

**SPECIAL MEETING, BOARD OF SANITARY DISTRICT COMMISSIONERS  
WEDNESDAY, SEPTEMBER 19, 2007 - 1:00 P.M. - 1100 E. EIGHTH STREET**

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The meeting was called to order at 1:15 p.m. in the Board Room of the Administration Building, 1100 E. Eighth Street, by the President of the Board, Boyd W. Phelps.

Commissioners present for the meeting were Judith A. Paul, Boyd W. Phelps and Linda Simmons. Commissioners J. Jeffrey Jones and Ronald A. Strauss were absent.

Staff Members present for the meeting were:

Alan J. Walus, General Manager  
Doretha M. Sanders, Business Office Manager  
Tina M. Tabisz, Administrative Secretary  
William J. Nelson, Jr., Attorney

Also present for the meeting was:

John Schaefer, City Controller  
Andre Steele, ALCO TV

**PURPOSE OF SPECIAL MEETING:**

**Public Hearing – 2008 Tax Levy Budgets – Sanitary District Operating Fund, Sanitary District Refuse Fund and Sanitary District Bond Fund, as advertised in the News-Dispatch and La Porte Herald Argus**

**Proof of Publication Submitted for the files**

**Public Comment**

**Public Hearing Closed**

The budgets were advertised, as follows:

<u>Fund Name</u>	<u>Budget Estimates</u>	<u>Maximum Estimated Funds to be Raised</u>	<u>Current Tax Levy</u>
Sanitary District Operating	\$250,000	\$300,000	\$400,000
Sanitary District Refuse	\$2,936,690	\$2,405,886	\$2,138,078
Sanitary District Bond	<u>\$2,228,375</u>	<u>\$2,221,683</u>	<u>\$485,000</u>
Total	\$5,415,065	\$4,927,568	\$3,023,078

Mr. Phelps asked if proofs of publication have been received. Attorney Nelson advised that notices were published in both the Michigan City News-Dispatch and the La Porte Herald Argus. Attorney Nelson handed Mr. Phelps copies of the notices that were published in both newspapers for his information.

City Controller John Schaefer advised that the City of Michigan City's budget was approved last night (September 18<sup>th</sup>). He explained that, within the City's budget, there was an amount of \$1,850,000 included for the Sanitary District to be used toward the payment of the final year of the District's General Obligation Bond.

Mr. Schaefer advised that the City's contribution is not reflected in the Sanitary District's tax levy budgets that were published. Therefore, what was advertised, and will possibly be approved at next week's regular meeting, is tax levy sufficient to make the District's bond payment.

Mr. Schaefer explained that, at the time that the State notifies the City that the calculations are correct and everything is "good to go", the City will then advise the State to reduce the tax levy for the Bond Fund by \$1,850,000. Therefore, the tax relief will then come in through the Sanitary District.

Mr. Schaefer further explained that the District is advertising, and will then approve, a budget that includes \$1,850,000 more in tax money than will actually be raised. However, the budgets had to be advertised to include the amount to be on the safe side since the figures could not be changed before the City Council approved the City's budget to guarantee that the funds will be available. Mr. Schaefer stated that this has been done this way for the past couple of years.

Mr. Schaefer advised that as soon as the State submits the District's budget back for final signature, the Controller's Office will notify the State to amend the District budget to reflect the lower tax levy amount, less the \$1,850,000.

Mr. Phelps asked Mr. Schaefer for clarification on the matter.

Mr. Schaefer explained that the City is going to give the District most of the money to make the bond payment for next year. He explained that the bond payment is approximately \$2.2 million dollars and the City is going to contribute \$1,850,000.

Mr. Schaefer explained that this budget for the District was advertised as if the contribution from the City was not going to happen on the off chance that something would go wrong with the City's budget. Therefore, there would still be enough tax money raised to make the payment.

Mr. Schaefer further explained that the budget could then be approved as it is. Then, when the State's calculations are all final, the State will send a notice of the final numbers and then the last changes can be made to the approved budgets.

Mr. Phelps understood.

Ms. Simmons asked when the bond payment is due. Mr. Schaefer explained that they are due twice a year, in January and July. He explained that the bond payment will actually be wired in December because the payment is due on January 1<sup>st</sup>.

Mr. Phelps pointed out that the budgets still have not been approved from last year for Year 2007. Mr. Schaefer agreed.

Mr. Schaefer advised that the fund that the City is going to use to make the bond payment is not affected by property tax, which should not cause any problems.

Mr. Phelps asked if there were any further questions by the Board. There were none.

Mr. Phelps then opened the Public Hearing and asked for any comment by the public. There was none.

Mr. Walus added that no written remonstrances were received on the published budgets.

Mr. Phelps then closed the Public Hearing.

The next Regular Monthly Meeting of the Board of Sanitary District Commissioners -  
**September 26, 2007 - 1:00 p.m. - 1100 E. Eighth Street**

There being no further business to come before the Board at this time, on motion duly made and seconded, the meeting then adjourned.

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Linda G. Simmons, Secretary