

THE MORGAN COUNTY COUNCIL MET IN A BUDGET ADOPTION SESSION ON WEDNESDAY, OCTOBER 19, 2022 AT 6:30 P.M.

MEMBERS PRESENT: KIM MERIDETH, VICKIE KIVETT, TROY SPRINKLE, KELLY ALCALA, JASON MAXWELL MELISSA GREENE AND CHIP KELLER. ALSO PRESENT WERE DAN BASTIN, MORGAN COUNTY AUDITOR; DEB VERLEY, EXECUTIVE ASSISTANT; AND JOSH MESSMER, COUNTY ADMINISTRATOR.

PLEDGE OF ALLEGIANCE

PRAYER (*Rich Myers*)

Minutes – 8/22-23/22, 8/29/22 and 8/23/22 Joint Meeting

Melissa Greene made a motion to approve the August 22-23, August 29 and August 23 Joint Council/Commissioner meeting minutes. Motion seconded by Troy Sprinkle. Motion carried 7-0.

Transfer:

• *Health Department*

Jeanne LaFary and Cyndy Wells, Morgan County Health Department, were present to request a transfer of \$3,000 from Acct #1159.11405.000.0000 (Preparedness Coordinator) to Acct #1159.22111.000.0000 (Gas). Ms. LaFary stated that the budget for gasoline has been hit pretty hard this year. Vickie Kivett made a motion to approve the transfer. Motion seconded by Kelly Alcala. Motion carried 7-0.

Resolution - Preliminary Determination to Enter into a Lease Agreement

Josh Messmer stated that the Council has before them a resolution for a Preliminary Determination to Enter into a Lease Agreement to Pay the Cost of Purchasing Said Real Estate and Construction and Equipping a New Justice Center. Mr. Messmer introduced Zach Klutz, Taft Law and Jason Semler, Baker Tilly.

Zach Klutz stated that this is step two in the process for the Justice Center. There will be two public hearings before adopting the resolution to make a preliminary determination to enter into a debt financing agreement. The lease agreement will be supported by property tax, which requires two public hearings. The notice of the hearing was published October 5th, the second public hearing will be on October 25th. This portion of the project will be done through lease rental bonds rather than general obligation bonds. The Morgan County Building Corporation will be the issuer of the bonds; the county will be the leasee and will lease the Justice Center from the Building Corporation for the term of the lease, which will be 20 years, and will revert back to the county at the expiration of the lease. This process allows the county to proceed with the project without debt limit and capacity limitations. The lease payments will be supported by property taxes.

Jason Semler handed out updated information showing project costs and funding. The combined cost for Phase I and Phase II is \$45,490,000. Of this amount, \$15,850,000 has been issued in General Obligation Bonds and \$29,640,000 will be in Lease Rental Bonds. The not to exceed amount is \$33 million and the interest rate is not to exceed 5.15% interest with 20-year financing. They are planning to sell the bonds by the middle of December in order to close by the end of the year. They are looking into locking in the rate by mid-November. The combined annual payment for both GO bonds and Lease Bonds is estimated to be \$4.4 – \$4.5 million for the first 10 years. This would be an approximate .08 cent tax rate impact if bonds were 100% paid by property taxes based on 2023 tax assessments. For an average taxpayer with a home assessed at \$200,000 this is estimated to be \$58.46 annually. The county would be able to refinance in 7 to 10 years, or pay them off early without a penalty.

Mr. Klutz stated that the Resolution Making a Preliminary Determination to Enter into a Lease Agreement does not need action at this meeting, they are just introducing it for the public hearing. The resolution states that the Council wishes to move forward with the financing and authorizes moving forward under the terms just presented. Mr. Klutz reviewed the terms as follows: a maximum term of 20 years, a maximum annual lease rental not to exceed \$3 million, maximum principal of \$33 million, and an interest rate not to exceed 6%. Mr. Klutz stated that this process is per the lease rental statute under IC 36-1-10.

Recess

Vickie Kivett made a motion to recess the meeting. Motion seconded by Kim Merideth.

Public Hearing

Troy Sprinkle made a motion to open the public hearing. Motion seconded by Melissa Greene.

Kim Merideth opened the public hearing regarding the resolution for a Preliminary Determination to Enter into a Lease Agreement (Resolution Number 2022-10-25). Chip Keller noted that these bonds will be used for the Justice Center project. Josh Messmer stated that the parking lot is under way, which was part of Phase I. The next phase is the Justice Center construction. There will be another phase for the remodeling of the Courthouse and then a final phase. If approved, construction will start in the spring with hopes of being open and fully operational by the end of 2024. There were no public comments.

Reconvene

Vickie Kivett made a motion to close the public hearing. Motion seconded by Jason Maxwell. Motion carried 7-0.

Melissa Greene made a motion to reconvene the Council meeting. Motion seconded by Troy Sprinkle. Motion carried 7-0.

Budget Adoption

- *Harrison Township Fire District*

Kelly Alcalá made a motion to approve the budget of \$161,850. Motion seconded by Melissa Greene. Motion carried 7-0.

- *Monroe Township Fire District*

Vickie Kivett made a motion to approve the budget of \$465,472. Motion seconded by Troy Sprinkle. Motion carried 7-0.

- *Morgan County Budget*

Dan Bastin stated that they discussed moving \$400,000 in the LIT Public Safety Fund (9512) for Sheriff's cars to Cumulative Capital Development Fund (2301). Since this was not published, they would need to move it in February by reducing the LIT Public Safety Fund and approving an additional appropriation to the Cumulative Capital Development Fund in February. This is to allow a bigger cash balance in the Public Safety Fund.

Kelly Alcalá asked if the Council wanted to approve the total amount in the ARPA Fund (9522) or if they wanted to approve additional appropriations through the year as the Board of Commissioners presents requests. After discussion, it was determined that the Council wanted to approve the appropriations from this budget rather than allowing the Commissioners to spend it as they and the ARPA Committee see fit. Jason Maxwell made a motion to reduce the ARPA Fund (9522) by \$1,305,386. Motion seconded by Troy Sprinkle. Motion carried 7-0.

Kelly Alcalá stated that there have been some questions regarding pay raises in different departments and asked if this could be reviewed. Dan Bastin stated that the Sheriff and Jail positions were increased by \$2,500 in the matrix; all other positions except for the Highway Department are 3% plus \$500.00 (which is close to 1%). The Highway Department was approved as proposed, with a range of 4.1% to 34.7%. Grant Collinsworth, Morgan County Highway Superintendent, noted that most positions were 6.8%. Melissa Greene clarified that most of the changes were due to job description updates and new job titles.

Kelly Alcalá stated that when she came on the Council, four years ago, the county had significant cash balances thanks to the work of many conservative people on the Council in previous years. Some of those cash balances should have come down and they have done that. The county is in a cycle that they won't be able to sustain the budgets going forward; the revenue is not there to support them. Ms. Alcalá was hoping that they would be able to pull back a little this year and not continue to grow the budgets year after year but that did not happen this year. Since this is Ms. Alcalá's last year on the Council, she wanted to caution them that being able to grow the revenue to get what they think they need is not something they can just pull out of the hat; they are constrained by tax laws. She cannot support the size of this budget. Chip Keller made a motion to approve the county budget for 2023, \$43,558,324 as modified. Motion seconded by Jason Maxwell. Motion carried 5-2. Kelly Alcalá and Melissa Greene were opposed.

Transfer:

- *Highway Department*
Grant Collinsworth requested a transfer of \$10,772 from Acct #1169.26400.000.0000 (Maintenance/Repair Parts) to Acct #1169.46400.000.0000 (Equipment Lease). Mr. Collinsworth stated that this is for the last two Do-all trucks. Kelly Alcalá made a motion to approve the transfer. Motion seconded by Vickie Kivett. Motion carried 7-0.

Salary Ordinance Amendment

Dan Bastin stated that for the remainder of 2022, the Auditor-elect is an employee in the office. They have a position titled “customer service specialist” and “property tax data specialist” they have modified the description for the customer service specialist and the property tax data specialist no longer exists. There are now three customer service specialists and the financial assistant position that is shared with the Treasurer will also be added. Kelly Alcalá noted that there are no additional positions and no additional funds are needed. Kelly Alcalá made a motion to approve the Salary Ordinance Amendment. Motion seconded by Troy Sprinkle. Motion carried 7-0.

Appointment Discussion

Kim Merideth noted that there are board appointments coming up for 2023. Josh Messmer informed the Council that there is an area on the county website for anyone interested in serving on a board to fill out an application to indicate their interest.

Bond Strategy

Dan Bastin stated that he put this on the agenda so the Council would think about what their strategy is going forward with bond issues. They could pay for some of the principal and interest from a fund other than the bond fund, or they could use other funds to reduce the amount of the bond. Kim Merideth asked if the cost for the furnishings would be removed from the bonds as they don’t want to finance this for 20 years. Kelly Alcalá stated that they are using available funds to make the first debt service payment. Dan Bastin stated that the first bond payment in January is being paid out of the LIT Economic Development Fund. This is in the 2023 budget. Mr. Bastin suggested financing purchases, such as the furniture, with a debt issue or a loan that more closely resembles the useful life of those items rather than 20 years.

Next Meeting

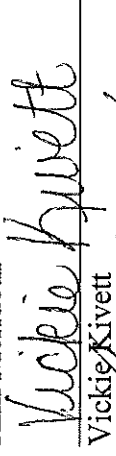
Kim Merideth noted that there is a special meeting October 25th at 5 pm.

Adjournment

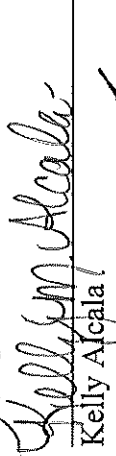
Melissa Greene made a motion to adjourn the meeting. Motion seconded by Chip Keller. Motion carried 7-0.

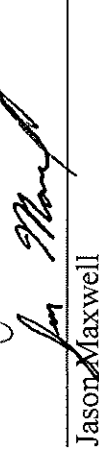
MORGAN COUNTY COUNCIL

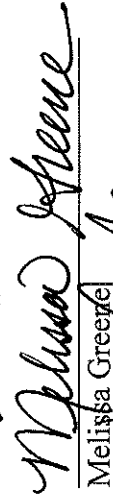

Kim Merideth


Vickie Kivett


Troy Sprinkle


Kelly Alcalá


Jason Maxwell


Melissa Greene


Chip Keller

ATTEST:



Dan Bastin, Morgan Co. Auditor