

MADISON COUNTY COUNCIL MINUTES
February 29, 2012

The Madison County Council was called to order by President Mike Phipps. The following Council Members were present:

John Bostic, Jr.
Mike Gaskill
Rick Gardner
Larry Higgins
David McCartney
Buddy Patterson (absent)
Mike Phipps

Also present were Council Attorney John Hughes, County Auditor Kathy Stoops-Wright and First Deputy Auditor Patty Mauck.

This meeting is a special meeting to address items that were not addressed at the February 28, 2012 meeting.

President Phipps read a list of rules for public comment he then called for public comment on Ordinance No. 2012-2B, An Ordinance Rescinding the Madison County Wheel Tax and The Madison County Motor Vehicle Excise Surtax, from anyone that represents the Townships in Madison County. There were no comments. He then called for public comment from the Cities and Towns in Madison County. The following representatives spoke on behalf of their City or Town:

Gary Schuck, Lapel Town Councilman-spoke in support wheel tax
Doug Magee, Pendleton Town Manager-spoke in support wheel tax
Robert Jones, Pendleton Town Councilman-spoke in support wheel tax
Dee Ames, Summitville Main Street Organization-spoke in support wheel tax
Tom Beeman, Summitville Town Attorney-spoke in support wheel tax - presented the following letter that is made a matter of the minutes concerning Town of Summitville Redevelopment Authority Lease Rental Revenue Bond, Series 2012:

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H. J. Umbrough & Associates
Certified Public Accountants, LLP
4365 Keystone Crossing
Suite 1000
M.E. Cox 42458
Indianapolis, IN 46240-0458
Phone: 317-498-1500
Fax: 317-498-1999
www.umbrough.com

January 13, 2012

Ms. Kelley Kornbroke, Clerk-Treasurer
Members of the Town of Summitville
Redevelopment Commission
109 South Main Street
P.O. Box 368
Summitville, IN 46070

Re: Town of Summitville Redevelopment Authority
Lease Rental Revenue Bonds, Series 2012

Dear Ms. Kornbroke and Members of the Commission:

The purpose of this letter is to provide financial information that will be useful to local officials, administrative personnel, board members, the bank serving as trustee, registrar and paying agent, attorneys, and others following the sale of the Redevelopment Authority Lease Rental Revenue Bonds, Series 2012 (the "Bonds"). This letter should serve as a resource regarding the closing of the Bonds, the distribution of the Bond proceeds and the repayment of the Bonds.

Bond Sale Results

The Bonds were priced on January 5, 2012 through a negotiated sale with City Securities Corporation (the "Purchaser"). The Purchaser offered a net interest rate of 4.7649% (after making annual payments level).

The Bonds were sold non-rated and non-insured.

Delivery of the Bonds

The Bond closing is to be held on January 17, 2012. The amount of Bond proceeds to be received is as follows:

Par amount of the Bonds	\$390,000.00
Less: Underwriter's discount	<u>(7,800.00)</u>
Net Bond proceeds to be received by wire transfer to MainSource Bank	<u>\$382,200.00</u>

The above-described Bond proceeds in the amount of \$382,200.00 should be wire transferred at closing by the Purchaser as follows:

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Name of Bank: MainSource Bank, Greensburg, IN
Routing #: 074903308
Account: MainSource - Greensburg
Contact: Pam Schemenaur (260) 726-9301
Further credit to: #2085050-001 Trust Account

Distribution of Funds

The Trustee will establish the following funds and accounts. On the day of the Bond closing, the Trustee will distribute the \$382,200.00 of Bond proceeds into the following funds and accounts pursuant to Section 3 of the Trust Indenture.

Construction Fund:	
Bond Interest Account	\$8,801.11
Construction Account	334,398.89
Debt Service Reserve Fund:	<u>39,000.00</u>
Total Distribution of Bond Proceeds	<u>\$382,200.00</u>

The Trustee will pay the costs related to the project from the Construction Account upon presentation of an affidavit executed by any officer of the Authority. Once the Trustee receives the final affidavit of project completion from the Authority, and after payment of all disputed claims and claims for repair work, additional improvements or equipment, the Trustee will transfer all remaining funds from the Construction Account into the Sinking Fund, as further described in Section 3.01 of the Trust Indenture.

Bond Amortization Schedule

The attached amortization schedule shows the debt service requirements, both principal and interest, on a semiannual and budget year basis. The Bonds, dated January 17, 2012, mature over a period of approximately 14 years with the final Bonds due January 15, 2026. Principal and interest will be payable semiannually on each January 15 and July 15, with interest commencing on July 15, 2012 and principal commencing on January 15, 2013. Bond proceeds will be available to pay interest due through and including July 15, 2012.

Lease Rental Schedule

The attached schedule of Lease Rental payments is based upon the final amortization schedule. Lease Rental payments are to be paid each January 1 and July 1. The Lease Rental payments are equal to the principal and interest due in each twelve-month period ending January 15, rounded up to the next \$1,000, plus \$3,000 for the payment of fiscal agency charges and miscellaneous costs. The first full Lease Rental payment will begin on the date in which a portion of the leased premises are available for use and occupancy or January 1, 2013, whichever is later.

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Book-Entry-Only System

The Bonds will be issued and held in book-entry form on the books of the central depository system, the Depository Trust Company ("DTC"), New York, New York. The Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee). Principal and interest will be disbursed on behalf of the Authority by MainSource Bank and paid directly to DTC so long as DTC or its nominee is the registered owner of the Bonds, as further described in the Trust Indenture.

Bond Repayment

As previously stated, the interest due on the Bonds through and including July 15, 2012 will be paid from the \$8,801.11 of Bond proceeds on deposit in the Bond Interest Account of the Construction Fund. Thereafter, the principal and interest due on the Bonds is payable from Lease Rental payments to be paid from the Redevelopment Commission to the Trustee.

The Lease Rental is payable from: (i) Town's riverboat/gaming revenue, (ii) Town's wheel tax revenues, (iii) Town's Motor Vehicle Highway funds (collectively, the "Town's Pledged Revenues"); if the Town's Pledged Revenues are insufficient, the Lease Rental is further secured by a Special Benefits Tax which would be levied on all taxable property within the Town in an amount sufficient to pay the Lease Rentals as they become due. A Debt Service Reserve will also be funded and provide an additional source of payment if necessary.

The Trustee shall deposit in the Sinking Fund from each Lease Rental payment an amount when added to the amount on deposit in the Sinking Fund is sufficient to pay principal and interest due on the Bonds.

Redemption Provisions

The Bonds maturing on and after July 15, 2021 are subject to redemption prior to maturity at the option of the Authority, on any date on or after January 15, 2021, without premium.

Post Issuance Compliance – Continuing Disclosure

Since the par amount of the Bonds is less than \$1 million, there are no requirements for information to be provided to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System.

Post Issuance Compliance – Arbitrage Rebate Services

It appears that the Bonds meet the small issuer exception to Internal Revenue Code Section 148 covering calculations and reporting of arbitrage rebate. However, additional bond obligations issued during the current year would affect this determination.

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We take satisfaction in having the opportunity to be part of this important endeavor and extend our appreciation to all those who were instrumental in bringing the project to this point.

Very truly yours,

UMBAUGH



Brian C. Colton

BCC/bs
Enclosures
cc:

Town of Summitville Redevelopment Authority
Mr. Thomas Beeman, Beeman Law Office
Mr. Timothy Dusing, City Securities Corporation
Mr. Thomas Pitman, Barnes & Thornburg LLP
Ms. Pam Schemenaur, MainSource Bank

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TOWN OF SUMMITVILLE, INDIANA REDEVELOPMENT AUTHORITY

ANNUAL LEASE RENTAL PAYMENTS

Bond Payment Dates	Lease Payment Dates	Annual Debt Service	Lease Rental	
			Semiannual	Annual
07/15/12	07/01/12			
01/15/13	01/01/13	\$18,900.00	\$22,000	\$22,000
07/15/13	07/01/13		20,500	
01/15/14	01/01/14	37,200.00	20,500	41,000
07/15/14	07/01/14		22,500	
01/15/15	01/01/15	41,400.00	22,500	45,000
07/15/15	07/01/15		22,000	
01/15/16	01/01/16	40,400.00	22,000	44,000
07/15/16	07/01/16		21,500	
01/15/17	01/01/17	39,400.00	21,500	43,000
07/15/17	07/01/17		21,000	
01/15/18	01/01/18	38,400.00	21,000	42,000
07/15/18	07/01/18		20,500	
01/15/19	01/01/19	37,400.00	20,500	41,000
07/15/19	07/01/19		22,500	
01/15/20	01/01/20	41,300.00	22,500	45,000
07/15/20	07/01/20		21,500	
01/15/21	01/01/21	39,875.00	21,500	43,000
07/15/21	07/01/21		21,000	
01/15/22	01/01/22	38,375.00	21,000	42,000
07/15/22	07/01/22		22,500	
01/15/23	01/01/23	41,875.00	22,500	45,000
07/15/23	07/01/23		22,000	
01/15/24	01/01/24	40,125.00	22,000	44,000
07/15/24	07/01/24		21,000	
01/15/25	01/01/25	38,375.00	21,000	42,000
07/15/25	07/01/25		22,500	
01/15/26	01/01/26	41,500.00	22,500	45,000
Totals		<u>\$534,525.00</u>	<u>\$584,000</u>	<u>\$584,000</u>

Note: The Lease provides for a maximum annual Lease Rental payment of \$70,000. The Lease Rental amounts are equal to the annual principal and interest payment due in each twelve month period commencing July 1 rounded up to the next \$1,000, plus \$3,000, payable in semiannual installments.

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Jack Woods, City of Alexandria Mayor-spoke in support of wheel tax
Rick Durham, City of Elwood Engineer-spoke in support of wheel tax and gave a brief presentation.
Kevin Smith, City of Anderson Mayor-spoke in support of wheel tax
Mike Spires, City of Anderson City Engineer-spoke in support of wheel tax
David Eicks, City of Anderson Councilman-spoke in support of wheel tax
John Richwine, County Commissioner-spoke in support of wheel tax
Jeff Hardin, County Commissioner-spoke in support of wheel tax
Fred Baer, Summitville resident-spoke in support of wheel tax for Town of Summitville.
Randy Bramwell, Union Township resident-spoke against wheel tax
John Hughes, Chesterfield resident-spoke against wheel tax
Jim Janes, Union Township resident-spoke in support of wheel tax
Rob Sparks, Corporation of Economic Development-spoke in support of wheel tax
Dwain Landware, Director of Flagship Enterprise Center-spoke in support of wheel tax
Jerry Bridges, Director of COG-spoke in support of wheel tax
Rob Jozwack, Anderson resident-spoke against wheel tax
Anthony Harris, Union Township resident-spoke in support of wheel tax

Public comment was closed by President Phipps. Larry Crenshaw, Union Township resident directed question to the Council Attorney asking to speak, Attorney stated that the Council has made the rules and the Chair has asked him to stop speaking.

Councilman Mike Gaskill asked for a five minute recess to hold a caucus.

Meeting was recessed.

President Phipps reconvened the meeting and entertained any motions by the Council. Councilman David McCartney made a motion to read Ordinance No. 2012-2B, by title only and approve the same. Motion was seconded by Mike Gaskill.

Councilman John Bostic –spoke in support of wheel tax
Councilman Larry Higgins-spoke in support of wheel tax
Councilman Mike Gaskill-spoke against wheel tax
Councilman Rick Gardner-spoke against wheel tax
Councilman David McCartney-spoke against wheel tax

A roll call vote was taken:

Bostic – no	Gardner – yes
Gaskill -yes	Higgins-no
McCartney-yes	Phipps-yes

4 Ayes 2 Nays (Bostic, Higgins) 1 Absent Motion carried.

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Councilman Bostic made a motion to approve the Windfarm Road/Drainage Inspection Fund (9.20) request of \$200,000.00 into 310-000 Professional Services. Motion seconded by Larry Higgins. Rick Gardner made a motion to amend the first motion to approve \$130,000.00 into 310-000 Professional Services. Amended motion seconded by Mike Gaskill. A roll call vote was taken:

Bostic – yes	Gardner – yes
Gaskill -yes	Higgins-yes
McCartney-yes	Phipps-yes

6 Ayes 0 Nays 1 Absent Motion carried

Kelli Kelley, HIV Director, came before the Council again asking for the out of state travel for a contract employee under her department. The cost to the County is in the amount of \$689.03 for travel expenses. The employee paid for any other expense incurred. Motion to approve payment of travel expenses made by Councilman Higgins and seconded by Councilman Bostic. A roll call vote was taken:

Bostic – yes	Gardner – yes
Gaskill -yes	Higgins-yes
McCartney-yes	Phipps-yes

6 Ayes 0 Nays 1 Absent Motion carried

Councilman Bostic made a motion to reconsider the Food and Beverage Tax (9.11) for additional discussion. Motion seconded by Larry Higgins. A roll call vote was taken:

Bostic – yes	Gardner – no
Gaskill -no	Higgins-yes
McCartney-no	Phipps-no

2 Ayes 4 Nays 1 Absent Motion denied.

Motion was made by Councilman Gaskill to adjourn the meeting to April 3, 2012 at 6:30 p.m. motion seconded by Rick Gardner. A roll call vote was taken:

Bostic –	Gardner –yes
Gaskill -yes	Higgins-yes
McCartney-yes	Phipps-yes

5 Ayes 0 Nays 1 No Vote (Bostic) 1 Absent Motion carried.

There being no further business the meeting was adjourned.