

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

Date Submitted:	March 11, 2015	Meeting Date:	March 16, 2015
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:			
		Overton Industries: Tube Forming Systems	
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
Resolution 2015-06: Granting Tax Abatement for Overton Industries – Tube Forming Systems			
List Supporting Documentation Provided:			
Memo			
Staff Report			
Resolution 2015-06			
Who will present the request?			
Name:	Cheryl Morpew	Telephone:	317-736-4300

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:30 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.



CITY OF FRANKLIN

Community Development Department

Memorandum

To: City Council

From: Krista Linke, Director

Date: March 11, 2015

Re: Personal Property Tax Abatement Request – Overton Industries: Tube Forming Systems

The City of Franklin Economic Development Commission (EDC) reviewed and acted on a personal property tax abatement request from Overton Industries – Tube Forming Systems, at a meeting held on March 10th, 2015. The board voted to forward a favorable recommendation to the City Council for a five year tax abatement on personal property with a 5% Economic Development Fee.

The property has been designated an Economic Revitalization Area. Therefore, one resolutions and one meeting is needed.

Attached to this memo are:

1. Case EDC 2015-01 Staff Report
2. Application and requested forms
3. Sample Tax Phase-In Savings Schedules
4. Resolution 2015-06
5. Exhibit "A" – Legal Description
6. Exhibit "B" - Forms SB-1 Personal Property

If you have any questions regarding this request please contact me directly at 346-1250.



CITY OF FRANKLIN

Community Development Department

Staff Report

To: Economic Development Commission Members
From: Krista Linke, Director
Date: March 2, 2015
Re: Case EDC 2015-01 – Tube Forming Systems

Case EDC 2015-01 – Tube Forming Systems, Inc.: A request for a 10-year tax abatement on \$220,044 of personal property investment.

Location: 2155 McClain Drive

Summary:

1. Characteristics of this location:

Existing Location – 2155 McClain Drive

2. Characteristics of this petitioner:

Overton & Sons Tool & Die Company, Inc. was incorporated in 1968 by Ruby Overton. After working for Gentry Carbide Tool & Die in Indianapolis for 8 years, Gentry Company was acquired by Talon Corporation. With the buyers not being interested in the portion of the business in which Ruby worked, he brought some customers with him to his upstart business. With the calling card of Overton & Sons being primarily carbide material, close tolerance, detail-oriented work, Ruby set the foundation for his three sons to build upon.

After nearly 20 years of business, Ruby passed away suddenly in August of 1986, leaving his three sons to be business owners overnight. Ron, Steve, and Rick Overton each sought out a position in the business that suited their strongest traits. Ron, being the oldest, assumed CEO responsibilities as well as being the driving force behind the sales and marketing efforts. Steve, with a business degree from the University of Evansville, assumed the CFO duties and managed the finances of the business. Rick, with a well-rounded shop experience, became the President of the Tool & Die Company and managed the day-to-day operations of manufacturing. Each has continued a legacy that was created through Ruby's hard work and dedication to developing a manufacturing company that employees have a sense of pride to work for. A true family business.

After starting out in a small 600 SF building in a residential neighborhood in Mooresville in 1968, Ruby moved the business in 1973 to a newly developed business park south of Mooresville. Eventually the shop would grow to a size large enough where it was deemed necessary to divide the business into multiple divisions. In 1992 and 1994, Overton Mold and then Overton Roll were added as divisions to the original Tool & Die Division. With these additions, an additional manufacturing space was needed to house the growing divisions. In 1993, Overton Mold and eventually Overton

Roll found their home next door to the Tool & Die facility in a newly constructed 11,200 SF building that the Mold Division still calls home today. Continuing to grow, another division was added in 1997 to create a home for the multitude of carbide work that was being done in the Tool & Die Division as well as the Roll Division. With many of the carbide customers being in along I-65 south of Indianapolis, the decision was made to build the new facility in Franklin, IN. This new division was comprised of much of the carbide detail work from the Tool and Die division as well as what was Overton Roll. The new division was called Overton Carbide Tool & Engineering. After nearly 20 years and multiple expansions, the division is now called Overton Industries – Tube Forming Systems.

3. Characteristics of this project:

Tube Forming Systems intends to purchase a piece of manufacturing equipment: Okuma LU3000EX-1000.

4. Economic Revitalization Area (ERA):

This property was designated an ERA by Resolution 2012-17 and confirmed by Resolution 2012-18.

5. Previous Tax Abatement Received:

Overton & Sons Tool & Die Company has one current tax abatement through Resolution 2005-19. They were granted a 10 year real property abatement and a 7 year personal property abatement (which has expired).

Overton Carbide Tool & Engineering currently has two tax abatements: Resolution 2010-20 is a 5 year personal property abatement; Resolution 2012-17 is a 5 year personal property abatement.

6. ERA & Tax Abatements Findings (Personal Property):

Indiana Code Section 6-1.1-12.1-4.5 states that the following findings must be made when considering an ERA designation and the granting of tax abatement for personal property:

- a. Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the instillation of new manufacturing equipment;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and
- e. Whether the totality of the benefits is sufficient to justify the tax abatement.

7. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and the proposed request follows:

- a. *Diversification of Local Occupations:* In 2013, 10.9% of all jobs in Johnson County were in the manufacturing sector. There were 5,239 manufacturing employees in Johnson County and 210 of them were machinery manufacturing employees. The applicant will retain 40 employees and add 2 new employees with the purchase of this machine.
- b. *Diversification of Local Manufacturing Employment:* According to STATS Indiana, in the first quarter of 2014, machinery manufacturing made up 4% of the manufacturing jobs in Johnson County. Also according to STATS Indiana, there were 138 manufacturing establishments in Johnson County in 2014, and 14 of them were machinery manufacturing establishments.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2014 was \$16.20. The average hourly wage in Johnson County for manufacturing in the first quarter of 2014 was \$24.01 per hour. The average hourly wage for machinery manufacturing employees in the first quarter of 2014 was \$26.00 per hour. The average hourly wage (without benefits) for the 40 retained jobs is \$22.91 (\$1,905,747 divided by 40 jobs, divided by 52 weeks, divided by 40 hours per week). The average hourly wage for the 2 new jobs is \$26.44 (\$110,000 divided by 2 jobs, divided by 52 weeks, divided by 40 hours per week).
- d. *Sustainable Land Use:* The petitioner proposes to make this investment at their current location.
- e. *Future Community Investment:* The Company has indicated on their application that they are agreeable to a 5% Economic Development Fee on Personal Property.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property as Manufacturing. Manufacturing areas are intended to accommodate large scale businesses that produce finished products from raw materials. Uses in these areas may include product manufacturers as well as any related warehousing and offices. Manufacturing areas may include facilities that involve emissions or the outdoor storage of materials and finished products. These two factors are the primary distinction between manufacturing areas and light industrial areas.

The property is zoned IG, Industrial: General. The "IG," Industrial: General zoning district is intended to provide locations for general industrial manufacturing, production, assembly, warehousing, research and development facilities, and similar land uses. This district is intended to accommodate a variety of industrial uses in locations and under conditions that minimize land use conflicts. This district should be used to support industrial retention and expansion in Franklin.

8. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and

d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

9. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be effective for the tax year 2015, payable 2016.

Staff Comments:

Making use of an existing facility and strengthening the viability of an existing company within the City of Franklin is critical to Franklin's economy.

3 YEAR

Tube Forming Systems

Sample Property Tax on Personal Property (3 Year)

Personal Property Tax Investment: \$220,044

Tax Rate: 3.0%

	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	
Cost of Equipment	\$220,044	\$220,044	\$220,044	
True Cash Percentage Rate	65%	50%	35%	
True Cash Value	\$143,029	\$110,022	\$77,015	
Net Tax Rate	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$4,291	\$3,301	\$2,310	\$9,902
Abatement Rate	100%	66%	33%	
Amount Abated	\$4,291	\$2,178	\$762	Total
Taxes Paid w/Abatement	\$0	\$1,122	\$1,548	\$2,670

Total Fees Paid

5% Fee	\$215	\$109	\$38	\$362
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**Total Tax Savings without Economic Development Fee
\$7,232**

**Total Tax Savings with 5% Economic Development Fee
\$6,870**

5 YEAR

Tube Forming Systems

Sample Property Tax on Personal Property (5 Year Period)

Personal Property Tax Investment: \$220,044

Tax Rate: 3.0%

	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	
Cost of Equipment	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	
True Cash Percentage Rate	40%	56%	42%	32%	24%	
True Cash Value	\$88,018	\$123,225	\$92,418	\$70,414	\$52,811	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	
Tax w/o Abatement	\$2,641	\$3,697	\$2,773	\$2,112	\$1,584	Total \$12,807
Abatement Rate	100%	80%	60%	40%	20%	
Amount Abated	\$2,641	\$2,957	\$1,664	\$845	\$317	Total \$4,383
Taxes Paid w/Abatement	\$0	\$739	\$1,109	\$1,267	\$1,267	

						Total Fees Paid
5% Fee	\$132	\$148	\$83	\$42	\$16	\$421

**Total Tax Savings without Economic Development Fee
\$8,423**

**Total Tax Savings with 5% Economic Development Fee
\$8,002**

7 YEAR

Tube Forming Systems

Sample Property Tax on Personal Property (7 Year Period)

Personal Property Tax Investment: \$220,044

Tax Rate: 3.0%

	2015 Payable 2016	2016 Payable 2017	2017 Payable 2018	2018 Payable 2019	2019 Payable 2020	2020 Payable 2021	2021 Payable 2022	
Cost of Equipment	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	
True Cash Percentage Rate	40%	56%	42%	32%	24%	18%	15%	
True Cash Value	\$88,018	\$123,225	\$92,418	\$70,414	\$52,811	\$39,608	\$33,007	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$2,641	\$3,697	\$2,773	\$2,112	\$1,584	\$1,188	\$990	\$14,985
Abatement Rate	100%	85%	71%	57%	43%	29%	14%	
Amount Abated	\$2,641	\$3,142	\$1,969	\$1,204	\$681	\$345	\$139	Total
Taxes Paid w/Abatement	\$0	\$555	\$804	\$908	\$903	\$844	\$852	\$4,865

								Total Fees Paid
5% Fee	\$132	\$157	\$98	\$60	\$34	\$17	\$7	\$506

**Total Tax Savings without Economic Development Fee
\$10,120**

**Total Tax Savings with 5% Economic Development Fee
\$9,614**

10 YEAR

Tube Forming Systems

Sample Property Tax on Personal Property (10 Year Period)

Personal Property Tax Investment: \$220,044

Tax Rate: 3.0%

	2015 <i>Payable 2016</i>	2016 <i>Payable 2017</i>	2017 <i>Payable 2018</i>	2018 <i>Payable 2019</i>	2019 <i>Payable 2020</i>	2020 <i>Payable 2021</i>	2021 <i>Payable 2022</i>	2022 <i>Payable 2023</i>	2023 <i>Payable 2024</i>	2024 <i>Payable 2025</i>	
Cost of Equipment	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	\$220,044	
True Cash Percentage Rate	40%	60%	55%	45%	37%	30%	25%	20%	16%	12%	
True Cash Value	\$88,018	\$132,026	\$121,024	\$99,020	\$81,416	\$66,013	\$55,011	\$44,009	\$35,207	\$26,405	
Net Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Total
Tax w/o Abatement	\$2,641	\$3,961	\$3,631	\$2,971	\$2,442	\$1,980	\$1,650	\$1,320	\$1,056	\$792	\$22,444
Abatement Rate	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	
Amount Abated	\$2,641	\$3,565	\$2,905	\$2,079	\$1,465	\$990	\$660	\$396	\$211	\$79	Total
Tax Paid w/Abatement	\$0	\$396	\$726	\$891	\$977	\$990	\$990	\$924	\$845	\$713	\$7,453
											Total Fees Paid
5% Fee	\$132	\$178	\$145	\$104	\$73	\$50	\$33	\$20	\$11	\$4	\$750

**Total Tax Savings without Economic Development Fee
\$14,992**

**Total Tax Savings with 5% Economic Development Fee
\$14,242**



CITY OF FRANKLIN
COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Tube Forming Systems, Inc.
Primary Contact Name: Steve Overton
Contact Address: 1250 Old State Road 67 South
City: Mooreville State: IN Zip: 46158
Phone Number: 317-831-4542
Email: steve@overtonind.com
Three possible dates before the EDC meeting to conduct a site visit: Except Mondays, anytime between 8-5
Name of Owner: Steve Overton
Parent Company (If Applicable): Overton Industries, Inc.

Primary Contact for Yearly Compliance Reports

Name: Rita Z Shearer
Title: Accounts Receivable
Address: 1250 Old State Road 67 South
City: Mooreville State: IN Zip: 46158
Phone Number: 317-831-4542
Email: rita@overtonind.com

Description of Project

Project Location/Address: 2155 McClain Drive Franklin, IN 46131
Parcel Number: 41-99-13-018-915.000-018
Brief Description of Project:
Purchase of manufacturing equipment: Okuma LU3000EX-1000

Current Assessed Value (AV) of the Property:

- | | |
|--------------|-----------------------|
| 1. Land | <u>Not applicable</u> |
| 2. Building | <u>Not applicable</u> |
| 3. Inventory | <u>0</u> |
| 4. Equipment | <u>Not applicable</u> |

Have building permits been applied for (if applicable): Yes No
Has equipment been installed (if applicable): Yes No

Required Attachments:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Completed SB-1 Form(s) | <input checked="" type="checkbox"/> Summary of Benefits (if applicable) |
| <input checked="" type="checkbox"/> Legal Description of the Property | <input checked="" type="checkbox"/> Employment Phase-In Schedule |
| <input type="checkbox"/> Company Financial Statement | <input checked="" type="checkbox"/> Company Investment Timetable |
| <input checked="" type="checkbox"/> Job and Wage Description Information Sheet | <input type="checkbox"/> Compliance Affidavit |

Type of Abatement Requested

Real Property Personal Property
Length of Abatement Requested: 5 Years
Project Size (square feet): _____ Size of Site (acres): _____
Type of Building:
Multiple Tenants (leased) Single Tenant (leased) Owner Occupied Corporate Headquarters

Capital Investment

- 1. Real property capital investment only: _____
- 2. Personal property capital investment only: 220,000.00
- 3. Total capital investment for proposed project: 220,000.00

Jobs Created and/or Retained

- 1. Estimated number of full time jobs created by the proposed project: 2
- 2. Estimated number of full time jobs retained as a direct result of the proposed project: 0
- 3. Total number of full time jobs upon project completion: 2

Wages Created and Retained

- 1. Average hourly wage rate for new jobs (w/o benefits) 110,000.00
- 2. Average hourly wage rate for jobs retained (w/o benefits) 0

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.

The purchase of this equipment and the abatement incentive will help us to be globally competitive.

Company Information

How long has the company been in existence? 47
Current address of company headquarters and duration at that address: Mooresville, In 46158 47 Years
Mooresville, In 46158 47 Years

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County: _____

Have you ever received tax abatement at your current location? Yes No

If yes, when and for what term? various 2005 7/10 yr, 2006 10 yr, 2010 5 yr

What specifically has the company done to give back to the community:

This company has continued to be a stable, tax paying company in the community with the opportunity of decent wages for employees.

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee? Yes No

If yes, at what percent(s)? _____

**JOB AND WAGE DESCRIPTION
FOR TAX ABATEMENT APPLICATION**

Please provide the following job and wage earning information that is associated with this Tax Abatement Petition (*Please specify all wages in an hourly format without benefits*):

- (1) Company NAICS code: 333514.
- (2) The total number of jobs current at the site: 41, the number of those jobs that will be retained as a direct result of the proposed investment 0, and the number of new jobs which will be created as a direct result of the proposed investment 2.
- (3) The total number of full-time employees at the site: 41.
- (4) The total number of temporary and/or contract employees currently at the site: 1.
- (5) The average hourly wages for the new jobs: \$21.68.
- (6) Will the new jobs being created begin as temporary and/or contract employees? No
If yes, please provide an explanation of the typical transition process to full time:

- (7) Number of new and/or retained jobs in:
 - (a) Managerial/Professional Specialty Occ.: 3 Average Hourly Wage: \$37.10
 - (b) Technical/Sales/Admin. Support Occ.: 1 Average Hourly Wage: \$24.45
 - (c) Service Occ.: 0 Average Hourly Wage: _____
 - (d) Precision Production/Craft/Repair Occ.: 20 Average Hourly Wage: \$21.71
 - (e) Operators/Fabricators/Laborers: 8 Average Hourly Wage: \$12.34

Note: The total number of jobs specified above should correspond with the Statement of Benefits Form SB-1.

- (8) Attach detailed information on the types of benefits offered for new employees. A description of all possible bonuses and incentives should also be given if provided.



Overton Industries

Employee Benefits & Wellness Program



ADVANTAGE <i>...rising above the service you expect™</i>	Advantage HMO								
In-Network Benefits	Deductible (per year)								
Annual & Lifetime Maximum	Unlimited								
Deductible:									
Single	\$4,000								
Family	\$8,000								
Coinsurance:	80%								
Out-of-Pocket Maximum:									
Single (Includes Deductible)	\$8,000 (+Rx)								
Family (Includes Deductible)	\$16,000 (+Rx)								
Office Visit Copay:									
Primary	\$25								
Specialty	\$45								
Prescription:									
	<small>Mandatory formulary criteria when available or member pays higher copay amount plus difference between the brand name and the generic.</small>								
	<table border="0"> <tr> <td style="text-align: center;"><u>Retail</u></td> <td style="text-align: center;"><u>Mail-Order</u></td> </tr> <tr> <td style="text-align: center;">\$7 Copay</td> <td style="text-align: center;">\$14 Copay</td> </tr> <tr> <td style="text-align: center;">\$35 Copay</td> <td style="text-align: center;">\$70 Copay</td> </tr> <tr> <td style="text-align: center;">\$70 Copay</td> <td style="text-align: center;">\$140 Copay</td> </tr> </table>	<u>Retail</u>	<u>Mail-Order</u>	\$7 Copay	\$14 Copay	\$35 Copay	\$70 Copay	\$70 Copay	\$140 Copay
<u>Retail</u>	<u>Mail-Order</u>								
\$7 Copay	\$14 Copay								
\$35 Copay	\$70 Copay								
\$70 Copay	\$140 Copay								
Generic—Preferred & Non-Preferred									
Brand Name—Preferred									
Brand Name—Non-Preferred									
Specialty									
PPO Network:	20% Coinsurance								
Wellness/Preventive:	Advantage Proprietary Networks*								
Children Preventive Care:	100% Covered								
Adult Preventive Care:	100% Covered								
Routine Mammograms:	100% Covered								
Hospital Services	80% after deductible								
Out-Patient Services	80% after deductible								
Maternity Services	80% after deductible								
Emergency Room Services	80% after deductible								
Urgent Care Centers	80% after deductible								
Maternity Care PCP/SCP	\$250 Copay PCP/\$450 Copay SCP								
Mental & Nervous:	80% after deductible								
Non-Network Benefits:	No Coverage								
	(Unless a true emergency or physician approved visit)								
<small>Member must select a PCP within a 30 mile radius of their residence. For members who live more than 30 miles from an HMO Network Provider, the PHCS Network is to be used.</small>									

Wellness Exams

You should get your routine physicals, screenings, immunizations and health counseling when you're feeling just fine. Health screenings are medical exams, interviews and laboratory tests your doctor gives you when you have no signs or symptoms of disease. Be sure to schedule wellness exams for you and your family, and ask your doctor which exams, tests and immunizations are right for you.



Flexible Spending Account Options

\$2,500 maximum—Medical Only FSA

\$5,000 maximum for Dependent Care FSA

For further explanation of these benefits please see your HR Office

100% Paid **Life and AD&D** 

Employee \$20,000
Spouse \$5,000
Child \$2,000

(35% reduction at age 65)

Medical Payroll Contributions

Weekly Cost	Advantage HMO	Advantage PHCS
Employee ONLY	\$39.20	\$49.00
Employee/Spouse	\$82.03	\$102.53
Employee/Children	\$75.69	\$94.61
Family	\$107.49	\$134.36

Aflac 

Supplemental coverage provided through Aflac as well as a wellness benefit

For further explanation of these benefits please see your HR Office

Network Providers

ADVANTAGE ...rising above the service you expect™

This Network consists of physicians and hospitals who have agreed to provide services at discounted rates. You are covered at the highest level if you receive care through network providers.

You can access network providers at www.advantageplan.com.

This benefit guide only highlights the benefits available. Please refer to your plan certificate for coverages, limitations, exclusions and restrictions. If any conflict should arise between this summary and the Plan Certificate, the Plan Certificate will govern in all cases.

Employee Benefits & Corporate Wellness Guide

OVERTON INDUSTRIES

BETTER TOOLING AT A COMPETITIVE PRICE



Employee Benefits as of August 2014



Welcome to Overton Industries Employee Benefits & Corporate Wellness Programs:

We're happy to provide you and your family with one of the most comprehensive employee benefit plans. Our benefits program provides a variety of plans for you and your family. If you have any questions about your coverage choices please feel free to contact American Health & Wellness Group.

We will also be providing you with a Wellness Program, which will include a personal health coach who will meet one-on-one with you to design a personalized wellness plan. As you know, there has been a shift in the way we think about health insurance. Corporate wellness plans stand out as a long term solution to controlling costs by keeping employees and their families healthy. Helping you to become healthy will help to prevent chronic illnesses like diabetes, high blood pressure, and heart disease and thereby reduce our health insurance costs. It will also result in lower absenteeism, improved morale, and more importantly, your improved health. The bottom line...wellness programs make good sense.



Welcome to your Personalized Wellness Program!

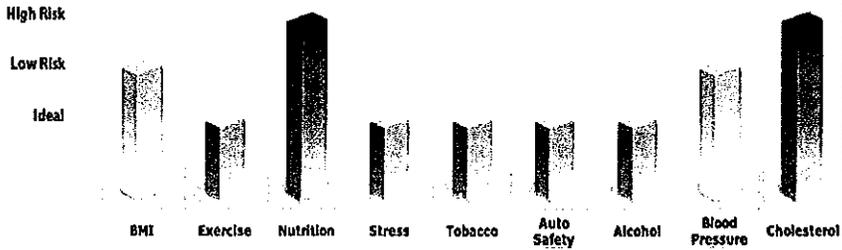
You now have the power to proactively regain control and transform your life.



Wellness Programs: The Future of Health Insurance

Assessing your health is an important first step in a fitness, diet, or wellness

program, and in taking personal responsibility for your own well being. The results of your health assessment will help you identify health risks associated with your behavior, and potential ways you can counteract these risks. This Assessment is not meant to take the place of a physician nor can it diagnose medical problems. It is designed to help you identify potential risks and create a plan to make healthy lifestyle changes.



Understanding Your Current Health

Wellness begins with awareness. Identifying and understanding your health risks is the first step toward being able to reduce those risk factors. Your health profile is an online questionnaire

about your wellbeing and lifestyle, designed to provide a more complete picture of your health. By attending the health screening and completing your confidential health profile, you'll be able to take active steps toward a healthier lifestyle. Visualize the results of your completed health assessment with a bar graph indicating ideal versus low and high-risk rankings for your blood pressure, cholesterol, BMI, exercise, nutrition, stress levels, tobacco use, automobile safety, and alcohol consumption. You can keep track of your current risks and take the steps to proactively transform your life.

Wellness Plan Guidelines

A lot of people are open to the *idea* of making a change towards a healthier lifestyle, they just do not know where to start—and that is where we come in! Each employee will be able to choose which “Track” they would like to participate in. You have the option of participating in the walking program where you will challenge yourself each month to a step goal. If you are very active already and do not wish to participate in the walking program, you can attend wellness seminars! The seminars are filled with great ideas on how to promote better health. They will help bring awareness to all areas of your health and provide simple ideas that can be incorporated into your busy lifestyle for a healthier and happier you. Like to track your work? You can choose to log your food and exercise each month. This brings great awareness of your current state and helps you meet your goals and track your progress along the way. **Take charge of your health by choosing which wellness plan option is most suitable for you.**



All Employees
Prevention/Wellness



Track 1
Walking Program



Track 2
Seminar Series



Track 3
Food/Fitness Logs

- ✓ Take your Health Risk Assessment in your website
- ✓ Attend the Annual Health Screening or go to your doctor for your yearly exam



- ✓ Walk an average of 6,000 steps per day
- ✓ Upload your pedometer bi-weekly



- ✓ Attend Wellness Seminars Bi-Monthly. Topics include: Nutrition, exercise, weight loss, stress reduction, sleep, and much, much more!
- ✓ Establish a personal health goal after each seminar.



- ✓ Update Food Log 5 times during the month
- ✓ Update Fitness Log(s) 5 times during the month
- ✓ Establish a personal health goal or challenge each month.



This benefit guide only highlights the benefits available. Please refer to your plan certificate for coverages, limitations, exclusions and restrictions. If any conflict should arise between this summary and the Plan Certificate, the Plan Certificate will govern in all cases.



OVERTON INDUSTRIES

BETTER TOOLING AT A COMPETITIVE PRICE



Employee Benefits & Wellness Program

Voluntary Dental 		
	In-Network	Out-of-Network
Type I (Preventive)		
Oral Exams	100%	100%
Cleaning	100%	100%
Full Month X-Rays	100%	100%
Fluoride Treatment	100%	100%
Sealant	100%	100%
Type II (General/Specialty)		
Fillings	80%	80%
Simple Extractions	80%	80%
Type III (Prosthodontic)		
Anesthesia	50%	50%
Root Canal	50%	50%
Crowns, Bridges & Dentures	50%	50%
Inlays, Onlays, Veneers	50%	50%
Surgical Extractions	50%	50%
Perio Surgery	50%	50%
Type IV (Ortho)	50%	50%
Ortho Maximum	\$1,000	
Deductible (Type II & III)		
Single	\$0	
Family (3X)	\$0	
Calendar Year Max	\$1,500	
	Weekly Cost	
Employee Only	\$8.08	
Employee/Spouse	\$15.43	
Employee/Child(ren)	\$20.58	
Family	\$26.87	

100% Paid Short Term Disability 		
Benefit %	70%	
Weekly Benefit	\$200	
Elimination Period	1 Day Accident	
Benefit Duration	26 weeks	
Voluntary Long Term Disability 		
Benefit %	60%	
Monthly Benefit	\$2,000	
Elimination Period	180 days	
Benefit Duration	To Age 65	
Salary	Monthly Benefit	Weekly Cost
\$15,000	\$750	\$1.15
\$18,000	\$900	\$1.39
\$20,000	\$1,000	\$1.54
\$22,000	\$1,100	\$1.69
\$25,000	\$1,250	\$1.92
\$28,000	\$1,400	\$2.15
\$30,000	\$1,500	\$2.31
\$32,000	\$1,600	\$2.46
\$35,000	\$1,750	\$2.69
\$38,000	\$1,900	\$2.92
\$40,000	\$2,000	\$3.08

Liberty National Additional Life
Pre-tax Life Insurance-No Rate Increase, through age 99
Please see HR for details

Servicing Organization



American Health & Wellness

GROUP

317-571-1600
www.americanhw.com

Employee Assistance Program

WorkLifeMatters can offer help with:

- Education
- Dependent Care & Care Giving
- Legal & Financial
- Career Development

Support is available by phone or online
 Unlimited free telephonic consultation 24/7 - 800-386-7055

www.ibhworklife.com

Username: Matters; Password: wlm70101

This benefit guide only highlights the benefits available. Please refer to your plan certificate for coverages, limitations, exclusions and restrictions. If any conflict should arise between this summary and the Plan Certificate, the Plan Certificate will govern in all cases.

Investment Timetable

TUBE FORMING SYSTEMS, INC.
1255 McClain Drive
Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)

Year of Abatement	Buildings	Equip Type 1	Equip Type 2	Equip Type 3	Equip Type 4	Total
1st Quarter						220,044
2nd Quarter						
3rd Quarter						
4th Quarter						

Employment Phase-In Schedule

TUBE FORMING SYSTEMS, INC.
1255 McClain Drive
Franklin, IN 46131

Attachment to Form CF-1 (Compliance with Statement of Benefits)

Year of Abatement	Job Type 1	Job Type 2	Job Type 3	Job Type 4	Total
1st Quarter	1				
2nd Quarter					
3rd Quarter	1				
4th Quarter					

CITY OF FRANKLIN, INDIANA

RESOLUTION NUMBER 2015-06

**A RESOLUTION GRANTING TAX ABATEMENT FOR OVERTON INDUSTRIES: TUBE FORMING SYSTEMS
(EDC 2015-01)**

WHEREAS, the economic growth and development of the City of Franklin, Johnson County, Indiana is the primary goal of the community;

WHEREAS, the Franklin Economic Development Commission has on March 10th, 2015, held a public meeting and considered the tax abatement request of Overton Industries: Tube Forming Systems, in a manner consistent with the City of Franklin Community Investment Incentives Summary and the applicable sections of the Indiana Code.

WHEREAS, the Franklin Economic Development Commission has made the findings required by IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5 the Franklin Economic Development Commission recommends that Overton Industries: Tube Forming Systems, receive a 5 year tax abatement with a 5% Economic Development Fee on personal property located at the property described in "Exhibit A" and the manufacturing project described in the tax abatement request;

WHEREAS, a copy of the Statement of Benefits recommended for approval by the Franklin Economic Development Commission is attached hereto as "Exhibit B;"

WHEREAS, the said real estate as described in "Exhibit A" is located in an existing Economic Revitalization Area as approved by the City of Franklin Common Council with City Council Resolution Number 2012-17 and confirmed by Resolution Number 2012-18;

WHEREAS, the Common Council has received and reviewed "Exhibit B," with all attachments, and that such attachments are made a part hereof and incorporated herein, all which together contain the necessary statements of benefits, letter of application, and description of manufacturing equipment which are involved, along with the recommendation for tax abatement for personal property; and

WHEREAS, the Common Council has given careful consideration to the materials submitted and affirms the findings of the Franklin Economic Development Commission relative to the requirements of IC 6-1.1-12.1-3 and IC 6-1.1-12.1-4.5, and specifically including the following findings:

As to personal property the following findings are made:

- 1) Whether the estimate of the cost of new manufacturing equipment is reasonable for equipment of that type;
- 2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- 3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new equipment;
- 4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment; and

5) Whether the totality of the benefits is sufficient to justify the tax abatement.

NOW THEREFORE BE IT RESOLVED THAT:

- (1) The abatement of personal property tax shall extend for a period of _____ years, with a 5% economic development fee, pursuant to the deduction schedule set forth in IC 6-1.1-12.1-4.5(e)(6) and IC 6-1.1-12.1-14.
- (2) Overton Industries: Tube Forming Systems, shall be required to provide the City of Franklin with information showing the extent to which there has been compliance with the statement of benefits submitted in their request for tax abatement within sixty (60) days after the end of each year in which the deduction is applicable, all as required by IC 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.6.
- (3) A copy of this resolution and a description of the affected area will be available and can be inspected in the office of the Johnson County Assessor and the City Clerk/Treasurer.

Introduced and Filed on the _____ day of _____, 2015.

DULY PASSED on this _____ day of _____, 2015, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of _____ in Favor and _____ Opposed.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

Voting Opposed:

Stephen Barnett, Council President

Stephen Barnett, Council President

Kenneth W. Austin, Vice President

Kenneth W. Austin, Vice President

Joseph P. Abban

Joseph P. Abban

Joseph R. Ault

Joseph R. Ault

Stephen D. Hougland

Stephen D. Hougland

Dr. William T. Murphy

kDr. William T. Murphy

Richard L. Wertz

Richard L. Wertz

Attest:

Janet P. Alexander
City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this _____ day of _____, 2015 at _____ o'clock a.m./p.m.

Janet P. Alexander,
City Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this _____ day of _____, 2015 at _____ o'clock a.m./p.m.

Joseph E. McGuinness
Mayor

Attest:

Janet P. Alexander,
City Clerk-Treasurer

Prepared by:
Krista M. Linke,
Director of Community Development

EXHIBIT A

LEGAL DESCRIPTION

A part of West Half of the Northeast Quarter of Section 18, Township 12 North, Range 5 East, Johnson County, Indiana, more commonly described as follows:

Commencing at the Northwest corner of the East Half of said Northeast Quarter, thence South 00 degrees 02 minutes 39 seconds West 1689.36 feet to the Point of Beginning; thence continuing South 00 degrees 02 minutes 39 seconds West a distance of 1022.15 feet to the Southeast corner of the West Half of said Quarter Section; thence North 89 degrees 32 minutes 07 seconds West 488.13 feet to the East right-of-way of Interstate #65; thence along said right-of-way North 17 degrees 18 minutes 15 seconds West a distance of 284.03 feet; thence continuing on and along said East right-of-way North 11 degrees 35 minutes 37 seconds West 771.06 feet; thence South 89 degrees 32 minutes 07 seconds East 728.38 feet to the Point of Beginning, containing 14.5429 acres, more or less, subject to all legal rights-of-way and easements of record.



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R3 / 12-13)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

EXHIBIT B

INSTRUCTIONS

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
- The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION								
Name of taxpayer Tube Forming Systems, Inc.			Name of contact person Rita Z Shearer <i>rita@overtonind.com</i>					
Address of taxpayer (number and street, city, state, and ZIP code) 2155 McClain Drive Franklin, IN 46131				Telephone number (317) 831-4542				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body The City of Franklin Common Council				Resolution number (s)				
Location of property 2155 McClain Drive Franklin, IN 46131			County Johnson		DLGF taxing district number Franklin			
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) Okuma LU3000EX-1000			ESTIMATED					
			START DATE		COMPLETION DATE			
			Manufacturing Equipment		02/01/2015	02/01/2015		
			R & D Equipment					
			Logist Dist Equipment					
IT Equipment								
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 40	Salaries 1,905,747.00	Number retained 40	Salaries 1,905,747.00	Number additional 2	Salaries 110,000.00			
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT								
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
	Current values							
	Plus estimated values of proposed project		220,044					
	Less values of any property being replaced							
Net estimated values upon completion of project		220,044						
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER								
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____					
Other benefits:								
SECTION 6 TAXPAYER CERTIFICATION								
I hereby certify that the representations in this statement are true.								
Signature of authorized representative <i>Steven L Overton</i>				Date signed (month, day, year) 12/19/2014				
Printed name of authorized representative Steven L Overton			Title CFO					

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
- | | | |
|--|------------------------------|-----------------------------|
| 1. Installing of new manufacturing equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- G. Other limitations or conditions (specify) _____
- H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:
- | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|---------------|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input type="checkbox"/> Year 5 | (see below *) |
| <input type="checkbox"/> Year 6 | <input type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input type="checkbox"/> Year 10 | |
- I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? Yes No
 If yes, attach a copy of the abatement schedule to this form.
 If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body) <i>X:</i>	Telephone number (317) 736-3631	Date signed (month, day, year) 3-16-15
Printed name of authorized member of designating body Steven Barnett, Council President	Name of designating body Franklin Common Council	
Attested by: (signature and title of attester) <i>Krista Linke</i> Community Development Director	Printed name of attester Krista Linke	
* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.		

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
 - (2) The number of new full-time equivalent jobs created.
 - (3) The average wage of the new employees compared to the state minimum wage.
 - (4) The infrastructure requirements for the taxpayer's investment.
- (b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.
- (c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.