

Special Council Meeting  
 Tuesday, February 7, 2017  
 5:00 P.M. Town Hall

Edinburgh Town Council met in a special session on Tuesday, February 7, 2017 at 5:00 P.M. at the Town Hall, 107 South Holland Street, Edinburgh, Indiana.

President Kami Ervin called the meeting to order and led the Pledge of Allegiance.

Members answering roll call were: Councilman Jack Shepherd, Vice President Jeff Simpson, Councilwoman Dawn Graham, Councilman Jerry Lollar, and President Kami Ervin. Also present were Town Attorney Dustin Huddleston, Clerk Treasurer Scott Finley, Town Manager Wade Watson, and Dan Hedden of Umbaugh.

President Ervin asked Mr. Finley to lead the meeting.

Mr. Finley said the purpose of this meeting is to discuss the 2017 Budget 1782 Notice. He passed out to the council a list of leases and loans that will pay off in 2017 for informational purposes. He explained which leases and loans would be paying off and what funds they are paid from.

Mr. Finley said if the council recalls, during the last budget workshop the council had agreed to meet when the 1782 was received to discuss the options for the 2017 tax rate. He said because of the timing it was not possible to have the discussion in a regularly scheduled council meeting which is why the special meeting was called.

Discussion was held regarding the tax rate reported on the 1782 compared to previous year's tax rates.

Mr. Watson asked Mr. Hedden to explain why the tax rates in the three counties have differed slightly in the past but for 2017 they are identical.

Mr. Hedden said he believes what has happened is the system the state uses to calculate tax rates will provide a tax rate base on the assessed value of the county and the certified levy. In the past the rates were probably left as generated. This year they did some manual adjusting to make the tax rate consistent within the town. This makes it less confusing when explaining to citizens.

President Ervin asked if there was any reason to look at changing any of the numbers within the 1782.

Mr. Hedden said it depends on what the council wants to do. The council had discussed possibly flat lining the tax rate and keeping it at 2016 numbers. If the council does that the town would lose approximately 103,000. If the council does this it does not guarantee the residents will get the same tax bill, just the same tax rate. He explained what he would first look at when he sees a 1782 notice. He said he would check to see if the Department of Local Government Finance (DLGF) had made any adjustments to the budgets.

Mr. Finley said the DLGF did adjust the budget for the Rainy Day fund because we did not have the resolution stating how much would be transferred from the General fund. Now that the resolution has been passed we can send it in and they will restore that budget.

Further discussion was held explaining what to look for in the 1782 notice and how to understand the forms.

Mr. Hedden explained the Cumulative Capital Development (CCD) fund and how it is outside the town's maximum levy. The maximum rate for the CCD funds is \$.05. The current rate is \$.025. The council can take action and reestablish the rate to \$.05 if they so choose.

Mr. Finley explained that the General fund budget stayed almost exactly the same from 2016 to 2017 but the assessed value in Johnson County actually decreased slightly. This caused the tax rate to rise slightly.

President Ervin asked what the process was for decreasing the levy.

Mr. Hedden said this is the time for that process. The town responds to the DLGF in a letter explaining how it wants the levy adjusted.

Mr. Finley asked if the levy reduction would be permanent or could the town still draw the same amount next year.

Mr. Hedden said the reduction would not be permanent. If the town goes below its maximum levy it can restore to the maximum the following year. He said he wanted to caution that if the town reduces its levy it would also be reducing some of its revenues that are based on that levy.

Discussion was held regarding the operating balances of the town funds.

Mr. Hedden said with the exception of one client he never recommends going below the maximum levy.

Mr. Finley said the other thing that throws a wrench in the process is the circuit breaker tax credits. Even if the tax rate were to drop drastically there is a chance that the residents would not see any effect on their tax bill. The rate decrease could possibly only effect how much the town loses in circuit breaker.

Mr. Hedden said the effect of lowering the tax rate is probably more ceremonial than actual.


Mr. Watson said it would affect non-residential properties first because their tax cap is higher.

Mr. Finley said the way the town needs to lower the tax rate is by promoting economic development. As the assessed value increases the tax rate will decrease.


Councilwoman Graham made a motion to allow Mr. Finley to sign and return the 1782 notice with the only change being the Rainy Day fund resolution. Councilman Shepherd seconded. Motion carried.

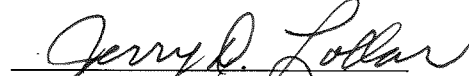
Being no further business or comments, Councilman Simpson made a motion to adjourn the meeting. Councilman Shepherd seconded. Motion carried.


# **EDINBURGH TOWN COUNCIL**

  
Kami Ervin, President

Jeff Simpson, Vice President

  
Dawn Graham

  
Jerry Lollar

  
Jack Shepherd

ATTEST:

  
Scott Finley, Clerk-Treasurer