

*LaPorte County Auditor
Joie Winski
555 Michigan Avenue, Suite 205
LaPorte, IN 46350-3490*

**MINUTES
SPECIAL MEETING OF THE LA PORTE COUNTY COUNCIL
MARCH 11, 2015 AT 6:00 P.M.**

(Please Turn Off All Cell Phones)

The Special Meeting of the La Porte County Council was held on Wednesday, March 11, 2015 at 6:00 p.m. (CDT) in the Assembly Room of the La Porte County Government Complex located at 809 State Street, La Porte, Indiana, 46350.

CALL TO ORDER

La Porte County Council President Mark Yagelski called the Meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

President Yagelski asked everyone to stand for the Pledge of Allegiance.

ROLL CALL

Auditor Winski takes the Roll Call. Council Members present were Councilman Bernacchi, Councilman Garner, Councilman Kirkham, Councilman Novak, Councilman Santana, Councilwoman Sosinski and President Yagelski. A quorum was noted.

PUBLIC COMMENT

Shaw Friedman, Friedman & Associates

Attorney Friedman began by thanking President Yagelski for holding tonight's meeting, in light of news that the Special Creditor's Committee has tentatively accepted the Australian Consortium's bid of \$5.725 billion. Without citing specifics of the County's tentative bid, he believes it was responsive. He continued that they are pleased that the Council is still considering taking action to finish off the local approval process so that the Consortium bid can stand as a back up bid if the Australian bid, for some reason, does not close. It is important to note that the transaction has not closed, that the Council's bid has not been formerly rejected, and so it is important to have a back-up bid on file.

He continued to state at the price being offered, it is questionable whether or not the Australian Consortium will not be back in the same place as ITRCC, seeking protection from the bankruptcy court. What, he said, is particularly disturbing is that the Indiana Finance Authority, which signed off on the deal in 2006 with Cintra Macquarie that ended up in bankruptcy, has, apparently, done nothing to leverage this new deal to be of benefit to Hoosiers. Rather than the County Consortium bid, that would have kept control and oversight with a public agency in Indiana, the proposed Northern Indiana Toll

Road Authority, the IFA has rubber-stamped the IFM deal hours after it was filed with Federal Bankruptcy Court.

Before the ink was even dry, the IFA was sending out a press release approving the deal. Questions need to be put to the agency's Director, Jim McGoff and it's legal counsel, Bob Grand as to why the state wouldn't attempt to require that part of the purchase price be paid to the state of Indiana as cash payments, similar to what the Consortium planned for Northwest Indiana.

Why not exact guarantees about investments in infrastructure, or even demand new rest plazas, full infrastructure upgrades, like an immediate repair to the toll road to I-94 bridge at Lake Station, which has gone unrepaired for 18 months. Or even insist on grants to nearby toll road counties. The IFA never appeared to seriously consider reversion of the road to state control after the bankruptcy, which was promised in the legislature in 2008 if the road concessioner ever filed bankruptcy, and has done nothing to guarantee Hoosiers will be any better off under this new Australian Consortium. The record should be clear that the IFA has been hostile to the County Consortium bid from day one, and it appears that they would prefer to have excess revenues from the Indiana toll road lease go to an offshore hedge fund than be reinvested in Northwest Indiana for the next 67 years.

Frankly, fairer treatment has been received from the New York based Special Creditor's Committee and UBS, the bank charged with administering the sale during this bidding process, than from those who are supposed to be charged with safeguarding the interest of Hoosiers. IFA did everything they could to undermine the County's bid. It was shameful conduct, on their part, and was not in the public's interest. Attorney Friedman, personally, hopes that the Governor and Legislators will examine this agency, as they have other failed state agencies, to gain improvements and reforms going forward. He continued that he is exceptionally proud, as he knows all involved are, of the bid that the two counties put together, that it got into the final four, to purchase one of the largest infrastructure assets in the world for the benefit Northwest Indiana. This was a true bipartisan effort by local government, aided by a remarkable, world-class group of talent, including Goldstein & McClintock, Piper Jaffray, Krieg DeVault, Global-Via and our lead underwriter, Bank of America, Merrill Lynch. Attorney Friedman thanked President Yagelski.

Mike Seitz, President, Greater La Porte Chamber of Commerce

Mr. Seitz said that the Executive Committee met last Friday in a special session to review the procedure about forming the Consortium to purchase the Indiana Toll Road. They listened to Attorney Friedman, who made a presentation to the Executive Committee, and went on to review all of the documents. He explained that it was a two-hour meeting where questions were asked and there was much discussion. The Executive Committee was asked to watch the replay of the County Commissioner's meeting on Access 97, so they could fully understand what was being presented. The outcome of that meeting was that the Executive Committee recommended to the Chamber Board of Directors to give approval to further pursue the bid, based on the information that was available. Mr. Seitz said he just wanted to go on record that they were in favor of it.

Brian Donnelly, IU Health La Porte Hospital

Mr. Donnelly read a letter in support of the creation of the non-profit entity that would issue toll road revenue bonds that would be non-recourse to La Porte County taxpayers. The bonds would support a private operator to the toll road and private additional income to the county. The toll road is a vital tri-station hub for the community and provides significant economic businesses and residents. Due to the

non-recourse nature of the bonds, and the additional economic benefit they provide, IU Health La Porte Hospital would encourage La Porte County's participation in the Northwest Indiana Toll Road Authority.

Kris Pate, Director, United Way of La Porte County

Ms. Pate explained that United Way is not an expert in this type of matter, but that she wanted to present some information on the state of the County. She said it would take some innovative thinking and new ideas to make a change. She thought it was wonderful that this opportunity was introduced and possibly to provide benefits to non-profits as time goes on. She went on to present the following statistics: the poverty rate in La Porte County for children under the age of 5 is 42.8%; in Michigan City, it is 65.6%; for children under the age of 18, the poverty rate in La Porte County is 30%; in Michigan City, it is 45.9%. These numbers are much higher than the state of Indiana and the country. She spoke to Jan Radford from Michigan City Area Schools and was told that the Free and Reduced Lunch program is at 74%. She said she is bringing the information to the Council because, whether it is this innovative idea or another, sharp thinking is needed to generate revenue to come back into the community.

Ellen Sharp, Franciscan St. Anthony Health of Michigan City

Ms. Sharp explained that Jim Callahan believes in this initiative, but was unable to attend the meeting. Therefore, she read an excerpt from his letter in support: *Expected revenue from this initiative would be beneficial to all of our communities. There are critical needs in education, health care, express rail trains and business development, all of which stand to improve from this initiative.*

Hearing or seeing no other Public Comment, President Yagelski closed Public Comment.

President Yagelski said that everyone had an opportunity to read the new business regarding the consideration of the inter-local agreement. Councilman Novak made a motion to accept it and it was seconded by Councilman Santana. President Yagelski asked for a roll call. The Motion passed 6-1, with Councilman Kirkham casting the Nay vote.


President Yagelski asked if there were any comments.

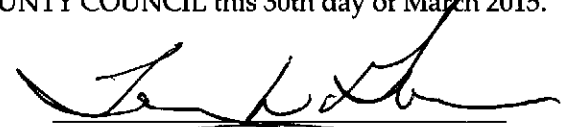
Councilman Kirkham wanted to explain why he voted Nay. He said that this was just another opportunity to stack a board of directors, for political advantage, where some cronies can be put in. He said he also believes that the track record for La Porte and Lake Counties speaks for itself regarding the governmental problems. He continued that, within La Porte County, there are problems just filling the PTABOA Board, or taking care of the County barn, simple things. In addition, the State Board had to pass a bill just to take care of La Porte County's taxes. He said this agreement was just another opportunity to go south.

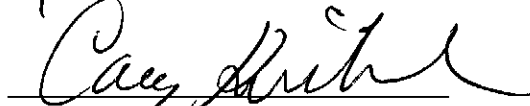
President Yagelski made a stated since he's been on the Council, major revenue items have been lost and yet, taxes were not raised. There was money from inventory that was withdrawn and the riverboat and landfill money that has been reduced, but the service to La Porte County has been maintained. With that, he said that he appreciates the Commissioners for trying a new approach and coming to the Council and working with them. He hopes it continues in the future.


President Yagelski asked if there were any more comments. Councilman Bernacchi made a Motion to close and it was seconded by Councilman Santana. Motion passed 7-0.

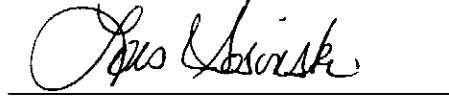
EXAMINED & APPROVED BY THE LA PORTE COUNTY COUNCIL this 30th day of March 2015.


Councilman Matt Bernacchi


Councilman Terry Garner

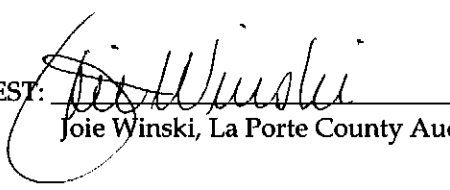

Councilman Cary Kirkham


Councilman Randall Novak


Councilwoman Lois Sosinski


Councilman Jeff Santana


Councilman Mark Yagelski

ATTEST: 
Joie Winski, La Porte County Auditor