

**MINUTES OF THE REGULAR MEETING OF THE
MICHIGAN CITY REDEVELOPMENT COMMISSION
OCTOBER 9, 2007**

The Michigan City Redevelopment Commission met in a regular meeting in the Planning Department Conference Room, City Hall Building, 100 East Michigan Boulevard, Michigan City, Indiana, on Tuesday, October 9, 2007, at 5:00 p.m. local time; the date, hour, and place duly established for the holding of said meeting.

CALL TO ORDER

Chairman Ken Behrendt called the meeting to order at 5:05 p.m.

ROLL CALL

Upon roll call the following Commission members were noted present: Ken Behrendt, Ed Bigda, Marc Espar, Lynne Kaser, and Joie Winski. (5 present, 0 absent) Staff in attendance: Executive Director John Pugh, Attorney Michael Bergerson, and Secretary Debbie Wilson.

Guests in attendance: Amanda Haverstick from the News Dispatch; Dan Radtke; Ron Miller from WE-FM; Neil Kienitz; Councilman Phil Jankowski.

APPROVAL OF MINUTES

The Chair entertained a motion for approval of the minutes of the regular meeting of September 10, 2007.

A motion to approve was made by Mr. Espar – seconded by Mrs. Winski and unanimously approved.

CLAIMS

Mr. Pugh submitted and reviewed the claims list:

Payroll

Staff Salaries	09/14/07	2,339.58
	09/30/07	<u>2,252.29</u>
		4,591.87

Claims (Regular)

Lenore Gregory	Accounting services - July 2007	250.00
Michael Bergerson	Legal retainer - Sept 2007	<u>300.00</u>
		550.00

Claims (N TIF)

Environmental Inc	Grant mgement - Bensch	21,132.71
Lohan Anderson	Re-use Plan	15,334.78
Michael Bergerson	Legal services - N TIF	3,225.00
JJR	Elston Grove	<u>11,110.55</u>
		50,803.04

Claims (S TIF)

Beam Longest & Neff	Engineering - Towne Center Dr	128.12
Beam Longest & Neff	Engineering - 400 N	1,389.74
US Bank	2007 bonds	500.00
Moody's Investors	2007 bonds	6,800.00
Umbaugh	2007 bonds	36,419.85
Priority Group	2007 bonds	2,368.00
Grant Street Group	2007 bonds	1,750.00
Michael Bergerson	Legal services - S TIF	<u>12,237.50</u>
		61,593.21

The Chair entertained a motion for approval of the claims.

A motion to approve was made by Mr. Espar – seconded by Mrs. Winski and unanimously approved.

FINANCIAL REPORT

Mr. Pugh submitted and reviewed the financial report ended 8/31/07. He noted that since the bond has been sold, we have reimbursed ourselves for monies paid out.

The Chair entertained a motion for approval of the financial report ended 8/31/07.

A motion to approve was made by Mr. Espar – seconded by Mrs. Winski and unanimously approved.

SALARY INCREASE REQUEST FOR 2008

Mr. Pugh stated that this request is similar to the last several years. It is in line with what the Council approved for the City – 3%.

Director: Current \$15,826.00, 3% increase \$474.78, total **\$16,300.78**

Zoning Adm/Rehab Officer: Current \$13,772.00, 3% increase \$413.16, total **\$14,185.16**

Secretary: Current \$5,249, 3% increase 157.47, total **\$5,406.47**

CDBG Director: Current \$43,500.00, 3% increase \$1,305.00, total **\$44,805.00**

The Chair entertained a motion for approval of the salary request for 2008.

A motion to approve was made Mr. Bigda – seconded by Mrs. Winski.

Mrs. Winski asked if the CDBG Director's salary increase has to be approved by the federal government as well.

Mr. Pugh stated that the Redevelopment Commission approves the salary. Whatever she is paid is reimbursed by HUD.

With a motion and second on the floor, the salary increase for 2008 was unanimously approved.

AGREEMENT FOR SERVICES (UMBAUGH & ASSOC.)

Mr. Pugh submitted and requested approval of an engagement letter from Umbaugh & Associates. The Commission requested a more formal letter of engagement. Mr. Pugh recommended retaining Umbaugh & Associates as outlined in the letter of engagement.

Mr. Espar asked if there is a change in the rate structure.

Mr. Pugh stated that rates are not listed. The Commission will be billed for monthly services. Exhibit A is a schedule. It is a standard formula that they use and a fee is negotiated based on each bond issue.

Mrs. Winski asked if this is ongoing for the year or just for the bonds.

Mr. Pugh stated that it is ongoing for our financial consultant services. This letter has been provided as an update.

Mrs. Winski asked what the current annual retainer is.

Attorney Bergerson stated that it is per services rendered (per unit billed).

Mr. Pugh confirmed that the Commission is only billed when Umbaugh performs the work.

Mrs. Winski questioned if the claim submitted for payment by Umbaugh is for services in October.

According to a discussion with Mr. Treptow, Attorney Bergerson explained that the claim submitted is the final billing related to the issuance of bonds. A partial billing was done earlier. He reminded the Commission that this is a four year process and dates back to 2003-2004. The budget for accounting services for the Southside bond issue was \$50,000.

Mr. Pugh reminded the Commission of Mr. Treptow's services – he reviews and analyzes the TIF districts, makes sure the Commission gets the proper payments and that all parcels are included in the district and receiving credit for them. Problems and mistakes have been found over the years. He also advises on the bond issues. Mr. Pugh believes this is an excellent service and noted Mr. Treptow has been the Commission's advisor since the first bond issue in 1986.

Mr. Espar asked if the \$47,000 in the engagement letter is consistent with what has been done in the past.

Mr. Pugh stated that it is consistent, but there have been years where there was no activity and payments were very little or nothing.

Attorney Bergerson added that the Department of Local Government Finance requires itemization of professional fees relating to any bond issues.

The Chair entertained a motion for approval of the engagement letter with Umbaugh & Associates in the amount of \$47,000.

A motion to approve was made by Mrs. Winski – seconded by Mr. Espar and unanimously approved.

REPORT BY LEGAL COUNSEL

Attorney Bergerson reported....

A hearing has been scheduled for October 31st and November 1st, at 8:30 a.m., in Superior Court #3 for the remonstrance filed by Sobowiak's and Weber's relating to the placement of their property on the acquisition list last April.

The managers from Blocksom have returned and Attorney Bergerson will re-open negotiations and discussion with officials to keep the process moving forward. A

meeting should be scheduled within the next 30-days regarding the cost of replacing equipment and relocation costs.

At a previous meeting the Commission authorized Attorney Bergerson to investigate legislation that recently passed by the General Assembly relating to assessment methodology. Pursuant to that, Attorney Bergerson met with Michigan Township Assessor Terry Beckinger and Mr. Kelly from Nexus Group, Inc., an Indiana-based property tax consulting firm. Mr. Kelly will provide Attorney Bergerson with a packet of information and Attorney Bergerson will forward it to the Commission once he receives it.

Regarding a lawsuit filed by the owners of Matey's against the Redevelopment Commission and the Plan Commission regarding the subdivision of the parcel and subsequent use by a petition granted by the Redevelopment Commission, Judge Alevizos has recused himself due to his prior representation of the Redevelopment Commission as well as his prior representation of the owner's of Matey's. He subsequently named a panel of three judges (Judge King, Judge Boklund, Judge Baldoni). A special judge should be selected by the Commission's next meeting and a hearing date scheduled.

REPORT BY DIRECTOR

Mr. Pugh mentioned that the Lohan Anderson Re-use Plan presentation will be on Thursday, November 8th, at 7:00 p.m., in the Common Council Chambers. A notice will be sent out inviting the Redevelopment Commission, Plan Commission, City Council, and news media. Mr. Pugh met with them last Friday. They have a draft and are finalizing it.

Mr. Behrendt asked about the watering situation with the Franklin Square landscaping.

Mr. Pugh stated that the landscaper contacted him and he advised he would take care of watering during the remainder of the contract this season.

PUBLIC COMMENT

Ron Miller, WE-FM, asked for status of the Trustee's Office.

Mr. Pugh replied that the Commission has possession of it. He agreed to let the Police Department and Fire Department conduct their training sessions in the building. As soon as they are done, the bid is in place and demolition will take place in early November.

NEXT MEETING DATE

Due to the next regularly scheduled Commission meeting falling on the Veteran's Day holiday (Monday, November 12th), the meeting will be held on Tuesday, November 13th.

ADJOURNMENT

The meeting adjourned at 5:25 p.m.

Kenneth Behrendt, President