HAMILTON COUNTY SOLID WASTE BOARD
MARCH 24, 2003

(12:01:04)
The Hamilton County Solid Waste Board met on Monday, February 24, 2003 in the Commissioner=s Courtroom in the Hamilton County Government and Judicial Center, One Hamilton County Square, Noblesville, Indiana. President Altman called the meeting to order. A quorum was declared present of Christine Altman, Steven C. Dillinger, Steven A. Holt, Dennis Redick, James Belden, Dan Henke and David George.

Approval of Minutes:
Steve Dillinger motioned to approve the minutes of February 24, 2003. Jim Belden seconded. Motion carried. Dennis Redick abstained.

Bid Opening (12:02:03)
Household Hazardous Waste Disposal:
Mr. Mike Howard opened the bids for the Household Hazardous Waste Disposal. Bids included Form 96 and Non-collusion Affidavit unless otherwise specified. All bids included numerous items. Mr. Howard read selected line item bids. (See the Auditor=s office bid files for a complete listing of bids.) Bids were received from the following companies - Safety Kleen, American Industrial Services, Bee Environment Management, Inc., Heritage Environmental Services, LLC., and Pollution Control Industries. Mr. Howard recommended the bids be forwarded to Household Hazardous Waste Center for review and recommendation at the next meeting. Steve Holt motioned to approve. Dan Henke seconded. Motion carried unanimously.

Unfinished Business (12:07:43)
Solid Waste Board Property Tax Levy:
Ms. Altman stated we have a tabled item, the resolution requesting the County Council to allow the Solid Waste Board to levy a property tax for the funding of the Household Hazardous Waste Center. The proposed budget is where we would start. There was a question concerning the use of COIT to fund the Household Hazardous Waste Center. Mr. Howard stated he has contacted Bruce Hartman, State Board of Accounts, and he believed that each unit would have to act on it and it would come out of their amount pro-rata. This was his preliminary opinion and Mr. Howard has not yet received anything in writing. Ms. Altman stated when she reviewed the statute it appeared that it would be an action solely of county council to allow the use of COIT and then it would be based upon the levy. They would be entered as a distributory entity, just as a city, town, library or the county. We would still distribute it based on the property tax levy. Unless you have a property tax levy introduced into the COIT program, does you no good. Mr. Howard stated to come off the top it would have to be part matching based on the distribution and the levy. Each unit has to agree, which gets us where we have been in the past, going to each fiscal body with a hand out. It can come off the top, if you have property tax. If we do impose a levy the Solid Waste Board will receive the same portion as the underlying unit. Ms. Altman stated she believes it takes an affirmative act of county council to allow that in. Mr. Howard stated they would have to approve the levy and approve the right to match. Ms. Altman

stated based on Mr. Reuter=s preliminary numbers a house valued at $100,000 would only require a $4.00 contribution to the program in property taxes. If it is dollar for dollar then you would reduce it from $4.00 to $2.00. Mr. Howard stated it depends on how quickly the underlying units are incurring property tax outside the levy. Ms. Altman stated she presumes Fishers and Noblesville are now aware of the COIT situation which we are facing, which is a 20% decrease in what we received last year. Mr. Henke stated yes, which was made known since our last meeting. Ms. Altman stated it is not just sharing a little bit of COIT, we would be pulling it from the libraries and everyone, including the county. Ms. Altman stated from the county=s standpoint we are at our maximum levy. Mr. Henke stated the bottom line is that the main sources of revenue for most county=s and municipalities is COIT and property tax. The COIT is shrinking, which means counties and municipalities are faced with decisions to cut services or enhance their revenue as much as they can through property tax levy or some combination thereof, neither one of which is particularly attractive option, but as things stand right now it is a reality. Mr. Dillinger stated that is assuming the State=s assumption is correct, which we disagree with. Mr. Howard stated Mr. Hartman stated he did not see how we could take from the underlying units COIT without their agreement, unless it is part of the match that is part of the property tax distribution. Mr. Howard stated Mr. Hartman told him generally they are entitled to that COIT based on the distribution and if you allowed underlying units to take it off the top, that is all they would ever do. Ms. Altman stated the COIT statute does not even allow voluntary petition for this type of use. Mr. Howard stated we would have to have to ask for funding under an interlocal agreement. Mr. Howard stated the Solid Waste Board is a municipal corporation, they can get a distribution of COIT, but it is only derivative of the property tax they collect. Mr. Henke stated it can not be done independently, it must be tied to a property tax? Mr. Howard stated yes. Mr. Henke asked if done in that manner it still comes out at the same absolute county distributive share of COIT? Mr. Howard stated yes. Mr. Henke stated the two options are either a strictly property tax levy or a mixed property tax/COIT levy, but not a COIT only.

(12:18:12) Ms. Altman stated it comes back to a contractual arrangement that was entered into last year, which mandates this body to seek funding for 2004 operations. It is up to this body to determine whether it wants to have 2004 operations. Her informal discussions with members of Council indicate that they will have to pull back on all non-essential spending. Jim Belden stated there was an agreement that this Board was going to try to fund it. The Council, in good faith, loaned money to extend the budget for 2003 with the thoughts that it would be returned. We are facing the same dilemma that all municipalities are facing, the unknown of what is going to happen in the future in regards to services and the health and safety in terms of our budget. He does not think the county is in a position to say we will be able to fund this next year. We have a program that we established because we had a problem. We took in 230,000 lbs of hazardous materials, which stayed out of the drains and sewers and everything else. This is not a problem that is going to go away. Every county faces the same thing, some counties budgets range from $1 to $4 million. Obviously there are opinions that we don=t want a property tax

levy, where do we go? Ms. Altman stated we don=t have any other alternative, the Board agreed contractually last year. She has asked the council=s attorney to draft a resolution that would allow this board to levy a tax. It must be in place by May 1st in order for this Board to levy the tax. It was tabled at the last meeting. Our last opportunity to present it at a Council meeting, which she feels no reason not to present it, is their April meeting. In order to proceed Mr. Holt=s motion to table needs to be removed and she would request a motion to put this on County Council=s agenda. Mr. Belden stated there seems to be some philosophical difference here, whether or not the county should assume these kind of responsibilities or whether it is the responsibility of the municipalities. Mr. Belden asked if a levy is created to handle solid waste in this county and certain entities decide to do this on their own, such as Carmel has, is there a some kind of formula that can be used to reimburse those that are contributing? Mr. Howard stated the proposed budget has a reimbursement to Carmel of $120,000 which is based on per capita. This is a household hazardous waste program, it was based on a population count. Mr. Belden stated if a levy is created that means everybody is contributing to that problem. Ms. Altman stated that is correct. If Fishers would care to take over their own responsibility in this area, by the agreement reached last year, any entity that cares to provide their own household hazardous waste program would be reimbursed. (12:24:46) Ms. Altman motioned to remove from the table the prohibition from approaching council for the resolution to allow property taxes. Jim Belden seconded.

Mr. Holt stated he still thinks we need a definitive answer from the State on COIT. COIT is the logical way to pay for this. The COIT tax identifies those residents in the county that are paying an income tax. That is a logical way to do it, it is not logical to ask business and agricultural to underwrite an extremely high percentage of this, when businesses are prohibited and agricultural, when you have someone that is on 1,000 acres that has a household, it is a disproportionate payment. COIT has to be the logical way to go. If we get the wrong answer from the State, then if we go back to the municipalities and we request participation through their COIT individually, as we were before the county council said that they wanted to take on the entire responsibility, that would be a more fair way to pay for this. Ms. Altman stated the statute is clear and the attorney gave us a clear answer. There is not statutory provision currently that allows COIT to be used independent of the tax levy for this purpose. That is her opinion and appears to be the opinion of counsel. Mr. Holt stated we have not received a definitive answer from the State. Mr. Howard stated we have not received a written response to that effect from Bruce Hartman. He said he would look into it further, but he knew of no authority to do it. Mr. Howard stated there is a glimmer of hope, not much. His feeling was that the county could not use the underlying units COIT without their consent. You could take COIT off the top to match property tax distribution. Ms. Altman stated this agreement has been in place for over a year and it appears we would need a statutory change to allow what Mr. Holt is suggesting. We have a contractual deadline to meet. Mr. Howard stated there is another stop gap, the statute is clear that the council must grant it=s permission before May 1st, but you would be the entity that would ask for the levy. You would have to fill out the itemized sheet and in that we would have to estimate the collections from other revenues that would help fund the proposed budget, excise,

commercial vehicle excise and COIT if applicable. Mr. Belden would like to hear the rest of the Board=s feelings.

(12:28:48) Mr. George stated obviously he was not around when the original contract was signed. He knows we have a philosophical difference. He sees the need to have, it is something people are taking advantage of in Noblesville and Fishers. It is also appropriate to do it at a county level. That is where the philosophical difference comes in. He agrees we need it, the problem is that he wants to make sure that over time it does not grow into something that is far beyond what we envision today. If it is within a framework and is going to be jockeyed around as a budget item, then it will be kept in check. The way we are doing it now, is that he fears it could grow independently.

(12:30:23) Mr. Henke stated he is an agreement with some of the points that Mr. George has made. His position on this is that right now the municipalities in the county are very much in a state budget uncertainty. We have to do our fiscal planning on a basis of what can happen rather than what we wish will happen. At the present time what can happen is that the available distributable portion of COIT funds to the county and municipalities will shrink significantly next year. Municipalities within the county will have to make very difficult decisions in regards to services provided in exchange for maintaining the level of services that are currently provided. Embark on a significant program of revenue enhancement through the other source of revenue which is property taxes, if possible. The other issue, which is looming, based on the current status of legislation for the legislature, there could be another source of additional negative property tax impact to Hamilton County taxpayers based upon the cap of school growth fund. He would hope that it would not come out of legislature, but there is a substantial likelihood that it could and it would have a significant impact on virtually every Hamilton County taxpayer and every Hamilton County school corporation. Based upon those two possibilities, he finds it philosophically very difficult to justify any further tax increase to Hamilton County taxpayers when there is a substantial likelihood that a major tax increase is coming, thanks to financial management decisions being made by the State of Indiana, which directly impact us. Based upon that, while this program is a sound program and a valid program and he sees the need for it and acknowledges the need for it we have to make priority decisions in terms of services that are provided. He would rank governmental services provided in priority as schools, public safety, roads and parks with this coming in behind it. To the extent that they would have to be a cut in level of services for any of those other entities he could not justify the creation of a new tax levy to support this one expense or to support this one when there are other programs that he thinks are more important are suffering financially.

(12:33:14) Mr. Holt stated he has always championed Household Hazardous Waste and he thinks it is critical that the business of Household Hazardous Waste continue, it is the funding that is the issue, not the viability, or the importance of the program. It needs to go forward, it needs to be paid for by COIT. Ms. Altman asked what if COIT is not available? Mr. Holt stated COIT is available. Mr. Holt stated when he was approaching municipalities for contribution through their COIT, had Noblesville=s agreement, had Fishers waffling, why has the county council not paid their share, which the county council when you served on it, did not agree to

pay their share and other municipalities saying when the county council pays their share we will pay ours and the county council had themselves in a situation that they paid for the building, but was unwilling to pay for their fair share of operating and then a 180 was done where the county council said, at her suggestion, let=s just pay for all of it, at least in the short term. That is what has gotten us to this dilemma, because we had municipalities that were willing to pay. Ms. Altman stated she thinks his recollection is a bit incorrect in the fact that we had one municipality and the council is going to pick up the entire cost other than that at that point. The grant was at issue. She believes what she suggested was county council would pick it up as long as this board enacted a tax and reimbursed the county. That portion to have the 2003 funding to make the deal work was omitted, but she believes the intent or the request of council was that the county be repaid.

(12:35:23) Mr. Dillinger stated he thinks it is ironic when we started a Solid Waste District and all the other counties were jumping on board, putting tax levies, etc., we have committed to do ours without a tax increase and we have survived all those counties for 12 to 13 years now. He agrees with Mr. Holt in that it is no different that trash pick-up in the county. As a business owner in the county he was paying for trash pick-up, but he could not get his trash picked up. It is the same principal. The farmers with 1,000 acres seems disproportionate. He thinks it should be funded, but he does not think the property tax is the way to go with it.

(12:36:44) Mr. Belden stated funding is the issue. Either we fund it or we don=t have the program. He has a lot of legal minds telling him we can=t take it from COIT and one says we can. He does not understand, can we use COIT? Mr. Howard stated each unit=s COIT you can use or the county council can use the county=s COIT. You can use COIT, it is a question of whose COIT is it. If you take it off the top you are proportionality taking COIT from everybody, but you can=t do that without a property tax levy. COIT is distributed based on the amount of property taxes distributed to each unit. Holt stated the county would most likely use COIT for their share, but remember Carmel does not use COIT tax to pay for their household hazardous waste, they establish a budget in their water and sewer department. They operate on the philosophy because they are taking those hazardous materials out of the waste stream they are saving money because they are not having to process them at the sewer plant. He knows that was part of the pitch when we went to Fishers, you may not want to use COIT money you may want to pay for it out of your sewer department because not only the ecology of the area is benefitting, but the sewer operation is saving money. That would another angle for Fishers or Noblesville or Westfield or the northern communities, rather than paying for it out of a COIT distribution. The county is not in the sewer business so for the county=s portion it would not be available, we would still be looking at COIT. Mr. Belden stated when Mr. Holt went to the different communities and encouraged everybody to participate financially, he recalls that if somebody decided they did not want to be involved we would have to turn people away. Mr. Holt stated it would operate the same as the Humane Society=s concept where if you lived in a municipality that did not participate, that did their own animal control, then you would not be able to participate. Christine raised a valid point which was that we determined that if we had an entity that did not participate we were subject to the loss of our IDEM grant because the grant

said everyone should be allowed access. We did not follow up with IDEM if they would give us a waiver because county council said they would fund it. Given the current financial status of Indiana, expecting that there would be an IDEM grant in 2004 or 2005 probably is not be very realistic either. The likelihood is we are going to find we are going to be picking up a bigger share of community corrections and a number of other things that are being funded by the State. He is not sure the IDEM grant should be the deal breaker on this.

(12:42:58) Mr. Redick stated since Noblesville has dedicated COIT monies to this and everything else has been said he would agree with Mr. Dillinger.

(12:42:16) Ms. Altman stated we have built in at the county level and several entities have built in to their Stormwater Phase II planning this issue as a mitigating factor. She is very concerned that if we breech our contract, which failing to approach council in a timely manner will happen, that this program will disappear. The numbers for a household valued at $100,000, you are looking at a $4.00 tax per year. That is at a $1 million budget. For a $250,000 house you are asking the homeowner to pay $10.00 per year. She fully anticipates that the actual budget that would be adopted by this entity would be in the range of approximately $400,000 to $500,000 including payment to Carmel, which would cut that rate to $2.00 per year or $5.00 per year. The value of this program whether it be COIT or property tax is well in excess of that when you look at the value to our wastewater and she fully expects that it will go away if we breech our contract. She anticipates that the Health Department will no longer loan it=s employees and perhaps will terminate the program quicker than 2004. Mr. Dillinger stated he doubts that would happen. Ms. Altman stated she would hope not, but it is a possibility.

Mr. Howard stated the $2.00 would be for total funding, if COIT came in, it would be $1.00. Ms. Altman stated these are the numbers we are looking at, we were elected in to office to make hard decisions and either this program is worth it or it is not. Ms. Altman called for a roll call vote on the motion to remove this from the table so we can proceed contractually. David George - no; Dan Henke - no; Christine Altman - yes; Steve Holt - no; Steve Dillinger - no; Jim Belden - yes. Dennis Redick - no. (Motion dies 2-5.).

Ms. Altman stated we will go no further with Council and it appears we will not have a property tax levy in 2004.

Household Hazardous Waste Center Update (12:44:24)

Mr. Barry McNulty requested the President=s signature on an amendment to last year=s grant.

A copy of the Household Hazardous Waste 2002 Annual Report was given to the Board.

Mr. Holt encouraged Mr. Howard to pursue Mr. Hartman=s opinion to see what you can find out. Mr. Howard stated if he finds out anything further, he will notify the Board immediately.

Mr. Holt asked Mr. McNulty when would we make application for the 2004 IDEM Grant? Mr. McNulty stated we are waiting on the 2003 Grant right now. We are in the process and our

application is being held up because they have read the newspapers and know we have a funding issue. He is supposed to call them today and let them know where our funding issue is. There was $300,000 to $400,000 of monies available for this round and ours was held up primarily for this discussion. We usually get our paperwork ready in June for 2004. Mr. Holt stated the county council voted to fund 2003 based on the fact that IDEM would be giving us a 2003 grant. Mr. McNulty stated it was a 2002 grant. Mr.Holt stated correct, the 2003 budget that was dealt with in August, anticipated a 2003 grant. Mr. McNulty stated no. Mr. Holt asked if in the budget you did not have an expectation of 2003 grant? Mr. McNulty stated he was very clear in stating that he applied for a grant, but he had no idea how much money or if we would receive any money, so he made no assumptions on grants. Mr. Holt stated if you get the grant, you would have nothing to spend it on? Mr. McNulty stated he did not plan on that income, he did not know if he could, he did not know what to budget for. He asked for $60,000 and they were very plain that you could receive anything in that range on your grant. Sometimes it is not just an accept or deny, they will give you a portion of the amount requested. Mr. Holt stated so there is no need element on the grant application? Mr. Holt stated it is found money if we get it, you did not tell them what you were going to do with it? Mr. McNulty stated it would be part of the general monies, which we would use. Mr. Holt asked if you were fully funded? Mr. McNulty stated yes. Mr. Holt stated it does not make much of a case for IDEM wanting to shoot $60,000 over here. Mr. Holt asked why was there not $60,000 less in the budget and the potential to request an additional if the IDEM did not come in? Ms. Altman stated what was requested and funded was the operational balance of 2003, so we would have a program through 2003. It was not likely we would receive a grant for operations, but you don=t know until you ask. Mr. Holt stated the IDEM grant becomes less of an issue in going to municipality to municipality? Mr. McNulty stated from his discussions with them for 2003, they are awarding grants right now and ours was on the table based upon today=s discussion. Mr. Holt stated he still fails to see what today=s discussion has to with a 2003 grant. Mr. McNulty stated they will not give the grant because there is not a continuation of services. Mr. Holt stated we are fully funded, why would they give the grant? Mr. McNulty stated they want to know it is going to go on, they are very clear about that, they do not want to give their money to programs that are not going to continue. Mr. Holt asked Mr. McNulty to raise the issue if municipalities would opt out, would we be disqualified for making application in 2004.

(12:49:43) Ms. Altman asked for volunteers for a committee to come up with an interlocal agreement and approach other municipalities, if that is how you choose to fund it and COIT does not go through. Mr. Holt stated we have an interlocal agreement that we used last year, beyond changing the dates and dollar amounts, there is not much need. We are lucky that we have Fishers on the Solid Waste Board. We are talking about approaching Westfield, Sheridan, Arcadia and Atlanta and he will be glad to make that approach when Mr. Howard gets the agreement prepared. Ms. Altman asked Mr. McNulty to put together a budget that you would request for 2004 without Carmel involved, without repayment to council on your best number. Then if the attorney would use that number to fill in the blanks on the interlocal. Mr. McNulty stated the question that has come up before was that after 2003 as far as utilities and

maintenance of the facility, will that still be included by the county? Right now Scott Warner pays all the utilities. Ms. Altman stated she thinks that needs to be factored in to the budget. At this point she would presume Solid Waste would operate that facility and it needs to be an independent facility with whatever management is necessary. Mr. McNulty stated he will not speak for the Health Board, but he knows that from previous discussions, they were concerned it would go on beyond two years, so there may be costs associated with the management of the facility. Ms. Altman stated it is fair to assume the county will continue to provide space without a rental charge. Ms. Altman cautioned that considering the fiscal route that we have to take, we need to get this going probably in May or June or it will not be included in the budgets and it will fail again.

(12:52:19) Mr. Henke motioned to adjourn. Mr. Dillinger seconded. Motion carried unanimously.

Present:
Christine Altman
Steven C. Dillinger
Steven A. Holt
Jim Belden
Dennis Redick
Dan Henke
David George
Mike Howard
Barry McNulty
Stephen Wood
Robin Mills
Kim Rauch
Diana Lamirand
M. Susan Cloe
Ronald Cloe