Public Safety LOIT Revised DLGF</u>		<u>Estimates from LSA Percentages</u>	<u>Delta</u>
Cedar Lake	0.67%	\$162,470.05		0.60%	\$145,991.84 \$16,478.21
Crown Point	2.88%	\$699,567.10		2.58%	\$627,764.93 \$71,802.17
Winfield	0.17%	\$40,638.01		0.16%	\$38,931.16 \$1,706.85
Dyer	1.10%	\$267,545.33		1.16%	\$282,250.90 (\$14,705.57)
East Chicago	10.86%	\$2,641,302.53		12.52%	\$3,046,363.14 (\$405,060.61)
Griffith	1.65%	\$401,553.79		1.52%	\$369,846.00 \$31,707.79
Hammond	11.15%	\$2,713,373.00		10.20%	\$2,481,861.35 \$231,511.65
Munster	2.19%	\$531,999.44		1.94%	\$472,040.30 \$59,959.14
Highland	1.90%	\$461,093.23		2.39%	\$581,534.18 (\$120,440.95)
Schererville	2.67%	\$650,771.82		2.40%	\$583,967.38 \$66,804.44
Hobart	4.26%	\$1,036,107.70		3.78%	\$919,748.62 \$116,359.08
New Chicago	0.09%	\$21,686.58		0.08%	\$19,465.58 \$2,221.00
Lowell	0.81%	\$197,667.79		0.73%	\$177,623.41 \$20,044.38
St. John	1.30%	\$317,380.94		1.39%	\$338,214.44 (\$20,833.50)
Schneider	0.04%	\$8,792.59		0.03%	\$7,299.59 \$1,493.00
Whiting	1.79%	\$436,529.11		2.26%	\$549,902.61 (\$113,373.50)
Merrillville	2.67%	\$650,543.15		2.30%	\$559,635.40 \$90,907.75
Lake Station	1.13%	\$274,541.22		1.25%	\$304,149.68 (\$29,608.46)
Gary	17.47%	\$4,251,566.69		19.50%	\$4,744,734.93 (\$493,168.24)
Lake County	35.21%	\$8,566,843.51		33.21%	\$8,080,648.57 \$486,194.94
Total:		\$24,331,973.58		Total:	\$24,331,974.01
	100.00%	\$24,331,974.00		100.00%	\$ 24,331,974.00
Gross Base		New Gross Base			
		\$9,732,789,433			\$9,732,789,600.00

County CAGIT LOIT \$ 97,327,896.00

5. The Town Council and the Clerk-Treasurer discussed the Affordable Care and Patient Protection Act and its provisions regarding the workers whose average weekly hours are 30 or more. It was noted that this affected about 9 workers in Highland. The Town Clerk-Treasurer further reported that the

decision is purely economic, meaning that the Town Council should opt for the option that costs the Town the least. So, either pay the fine which would be calculated as:

Workers:	112
30 hours or more:	<u>9</u>
	121
ACPPA adjustment:	<u>-30</u>
	91
Penalty or fee multiplier;	\$2,000
 Total possible penalty:	 \$182,000.00

It was further noted that the highest possible cost in premiums to the Town, if offered to the part-time 30 hours or more a week workers at the highest level of premium (Family with High deductible), would be \$170,336.88 annually. Based upon this, the Clerk-Treasurer suggested that the Town consider offering the group health insurance in some form to those 30 hours or more a week workers. *The Town Council discussed the matter. The Town Council President asked that the Town Clerk-Treasurer prepare a proposal and recommendation formally for the consideration of the Town Council.*

6. The Town Council acknowledged St. John Town Council President Mike Forbes. The Town Council and St. John Town Councilor Forbes discussed the reservations that the St. John Town Council exhibited regarding the adoption of the interlocal cooperation agreement with the County for PSAP and public safety dispatch services consolidation as required by Indiana law.

Mr. Forbes stated that his community was concerned that the central dispatching facility would not be ready in time for the expected transfer, even after the local property tax levy was transferred to support it. This led to the concern regarding who would pay for the dispatchers until they consolidated center was ready. Mr. Forbes further expressed concerns about a rumored shortfall in the county budget that would be supported by a new fee on the deferred prosecutions for moving violations.

7. The Town Council discussed with the IT Contract Consultant regarding the contracts with COMCAST for telephone services for the public works facility and the Lincoln Community Center.
8. The Town Council and the Town Council President discussed most of the executive appointments and a few of the legislative appointments that were

pending. The Town Council President ran down the list of executive appointments expressing his preferences and invited comments from the Town Council.

During the consideration of the affirmative reappointment Greg Kuzmar to the Redevelopment Commission, Councilor Herak expressed strong reservations to the reappointment. Councilor Herak indicated that if Town Council President elected to make the reappointment, Councilor Herak would work to amend the provisions in the plan and redevelopment ordinance that establishes an design committee that can press for the redevelopment district's design regulations to be honored.

The Town Council President also discussed liaison assignments of the Town Council as well.

There being no further matters to discuss before the Town Council, the regular study session of the Town Council, of Monday, January 20, 2014, was adjourned 8:59 o'clock p.m.

Michael W. Griffin, IAMC/MMC/CPFA/CPFIM
Clerk-Treasurer