Hancock County Council Minutes
Special Meeting/Public Hearing
May 23, 2019

COUNTY COMMISSIONERS COURTROOM
111 American Legion Place
Greenfield, Indiana 46140

The County Council of Hancock County, Indiana, met in the Commissioner Court in the Courthouse Annex, Greenfield, Indiana, on the 23rd day of May 2019 at the hour of 9:03am in accordance with the rules of the Council.

Councilmembers William Bolander, James Shelby, Debra Bledsoe, Kent Fisk, Jeannine Gray, Martha Vail and Mary Noe were in attendance. Also attending, County Attorney Scott Benkie, Deputy Auditor Trish George and Deputy Auditor Anna Voorhis

President Bolander opened the meeting with “Pledge of Allegiance” and a moment of silence.

Public Hearing: Jail Bond and Ordinance Enacting a Correctional Facility Local Option Income Tax (Jail LIT)

Opened Public Hearing at 9:05 am. Councilmember Bolander clarified we are going to have a public hearing for the jail bond and the income tax option. We already had it on the income tax, but we are having a public hearing due to extending the bond to 22 years from 20 years. Councilmember Bolander asked for any public comment. Michael Ramey was not for or against the jail, until the Commissioners ask for a yes or no vote on the jail, but said if you decide to vote no, we will raise income taxes and property taxes. This to me is a threat towards the voters. They came forward and made good on that promise as far as the property taxes. I have a spreadsheet from last year and this year. The county says they don’t have the money for this new jail. Michael’s thought on this is we are Americans and this is the United States of America and we have these foreign companies coming from overseas and we are giving them land and we are giving them tax free. We don’t get land for free. American Companies don’t get land for free and none of us get tax free. You see what I am saying, this is America, who are we standing up for, who is betraying our country for countries that have foreign companies coming over here like Japan. IPT has been here since 1991 and when it was time for them to start paying their taxes they shut their doors and found a way to manipulate the system to where they changed their name and the process would start over. Michael feels it is our own fault there is no tax money to build the jail. Following suit with showing a pattern, Kawasaki is coming to town if not already here. But we are doing the same thing tax free, I don’t know if we are giving them the ground, but tax free. Councilmember Bolander corrected we are not giving land away and it is not tax free, but their taxes are phased in. With the
dictatorship and communism that the Commissioners has pushed on threats he would like to abolish the Commissioner’s Office for a temporary term until we get new people in there that can run that office under our constitution, our laws and this includes the building and planning department because they are appointed by the commissioners of the county. Councilmember Bolander thanked Michael for his time. Michael replied thank you.

Councilmember Bolander asked for any further public comment. George Langston wanted to comment, I am speaking on behalf of myself and not my appointed positions I have been appointed to within the county. I am in favor of a new jail and have been since day one. Because we have a serious crises at the jail with as many people as they have. George is concerned with how the money will be spent and how to fund it. Again I am in favor of it, I have always spoke out and said that it should be a combination of property taxes and income taxes, but I am not in favor of GO Bonds paying. This puts the burden on a certain segment of this county, people that have not hit their tax caps. That’s the only problem I have with it. I believe also using a GO Bond that you are not allowed to break up a project to go around the referendum to pay for and use a GO Bond for that system. If I remember what the legislature wrote they said you specifically couldn’t do that. George requested Scott Benkie (County Attorney) to look into that. But other than that I am in favor of the new jail. We have to have a new jail. I wish it wasn’t like that, but the state just put this county and other counties in this position and this is the only way to fix it. Councilmember Bolander thanked George. Councilmember Fisk ask George if he thought we should abolish the Commissioners. George answered no.

Councilmember Bolander asked for any further public comment. Councilmember Bolander said if no further comment I will close the public hearing. Councilmember Vail asked to comment. Councilmember Bolander said sure. Councilmember Vail clarified this is voting on increasing the GO Bond from 20 to 22 years. Councilmember Bolander verified this is not voting on it, this is just a public hearing, the vote will be in July, because the law doesn’t allow us to vote until July, so we aren’t voting until July. Councilmember Vail said okay I understand that but is there any kind of figures out there or enumeration schedule that myself and tax payers to can; how much is this actually going to cost going from; you say we are going to generate more money; which I understand; but is it; what is it going to cost me as the tax payer; stretching it I mean. Councilmember Bolander answered it’s a cash flow lease agreement and we have to pay the tax for 22 years instead of 20 years. Councilmember Bolander said we are going to close the Public Hearing 9:14 am.
Councilmember Noe I agree and understand what Councilmember Vail is saying if we advertise something over a longer period of time you are going to pay more for the project because you are going to pay additional interest on that extended period of time and what I hope to see when we get further into the project we’ll discuss our bringing in more money and we are growing with additional funds to pay above and beyond what our payment structure is that we can consider paying the bond off early as opposed to locked at 22 years. Councilmember Bolander clarified at the same we don’t want to put ourselves in a bind if we have another recession. Councilmember Noe agreed that’s correct, but again, I understand that going the full 22 years is increasing the cost of the project and I would like to see it paid off at an earlier rate if possible down the road. Councilmember Shelby said we have figures we can look at. Councilmember Noe said this is something to look at down the road and that’s for future conversations. Councilmember Shelby said there is more that we’re doing than just extending if you want to look at the whole project. We are also getting into a lease agreement that also affects the finances of it so Greg has done an estimate here of what it is going to cost if you look at that. He has also put in that the interest rates are a little bit different than when he originally did the estimate they are a little bit higher so he is putting in a little more interest. There are three variables that he is working with and there are new numbers. We gain in construction about half a million dollars from 20 years ago. Councilmember Vail said how much. Councilmember Fisk said half million dollars. Councilmember Shelby said three variables are going on and updating us for the 22 years, doing the lease and interest rates. Councilmember Fisk said the scenario also involves we were not allowed to tap property tax for half the original project, because it got voted out and so when you construct something what they are saying is so it is not $65M anymore now it’s going to be $38M-$40M and there is still a gap in there and half of the money before only got us $30M so we have some gaps, now if we can get 2 more years income tax that shortens that gap. Councilmember Vail said she is not as knowledgeable as others here; she is still trying to understand this; all I can see and the tax payer will tell you, you take out a 20 year bond it won’t get paid off or if we pay it off, we will just create another one. Councilmember Fisk clarified the way this tax is created, it dies when the project is over. In 20 years it dies, there is no extension to it, we can’t go on. Councilmember Vail said wouldn’t you think; if we have more money coming in before the 20; I’m sorry I am just having a hard time grasping this. Councilmember Fisk said you are right if we have more money coming in before the 20 years; we could pay it off early. Councilmember Vail said would we? Councilmember Bolander said that could happen. Councilmember Vail said I won’t be here, so would we? Would we? Councilmember Bolander said I won’t be here either. Councilmember Vail said the tax payer wants to know are we being really frugal with their money and when we say we want to stretch it from 20 to 22 years they know this $43M project, which now I am for it. Councilmember Bolander said we have beat this thing to the ground. Councilmember Vail said I know, but the public doesn’t; I got some emails at 7:30 am; sorry I just looked at it; um never mind it is just about having the public hearing at 9 am. Councilmember Bolander asked Councilmember Shelby to share the latest estimate from Greg.
Councilmember Shelby said the bottom line from Greg the core value of the bond is $37,000,150 and with the changes that we are looking at which is more than 22 years that principal bond goes down to $36,000,520. The total interest that would be paid over the life of the bond is $22,000,801 his estimate now is $22,000,456 for interest (this goes down). The annual debt service, the total principal and interest was $59,000,951. He is estimating now it is about $1M less than $58,000,976. Councilmember Vail said you are telling me it less interest over 22 years than 20 year. Councilmember Fisk said because there is less interest.

Councilmember Shelby said there are three things going on, no I am not saying that, there are three things going on. There is the increase in the life of the bond, we are doing a lease agreement and the interest rate is fluctuating. Councilmember Vail said you don’t get a fixed interest rate. Councilmember Bolander said you will. Councilmember Fisk said at the time we sign it. Councilmember Shelby said this is only an estimate. Councilmember Vail said this will be a fixed rate and not flexible. Councilmember Bolander said it will be a fixed rate. Councilmember Shelby said can make it a flexible rate. Councilmember Vail said she did not want a flexible rate. Councilmember Shelby said these are just estimates. Councilmember Fisk said is it fair to say the extension of the tax goes two more years that we don’t have to borrow as much up front. Councilmember Shelby said that’s what’s going on. The capitalized interest that is borrowing for three payments that we were going to make of about $2M, now with the lease agreement and 22 years we are going to make one payment of capitalized interest of $841K and that is a big factor in the total cost. Councilmember Fisk said this tax is specifically for this project. Councilmember Bolander said remember it is for two parts; this project and for the personnel. Councilmember Fisk said so when this tax is paid off it ends and can’t be paid for another project. Councilmember Shelby said correct it dies. Councilmember Vail said if we collect more money than anticipated can we progress past phase 1 and go into phase 2?

Councilmember Shelby said yes.

Resolution 2019-5-7 Need for Project
Councilmember Shelby introduced Resolution 2019-5-7 and read into minutes. Councilmember Fisk made a motion to accept Resolution 2019-5-7 as presented. Councilmember Gray seconded. Motion carried 7-0.

Introduction to Ordinance 2019-6C General Obligation BOND
This is the introduction to the General Obligation BOND to pick up for the water, sewer, road and so forth. Councilmember Shelby clarified the total cost of the project exceeds the amount that we would get from 17 of 20 basis points, because we want to keep 3 basis points for operating cost and in order to get the total money needed for the project we’ve determined we would try to do the infrastructure cost (which is legal) cause the infrastructure out there would be for more than just the jail. Councilmember Shelby read into minutes Ordinance 2019-5C. Councilmember Shelby introduced Ordinance 2019-6C.
Introduction to Ordinance 2019-5D Additional Appropriation for GO Bond Proceeds
Councilmember Bolander read into minutes Ordinance 2019-5D Additional Appropriation for GO Bond Proceeds. Councilmember Bolander introduced Ordinance 2019-5D.

**ADJOURN 9:45AM**
Councilmember Fisk made a motion to adjourn. Councilmember Bledsoe seconded. Motion carried 7-0.

Approved this day: May 23, 2019

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Attest: ______________________________
Debra Carnes, Hancock County Auditor