

Trafalgar Town Council Special Meeting with London Witte

September 7, 2016

Jeff opened the meeting at 2:00 p.m.

Roll was taken. Jeff Eisenmenger President, Betty Davis Vice-President, David Moore, Donna Moore Clerk Treasurer, Steve Scott -Absent, Jason Ramey- Absent.

Betty Davis led the Pledge of Allegiance.

Feasibility Study for Elementary School Project with London Witte

Jeff introduced Jim Higgins from London Witte, Mr. Higgins is the financial advisor for the Town, and was invited today to discuss a possible feasibility study for the Elementary School project.

Mr. Higgins stated he is a CPA and a registered Municipal advisor, partner with London Witte Group in Indianapolis. Mr. Higgins has been with London Witte for approximately 20 years. He has been involved in Government for 35 years. The Governmental Services section of London Witte deals with Cities, Towns, Counties, Libraries, Special Taxing Districts all over the State concentrating on Capital Financing, Economic Development Projects, Utilities & Budgets anything dealing with Municipal Government work. Jeff asks Mr. Higgins if recently they had assisted a Community with taking over a School Building. Mr. Higgins stated in the Town of Winchester in Randolph County, they had an Elementary School that they were leaving. They had the potential for a local firm that wanted to acquire the building. Because it was a School building and was tax exempt the value of the property on the tax rolls was \$0, when it ceased to become a School it was now taxable property and had instantaneous assessed value. In addition to keeping about 400 jobs in the Community, the TIF that was generated from that site and dedicated back to the School Corporation with the idea of providing Vocational Training grants. The increment that was generated on the building just by the change in the status amounted to \$70,000 a year for the School. It was about a 1.4 million dollar windfall for the Vocational Education Department at the School. Betty asks how long the process took to complete. Mr. Higgins said the project was complete in 90 days.

Mr. Higgins stated when a School Corporation abandons a building they have to give notice because Charter Schools if they are interested have the opportunity to purchase the building. They had received a waiver from the State, because Charter Schools were not popular in Randolph County. Jeff asks what a waiver can be obtained for. Mr. Higgins said the waiver was just to pass the 2 year period for a Charter School. Judy Misiniec introduced herself as being a member on the School Board, and said they were not aware of obtaining a waiver. Mr. Higgins

let Judy know they could ask the Department of Education for the waiver. In a rural setting they understand you can't let the building sit for 2 years and burden the School with the building and the Department of Education will waive the process.

Betty asks Mr. Higgins what the description of a Charter School is. Mr. Higgins stated it is a School sponsored basically by a Not for Profit or Educational Institution to act as a private school. It has some public assistance because there are dollars that follow the student. David asks if a Charter School population was exclusive for Johnson County residents. Mr. Higgins stated anyone in the State with a voucher or the ability to pay could attend.

Jeff asks if a waiver was trying to be obtained before it would be granted, would the building have to be offered to the Trustee or a Not for Profit or a Charter School. Mr. Higgins stated no.

Judy Misiniec told Mr. Higgins at this time the School Board was looking at deeding the building to our Trustee, because of the way the statutes are set up that it can go back to the local Township Trustee to be used for something Municipal. Do you still have to go through that process before we go to ask for the waiver? Mr. Higgins stated he believed the waiver would be first. Mr. Lancer with Lancer Beebe stated that there could be a different law that stated that the School would be returned to the Township Trustee. Mr. Higgins stated it may not be the law, but if the land was granted and turned over from the Trustee to the School then this would be outside State law, this would get into a contract and somehow when the transfer occurred if the Trustees office removed the right of first refusal then it doesn't become a School that would be a matter of contract not State law. It would all depend on how the transfer was made, sometimes land gets transferred and there is no claw back. Mr. Higgins stated it would depend on how the transfer documents read, and that it appears multiple transactions have occurred over time. Jeff stated the Council would research the information.

Mary Wilkerson stated that there were other people interested in the building and they are willing to share. Jeff stated nothing had been reviled to the Council who the people are and the Council had been denied the privilege of knowing. Mary stated she would not disclose the information the Council would have to obtain it from Beth Baird – Hensley Township Trustee. David stated that everyone wanted the Town Council to be transparent with their plans for the building, but it appears many things are going on behind the scenes. Betty stated the Trustee has only stated that two not for Profits were looking at the building and she feels this information should be shared with the Town and also the Council.

David ask Mr. Higgins if the Town was using 1/10 of the building and a Not for Profit was utilizing space then is the Not for Profit space taxable? Mr. Higgins said it would be assessed on the space that would be leased out. Jeff stated incubator offices are becoming very popular, in Greenwood, Franklin and Indianapolis.

Jeff stated that the Council has had meetings with 2 other firms regarding a feasibility study, and for the Town Municipality to go into the building he doesn't see the Town doing a remodel, that it could be a planned process overtime. Jeff asks Mr. Higgins is some of the cost associated with utilities and taking over the building would be something that London Witte could help with. Mr. Higgins stated that if the building would become part of the Town then it would be just some basic things like cost to insure, maintain, cost of utilities at a minimum level and to secure the building and that would be some of the basic cost. Jeff asks Mr. Higgins if he could give a price range if the Council would hire his firm. Mr. Higgins stated if it would be as simple as the last piece you discussed then he doesn't see that a study would need to be done by London Witte other than this is what it will cost and does it fit into our budget, we could help with any of those things.

David wanted to mention that the current building has a downstairs that is not ADA compliant, and the only space compliant is the top floor. He stated almost \$500,000 is owed on the current building and that people seem to be concerned with what it will cost to operate the School and no costs have been documented yet, he ask where all the concerned citizens were at when the Town spent \$500,000 on a \$200,000 building.

Mr. Lance from Lance & Beebe is here today to give the Council a proposal on the feasibility study, and he asks Mr. Higgins to not be present.

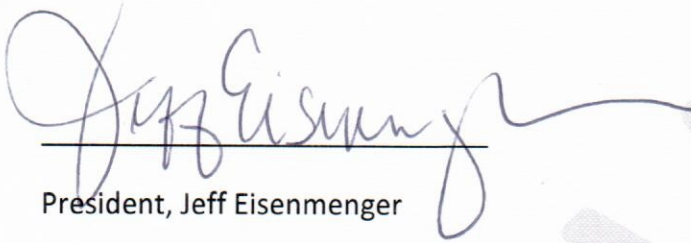
Terry Lancer from Lancer & Beebe, LLC presented the Council with the feasibility study proposal agreement from his firm. The proposal agreement listed the scope of services to be performed and also the contract commitment/compensation in the amount of \$4,000. Mary Wilkerson asks Mr. Lancer for a copy for the Township Trustee, Mr. Lancer stated that would be up to the Council. The Council had no problem with the Trustee having a copy. Donna will attach the proposal from Lancer Beebe, LLC to the minutes. Mr. Lancer stated they would be more than happy to present the proposed improvements to the Community at a Community meeting.

Jeff stated that the Council would like to have a Town forum because the taxpayers in the Community payed for the building and the Council would like to hear from them regarding what they would like to see happen to the building and uses for the building the Community wants. Several grants are available for Community needs. Jeff said the forum would be for the whole Community because several townships have payed taxes to the School building and everyone should have input.

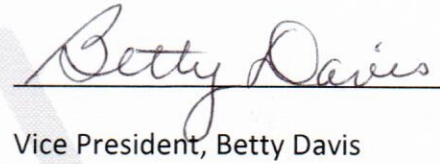
Jeff stated that the old Council was paying the previous financial advisor \$40,000 a year and the present Council hired London Witte and pays them \$2,000 a year at a saving to the Town of approximately \$38,000 a year.

Adjourn

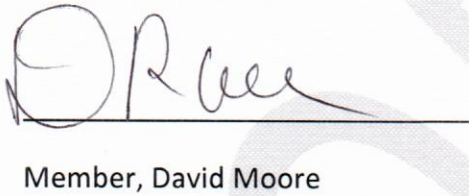
Jeff made a motion to adjourn the Trafalgar Town Council Special Meeting at 3:00 p.m. Betty 2nd. All in favor. Motion passed 3-0.



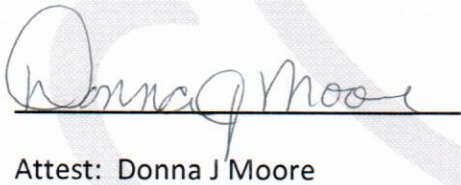
President, Jeff Eisenmenger



Vice President, Betty Davis



Member, David Moore



Attest: Donna J Moore