

Daviess County Council Meeting
Minutes
January 4, 2018

The Daviess County Council met Thursday, January 4, 2018 at 8:30 A.M. in the Commissioners' Room of the Daviess County Courthouse.

 **Roll Call.**

Present: Mike Sprinkle (Not voting), Mike Myers, Kent Norris, Pat Dant, Dave Smith.

Absent: Jacqueline Graber, JoAnn McCracken.

President Mike Sprinkle called the meeting to order.

INNKEEPER'S TAX

Grant Swartzentruber, Daviess County Attorney, stated that before the Council is a resolution that Mr. Sprinkle ask that Council members review. At the February 8, 2017 Council meeting the Council did make the motion to have Samantha Bobbitt proceed with their support in approaching legislative personnel to carry this request to increase the Inn Keepers Tax in Daviess County from 5 % to 7%.

Ron Arnold, Executive Director of the Daviess County Economic Development Corporation, stated that this change has to be approved at the state level and last year was too late in the session for this to gain any traction. Mr. Arnold spoke to Senator Eric Bassler about this increase and he said Mr. Bassler asked for a resolution from the Council to help him present this at the state level.

Mr. Swartzentruber stated that if the Council would allow it, he would like to work with Mr. Arnold and make some minor changes to the document and have it ready to present back to the Council at their next meeting on January 10th.

Mike Myers added that the resolution mentions Senator Bassler and State Representative Shane Lindauer, but does not mention State Representative Jeff Ellington who serves the northern part of Daviess County or State Representative Bruce Borders who also has some parts of Daviess County. Mr. Myers asked that all be included on this resolution. Document

ANNEX BUILDING BOND WORKING SESSION

The Daviess County Council met today to discuss and review different options for the bond on the new Daviess County annex building. President Mike Sprinkle opened the floor to anyone in the audience who would like to speak regarding this matter:


Ron Arnold, Daviess County Economic Development Executive Director, stated that he has reviewed the reports Jason Semler of Umbaugh, presented to the Council at the December 13, 2017 meeting. Mr. Arnold stated that he is asking the Council to look at the total package, meaning all of the bond issues that are currently out. He recommends that the Council bond as much as they can for the annex project.

There is currently a bond issue on the Tech Park (2011 Bond) with a 6% interest rate. Mr. Arnold also added that there are the GPC bonds that are at 4.25% and 3.5% interest rates. He noted that according to Mr. Semler the annex bonds will be between 3% and 3.25%. Mr. Arnold would like to see the Council, over a period of years, concentrate on paying off the higher interest bonds.

Mr. Arnold stated that as Economic Development looks at their projects he only sees one project that would require any EDIT funds, which is the education workforce cultural center. He stated that there will be a feasibility study done in the first 6 months of this year. He estimates that this project may require \$300,000 to \$400,000 per year over the next 5 to 6 years out of the EDIT.

Mr. Arnold added that there was a recommendation to pay 10% down on the 2011 Tech Park bonds. He noted that if that was done each year for the next 3 years it will save about \$370,000 in interest. He added that Economic Development is looking to sell the Tech Park building, which would allow that bond to be paid off. His ultimate goal is to pay off the Tech Park bond, pay down the facility bond for GPC to where the EDIT money can handle the infrastructure bond and eliminate the GPC TIF district sooner; it is scheduled to run out in 2028. If things work out the way he thinks they should the GPC TIF district can be eliminated 4 or 5 years earlier, meaning that money will be returned to the General fund. There have been disagreements on how to do this, but we all want to get to the same place, it's just a matter of how we get there. Mr. Arnold reiterated that he is asking the Council to borrow as much as they can at the 3% and get the terms where they want them, including to pay it off early without penalty. He added that this just gives the County more flexibility moving forward.

Mr. Sprinkle stated that he would like to make an early payment out of EDIT funds on the 2011 Tech Park bond. He added that the Council may not do it every year, but at this time he would like to see a 10% payment made. Mr. Swartzentruber stated that he would need to check with bond counsel and Jason Semler with Umbaugh on exact steps, however, he believes that there will need to be a resolution done. Mr. Arnold noted that the bond holder has to be given 30 days' notice. Mr. Swartzentruber will move forward with this request and obtain the information on behalf of the Council.

 **Motion:** Have Mr. Swartzentruber move forward with the necessary steps to pay 10% down on the 2011 Tech Park bond, **Action:** Approve, **Moved by** Dave Smith, **Seconded by** Mike Myers. Motion passed unanimously. Mike Sprinkle voted.

Mr. Sprinkle stated that the Council was given different scenarios to consider at the last meeting. Some of the scenarios were as follows: scenario 1 was putting \$3,000,000 down, scenario 2 was \$4,000,000 down and scenario 3 was \$5,000,000 down. Mr. Sprinkle stated that after review he is in favor of scenario 2 or 3, putting \$4,000,000 or \$5,000,000 cash down on the annex project. He said that based on Mr. Semler's financial reports, the general fund looks like the income will be pretty steady through 2020 as well as the balances.

Mr. Smith stated that he was ok with scenario 2 or 3, but no higher. Mr. Dant stated that he was in favor of scenario 2 based on his review and what Mr. Arnold had to say today. Mr. Sprinkle stated that putting a maximum of \$4,000,000 down will leave some extra money available in the county general fund if the annex project has some unforeseen costs.

Mr. Swartzentruber noted that we are still waiting on annex bids and won't know more exacts on cost until the bids are in January 29, 2018.

Mr. Myers stated that he is comfortable with Scenario 2 or 3. He also added that he would be in favor of using some Rainy Day fund money, specifically the extra \$550,534.76 that was part of the special LOIT distribution the county received last year.


Mr. Sprinkle also wanted to note that the bond payments will be paid out of the EDIT fund. This is separate from where the cash down amount which can come from various funds yet to be determined. Mr. Sprinkle stressed, as well as the other council members, that flexibility in the bond's terms is a high priority. The Council wants to be certain that the bond includes the ability to pay the bond off early with no penalties.

Mr. Norris stated that he likes scenario 2. He wants to be able to be more aggressive on the high interest bonds. He added that the county will also need money to do work on the courthouse once the annex is done.


Mr. Dant stated that the county may have to address a central dispatch again at some point in the future. Mr. Smith added that another expense the county will have is the secure entrance to the courthouse, including additional deputies to cover the secure entrances at the courthouse and the annex.

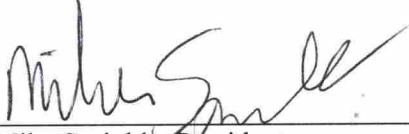
Tom McCracken, Daviess County Commissioner, stated that the Highway Department has an aggressive road plan, which may require them come ask for more money from the Council.

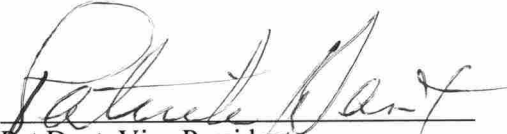
Mike Myers left the meeting at 9:24 a.m.

 **Motion:** Have County Attorney, Grant Swartzentruber move forward with a resolution/documents for scenario 2 and scenario 3 to be ready to approve and sign on January 10, 2018 based on further motions to be made, **Action:** Approve, **Moved by** Pat Dant, **Seconded by** Dave Smith. Motion passed unanimously.

Mr. Dant stated that he and Mr. Norris are on the working committee for new security cameras at the jail. He wanted to make the rest of the Council members aware that this expense is coming and will be about \$300,000.

 **Motion:** , **Action:** Meeting Adjourned, **Moved by** Pat Dant, **Seconded by** Kent Norris. Motion passed unanimously.


Mike Sprinkle, President

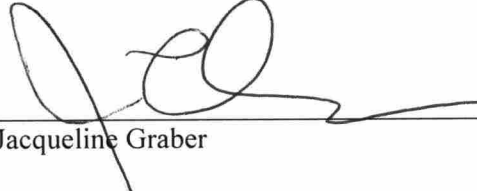

Pat Dant, Vice President


Mike Myers


Kent Norris


Dave Smith


JoAnn McCracken


Jacqueline Graber

ATTEST: 
Patricia K. Ball, Auditor of Daviess County