COMMON COUNCIL

Regular Meeting August 18, 2014

The regular meeting of the Common Council of the City of Shelbyville, Indiana, was held in the Common Council Chambers of City Hall on Monday, August 18, 2014, at 8:27 A.M. Councilman Nolley opened with the Pledge of Allegiance, and Councilman Hamilton followed that with a prayer. Councilman Phares was absent, and Mayor DeBaun presided.

Councilman Hamilton moved to approve the minutes of the previous meeting, August 4, 2014, and Councilman Brown seconded. There was no public comment. The motion was carried on a 6-0 voice vote.

Under old business, on the Compliance with Statement of Benefit hearing for Duran Property Group, LLC, Dr. Duran appeared for the hearing. He said things are going well, and they have a solid tenant base. Mayor DeBaun said the net assessed value on the property is $1,693,000.00. Councilman Nolley moved to approve the Compliance form, and Councilman Brown seconded. The motion was carried on a 6-0 voice vote.

On the Compliance with Statement of Benefit hearing for Hendricks Pointe Apartments, LP, Jeff Ryan was present to answer questions. He said things are looking great, and they hope to invest more. Mayor DeBaun said the net assessed value on the property is $1,116,400.00. Councilman Fero moved to approve the Compliance form, and Councilman Nolley seconded. The motion was carried on a 6-0 voice vote.

On the Compliance with Statement of Benefits hearing for Jhala Properties, LLC, Ren Jhala and attorney Bob Thopy were present to answer questions. Bob said things were going well. Councilman Nolley moved to approve the Compliance form, and Councilman Asher seconded. The motion was carried on a 6-0 voice vote.

Under new business, on Ordinance No. 14-2745, providing funds to refinance the City of Shelbyville Redevelopment District General Obligation Bonds of 2004, Councilman Carmony moved to approve this on first reading, and Councilman Asher seconded. Greg Guerrettaz, President of Financial Solutions Group, Inc., passed out four different pages to the Councilmen and Mayor, to recommend changes and reduce interest rates through refinancing. On the first of four issues, Greg talked about the Sewage Works Revenue Bonds of 2003. There are two Bonds currently involved with the first issue: The 2001 Bonds with a rate of 5.75% paid out of EDIT, and the 2003 Bonds with a rate of 4.25%-4.80% paid out of Stormwater revenues. With a projected refinance rate of 2.50%, the 2001 Bond would be reduced from $193,195 to $104,237, paid out of Sewer revenues instead of EDIT, and the 2003 Bond would be reduced from $266,123 to $190,561, still from Stormwater Funds.
On the second of four issues, Greg talked about the Redevelopment Commission Obligation Bonds of 2004, or the Cum. Thoroughfare Fund. The 2004 Bond has rates that range from 3.75% -4.50%, paid out of Property Taxes, with an annual payment of $355,797. In proposed Refinancing, with an estimated rate of 2.50%, the proposed source of payment would be EDIT instead of Property Taxes, and the estimated annual payment would be $335,369. This would free up property tax monies for the Bond, and allow the General Fund to receive additional property tax monies in 2015.
On the third of four issues, Greg talked about the 2010 Garmong Building Lease, saying we're trying to correct how we're going forward. The current rates are variable, and a payment of $600,000, from Racino funds, is made annually through at least 2036. In proposed Refinancing, the estimated rate would be from 2.50%-7.00%, with estimated annual lease payments of $500,000, from TIF or Racino funds, through 2031.
On the fourth issue, Greg talked about the Shelbyville Fire Station Building Corporation First Mortgage Bonds, Series 2005. Although Property Taxes are used for these payments, they are outside of the City's maximum levy, which is an important distinction, compared to the Thoroughfare Bond, which is currently part of the City's maximum levy total. The current rate ranges from 4.00%-4.30%, with a payment of $452,791. In proposed Refinancing, the estimated rate would be 2.50%, with an estimated annual lease payment of $438,694. However, the 2005 Bonds are not callable until July 1, 2015. Greg wanted the Council to put it on the shelf for right now, but keep it in mind as July 2015 gets closer.

Greg wanted the Council to approve issues one and two to keep moving ahead, save the tax payers money, and keep the City in a sound position. That's his overall goal, saying the City is on a good path, and he wants to continue on that path. Councilman Brown wanted to thank Greg for taking the time to educate the Council in previous meetings, and giving them a clear picture of where they could be headed and where they should be. Councilman Hamilton said Greg was a good communicator and he appreciated his efforts in working with everyone to better understand the situations as they arise. There being no further discussion, the motion was carried on a 6-0 voice vote on first reading.

On Ordinance No. 14-2746, refunding of EDIT Bonds of 2001 and Sewage Works Bonds of 2003, and authorizing the issuance of Sewage Works Refunding Revenue Bonds of 2014, Councilman Asher moved to approve this on first reading, and Councilman Nolley seconded. The motion was carried on a 6-0 voice vote on first reading.

Under miscellaneous business, Mayor DeBaun wanted to welcome all of the visiting students and chaperones from our Sister City Shizuoka, Japan, and thanked them for attending the meeting.

There being no further business, Councilman Brown moved to adjourn, and Councilman Asher seconded.

Thomas D. DeBaun
Mayor

ATTEST:

Frank M. Zerr
Clerk-Treasurer