

CASS COUNTY COUNCIL ORDINANCE 12- 06
ORDINANCE ALLOWING CCFD1 REFINANCE LANDSALE CONTRACT

WHEREAS, there is now a fire district created for the Townships of Clay, Eel, and Noble Townships, Cass County, IN (Fire District No. 1) (hereinafter CCFD#1); and

WHEREAS, the CCFD#1 Board of Trustees by Resolution have requested to refinance their current land sale contract in order to reduce the interest and payment obligation of the land and building of Cass County Fire District in accordance to IC 36-8-11-26.

WHEREAS IC 36-8-11-26 states as follows:

Purchase of firefighting equipment on installment conditional sale or mortgage contract Sec. 26. After a sufficient appropriation for the purchase of firefighting apparatus and equipment, including housing, is made and is available, the district's fiscal officer, with the approval of the board and the county fiscal body, may purchase the firefighting apparatus and equipment for the district on an installment conditional sale or mortgage contract running for a period not exceeding:

(1) six (6) years; or

(2) fifteen (15) years for a district that:

(A) has a total assessed value of sixty million dollars (\$60,000,000) or less, as determined by the department of local government finance; and

(B) is purchasing the firefighting equipment with funding from the:

(i) state or its instrumentalities; or

(ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

WHEREAS On September 21, 2010, Cass County Fire District #1 Board of Trustees entered into a Land Sale Contract for Conditional Sale of Real Estate with Dilling L.L.C. to purchase land and commercial building that would house the fire station for Cass County Fire District.

WHEREAS Said mortgage amount to be paid on contract was for \$350,000 with the unpaid purchase price bearing interest at the rate of eight percent (8%) per annum.

WHEREAS Mortgage payments were set up in the amount of \$5,776.22 per month under a seven year amortization period with a balloon payment required in five (5) years by 2015, to pay-off the remaining balance of the land sale contract in the amount of \$127,711.63.

WHEREAS, the Cass County Council further finds that (1) a need exists to reduce the current rate of interest being charged to taxpayers, (2) a need exists to reduce Cass County Fire District's monthly expense obligations by reducing the mortgage payment amount, (3) that a need exists to follow Indiana Code 36-8-11-26, to re-finance said mortgage over a period of six (6) years. (4) that the CCFD#1 Board of Trustees will not exceed interest financing greater than five percent (5%) per annum to include bond opinion if the financing financial institution so requires. (5) that the land sale mortgage refinance shall be established as an outside debt levy, in order to ensure repayment security to the financial institution who may require a bond opinion or otherwise on this specific debt. (6) that once approved, all monies obtained shall be paid entirely on the mortgage balance to Dilling, LLC, bank fees, bond opinion fees, or any other fees associated with the loan for the mortgage refinance;

NOW THEREFORE, BE IT RESOLVED AND ORDAINED AS FOLLOWS:

1. Cass County Council hereby approves to allow the CCFD1 Board of Trustees to refinance the land sale contract for the land and building.
2. CCFD#1 Board of Trustees shall refinance the current land sale contract in an amount not to exceed \$310,000.
3. CCFD#1 Board of Trustees shall not enter into a loan repayment with interest rate greater than 5% interest.
4. CCFD#1 Board of Trustees may allow additional sums to cover allowance for bond opinion fees or bank fees relating to said debt.

5. CCFD#1 Board of Trustees shall refinance the current land sale contract between CCFD#1 and Dilling LLC, and all debt associated with the refinance in 2012 will be paid out of the 2012 budget. Starting in 2013, all debt associated with the mortgage refinance shall be paid outside CCFD#1's current debt levy, in order to ensure repayment security to the financial institution who may require a bond opinion or otherwise.

Dated this 20 day of July, 2012.

George L. Stebbins
George Stebbins, President

Jeff McNamee
Member

[Signature]
Member

[Signature]
Member

James M. Ward
Member

[Signature]
Member

Member

Attest:
Vanessa M. Ide
Van Ide, Auditor, Cass County