

**HENDRICKS COUNTY JOINT COMMISSIONER & COUNCIL MEETING  
JUNE 30, 2020**

The called joint meeting of the Hendricks County Commissioners and Hendricks County Council was called to order by Council President David Wyeth on behalf of the Council and by Commissioner President Phyllis Palmer on behalf of the Commissioners on Tuesday, June 30, 2020 with the following in attendance: Commissioner Phyllis Palmer, Commissioner Bob Gentry, Commissioner Matt Whetstone, Councilman David Wyeth, Councilman David Cox, Councilman Larry Hesson (Virtual), Councilman Larry Scott, Councilman Eric Wathen, Councilman Brad Whicker, Financial Administrator Tami Mitchell and Auditor Nancy Marsh. Councilman Caleb Brown led the Pledge of Allegiance and Commissioner Palmer offered a prayer.

**IN THE MATTER OF THE REPORT FROM FINANCIAL CONSULTANT  
REGARDING THE BONDING OF THE NEW JAIL**

Financial Consultant Greg Guerrettaz had emailed the *Estimated Debt Service and Income Tax Impact Analysis*, and *Jail Bond 36-Month Cash Flow for Debt Service Funds* to each member of the Commissioners and Council for their review prior to the meeting.

Mr. Guerrettaz discussed the *Current Local Income Tax Certification Schedule* in 2020 as it compared to the *Normal* from past years. Mr. Guerrettaz stated that the DLGF has agreed to provide a preliminary estimate of 2021 income tax revenue on July 1, 2020 and he was concerned that it will be lower by 20%.

Mr. Guerrettaz went over the Current Local Option Income Taxes and the estimated income from the Correctional Facilities Public Safety LIT. Mr. Guerrettaz stated that based on the full 20 basis point rate, the revenue generated in 2020 is \$10,414,761 and the amount in 2021 is expected to be the same. The 2021 LIT rates are based on 2019 taxpayer returns which were before the COVID-19 pandemic. Mr. Guerrettaz is predicting a 20% reduction in the estimated 2022 Income Tax which are based on 2020 taxpayer returns.

Mr. Guerrettaz discussed the *Estimated Sources & Uses of Funds* demonstrating the Estimated Correctional Facility Annual Income Tax Revenue in 2021 to be \$10,414,761 and the 2022 Estimated Correctional Facility Annual Income Tax to be \$8,331,809 which directly impacts the coverage of the bond. Mr. Guerrettaz stated the Par Amount of the Bonds is \$68,150,000 and the cash contribution from the 2020 Correctional Facility Local Income Tax revenue in the amount of \$10,414,761.

Mr. Guerrettaz discussed the Estimated Debt Service with an Income Tax Property Tax Backup showing \$734,269 in capitalized interest, a total principal amount of \$68,150,000; Interest in the amount of \$31,957,794, with a total Annual Debt Service of \$100,107,794.

Mr. Guerrettaz explained the *Estimated Cash Flow – Phase 1 (2020)* showing the architect fees, estimated soft costs, wetland remediation, and hard costs for Phase 1 to be \$9,940,129.

Mr. Guerrettaz listed the *SEC Required Risk Disclosures* as follows:

- Actual income tax revenue is lower than expected.
- Construction bids are higher than estimated.
- Construction is not completed on time due to additional Covid-19 events or other problems.

- Interest rates increase, causing higher annual payments and lower debt coverage.
- The Jail LIT is currently at the maximum Jail LIT rate – no increase is possible.
- The bond rating will be impacted depending on the timing of the rating and certification of income taxes.

Mr. Guerrettaz recommended ways to mitigate the risk as follows:

- Sell bonds after construction bids are received and LIT is certified.
- Allow Jail LIT Fund to build a cash balance in 2021 to help “stabilize” annual revenue.
- Loan from CEDIT.

Councilman Wyeth asked if there was a way to soften the 20% predicted loss to the Correctional Facility LIT during the bond rating process. Mr. Guerrettaz stated that he would present objective numbers to put our best foot forward but offers an optimistic and pessimistic view.

Councilman Brown stated he is a more of a glass half full and prefers the optimistic outlook.

Mr. Guerrettaz discussed the *36 Month Cash Flow for Debt Service Funds* demonstrating a year end balance on December 2022 of \$11,863,618. Councilman Eric Wathen asked about the possibility of reducing the rate to reduce the cash balance. Councilman Caleb Brown stated we could be flexible and use more of the available funds for operating to possibly free up some of the General Fund revenue for other purposes.

Mr. Guerrettaz stated that he plans an *offramp* where the bonds could be redeemed or refunded in 8 or 10 years. Mr. Guerrettaz stated the funds could also be used for another jail connected projects if it was in the bond documents.

Bond Attorney, Bruce Donaldson, Barnes & Thornburg, stated the Hendricks County Building Facilities Corporation will be the mechanism used to obtain the bond. Mr. Guerrettaz recommended having all the documents prepared and signed but not sell the bonds for 90 to 120 days.

It was moved by Brad Whicker and seconded by David Cox to keep moving forward on the jail as projected in Mr. Guerrettaz’s documents. Motion carried 6-0-1 (EW).

Commissioner Bob Gentry asked about the size of the jail and if it could be pared back somewhat. Commissioner Gentry stated that statistics showed that the overcrowded jails prior to COVID-19 had been alleviated due to the flexibility guidelines given to judges on incarcerations. Mr. Gentry stated he believes we need a new jail, but the magnitude of this project is overwhelming. Mr. Gentry stated there is angst among people with the COVID-19 in general and the fear is not going away.

Commissioner Whetstone asked why we would request an RFP from an Underwriter if the cost is established. Mr. Guerrettaz stated that the Underwriter is the person who represents the buyers in the market. Mr. Guerrettaz stated there is a lot of behind the scenes factors and we may get quotes higher and lower than projected.

Councilman Caleb Brown stated he understands Commissioner Gentry’s concerns but to stall at this point would not be a good decision.

It was moved by Bob Gentry and seconded by Matt Whetstone to authorize moving forward with the jail project. Motion carried 3-0.

*Resolution 2020-23 A Resolution of the County Council of Hendricks County, Indiana Regarding the Reimbursement of Certain Preliminary Expenditures from the Proceeds of Bonds* was prepared by Bond Attorney Bruce Donaldson and presented to the Council for review and approval. It was moved by Brad Whicker and seconded by David Cox to approve Resolution 2020-23 as presented. Motion carried 6-0-1 (EW).

### **IN THE MATTER OF THE NEW HIGHWAY GARAGE**

Financial Consultant Greg Guerrettaz discussed the current annual bond payments through 2030 as demonstrated on the *Annual Bond Payments* document. Mr. Guerrettaz stated the important thing is for tax rates to remain stable and to avoid high and low spikes. Mr. Guerrettaz stated the 2014 E991 General Obligation Bond, with a .0032 rate, will be paid off in 2020 and the 2015 E911 Bank Loan, with a .0034 rate, will be paid off in 2021. Mr. Guerrettaz is recommending the new highway facility be funded with a General Obligation Bond in the amount of approximately 10 million dollars. Bond Attorney Bruce Donaldson stated a 10 million General Obligation Bond would be subject to the state's petition and remonstrance process.

Commissioner Whetstone reported on the Commissioners meeting with the leadership of Hendricks Regional Health and notified the Council that, while it is not written in stone, the hospital would like to have the current highway property. Commissioner Whetstone stated the Commissioners discussed the possibility of a County *Health* building being a part of the new HRH location on the highway property. Commissioner Whetstone stated the hospital is on a capital project freeze right now due to substantial losses because of COVID-19. Commissioner Whetstone stated the Commissioners envision the Health Department, Healthy Families, and possibly the Coroner being housed that location as the Coroner and the Hospital have expressed a need for more morgue space which is the County's responsibility.

Auditor Nancy Marsh stated the CARES ACT reimbursement might offer reimbursement for morgue space and she had been in touch with IFA, who is managing the reimbursements. IFA informed Mrs. Marsh that if the county could substantiate the increases in COVID-19 related deaths, they may be able to qualify for reimbursement.

Councilman Caleb Brown asked about the potential of a land swap. Commissioner Whetstone stated Dennis Dawes just told him that the fairground property was obtained through a land swap with Hendricks Regional Health for land along Terry/Kirtley Parkway.

Councilman Wathen asked if a General Obligation Bond must specifically state the use of the project. Bond Attorney Bruce Donaldson stated Appendix A would contain specificity of the project but there could be alternatives listed giving flexibility.

Auditor Nancy Marsh stated the budget public hearing is scheduled for September 1, 2020 which means it must be advertised approximately 15 days prior to the public hearing. That means the decision to move forward with a GO Bond and all relative documents and votes must be completed in the very near future.

### **IN THE MATTER OF RONALD REAGAN PARKWAY**

County Engineer, John Ayers, stated that after many discussions and study, he is in a holding pattern on completion of Ronald Reagan Parkway. Mr. Ayers stated he is continuing to obtain Right of Way, permitting and the design is 85% complete. Councilman Wathen stated that he is in favor of having everything completed if there does become federal money available for shovel ready projects. It was confirmed by Bond Attorney Bruce Donaldson that state law prohibits property tax being used for road construction. Mr. Ayers stated Boone County may be showing a little more interest on the Boone County portion of the road.

Eric Wathen reported on the MPO meeting, where he serves, that the money for projects like LINK will be going down significantly. Mr. Wathen stated there is a bill in congress stating you are required to follow the Davis-Bacon Act requiring certain wage and hour standards. Councilman Wathen stating companies will lose 9% to 10% and it is being fought on many different levels.

### **IN THE MATTER OF HUMAN RESOURCES**

Human Resources Administrator, Erin Hughes stated she would like the Council to ratify their discussion from the Benefits Committee where it was the consensus to allow vacant positions to be filled. Councilman Caleb Brown stated that he is requesting that the county seriously look at not automatically filling positions but analyzing their true need and be more creative to save money. Councilman Brown and Councilman Wathen stated they were in favor of changing our policy to allow overtime rather than automatically replacing a position. Councilman David Cox stated he was in favor of filling the voids and if the funding was present, they should be allowed to fill the position.

Councilman Eric Wathen stated he wanted to give departments the ultimate authority to give dollars to departments for overtime rather than hiring a new person. Councilman Brown recommended there should be floaters whose functionalities could be shared. Commissioner Palmer asked about why and how many counties had a 40-hour work week.

Auditor Marsh stated that she did not know of any 40-hour counties and stated counties worked 32.5, 35, and 37.5 hours generally. Mrs. Marsh stated she didn't know the exact reason why Hendricks County went to a 35-hour week, but it probably had to do with reducing the budget and funding issues.

County Engineer John Ayers, Soil & Water Director Mike Starkey, Financial Administrator Tami Mitchell, Plan Director Tim Dombrosky, Facilities Director Kevin Cavanaugh, and County Surveyor Dave Gaston stated their pros and cons for the idea of replacing new hires with overtime with Dave Gaston stated the Council is asking for creativity from the department heads but the department heads need the Council's cooperation and everyone should be flexible in both aspects.

It was moved by Eric Wathen and seconded by Larry Scott to allow vacancies of existing employees to be filled this 2020 and for department heads to immediately look for ways to spread the duties of a vacant position to existing jobs, through overtime, rather than a new hire. Motion carried 7-0.

Auditor Nancy Marsh stated that there needs to be a mechanism to get this message to the departments as soon as possible.



### IN THE MATTER OF OTHER COUNCIL BUSINESS

Abatements were discussed and Councilman Brown raised the issue about getting some teeth into the resolutions approving the abatement, about a commitment to stay when the abatement is completed. Councilman Brown said he didn't know what that looked like, but it needed to be mutually beneficial for the developer and the County. Councilman Larry Hesson stated there have been various methods discussed, including claw backs and that the lack of AV pass through is an issue for units of government. It was recommended that legal counsel be involved.

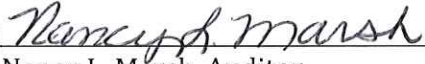
There being no further business to come before the Joint Commissioner and Council Meeting, it was moved by Councilman Wathen and seconded by Councilman Whicker that the Council be adjourned at 11:21a.m. on Tuesday, June 30, 2020. Motion carried 7-0. With no further business to come before the Commissioners, President Phyllis Palmer adjourned the meeting.

#### **HENDRICKS COUNTY COMMISSIONERS**

  
Phyllis A. Palmer, President

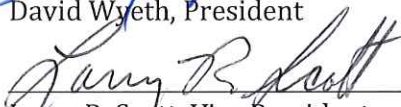
  
Matthew D. Whetstone, Vice President

  
Bob Gentry

Attest:   
Nancy L. Marsh, Auditor


#### **HENDRICKS COUNTY COUNCIL**

  
David Wyeth, President

  
Larry R. Scott, Vice President

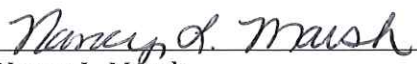
  
Caleb Brown

  
David Cox

  
Larry R. Hesson

  
Eric Wathen

  
Brad Whicker

Attest:   
Nancy L. Marsh