

MINUTES
SPECIAL MEETING
300 NORTH HIGH STREET
MUNCIE INDIANA

SEPTEMBER 8, 2014

SPECIAL MEETING: 6:45 P.M., 1ST FLOOR CITY HALL AUDITORIUM.

ORDER OF BUSINESS:

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

Attorney Joseph Hunter states he has attached to the council what the proposed motion should the council find based upon the information provided. If the company is found not in compliance a resolution will be filed to terminate the abatement.

Hunter states he went back and stated with Concannon's the numbers were confusing because of the representation they gave on the statement of benefits. In the application Concannon's represented they had 73 employees and were going to retain them and with the new facility add 75 jobs. There is another notation that there are 15 full-time and 45 employee's work at 30 hours a week. The actual CF-1 states 32. Barton states the current number states 38. Hunter states he doesn't know if they were being realistic or where they got those numbers. He states based upon what they represented in the statement of benefits either way you put it they are short.

Present Anderson asks if there is anyone present that would like to speak to Allied Enterprises.

President of Allied Enterprises John Miller states their employment levels aren't what they predicted. He states the company revenue hasn't recovered from the 2008 level and hasn't had a new client since 2011. They were stabilized the last two years and slightly down this year. The employment is appropriate for the amount of revenue. They haven't lost any customers since the abatement period. Miller states 85% of their customers are off shore. Primarily those customers are England and India and they have no control of the political tariff of the economic conditions. They would like to sell more if the customers would order. Miller states in addition to the employment reported in the March tax return technically it was understated because they have 3 people who were hired through temporary service Staffmark and aren't technically employees. They could qualify for permanent employment, which is at the end of 90 days. This has proven to be the best way to select employees. Their current payroll is down a little more than 12% in terms of head count. Economics are 12%. They have been here 32 years and half of this abatement is over. Gregory asks if he anticipates hiring the employees by the time this 5 year abatement is completed. Miller states if he were to guess with the economic cycle he hopes things will pick up. They do have a new

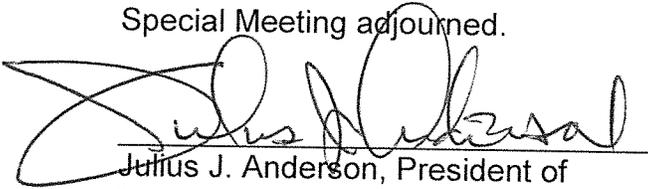
perspective customer that will be coming on board. They have been working on this since 2008. Barton asks how many employees' he has added since the abatement started. Miller states at the time they filed the abatement they had 32 in January 2012 and in July 2011 they had 38. They are now at 31 employees plus the 3 temporaries. They are still below the level. Quirk states since he had gone down employees in the previous years he added four plus the temporary people. Miller states that is correct. Quirk states he has gone down in the previous years but he has added 4 people plus the temporary people. Miller states that is correct. He states they dropped to 24 and now their back up to 31 plus the 3 temporary. He states they are up ten. Miller states they are up 10. He states it's the market conditions, which he has no control of it. A motion was made by Quirk and seconded by Dishman that Allied Enterprise is in substantual compliance. A roll call vote showed 8 yeas and 0 nays. Barton states the building is well kept and appreciates that. She appreciates the fact that he was honest with them.

RES. 11-08 A RESOLUTION DECLARING AN ECONOMIC REVITALIZATION AREA FOR MIKE & MARY ANN CONCANNON. (REAL ESTATE).

Attorney Joseph Hunter states a letter was sent to Concannon's by certified mail. Quirk asks, what the time frame is when they find them in compliance or not. Hunter states the Auditor's office has gotten to sign off on or not. He has signed off on every real estate abatement except for this one. Gregory states this is their 4th year and they have been called in twice. Hunter states at least once or twice. Gregory states the year she reviewed them and brought them in because their statement was full of errors and it was hard to understand what they were reporting. Hunter states he hoped to get an explanation. Gregory states it would be hard to say they are in compliance. Barton asks if this is the one the jobs retained was 73, actual jobs 75, plus 15 new jobs and it states downtown. Hunter states at that point there were no employees at the north facility because it hadn't been built yet. Their estimate of employees by their statement of benefits was 75. Gregory states they are not even 25% of that total amount. Quirk thinks this is some kind of error on their part in their paperwork. She states they evidently not filed their paperwork correctly. Powell states not only did they not file their paperwork correctly they are not present tonight. Anderson asks what would be one more option as it relates to this. He asks if it is possible to notify them one more time and then make a decision. Hunter states this is the first year the Auditor's office contacted him to sign off on the form. Gregory asks if they need a special meeting. Hunter states there has been some discussion about having a special meeting this month anyway. Marshall states they have asked them to be present tonight but they haven't shown up. Anderson agrees with Quirk that the paperwork has gotten messed up. Hunter states it makes sense they stated 75 additional jobs, which is 15 full-time at 30 hours a week plus 15 new jobs downtown. That is a pretty optimistic estimate. Barton asks if this was filed before the new. Hunter states he can't speak for Mr. Baldwin at that point. He does know, they said they would have 148 jobs and right now they have 32 employees. Marshall asks if they are found not in compliance do they have time to get this corrected and come back before the council. Gregory states if they find them not in compliance they lose their abatement. Hunter states the council will have to pass a resolution rescinding their abatement. He can send them a notice that

they filed a resolution if they don't show up their abatement will be rescinded. At that time they can still make the determination they are not going to terminate the abatement by not passing the resolution. Anderson asks if that would be better than tabling it. Gregory states they need to take some action. A motion was made by Marshall and seconded by Barton that Concannon's is not in substantial compliance with the representations made on the statement of benefits. A roll call vote showed 8 yeas and 0 nays. MOTION CARRIED.

Special Meeting adjourned.


Julius J. Anderson, President of
The Muncie Common Council


Phyllis Reagon, Muncie City Clerk
of the Muncie Common Council