

## MARCH 12, 2025 JOINT SESSION

The Jay County Commissioners and Council met in joint session on Wednesday, March 12, 2025, at 5:00 p.m. in the courthouse auditorium. Attending was Doug Horn, Duane Monroe, auditor Emily Franks, attorney Wes Schemenau, Chad Aker, commissioner president, present from the council was Faron Parr, Bryan Alexander, Harold Towell, Michael Brewster, Matt Minnich, council president. Absent was council members Cindy Bracy and Randy May. The purpose of the joint session was to hear a financing presentation from Jason Semler from Baker Tilly Municipal Advisors, LLC.

Jason Semler, principal partner, came to discuss municipal financing opportunities with the county and funding sources. He noted they still do not know the impact of pending state legislation, there could be some substantial impacts to revenue streams in the future. The reasons a county cannot just get a loan, but are required to bond was explained. There are certain statutes and processes the county must go through to borrow money. It is in place to protect the county and county taxpayers and the DLGF (Indiana Department of Local Government and Finance) will make sure the appropriate steps have been followed to get the loan. While home rule gives county more jurisdiction, if there are processes in place by statute, the county must follow those procedures.

A municipal bond is issued for the purpose of financing capital projects such as roads, streets, highways, and bridges. Counties under the current law are not allowed to just issue bonds to pay for roads and bridges from property taxes. There is pending legislation that would allow counties to do it, if passed. The county could issue bonds through Cum Bridge. Typically, the county would not bond for operation costs as they do come with a larger interest rate.

Property Tax Bonds are one of the most common types and is levied by the property taxpayers of the county. The county has one current for the Jail Bond that still has a few more years outstanding. Bond anticipation notes are a short-term bond, usually used before a long-term bond. This has been primarily used for Economic Development and TIFs for roughly five years. Revenue Bonds can be paid from other sources such as LIT, Food & Beverage, Inkkeepers, or any revenue stream besides property tax. General Revenue bonds do not have one large source and that gives the ability to use any legal revenue of the county. It could be decided year to year how you would pay the bond.

The property tax bonds would be adding a new tax rate to the taxpayer unless you have debt rolling off which would keep it consistent. Mr. Semler relayed that school corporations have typically used these bonds over 3–4-year terms. It has now started to be used by cities, towns, and counties to maintain capital assets. He noted that this will probably become more popular with counties for bridge repair.

Mr. Semler listed items to keep in mind with property tax bonds including debit limits and the petition/remonstrance process. If more than 500 people oppose the project, it would go to a vote process collected and tallied by the auditor's office. If it would die, the county must wait for another year to do the project. Projects over \$20 million would require a referendum subject to the ballot process. If the referendum were to fail, it would be an 18–24-month process to start again. This is only used if an entity knows a project is likely to pass. A benefit to a referendum, is that it would be in addition to the levy and would not be subject to circuit breaker losses.

The current debt limit for the county is 2% of the unit's certified net assessed value (CNAV) divided by three, which is \$9,203,119. If the county would have a project over the debt limit, it would have to be a lease to own through a lease rental bond. Lease rental bonds can be paid from property taxes, income taxes or other available revenue sources. They are more costly than general obligation or revenue bonds because of additional fees and required procedures. This type of debt is excluded from the county's debt limit because it would be taken out through a building corporation. However, the county would still be responsible for paying the debt to the building corporation. The building corporation would then make the bond payment.

Mr. Aker questioned if an increase to the assessed value would also increase the county's debt limit. Mr. Semler confirmed that it would. However, the current proposed legislation for assessing ag land and more deductions and exemptions could decrease the tax base and debt limit. He also added if the county were to issue a bond and start work on nine million this year, and the assessed value were to decrease, it would follow the amount allowed at the time.

Mr. Semler next discussed revenue bonds which are payable from Local Income Taxes (LIT), Tax Increment, User Fees or Food & Beverage or Inkkeepers. These types of bonds usually have higher interest rates and lower credit ratings. They typically require a debt service funding reserve with adequate coverage, usually payment for one year. It might require a pledge from an additional revenue source usually a property tax. This would help secure as low of an interest rate as possible. Revenue bonds are not subject to petition/remonstrance or referendum. However, property tax and income tax pledges may count against the debt limit. As an example, if the county has \$4 million on property and \$5 million on LIT, they would both count towards the \$9 million debt limit.

Mr. Alexander questioned if the Lease Rental Bond could only be used for a building. Mr. Semler explained it could be for buildings, roads, bridges, radio equipment or separate equipment lease financing. He informed the county that it is sometimes cheaper to bond instead of the interest rates through the company or bank.

Mr. Semler briefly went over Build Operate Transfer (BOT) agreements which is a procurement method for construction, operation, and/or maintenance of a public facility. This is used primarily if the county does not want to complete (Request for Proposal) RFP process. In that process, the county would go with the lowest bidder. The BOT model eliminates the uncertainty for the county, and gives them more control in who they work with on a project. It also gives the county the opportunity to negotiate best and final offers. As Guaranteed Maximum Price (GMP) is subject to adjustment and more contingency. The county should get that issued towards the end of the project because it will be much higher if it is issued in the beginning. He also advises clients that if any contingency is left over, it should go back to the county as profit.

Property Tax concepts were discussed including: Gross Assessed Value- The tax base before any deductions are applied. Net Assessed Value (NAV) which is the net value after all deductions and abatements are applied. The property tax levy are the

funds generated by applying the tax rate to each \$100 of NAV. While the maximum property tax levy is figured using the Maximum Levy Growth Quotient (MLGQ). This caps the amount of taxes the county council can levy every year and is the same amount across the state. Currently, annual growth is not affected by changes in population, property values, development, local expenditures or budgeted appropriations.

The factor was based on a six-year average of non-farm personal income and is affected by changes in the economy. In 2023, the state legislature formally modified statute to have the Max Levy be based on whichever is the lessor, the formula or 4%. It was estimated that in 2024 the rate would have been 5.3%, but was capped at the 4%. There is pending legislation (SB 1) that has the MLGQ 2026 increase is 0%, a 1% increase for 2027, and a 2% increase for 2028's budget. This will lead counties to consider cutting services or bonding to cover expenses. There is also pending legislation that would have the MLGQ be different for every county, but it is still less than the current formula.

Mr. Semler explained that new development would not increase property taxes, but would lower taxes for existing taxpayers. As an example, if a company came in and paid a million in property taxes, the county would still receive the same amount, but the remaining taxpayer's liability would be reduced by a million. Mr. Aker questioned if the county could TIF the solar farm areas before they come in to capture that revenue. Mr. Semler confirmed that the county could and would then receive that revenue once the approved abatements would start to roll off.

Mr. Alexander asked if the savings would be equally applied to each taxpayer. Mr. Semler explained it would lower the tax rate. Mr. Horn expressed concern with increases to county expenses with new developments. Mr. Semler agreed that additional developments could put a higher demand on county services. He added there could be potential concern on how to fund the additional services. Mr. Alexander noted that while the county would receive additional revenue from local income taxes, proposed legislation has it changing from where the employee lives to the employer. Mr. Semler confirmed there was proposed legislation for the change. It could be a benefit to the county or a burden. This is why they changed rules on TIFs that now allow for more than capital projects. It now allows for police and fire because of the increase in demand in services.

Mr. Semler explained the county is at their max levy for 2025, minus some rounding. The controlled funds are County General, Reassessment, Cumulative Bridge, Health Department, and County Emergency Medical Services for a total of \$6,862,306. The county could move funds around, but could not increase from the amount. This might be the same amount for next year depending on legislature. The two funds that are outside the maximum levy are Jail Lease/Referendum Debt, and Cumulative Capital Development for a total of \$1,159,593.

Circuit Breaker Tax Credits were discussed. The credit limits a taxpayer's total property tax liability to a fixed percentage of the gross assessed value of the taxable property, before any deductions. The homestead is capped at 1%, Other residential, rental, agricultural land and long-term care facilities at 2% and commercial/industrial at 3%. Mr. Semler showed an example of a property in Dunkirk and how circuit breaker losses impact the county.

Mr. Semler went through a brief overview of proposed county projects and estimated the total cost at \$13 million. He explained the county has four more years left on the jail bond totaling about \$2.9 million with \$2.7 outstanding principal. If the county were to go ahead and bond for the \$13 million in total projects, the tax rate would go from .0558 to an estimated .0990 for three years. After the jail bond is paid off the rate would go down to .0790. If the county wanted to keep the tax rate the similar to the current, they would need to provide an additional cash on hand of \$600,000-\$700,000 for three years. After the jail bond is paid off, they would need to provide an additional \$400,000 cash on hand.

There were several more slides in the presentation related to Tax Increment Financing (TIF) and its allowable uses that were given to the present members for their review.

To start the regularly scheduled council meeting, Duane Monroe made a motion to adjourn the joint session at 6:04 p.m.; Doug Horn seconded the motion and the motion passed by unanimous vote.

JAY COUNTY COUNCIL

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JAY COUNTY AUDITOR



was already approved earlier in the meeting. Bryan Alexander made a motion to approve Ordinance 2025-03 as presented. Michael Brewster seconded the motion and the motion passed by unanimous vote.

**PTRC SUPPLEMENTAL ALLOCATION**






Emily Franks, auditor, gave a brief overview of the county Property Tax Replacement Credit making up 24% of the county's Local Income Tax Rate. The county had received a supplemental distribution of \$181,965 in 2023 and \$644,438 in 2024. She estimates an additional \$800,000 will be distributed to the county for 2025. The council can allocate the distribution for not more than three years after the money is received, if no action is taken, the entire amount will be available in the ensuing year. The rate will already be higher for qualified properties this year due to an increase of \$1,047,839 over the prior year. A list of unknown factors moving forward include: the 2026 LIT distribution, assessed values for next year, pending state legislation affecting levy, tax assessments, deductions and credits. She explained depending on those factors it might be best to use the supplemental next year to offset the decreased credit rate to the taxpayer. Bryan Alexander made a motion to retain the additional PTRC supplemental monies for 2025. Cindy Bracy seconded the motion and the motion passed by unanimous vote.

**REMOTE MEETINGS**

Cindy Bracy requested the county look into a policy to allow members attend meetings remotely. Mr. Schemenaur agreed to send a sample policy for members to review for their next meeting. He also added members would need to be able to be seen and heard on in person and on the livestream or recording.

With no further business for the council, Michael Brewster made a motion to adjourn the meeting; Bryan Alexander seconded the motion and the motion passed by unanimous vote. The meeting was adjourned at 7:36 p.m.

**JAY COUNTY COUNCIL**

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ATTEST: 		
JAY COUNTY AUDITOR		

**MARCH 12, 2025**

The Jay County Council met in session on March 12th, 2025, at 6:00 PM, in the auditorium at the Jay County Courthouse. Attending was Michael Brewster, Randy May, Harold Towell, Bryan Alexander, Faron Parr, attorney Wes Schemenaur, auditor Emily Franks, and Matt Mimnich, president presiding. Absent was Cindy Bracy. Faron Parr made a motion to approve the minutes from February 19, 2025. Randy May seconded the motion and the motion was approved by unanimous vote.

**COUNTY GENERAL**

1000-068-30-0068	Insurance- Bldg, Liab, Vehicle	\$80,000.00
1000-232-30-0041	Circuit Court- Transcripts	\$75,000.00
Bryan Alexander made a motion to approve the additional appropriations for county general as presented. Faron Parr seconded the motion and the motion passed by unanimous vote.		\$5,000.00

**LIT- ECONOMIC DEVELOPMENT**

1112-001-30-0058	John Jay Center for Learning	\$63,000.00
1112-001-30-0059	Arts in the Parks	\$35,000.00
1112-001-30-0203	4th of July	\$15,000.00
1112-001-30-0181	Small Business	\$10,000.00
Harold Towell questioned if Arts Place ever received monies from Mercer County for Arts in the Parks. Carolyn Carducci, executive director, explained Mercer County is not part of Arts in the Parks and the monies are not commingled. Faron Parr made a motion to approve the additional appropriations as presented. Michael Brewster seconded the motion and the motion passed by majority vote with Harold Towell opposing the motion.		\$3,000.00

**OPIOID RESTRICTED FUNDS**

1237-001-30-0143	Jay County Drug Prevention Coalition	\$13,150.00
Kimbra Reynolds, director JCDPC, explained the money would be for costs already incurred for their sober living facility. Faron Parr made a motion to approve the additional appropriation as presented. Randy May seconded the motion and the motion passed by unanimous vote.		

**COUNTY SHERIFF CONTINUING EDUCATION**

1133-001-30-0128	Sheriff Training	\$5,000.00
Larry "Ray" Newton, sheriff, explained the money would be used to purchase training videos. Bryan Alexander made a motion to approve the additional appropriation. Harold Towell seconded the motion and the motion passed by unanimous vote.		

**ECONOMIC DEVELOPMENT WINDFARM**

4500-002-30-0148

Professional Services- Ritter Strategic Services

\$39,600.00

The additional appropriation is for an amendment to the phase two contract with Ritter Strategic Services. The amendment included quoting a standalone system in addition to the IPSC system and a non-public safety road system such as the county highway. Bryan Alexander questioned if the county was only looking at one system, would they lose competitive pricing from not having multiple vendors. Mr. Schemenaur explained IPSC has a contract with Motorola which did not allow for competition. Larry "Ray" Newton, sheriff, clarified their contract with the state is only for the equipment and towers. The mobiles and radios would be decided by the department and could include vendors such as ERS Wireless, J&K Communications, or Harris. Barry Ritter would help the county in that process.

Mr. Minnich questioned if IPSC had a price list for the cost of the core hardware and the towers. Mr. Newton stated that would be a question for Barry Ritter. Mr. Alexander noted that he did not see a way to pay for any system without bonding. He added that everyone he had spoken to, but one, favored the IPSC system. Michael Brewster stated he would be using the system, but that council members would not be the ones using the system and should rely on the opinion of those using the system daily. The additional amount would only quote the 700/800 MHz system that is not favored by the departments using the system.

Mr. Minnich believed the additional cost would be a small amount to pay overall to have both answers and to add in the public utility system quote. He added while the county may spend more money for IPSC, they could potentially have lowered the bid down \$100,000. Mr. Alexander echoed similar sentiments, agreeing that spending money up front might be protecting the county down the line. He clarified his vote to fund the amendment was not because he did not support the IPSC system. Faron Parr made a motion to approve the additional appropriation for Ritter Strategic Services. Randy May seconded the vote with Bryan Alexander voting for the motion. Harold Towell and Michael Brewster voted against the motion with the motion passing by majority vote.

**INFRASTRUCTURE**

4908-001-30-0142

Repairs- Retirement Center

\$28,830.00

The additional appropriation was for electrical repairs at the retirement center as approved by the commissioners last year. Harold Towell pointed out that \$100,000 of work had been put into the building over the last year between the RCAP grant, electrical, and bathroom repair. He added that the conversation had never been had about the facility following the implementation of the advisory board. Matt Minnich agreed an honest conversation about the continued operation of the facility had not been had. The council agreed that the facility would never make a profit. Bryan Alexander stated he would like to see what it would take long term to maintain and run the facility. Faron Parr made a motion to approve the additional appropriation as presented. Randy May seconded the motion and the motion passed by unanimous vote.

**ARP-2021 CLFRE**

8950-001-30-0148

Professional Services- REA

\$1,100.03

Patrick Dierkes, project engineer with Rundell Ernstberger Associates (REA), came to the council to give a brief update and answer any questions. The services provided were related to the READI application and documentation required. They have provided a scope of services for just the utility work of phase 1 including the water line and sanitary sewer. There has been no work on the concept of design while they are waiting on approval for the scope of services. During the process of updating the scope of services, they found out additional information regarding the sanitary sewer line that changed their previous assumptions. It will require another survey which will take about a month to obtain. They have updated the schedule from starting on January 1<sup>st</sup>.

Bryan Alexander stated he believed that if the READI grant fails, the project would be dead. Mr. Dierkes had been told from the region, that anyone who received a letter for their project, it had been sent to the state for their review. Also, that it would be a month or two before the state would award funding. Mr. Towell questioned what work was included in the most recent invoices. Mr. Dierkes explained because the county was awarded significantly less than what was originally applied for, it required them to rework plans to fall within the new budget. The biggest issue is that there is not a sanitary sewer for the development and it would be a large undertaking for a developer to build out the entire site.

Mr. Alexander questioned if the money already pledged by the Jay County Redevelopment Commission with READI monies would be enough to get it sewer on the site. Mr. Dierkes believed with the new routing it would probably be in the \$1-2 million dollar range. At the same time there is an economy of scale to bring it down to the site and to bring water. As they would put in the sanitary sewer they would put in the waterline extension. The total project cost would be around 4 million dollars with the READI, ARPA, and Redevelopment Commission pledge covering the majority at around \$3.9 million.

Mr. Towell questioned if the City of Portland would handle the sewer connection. Mr. Dierkes explained they had found out from the city the original plan to connect to the Industrial Drive and Lafayette lift stations would not be sufficient with the gallons per day. They are now being directed to connect south of the property on 67 to a 24" sewer line. However, they will still need to coordinate with the City of Portland to see if the water treatment plant could handle the additional flow. Mr. Towell also asked about the raw sewage that runs down Charles Street with heavy rainfall. Mr. Dierkes stated that would involve a system wide analysis by the city and could not answer to that issue.

Wes Schemenaur asked for a second county council volunteer to join the 68 Acre development ad hoc group including Portland City Council members, Portland Mayor, Portland Redevelopment Commission members, County Council members, County Commissioners and Jay County Redevelopment Commission members. Harold Towell volunteered as the second council member along with Bryan Alexander. Bryan Alexander made a motion to approve the additional appropriation for REA as presented. Michael Brewster seconded the motion and the motion passed by majority vote, with Harold Towell voting against the motion.

**COMM CORR 2024**

9116-001-10-0017

Employer Social Security

\$3,611.84

\$164.51



9116-001-10-0018	Employer PERE	\$347.33
9116-001-10-0048	Wages- Executive Director	\$1,600.00
9116-001-10-0127	Wages- Deputy Director	\$1,500.00
Michael Brewster made a motion to approve the additional appropriations for the 2024 Community Corrections grant fund as presented. Faron Parr seconded the motion and the motion passed by unanimous vote.		

Transfers:

Health Bioterrorism Grant 8109-001-30-0113 (Equipment Maint. Contract) to 8109-001-20-0011 (office supplies) \$359.00  
Health Bioterrorism Grant 8109-001-30-0113 (Equipment Maint. Contract) to 8109-001-20-0040 (medical supplies) \$647.00  
Health Bioterrorism Grant 8109-001-30-0113 (Equipment Maint. Contract) to 8109-001-40-0011 (Office Equipment) \$261.00  
Faron Parr made a motion to approve all three transfers for the Health Bioterrorism Grant as presented. Randy May seconded the motion and the motion passed by unanimous vote.

RESOLUTION 2025-07

Resolution 2025-07 was presented for council approval. The resolution would allow members to attend meetings virtually under certain conditions. Michael Brewster made a motion to approve Resolution 2025-07. Bryan Alexander seconded the motion and the motion passed by unanimous vote.

A RESOLUTION OF THE JAY COUNTY COUNCIL, JAY COUNTY, INDIANA, AN ELECTRONIC MEANS OF COMMUNICATION POLICY FOR MEMBERS OF A GOVERNING BODY.

WHEREAS, Indiana Code (hereinafter "IC") Section 5-14-1-5-3.5 provides the procedures for holding Electronic Meetings when NOT under an emergency for a governing body of a political subdivision; and,

WHEREAS, I.C. 5-1-1-5-3.5(d) requires that the governing body adopt a written policy establishing procedures that apply to a member's participation in a meeting by an electronic means of communication and the Council desires to enact such a policy.

THEREFORE, BE IT RESOLVED that the Jay County Council of Jay County, Indiana approves the following Electronic Means of Communication Policy for the Jay County Council:

1. IC 5-14-1-5-3.5 requires all participating members of the governing body to simultaneously communicate with each other, therefore, any electronic participation shall utilize a technology approved by the County Council and the Jay County Auditor in advance of the meeting.
2. At least fifty percent (50%) of the members of the governing body must be physically present at a meeting. Any member desiring to participate in a meeting electronically must notify the Jay County Auditor and Council President at least 5 days in advance of the meeting that the member intends to participate through electronic means.
3. A member may participate by electronic means of communication and be counted in the quorum, however, in order for the member to participate in any final action at the meeting, the member must be seen and heard.
4. A member of the Council may not attend more than 50% of the governing body's meetings in a calendar year by means of electronic communication not may a member attend more than two (2) meetings in a row using electronic communications, unless the member's electronic participation is due to: military service, illness or medical condition, death of a relative or an emergency involving actual or threatened injury to persons or property.
5. All votes taken during a meeting under this section must be taken by roll call vote; and
6. Meeting minutes shall reflect the electronic meeting participant's name and the form of electronic means of communication.
7. Electronic means of communication shall not be permitted for Executive meetings.
8. A member of the Council may not participate in a meeting by electronic means of communication if the Council is attempting to take final action to: (1) adopt a budget; (2) initiate a referendum; (3) establish or increase a fee; (4) establish or increase a penalty; (5) use the governing body's eminent domain authority; (6) make a reduction in personnel; or (7) establish, raise or renew a tax.

JAY COUNTY TOURISM COMMISSION

Bryan Alexander made a recommendation to appoint Reda Theurer-Miller and Bryan Alexander to the Jay County Tourism Commission. Faron Parr made a motion to appoint Reda Theurer and Bryan Alexander to the commission. Harold Towell seconded the motion and the motion passed by unanimous vote.

With no further business for the council, Michael Brewster made a motion to adjourn the meeting; Faron Parr seconded the motion and the motion passed by unanimous vote. The meeting was adjourned at 7:08 p.m.

JAY COUNTY COUNCIL

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JAY COUNTY AUDITOR