

MINUTES
MUNCIE COMMON COUNCIL
SPECIAL MEETING
300 NORTH HIGH STREET
MUNCIE INDIANA

JUNE 15, 2016

SPECIAL MEETING: 5:00 P.M., 1ST FLOOR CITY HALL AUDITORIUM.

PLEDGE OF ALLEGIANCE: Led by City Council Attorney Joe Hunter.

ROLL CALL:	PRESENT	ABSENT
Doug Marshall		X
Dan Ridenour	X	
Lynn Peters	X	
Brad Polk	X	
Jerry D. Dishman	X	
Julius J. Anderson	X	
Alison Quirk	X	
Linda Gregory	X	
Nora Powell	X	

TAX ABATEMENT COMPLIANCE

City Council Attorney Joe Hunter states they will address four abatements this year and based upon the numbers given, a motion is to be made if they are or are not in substantial compliance. This is the first of a three part review process, reviewing the applications and CF-1's in particular to see if whether or not they have complied or substantially applied with what they told the Muncie City Council they were going to do job-wise in order for them to pass the abatement to begin with.

KEIHIN AIRCON

RES. 19-12 A RESOLUTION APPROVING DEDUCTION FROM ASSESSED VALUE OF NEW MANUFACTURING EQUIPMENT IN AN ALREADY DECLARED ECONOMIC REVITALIZATION AREA. (KEIHIN AIRCON NORTH AMERICA).

Hunter states last year Keihin represented on their statement of benefits they had 329 employees and were going to add three additional jobs for 332 employees. This year when they filed their CF-1 they were at 222 employees which mean they are not even close to where they were when they got the abatement. The ramifications if they are not found in substantial compliance is that they are then called in for a hearing and they come in and present to the City Council (business) reasons of why they haven't met their obligations under the original statement of benefits. At the hearing they could present to the Council the information on why

they are not in compliance or substantial compliance and reasons for the non-compliance are beyond their control like market, economy, etc. Based upon Keihin's submission and their CF-1 it is obvious they are below what they represented in their statement of benefits.

Councilperson Lynn Peters asks if this is a five-year abatement or ten. Attorney Joe Hunter responds to his recollections it is a five year because it is personal property. It is an equipment abatement; they do not have a real estate abatement right now. They did submit a request for abatement through the Auditor's Office, which is where personal property abatements are now submitted through. Councilperson Brad Polk asks about the 2015 numbers. Joe Hunter states last year they were at 341 so within a year they have lost 120 or so jobs. A Motion was made by Gregory and seconded by Powell that Keihin Aircon is not in substantial compliance. A roll call vote showed 8 yeas and 0 nays. Motion carried.

PHILLIPS PATTERN

RES. 25-12 A RESOLUTION APPROVING DEDUCTION FROM ASSESSED VALUE OF NEW MANUFACTURING EQUIPMENT IN AN ALREADY DECLARED ECONOMIC REVITALIZATION AREA. (PHILLIPS PATTERN & CASTING, INC.)

Hunter states Phillips Pattern filed an application for the abatement but did not file a CF-1 which is required. He cannot provide any information on whether they are in compliance or not. The Council or Council Attorney should not have to remind them of their obligations or what they have to do to get their abatement. Councilperson Gregory asks that since the CF-1 was not filed does that stop the abatement or is it the Auditor's responsibility. Hunter responds that according to State Board of Accounts has come across this in previous years that in lack of filing, the Auditor's Office requests them to file it which can still be done. Hunter has not checked with the Auditor on the process so cannot verify. Last year they were at 25 employees. Councilperson Polk asks when the filing deadline date was. Hunter states it was May 15th. The Council then has 45 days to conduct a review like that is being done today. A motion was made by Gregory and seconded by Polk that Phillips Pattern is not in substantial compliance. A roll call vote showed 8 yeas and 0 nays. Motion carried.

RELIANCE MACHINE, INC.

RES. 10-11 A RESOLUTION APPROVING DEDUCTION FROM ASSESSED VALUE OF NEW MAUFACTURING EQUIPMENT IN AN ALREADY DECLARED ECONOMIC REVITALIZATION AREA. (RELIANCE MACHINE COMPANY, INC.)

Hunter states on the statement of benefits at that time they had 67 employees and are going to create 15 jobs but the CF-1 states the currently have 35. This is the last year of this abatement. Substantially speaking the abatement is run in graduating form. The extent of their abatement is not that great. Since the next abatement coincides, Councilperson Gregory requests the Council address both Reliance Machine, Inc. and Allied Enterprises, Inc. together. Hunter then addresses Allied Enterprises, Inc. A Motion was made by Gregory and seconded by Powell that Reliance Machine, Inc. is in compliance. Motion carried.

ALLIED ENTERPRISES, INC.

RES. 18-11 A RESOLUTION APPROVING DEDUCTION FROM ASSESSED VALUE OF NEW MANUFACTURING EQUIPMENT IN AN ALREADY DECALRED ECONOMIC REVITALIZATION AREA. (ALLIED ENTERPRISES, INC.)

Hunter states that Allied had 38 employees at the time of filing the statement of benefits, and was to create two additional jobs totaling 40. They are now however at 21 employees. Again, Hunter states this is the last year of the abatement. It is reminded that the entire purpose of these tax abatements is to create jobs. The main goal is to move forward not backward. Councilperson Polk addresses the Council and inquires on what Allied and Reliance's primary industry is and Councilperson Gregory responds that they are in the auto industry and also Allied does have some over-seas contracts. A Motion was made by Gregory and seconded by Powell that Allied Enterprises, Inc. is in compliance. Motion carried.

Councilperson Quirk makes a side note that the record of CF-1 is known just in case they come before Council again asking an additional abatement. Councilperson Gregory adds they were barely in compliance for any of the five years. Hunter adds that he will call them in before a regular meeting. The reason for this special meeting is for the 45 day deadline purpose. Councilperson Gregory requests that for future purposes to bring the companies in before a regular meeting so it is more aware to the public. Council President Dishman thanks the members of the Council for appearing at tonight's meeting.

A motion was made by Powell and seconded by Polk to Adjourn. A vote by acclamation showed 8 yeas and 0 nays. ADJOURNED.



Jerry D. Dishman, President of
The Muncie Common Council



Melissa Peckinpaugh, Muncie City Clerk
of the Muncie Common Council