

**PORTER COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
THURSDAY, FEBRUARY 16, 2017
3:00 P.M.**

(The entire meeting is available to watch on the Porter County website.)

The Special meeting of the Porter County Board of Commissioners convened at 3:00 p.m. on Thursday, February 16, 2017 in the Commissioners' Chambers of the Administration Center.

Those present were: Commissioners Laura Blaney, Jim Biggs, County Attorney Scott McClure; Administrative Assistant Rhonda Young and Recording Secretary Kathy Merle. Commissioner Jeff Good was absent from the meeting.

Call to Order/Pledge

Commissioners' Tax Certificate Sale

SRI / Onyx – Discussion

Com. Blaney called the meeting to order. We are to talk about the Commissioners' Tax Certificate Sale. We haven't done one of these in several years. Vicki would you like to give us a run down.

Ms. Urbanik, As we discussed at the last meeting we received 2 proposals. One from our vendor who has serviced us for the tax sales for a number of years SRI and the other is from another vendor Onyx Incorporated. At the end both of them matched each other's price in terms how much they would charge for running auction and the related services. That price would be deducted from the winning bidders purchase price essentially. So it boiled down what was the difference between the two proposals and we noticed that in the Onyx proposal there was potential for additional costs mainly a provision regarding legal services if needed because they do not have an on staff attorney whereas SRI does. And so if any legal services would be needed as part of the certificate sale then there could be the potential for the additional costs.

Com. Blaney, Alright, so if I'm understanding this correctly SRI price includes attorney services and Onyx does not.

Ms. Urbanik, Yes.

Com. Biggs, Or another way to put it attorney services under the Onyx contract would be an additional cost.

Ms. Urbanik, Yes. They do contract with a firm so they do have someone, but it would be at an additional cost.

Atty. McClure, I guess from my standpoint because we haven't religiously have been doing Commissioners' Certificate Sales I think we have quite a back log to go through. That is one of the reasons why there was a push this year to get it done and there has been quite a buildup. The last time we did it was a couple of years ago but it did not generate the interest I think we were all looking for at that time so it did not significantly reduce the overall amount of parcels that we have for sale. I think the likelihood or at least the possibility of having some significant legal issues with a few of those properties is pretty foreseeable. I think as we move forward in the coming years maybe that would become less and less of an issue, however I think this first year that we're really trying to do a live in person Commissioners' Tax Sale I think it's important that the County protects itself and have any potential attorney fees be part of the contract.

Contract Approval

Com. Biggs, moved to approve SRI Services contract to service the Porter County Board of Commissioners' Certificate Tax Sale for 2017, Com. Blaney, seconded motion carried.

Com. Blaney, SRI will be our vendor now we need to talk about the resolution. What number is this, do I need that?

Atty. McClure, No we can add that later. It's probably 17-01, 17-02.

Resolution Approval

A Resolution Establishing the Intent to Conduct a Commissioners' Sale to Sell Tax Sale Certificates for Properties that are Severely Delinquent in Payment of Property Taxes.

Com. Biggs, moved to approve the Resolution, Com. Blaney, seconded, motion carried.

Com. Blaney, Finally we will have this Commissioners' Sale and get some of these properties back on the tax roll. Thanks for all of your work on the vendors.

Com. Biggs, Historically speaking with your knowledge, what realistically can we expect, what percent to go back on?

Mr. Luedtke, (Mr. Luedtke was sitting in the audience without a microphone.) Because of the increased interest that I've been seeing in the last, especially the last few sales. I've been in Miami yesterday; I was at Fulton today both of the rooms were filled to where there was standing room only. Of course in Fulton they've got an area that is pretty much under water that they're trying to sell (Inaudible). They didn't have much return but they were happy with the return they got. In Miami County we sold 50 out of 71 properties. In the last 40 years that I've done a study of 55% are generally selling at a certificate sale in which of that 10% of those are above the amount of taxes that are actually owed. So again we are seeing where because the number of properties is dropping at the regular sales more buyers are getting more involved with the certificate sales to pick up ones that aren't selling. Of the 55% that are selling we're seeing right at 80% of those will either go into tax deed or they're being redeemed. So that means your collecting the taxes immediately on the 55% starting this year, but you're getting back taxes on a number of properties that didn't pay to get off of the last sale but because they see that their property is out in jeopardy because someone has put a tax lien on it they could be removed from the property they are coming forward to pay those taxes. I have heard of county officials coming to me telling me that they heard the owner make the comment "Well I made it through this sale I don't have to worry about it for another year". So again keeping these going on a more annual basis keeps the people a little bit more honest about keeping their properties current on the property taxes. In passing your resolution also one of the things that the Commissioners are supposed to do is set a minimum bid that they're will to accept (Inaudible). As I working out the date for your sale and the earliest date I came up with is April 11th. I've already talked to the newspaper. We could get the ad in starting Wednesday of next week and it has to run 3 consecutive weeks and you have to wait 30 days. I looked at the earliest possible date which you have available in this room, April 11th which I believe that's a Tuesday, yes Tuesday is the date that we saw would be the quickest to have that sale that is if we can get the ad in for this Wednesday which means having (Inaudible) newspaper ad.

Atty. McClure, What is your suggestion for the (Inaudible)?

Ms. Urbanik, In the past we did 10% or 500 whichever was lower.

Mr. Luedtke, Right, now looking at the values of the number of properties there are 403 properties that didn't sell, well 419 did sell but apparently 16 have come forward

and paid their back taxes so they don't qualify for the sale so you're down to 403. What I was looking at you've got 105 that are on the sale for the first time, 85 that have been on 2 or more, 38 that have been on 3 or more and 175 that have been on 4 or more sales. I was looking at those 175 a lot of them the taxes apparently they are on really small properties because the amount of taxed that are owed on them exceeds the value of the property and as a matter of fact the most that is being assessed on that property is the tax sale people. My suggestion is on the 4 or more offer them at \$50. If somebody comes forward it covers your cost. According to the statute you have to at least cover the cost that it does to conduct your sale. So your newspaper cost plus our fee since it's a percentage it's going to be easy to calculate that in but your minimum cost normally you're looking at about what is set up by statute is \$25. If you can justify more you can justify you can justify more. So if you ad runs about \$40 per property to put it in the newspaper 3 times then adding the 15% doing it at \$50 you're still covered. It does have to be lower than what was offered at the first sale, again as I've said some of these properties (Inaudible). What am I'm looking at if it's been on the sale 4 or more times I suggest doing it at \$50. The ones that have been on 1 to 3 sales have it at \$75 except if it has an assessed value \$60,000 to \$80,000 then let's set those at \$200. If it's got an assessed value of \$81,000 or more set it at \$300 that way you kind of get people a little be more inspired to be understanding you're going to be paying more for these properties. Setting those minimums you will get a large crowd in and the enthusiasm of the sale itself can drive that price up to where I'm saying 10% itself above the minimum bid that was offered (Inaudible). We need to get the people in to compete against each other to get that price up.

Atty. McClure, Just so everyone understands what you're saying the minimum bid in the fall was the current property taxes owed.

Mr. Luedtke, Right.

Atty. McClure, So that is where those started off and if they didn't sell they didn't sell. Here we're saying they've been on those 4 plus years we're going to set the minimum bid at \$50 but that is just the minimum bid to kick it off. That just gets the ball rolling and that would cover our costs. 1 to 3 years \$75 unless the assessed value is \$60,000 to \$80,000 \$200 and \$81,000 and up \$300.

Mr. Luedtke, Correct.

Com. Blaney, Do we need a motion?

Atty. McClure, Yes.

Com. Biggs, moved to approve, Com. Blaney, seconded, motion carried.

Com. Biggs, Vicki if you could do something out of your office that would advertise these changes to draw interest, do it.

Ms. Urbanik, Beyond the legal notice.

Com. Biggs, Right.

Atty. McClure, Well the one thing I did work with when I got the list of parcels from the Auditor's office, just so you understand, I've given that to our GIS Department and they are working a map and now that we're doing this I want to be able to put that map on the web page, our splash page saying we're having a Commissioners' Tax Sale and then have the GIS map so people could actually see where these things are and then I think that might help a little with the enthusiasm. Right now you're just looking at parcel numbers.

Com. Biggs, Do you think on the side of that have a description on how we're going to sell these?

Atty. McClure, I think we could put these minimum bids so that way people can find it on the map, find the assessed value and figure out the minimum.

Ms. Urbanik, So you want me to sort of promote that you're trying to sell these properties at rock bottom prices to get them back on tax.....

Com. Biggs, I think that if people think they can walk out of here spending \$50 and walk away with a piece of property. Well it at least gets them in the door which is what you're suggesting.

Ms. Urbanik, Will you be putting the information on your web page?

Atty. McClure, I'm going to direct GIS to get with IT and put that map on the web page.

Ms. Urbanik, Our County web page.

Atty. McClure, On the County web page.

Ms. Urbanik, Okay, not mine but the County.

Ms. Glenn, We could do something on the front.

Atty. McClure, On the front splash page where it says "Click here for Commissioners' Tax Certificate Sale".

Ms. Urbanik, And we can promote too in the office with links to the County web page and everything.

Atty. McClure, I think the map will help.

Com. Blaney, I do too. Anything else?

Mr. Luedtke, Our corporate website too, where we have the list of properties for the public to see we have a link to your GIS so they could go immediately and see that property where they can click on the list.

Atty. McClure, That is important.

Mr. Luedtke, Then another thing if you choose to do this I can provide the Auditor with a flyer to send to the adjacent property owners notifying them. That way you're not paying us to do it, it's within house it keeps your costs down because you're just paying for the postage (Inaudible). Your GIS would have to come up with the addresses of the adjacent property owners and then they could refer them to our side or your side to see these properties.

Com. Blaney, Okay, I guess will discuss some more this week.

With no further business the meeting was adjourned at 3:15 p.m.

BOARD OF COMMISSIONERS
PORTER COUNTY, INDIANA

Jeffrey J. Good

Laura M. Blaney

Jim Biggs

Attest: _____
Vicki Urbanik, Auditor