

WARRICK COUNTY COUNCIL MEETING
COMMISSIONERS MEETING ROOM
107 W. Locust Street
Boonville, Indiana
February 2, 2023
6:00 PM

The Warrick County Council met in regular session in the Warrick County Courthouse, 107 W. Locust Street, Boonville, Indiana.

Attorney Cliff Whitehead and Administrator Krystal Powless were in attendance.

Auditor Michael Dietsch, Chief Deputy Barbi Shelton, and Recording Secretary Kristine Georges attended and recorded the minutes.

The public could view the meeting via Warrick County Government YouTube channel at: https://www.youtube.com/channel/UCOK8y7IXcLpK9le8WW4pr9w?view_as=subscriber

Council President, Greg Richmond, called the meeting to order at 6:00 PM.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

Roll Call showed the following Councilmen present in person: Rob Dimmett, Brad Overton, Richard Reid, Greg Richmond, and Chris Whetstine. Present and visible via Facetime was Ron Bacon. Not present for this meeting was Councilman Ted Metzger. All actions on motions throughout the meeting were made by a roll call vote.

TABLED ITEMS

APPROVAL OF MINUTES

**DECEMBER 1, 2022 REGULAR SESSION – AUGUST 23, 2022 BUDGET SESSION
JANUARY 5, 2023 REGULAR SESSION**

Minutes from the December 1, 2022 Regular Session Meeting and the August 23, 2022 Council Budget Session were presented. There were no corrections to these minutes. President Greg Richmond asked to include the minutes from the January 5, 2023 Regular Session that were listed under New Business on the Agenda. There were two corrections to the January 5, 2023 minutes. On page eight, line four, Jan Allen's name was spelled incorrectly. On page ten, line six, thousand needed to be replaced with hundred to read, six thousand seven hundred forty-three dollars. The number in parenthesis was correct. These were all corrected before the meeting. Chris Whetstine made the motion to approve all three sets of minutes. Rick Reid seconded the motion. The motion carried 6-0.

APPOINTMENTS

ECONOMIC DEVELOPMENT ADVISORY COUNCIL

The current appointment for EDAC is Mike Andreas. It has been recommended by EDAC to appoint Steve Smith. Rick Reid nominated Steve Smith. There were no other nominations and the nominations were closed. Rick Reid then made a motion to appoint by acclamation Steve Smith to the EDAC Board. Chris Whetstine seconded the motion. The motion carried 6-0.

ECONOMIC DEVELOPMENT COALITION OF SOUTHWEST INDIANA

President Richmond stated that this Board no longer exists.

NEW BUSINESS

COMMISSIONER/SHERIFF BUSINESS

**JAIL CONSTRUCTION – RESOLUTION OF TERMS
RESOLUTION 2023-01**

Sheriff Mike Wilder presented the current project, that is in the very beginning stages, to finance and build a new jail for Warrick County. He stated that they had met with Council President Greg Richmond and Council Administrator Krystal Powless. The meeting went very well and good things came out of it. They came up with some numbers on how they could afford this project without changing taxes. Sheriff Wilder said it was decided that a Resolution was needed to set parameters for the project to get it going. He then introduced Matt Eckerle, the municipal advisor with Baker Tilly, to speak.

Mr. Matt Eckerle stated that he was the municipal advisor for the County for the proposed jail project. A financial analysis had been prepared and given to the Council members for the discussion. Mr. Eckerle had several things he wanted to review in the analysis. Right now, they are currently working with an estimated \$57,766,000.00 for the project. This would include all the costs except for the costs associated with the financing itself. He also wanted to emphasize that this is just a preliminary plan. As the project process continues, they will continually update the Council and Commissioners as to how the transaction can get done to provide Warrick County with the right amount of funding with maximum efficiency. The parameter is to keep the payments under \$4,000,000.00 a year with the main funding through the Public Safety LIT. Mr. Eckerle then discussed how the market sees different sources of security.

Income taxes are seen as volatile because they are more subject to the machinations of the economy, so, using a secondary funding source gives the bond market a little extra comfort in that, if revenues go down, there's something else backing up to plug the gaps. The secondary funding could come from either property taxes or from EDIT, but no formal recommendations have been made. It was pointed out that using EDIT would tie up the ability to use EDIT for other future financing moving forward. But, it will be the Council's decision on the ultimate structure in terms of the source of security to move forward. Mr. Eckerle then started discussing the numbers such as illustrative project costs, funding sources, and uses of funds to demonstrate how the County would fund the \$57,766,000.00 project cost. They are contemplating a structure where capitalize interest would not be required, a debt service reserve would not be required, and then you have to fund the transaction costs themselves. That would include the underwriter and also the professional fees associated with the County's financial, bond attorney, local attorneys, and all those different parties that come in to provide advice to the County on the transaction. In terms of the funding, they were looking at a \$54,200,000.00 bond issue with the assumption that it will be a lease structure. This means they County would form a building corporation that would actually open the project and the County would make lease payments to the building corporation. The building corporation uses the lease payments to make the bond payments. Mr. Eckerle stated that they assume with what they have been provided by Baird, that the bond could be sold at a premium which would mean that the coupon interest rates would be higher than the market. This is something that has been seen commonly in the market with just about every tax-exempt municipal deal that he has done in the last five years. Based on the information that he received from Administrator Powless, he assumes that there's \$1,800,000.00 in County funds on hand that can be put into the project up front to help fund that overall project size. If this cash contribution amount is increased, it will reduce the amount of debt that must be taken out to fund the project. He also stated that the County could invest these proceeds over the construction period to maximize returns and provide funding as well. This is assuming that the payments will come from the Public Safety LIT and having the secondary source as EDIT. He stressed they weren't married to that example, but it's the current assumption. He also presented a sample amortization schedule with payments at or below the \$4,000,000.00. This was the high-end limitation that the Administrator had provided. The assumed interest rates were provided by Baird. When you take the premium into account, the assumed rates are at 4.23%. There is built in cushion in those provided rates. Mr. Eckerle lastly discussed the revenues, showing the history of Warrick County. He stated that Warrick County has continually been a strong performer in terms of income revenue. This again is just a preliminary discussion and plan of finance for the project.

President Richmond asked for an explanation on the reoffering.

Mr. Eckerle said that it is hard to explain, but basically, the relationship, between a bond price and the bond yield, is inverse. So, if investors want the higher coupon that's above market, they have to compensate you for that. So, the effective yield will go down because the investors are going to provide you with more money to purchase a 5% coupon, which the interest payment is going to be based on, to get those higher returns on the money. So, they're generating more cash for the County through the offsets. Mr. Eckerle stated he would be happy to dive into that more in depth, and it's something that can continue to be talked about as the process moves forward. But, it's a standard operating procedure on tax exempt bonds. The investors want the higher returns that are above market, so they have to compensate for that up front.

Councilman Whetstone asked whether the secondary source was required or necessary.

Mr. Eckerle stated that what they are currently looking at doing are revenue bonds rather than a property tax bond. Revenue bonds are looked at as not being as strong by the bond market. So, it is very common to put a back-up as a supplement to give bond holders and rating agencies increased comfort that the County will meet their obligations. If Public Safety dips, something else is there to fill in the gaps. The County is in the current situation where their Public Safety LIT is really strong, looking at \$4,000,000.00 a year payments with \$9,800,000.00 in revenues. With two times the coverage, the County may not necessarily need a back-up revenue source. He said they are just now starting talks with a ratings agency to get feedback on whether or not that back-up source would actually be needed. It's still too early in the stages of the project for a definitive answer, but they will be exploring rates without a back-up while still getting competitive interest rates. So, it could be a possibility.

President Richmond asked for clarification on whether special regulations for a property tax backing would need to be done.

Mr. Eckerle spoke to the procedural elements that might be necessary when using property tax for a back-up. He said there were a couple of items to keep in mind. The bond would be limited to twenty years as the term. The current bond would be set at twenty-three years. That's long enough to get the payments done to the desired payment amount. You also have to demonstrate that the revenue source, that's the primary security, is reasonably expected to be there for sufficient coverage. It must also be reasonably expected to never have to use that back-up. Once all this is demonstrated, you're not subject to the rules of a property tax financing, where if you're above a project size that exceeds a certain amount, you could be subject to a petition or remonstrance or referendum. There are different procedures and approvals, but all still ultimately flows through the Council.

Councilman Whetstone stated he liked hearing that the amortization schedule was twenty-three years. He thought it was going to be more like twenty-five.

Mr. Eckerle said it was something they would continue to watch. If rates improve, it could shorten further. But in turn, if rates go up, it could go longer. The goal being to keep it as short as possible while keeping in the \$4,000,000.00 annual payment.

President Richmond asked how the federal rate going up would affect the current numbers.

It was stated that this was figured into these current assumptions. If they start really raising rates, then that could change the figures. But, Mr. Eckerle was comfortable with the current assumptions with the cushion built in. If the Council would like to see these numbers, the cushion verses market scenarios presented, he can do so at future meetings.

Councilman Reid asked if the interest rates would be fixed or variable.

Mr. Eckerle stated that it would be fixed at the time of sale. They generally do not do variable rates for these types of bonds.

Councilman Overton stated that many of his concerns have been alleviated on not just the financing, but other questions he had as well. He likes the direction that they are going with the project.

Sheriff Wilder stated that there were others in the room that could answer any questions including Garmong, Commissioner Philippe, and County Attorney Andrew Skinner. He also thanked Administrator Krystal Powless, President Greg Richmond, and Matt Eckerle for their hard work. They have looked at many options and this is one of the best.

Councilman Chris Whetstine asked to hear from Economic Development Director Steve Roelle.

Steve Roelle, Warrick County Economic Development Director, shared his support of the project including the use of EDIT money if necessary. He did talk with Krystal Powless, Matt Eckerle, Brad Bingham, and Attorney Cliff Whitehead to propose a small language change in the non-binding Resolution which sticks to the parameters of \$4,000,000.00, but also put language in there that everyone was comfortable with to still allow County Council to decide what the secondary source of funding is. Mr. Roelle stressed that he was in no way against payments coming out of EDIT each year. But, in using it as a secondary source, the County could lose bonding capabilities in EDIT tying it up for over twenty years. This is something he felt the Council should consider. He suggested that if going in a different direction was possible, it might be better, but ultimately it was the Council's choice. Mr. Roelle also stated that Economic Development supports the current Resolution before the Council tonight and it can help get the ball rolling. He also stated that it also still gives him time to flush out any other possible tools that can save the County money or save them the bonding capacity so that they don't miss the next opportunity.

Attorney Cliff Whitehead stressed to the Board that the Resolution in no way obligated the County to anything and that they all have the correct version in front of them. This Resolution just shows the desire by the Council to at some point go through with this, but there is nothing binding the County by passing the Resolution.

Councilman Whetstine asked for Attorney Whitehead to clarify the statement in the Resolution, Section 1, the last paragraph, "For the avoidance of doubt, the County's lease rental obligations under the Lease shall not be secured by, or payable from, *ad valorem* property taxes that are exempt from the levy limitations of IC 6-1.1-18.5."

Attorney Whitehead explained that the entire statement was saying that this was not a property tax backed bond. But, again, nothing is really prohibiting the Council from doing anything. If the Council wishes at the next meeting to change the way they want to fund the project, they can.

President Richmond entertained a motion to approve Resolution 2023-01 in support of the Jail Project. Brad Overton made the motion to approve Resolution 2023-01. Rick Reid seconded the motion. The motion carried 6-0.

(Resolution 2023-01 is located on Pages 5 through 6 of these Official Minutes)

2023 COUNTY COUNCIL SOUTHWEST DISTRICT MEETING

President Richmond wanted to announce the upcoming County Council Southwest District Meeting in our area. It is a chance to meet Councilmen in the Southwest Indiana area. It's at the Huntington Event Center, Huntington, Indiana. It is Wednesday, February 22, 2023 at 4:30 PM central time, 5:30 PM eastern time. The cost for each Council member to attend is \$45.00 and includes dinner. The fee can be paid through the Council travel budget. This will be Council members only. They will be updated on current legislation and legislation that could have an impact locally. He gave a brief list of items that would be discussed.

HANDBOOK POLICY, REIMBURSEMENTS, TRANSFERS, OR CORRECTIONS

The following items were presented for approval by the Council:

4A. Additional Appropriation-Reimbursement			
Cumulative Drain	1141.31400.000.0000	Contractual	\$12,445.00
4B. Additional Appropriation-Longevity			
Auditor	1000.11211.000.0002	First Deputy	\$2,250.00
4C. Additional Appropriation-Longevity			
EMA	1000.11411.000.0302	Administrative Assistant	\$750.00
4D. Salary Ordinance-Handbook Policy leaving employment			
Superior I	80 hours of PTO	Court Reporter	\$1,726.40
<i>(Additional will be added at the March meeting).</i>			
4E. Salary Ordinance-Handbook Policy retirement			
Courthouse	58.6 hours of PTO	Administrative Assistant	\$1,023.51
4F. Commissary Report - Review			
<u>Sheriff Commissar Report</u>			

President Richmond read aloud all the items. He also stated that the Commissary Report was for review and did not need approval and that the Sheriff had also included the report that he submits to the judges on the jail. Brad Overton made the motion to approve items 4A through 4F. Rick Reid seconded the motion. The motion carried 6-0.

(February Appropriations are located on Page 5 of these Official Minutes)

**COUNCIL BUSINESS
BUDGET MEETING DATES**

Administrator Krystal Powless presented the tentative dates for the Budget meetings. These were just for review.

**TRANSFERS
PUBLIC SAFETY- EMS**

The Administrator presented a transfer in the Public Safety Fund. Transfer was from Motorized Equipment-EMS Ambulance to Contractual Services-EMS in the amount of \$33,333.34. This would fulfil the contract obligations for the 2023. Chris Whetstine made the motion to approve. Rob Dimmett seconded the motion. The motion carried 6-0.

CUMULATIVE DRAIN

The Administrator presented a transfer for Cumulative Drain. Transfer was from Contractual Services to Gas, Oil, and Lube in the amount of \$1,424.95. Rob Dimmett made the motion to approve the transfer. Brad Overton seconded the motion. The motion carried 6-0.


JUNE MEETING CONFLICT


Administrator Krystal Powless has a conflict with the June 1, 2023 meeting and asked if it could be moved to either Tuesday, June 6, 2023 or Thursday, June 8, 2023 if they wished for her to be present. Ron Bacon made a motion to move the meeting to Tuesday, June 6, 2023 at 6:00 PM. Rob Dimmett seconded the motion. The motion carried 5-1 with Rick Reid opposing.

ADJOURNMENT

The next Warrick County Council meeting will be held on March 2, 2023 at 6:00 PM in the Commissioners meeting room. Rick Reid made the motion to adjourn. Chris Whetstine seconded the motion. The meeting was adjourned at 6:46 PM.

WARRICK COUNTY COUNCIL



Greg Richmond, President


Ron Bacon


Ted Metzger *ABSTAIN*

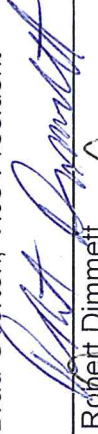

Chris Whetstine


ATTEST:



Michael J. Dietsch, Auditor
Warrick County, IN



Brad Overton, Vice President


Robert Dimmett


Richard Reid

Minutes Respectfully Submitted by Kristine Georges, Official Recording Secretary

Sec. 1 Be it ordained (resolved) by the Warrick County Council, Warrick County, Indiana, that for the expenses of the taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the proposed specified, subject to the laws governing, the same:

FUND	APPROPRIATION NUMBER	APPROPRIATION #	DESCRIPTION	DESCRIPTION	AMOUNT REQUESTED	AMOUNT APPROVED
Commissioner Reduction	1000.32410.000.0068		Cell Phone		\$2,155.00	0
Council	1000.32410.000.0061		Cell Phone		\$2,155.00	0
Cumulative Drain	1141.31400.000.0000		Contractual		\$12,445.00	12,445
Auditor	1000.11211.000.0002		First Deputy		\$2,250.00	0,250
EMA	1000.11411.000.0302		Admin. Assistant		\$750.00	750

Taxpayers appearing in the meeting shall have a right to be heard. The additional appropriations as finally made will be referred to the State Board of Tax Commissioners. The Board will make a written determination as to the sufficiency of funds to support the appropriations made within fifteen (15) days of receipt of a Certified Copy of the action.

Adopted this 2 day of Feb, 2023.

AYE

NAY

Blair Bennett
Brenda Overton
R. White
Paul Ray
Doug Richmond

Michael Dietsch BS
Auditor Warrick County

RESOLUTION NO. 2023- 01

A RESOLUTION OF THE COUNTY COUNCIL OF WARRICK COUNTY, INDIANA IN SUPPORT OF THE CONSTRUCTION AND FINANCING OF A NEW COUNTY SHERIFF'S OFFICES AND SECURITY CENTER AND RELATED IMPROVEMENTS UPON CERTAIN TERMS AND CONDITIONS

WHEREAS, representatives of the Board of Commissioners of Warrick County, Indiana (the "Board"), the Warrick County Council (the "Council") and the Warrick County Sheriff's Office have investigated the need for, and the feasibility of, the acquisition of land and the construction, improvement, and/or equipping thereon of a new Sheriff's Offices and Security Facility, and any related improvements, all to be used for the purposes of providing incarceration, community corrections and/or other law enforcement or criminal justice services by Warrick County, Indiana (collectively, the "Project"); and

WHEREAS, pursuant to Indiana Code 36-1-10, as amended, Warrick County, Indiana (the "County") is authorized to acquire structures by lease or lease-purchase from a non-profit building corporation to be formed by and on behalf of the County (the "Building Corporation"), in order to assist the County in financing, from time to time, the construction and renovation of facilities to be operated by the County, such as the Project; and

WHEREAS, as part of the plan of finance for the Project, the Board has proposed that the Building Corporation (i) issue one or more series of its lease rental bonds (collectively, the "Bonds") and use the proceeds thereof to pay costs of the Project, (ii) lease the Project to the County through a lease agreement (the "Lease") between the Building Corporation, as lessor, and the County, as lessee, for a term equal to the term of the Bonds, (iii) use the lease rental payments to secure and pay debt service on the Bonds, and (iv) following the retirement of all the Bonds, convey fee simple ownership of the Project to the County; and

WHEREAS, the Council, acting as the local income tax council for the County, has previously imposed a local income tax on the adjusted gross income of County taxpayers pursuant to IC 6-3-6 (the "LIT"), with a portion of the additional revenue derived from the LIT expenditure rate under IC 6-3-6-6 allocated by Council to economic development purposes under IC 6-3-6-4 (such portion, the "EDIT") and the remaining portion of the additional revenue derived from the LIT expenditure rate under IC 6-3-6-4 allocated by Council to public safety purposes (such portion, "Public Safety LIT"); and

WHEREAS, based on its investigations of the need and feasibility of the Project, the Board desires to move forward with the Project and has requested the Council to indicate its support for proceeding with the Project; and

WHEREAS, the Council has given preliminary consideration as to whether a need exists for the Project and whether the County has the necessary funds to finance the costs of the Project to meet such need, and now desires to adopt a resolution indicating its support for undertaking and financing the Project, upon the terms and conditions set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL, that:

Section 1. After investigation, the Council hereby makes a preliminary finding and determination that a need exists for the Project. The Council hereby expresses its support for undertaking all actions and proceedings necessary for the County to undertake and finance the Project upon the following terms, conditions, and limitations: (a) the maximum aggregate principal amount of the Bonds to be issued to finance costs of the Project shall not exceed \$57,766,000; (b) the maximum term of the Bonds and the Lease shall not exceed twenty-five (25) years; (c) the maximum annual lease rental payment under the Lease shall not exceed \$4,000,000; and (d) the County's obligation to pay lease rental payments under the Lease shall be secured by, and payable from, the following sources and in the following order of priority: (i) *first*, from a pledge of the County's distribution of Public Safety LIT revenue, and (ii) *second*, if Public Safety LIT revenue is insufficient and a secondary pledge is required, from a back-up pledge of any other legally available funds or tools of the County, as determined by Council and consistent with this Resolution. If Council decides to use EDJT revenue to support this Bond issue, Council is aware and has been advised of the adverse impact that this pledge of EDJT revenue will have on the County's ability to bond economic development projects in the future.

For the avoidance of doubt, the County's lease rental obligations under the Lease shall not be secured by, or payable from, *ad valorem* property taxes that are exempt from the levy limitations of IC 6-1.1-18.5.

Section 2. The Bonds, the Lease and any pledges of Public Safety LIT revenue and/or EDJT revenue shall hereafter be authorized by all proper legal proceedings required by Indiana law subsequent to this Resolution, it being understood that this Resolution is a non-binding expression of the Council's support for the Project upon the express limitations set forth herein.

Section 3. This resolution takes effect upon passage, and all prior resolutions and parts of resolutions insofar as they may be in conflict with this Resolution are hereby rescinded.

DULY PASSED and ADOPTED on this 2 day of February, 2023, by the Warrick County Council, as fiscal body of Warrick County, Indiana, by a vote of 4 in favor, 0 opposed, and 0 abstaining.

WARRICK COUNTY COUNCIL

Greg Richmond
Greg Richmond, President

Ron Bacon
Ron Bacon

Ted Metzger
Chris Wheatstone
Chris Wheatstone

Brad Overton
Brad Overton, Vice President

Robert Dimmett
Robert Dimmett

Richard Reid
Richard Reid

ATTEST:

Michael J. Dietsch
Michael J. Dietsch, Auditor
Warrick County, Indiana