
Gibson County Council
Regular Session
October 13th, 2020

The Gibson County Council met in Regular Session on October 13th, 2020, at 9:00 AM at the North Annex Meeting Room.

Members Present: Included President Jay Riley, Vice-President Craig Pflug, Councilmen William McConnell (absent after the Pledge), Jeremy Overton (via Zoom), Derek McGraw (via Zoom), Dan Beard, Michael Stilwell and Gibson County Auditor Sherri Smith.

The Pledge of Allegiance to the Flag was recited and led by President Riley.

Approval of Minutes

September 8th Regular Meeting Minutes – September 8th Budget Adoption Hearing Minutes – September 22nd Joint Special Meeting were all approved as submitted.

Presentation of Treasurer’s Report

September 30th, 2020 was acknowledged by the Council Members.

Presentation of Clerk’s Report

July 31st, 2020 was acknowledged by the Council Members.

Department Reports

Sheriff Tim Bottoms submitted his September Financial Reports to the Council. He reported today’s jail population as 105; work release, 16.

Health Department, Director Hornby reported COVID-19 count as of today 624, putting Gibson County at an Orange Level; which is determined by several factors. There are 113 active cases; 10 deaths as of 10/09/2020. Schools are doing a good job with social distancing in classrooms; sporting events prove more difficult. She is going to begin interviewing today for the testing site the County will inherit from Optum (free test site at fairgrounds) as soon as the grant funding is worked out with the State. The goal is to begin on November 1, 2020. The Health Department is running low on the flu vaccines.

The Council had requested a plan from the Health Department to pay overtime. Director Hornby told the Council every county has a different plan. The Department is getting approximately 30 positive tests per day; the State does the initial investigation; the Health Department handles it from there. People get confused on their quarantine dates, as well as other things; this becomes time consuming and often extends into evening hours. Overtime is something they are going to

have to deal with, if this pandemic continues. Director Hornby realizes she is not eligible for overtime; however, she feels her staff should be paid overtime. Some counties are hiring extra nurses. The EMS department has offered their help when COVID-19 immunizations become available. The overtime worked will be turned into the CARES Act for reimbursement, however Director Hornby is uncertain how long that reimbursement will be available. She would like to investigate hiring a part-time CMA at \$15/hour to work approximately 23 hours per week, as she has the funding in her budget, it will help alleviate some overtime. This person could not only work the nursing aspects, but backup in clerical and vital records. An amendment to the salary ordinance would be required to include a title and a dollar amount. This position would not be reimbursed through the CARES Act. Councilman Pflug feels the Council, as a majority, wants to pay overtime, rather than offering compensatory time. Councilman Pflug motioned to approve amending the salary ordinance to include part-time CMA position to be paid at a rate of \$15 per hour during the pandemic, seconded by Councilman Stilwell. Director Hornby clarified if someone, other than herself worked overtime, it would be paid at time and half. Director Hornby says if they do immunizations, as was done with H1N1, everyone worked and received overtime, and everyone will be utilized; clinics will be held at the fairgrounds and held after hours. Because this is a state vaccine, they could vaccinate out of county residents. She is looking at the purchase of a trailer that could be used for the immunization clinics; this would be paid for with CARES Act grant. With no further discussion, the Motion carried 6-0. Council asked Director Hornby to stay on top of the overtime situation and report back to Council on a monthly basis.

Old Business

- Additional Appropriation and Reduction Resolution for Public Defender has been advertised. Councilman Stilwell motioned to approve this additional appropriation, seconded by Councilman Beard. With no further discussion, the Motion carried 6-0.
- Council to appoint BZA member was tabled. They are speaking with a few interested persons. Councilman Stilwell asked why they should postpone the vote, as Councilman Stilwell recommends Jason Brooks for this appointment, a resident of Princeton. The Council explained to Councilman Stilwell the appointee must be a rural resident of the County; therefore, this appointment was tabled.
- Salary Schedule – Amendment #6 – PTBOA Officer wage increase from \$75 to \$90. Assessor Minkler confirmed this change from 2019, but the salary schedule did not reflect the change. Assessor Minkler explained this board had not had an increase since she had been assessor. She also stated these positions were not easy to fill. Councilman Pflug motioned to approve this amendment, seconded by Councilman Beard. With no further discussion, the Motion carried 6-0.

New Business

- 2021 Salary Schedule does not include raises, except state mandated raises. There will be no part-time positions and no overtime in 2021, except EMS, Health Department, and Sheriff Department. The Council restated that all position replacements must come before the Council. Councilman Overton motioned to approve the 2021 Salary Schedule, seconded by Councilman McGraw. With no further discussion, the Motion carried 6-0.
- County Attorney McDonald was present on behalf of the Prosecutor's Office to request permission to replace the part-time receptionist position in Child Support Title IV-D office, vacated on September 24, 2002 and paid from General Fund 1000-50. This position pays \$10 per hour with a 20-hour work week. This position does not have any benefits. This position was cut from the 2021 budget; the Council asked the Prosecutor to come to the November meeting for further discussion.
- Amended Economic Revitalization Area (ERA) – Elliott Solar Farm Tax Abatement – On September 22, 2020, a public meeting was held to discuss this project. Attorney Mary Soliday, Local Representative Rick Reed, and Timberly Ross from Tenaska are making a presentation on the re-advertised and re-submitted amendment to incorporate additional acreage on this project. It does not increase the value on the SB-1. Attorney Soliday explained the project location in Center, Barton, and Columbia Townships. They have added approximately 700 acres to this project. The investment level of this project has not changed, it is still valued at \$150,000,000; it will be completed by 12/2023. The Assessor will be provided a listing of all parcels included in this Economic Revitalization Area. Councilman Overton asked if the amount on the SB-1 would change; Attorney Soliday confirmed it would not change. He also asked, and Attorney Soliday confirmed if the abatement amount changes, they would have to come back to the Council to make an amendment to the abatement. They do not anticipate the map changing again, but if it were, they would come back to the Council. The added land is in the Douglas Station area and west of Somerville. Attorney McDonald stated east of 1-69 and west towards Somerville. Attorney Soliday explained about the projects and the expense of getting power to the grid, thus she is guessing these extra parcels were picked up because they are closer to the transmission line. Councilman Stilwell motioned to accept the restated resolution, seconded by Councilman Overton. With no further discussion, the motion carried 5-0-1 with Councilman Pflug abstaining. County Attorney McDonald then provided a recap. On November 10, 2020 Elliott Solar LLC Project Team Member will return to request consideration on the abatement. He then asked the Council if Baker Tilly should appear on November 10, 2020; the Council feels they should indeed be present at the November 10th meeting.

Matt Eckerle with Baker Tilly presented the Property Tax Impact Analysis for this proposed project, specifically associated with the request for property tax abatement.

This is a \$150,000,000 estimated investment with 75% located in Center and 25% located in Barton Township taxing district. There are 2 abatement situations proposed. Option 1 is a 5-year traditional, declining property tax abatement where in year 1, no property taxes are paid on improvements; year 2, 80% of the improved property taxes are abated; year 3, 60% of the improved property taxes are abated; year 4, 40% of the improved property taxes are abated; and year 5, 20% of the improved property taxes are abated. The other option being proposed is a 5-year, 100% property tax abatement, where 100% of the improvements are abated each year for 5 years. No abatements would apply to land value. Any land converted from farmland into commercial land will automatically grow the tax base, as commercial land is valued more than farmland. There are also a couple of proposals in which Economic Development payments will be made in consideration for the use of this land being taken out of developable use moving forward. These agreements are incomplete; therefore, Mr. Eckerle did not discuss this information further. He did go into the abatement scenarios, starting with the 5-year declining property tax abatement. The first slide will show the Estimated Assessed Value from the Proposed Investment and is broken out by utility property (which is what is being abated), real property improvements, and increase in land. The real property associated with this project would be fencing and maintenance buildings. In the 5-year phase in, over time, it starts with \$8.7 million, as the abatement falls off, it will grow to \$51.5 million in 2030-2059. Utility property is treated similarly to traditional personal property. As it depreciates, it will eventually reach the 30% depreciation floor. It will not be taxed less than 30% of the acquisition cost of the equipment. There will also be some protections built into the Economic Development Agreement that will provide some consideration, in the event the General Assembly declares solar generating equipment tax exempt, the County will still receive the benefit as if it were taxable. This is a standard provision for wind and solar projects. The next slide shows Estimated Assessed Value from the Proposed Investment. Most property tax rates are subject to a maximum levy. This means the State controls how much revenue and growth can be raised on a yearly basis. Growth in assessed value does not mean growth in property tax revenue, but rather, growth of the tax base to decrease property tax rates. For purposes of this presentation, Baker Tilly isolated the impact of this specific project. The next slide shows the Summary of Estimated Property Tax Rates in Center and Barton Townships with abatements. The 2020 property tax rates in Center Township are \$1.58 and are projected to drop down to \$1.41 by the year 2030 thru 2059. Barton Township 2020 property tax rates are currently at \$1.62 and decline to \$1.46 by 2030 thru 2059. Both townships experience a decline in property tax rates after the 5-year abatement expires; Center declines from \$1.58 to \$1.54 and Barton declines from \$1.62 to \$1.59. This decline in tax rates will not only affect these two townships, but also the County tax base. The next slide will show the estimated taxpayer impact from the proposed development after the abatement and how it might affect different taxpayer types. After the abatement,

a median valued homeowner in Center Township might see a savings of \$67.17 while Barton might experience a \$62.20 savings. Ag landowners in Center will experience a savings of \$2.18 and Barton \$2.02. A business located in Center might save \$170.30 while a Barton Business owner might save \$157.70. The next slide shows the summary of estimated property taxes the proposed investment will pay over the 35-year life of the project, which equates to \$23,958,750 after accounting for the \$2,026,550 in property tax abatement savings. The next few slides are showing the 5-year 100% abatement. The graphics are flat due to the 100% abatement for 5 years. This type of abatement has similar impacts to property tax rates and taxpayer impact because you work from the same assessed value coming into the tax base. The summary of estimated property taxes from the proposed investment is different as it will bring in \$22,649,300 over the 35-year life of the project and accounts for the \$3,336,000 in Property tax abatement savings. Councilman Overton asked confirmation from Attorney Soliday on the \$750,000 economic development payment; she confirmed this amount. Mr. Eckerle went on to say this \$750,000 payment is in lieu of allowing the 5-year, 100% abatement. Councilman Overton then asked for clarification on the economic development payment's use and advantage. Mr. Eckerle explained the typical approach is the County will establish a separate account/fund for this payment, outside of the regular budget. This money then becomes allocated as the county sees fit for economic development projects, or the like in Schools, Libraries, etc., at the discretion of the local decision makers. They will determine how the account is set up and how the funds are disbursed. Councilman Stilwell suggested that option 2 (5-year, 100% abatement) have a statement about the economic development payment. Paul Waters has a few projects in mind for this Economic Development payment after speaking with previous and current East Gibson School Superintendents. They would like to build a new hall that will keep kids inside the building when changing classes. Also, the air conditioning in the gymnasium needs work, as does parking lots at grade schools. The Economic Development payment can be used anywhere in the County, but Mr. Waters reached out to East Gibson School Corporation because that was the location of the project and they need the help. Councilman Riley asked if any of the economic development money could be used to bring broadband into the rural areas, since the grant was recently pulled. Attorney Soliday and Mr. Waters both felt there was potential for this project. Attorney Soliday is aware of one county that used these monies for that type of project.

- Jail– Attorney McDonald explained the County is in litigation with the US District Court regarding a federal lawsuit filed against the Sheriff concerning the jail. Gibson County entered into a settlement stipulation agreement with the Court and ACLU. The Agreement has certain deadlines; today being one of them. Two decisions need made today. One of which is a selection of a greenfield site or refurbishing the current jail; second is the mechanism of financing. Rick Conner, Architect from American Structurepoint (AS) was on hand along with the Sheriff, and members of the jail

committee, to discuss these items, in which the Council must decide today. Attorney McDonald informed the Council of the Commissioners choice by resolution, from last week, of the greenfield site. Mr. Conner stated the lawsuit names two main problems: overcrowding and the inability to properly classify and segregate inmates. AS has been working with a group to try and determine the best laid solution to these problems. The current jail is rated for 118 beds, however, the average daily population in 2019 was 128. Peak population was 169 on January 19, 2019; 244 days of 2019 were over the 118 rated inmates. Female population is growing; females must be sight and sound separated from males while incarcerated. AS created 3 options for this presentation; a 20-year greenfield site solution option; a 10-year greenfield site solution option; and a 20-year solution option on the existing site. There are 5 different greenfield sites under consideration. Expansion of the existing jail is a challenge due to restrictions on the surrounding property. The site is small and constrained; therefore, this renovation and addition would take a vertical approach. There is an advantage to developing on a greenfield site because an accurate staffing analysis can be performed. Staffing is very important, as in the current jail, staffing is 50% of the operating costs. When comparing the 3 options studied by AS, it appears that renovations to the existing jail are most expensive and inefficient because it is on multiple levels. It requires extensive circulation space, including elevators, thus making this price most expensive. The analysis performed by AS at this time, appears that it will take 24 persons to operate a greenfield site compared to 36 at the renovation of current jail. Councilman Riley, Stillwell, and Overton all posed questions and concern about Option 2, in that Community Corrections is not included. AS told Council a lot of new jails are building larger and use the extra space to house out of county inmates. This process can generate a revenue stream to help offset the costs of the new jail. A summary of each Option shows Option 1 (greenfield site) would be the most efficient staffing solution; it is a 20-year solution that could be funded with EDIT and receive reimbursement by housing other inmates; and would open a city block for development. Option 2 (greenfield site) would satisfy the County's funding plan and provide an efficient staffing solution; it would require an additional bond in 10 years that, right now, might cost \$8 million, but in 10 years could escalate to \$11 million; but this option would require remote operation of Community Corrections and transportation of meals. Option 3 (renovation of current jail) is the most expensive construction cost and staffing option; addition requires a vertical build which perpetuates and accentuates dangerous vertical movements; this option would be difficult to build and require multiple build phases. AS recommends Option 1. It provides the least expensive alternate over the life of the jail for taxpayers. Next steps are notification of the Court on the County's decision of expansion or moving to a greenfield site and funding mechanism; the court will monitor the county's activity; they will want to see the pre-design work from AS, a purchase agreement, construction timeline, final architectural and engineering designs, then initiation of construction, as well as completion. AS would

like to complete the design of the new facility in 6-7 months. They will then bid the project & award a contract, which could take 4-6 weeks. Construction will commence over an 18-month period and be on target to open the new facility by the required settlement agreement date of January 2023. Mr. Conner asked if anyone had questions. President Riley confirmed today's requirement of choosing a greenfield site versus renovation of current jail site and funding mechanism. Attorney McDonald confirmed this by stating the Council does not need to verify size, or how much money will be allocated from each fund. The Council should only identify that funding mechanisms will be derived from a combination of cash reserves, EDIT Fund, and LIT Correctional Facilities Fund. Mr. Conner feels there will be a competitive market for the County to take advantage of next year, and one reason to get this out early. He also would like to see it done quickly so site preparation is complete, and the structure is coming out of the ground before 2021 winter weather. Another item he suggested to the County was to get moving on site selection. American Structurepoint informed, after Councilman Stilwell asked, they had built approximately 10 jails of similar size and they do utilize these designs and customize them to each county's need. Councilman Overton, McGraw, and Pflug expressed concern over the financial choices presented. They feel too much emphasis is being placed on EDIT Funding; they are not ready to commit the County to this size of a project. Councilman Pflug also questioned EDIT funds being committed for a lengthy project of this magnitude. Matt Eckerle responded with confirmation of another county using EDIT Funds with a 25-year commitment. Attorney McDonald confirmed the Council is not endorsing a cost on the project. Attorney McDonald also confirmed deadline extensions might be allowed, if substantial progress is being made, in response to Councilman McGraw's question. County Attorney McDonald presented a resolution that basically says the Council agrees to approve the funding for a new Gibson County jail facility and will be identified with a combination of cash reserves, LIT Correctional Facilities Tax and EDIT money. Councilman McGraw motioned to approve a greenfield site and identified funding sources as cash reserves, EDIT Fund, and LIT Correctional Facilities Fund, seconded by Councilman Stilwell. With no further discuss, the Motion carried 6-0.

- Mark Shireman of Shireman Construction have been Construction Manager's on several projects, identified in the packet given to the Council. They would like the County to consider them for the jail project. President Riley stated that he would like to see someone hired soon. It will be the Commissioner's decision and County Attorney McDonald explained that the Commissioners as well as the Council have met with different companies in order to try to narrow down the decision. He thanked the Council for their feedback on this matter and explained everyone should come to a consensus and try to get someone on board by the November Commissioner's meeting. He also explained, if he did not hear from them, he would expect they have no opinion. Communication is key on this matter. They can either pick a Clerk of the Works or a

Construction Manager. Councilman Pflug agreed with County Attorney McDonald and hoped they could reach that consensus before the next Council meeting. County Attorney McDonald clarified his hopes of having a Council consensus by November 4, 2020.

- 30 Transfers from County Departments from Funds 1000, 1159, 1168, 1135, 1176, 1189, 1222, 1224, 2001, and 2502 to meet Year End Payroll (27 pays). This payroll got moved up to December 31, 2020. Councilman McGraw motioned to approve these transfers, seconded by Councilman Pflug. With no further discuss, the Motion carried 6-0.
- Highway Department requests Transfer - \$146.06 from 1176-020118 titled Overtime into 1176-020119 Severance Pay – Councilman Stilwell motioned to approve transfer, seconded by Councilman Beard. With no further discussion, the Motion carried 6-0.
- County Clerk requests Transfer - \$8,500.00 from 1000-010112 titled First Deputy into 1000-010121 Part Time - Clerk Morrow's payroll clerk has been advised there will not be part-time employees in 2021. There is no First Deputy in this department. First Deputy retired in June and has not been replaced. Councilman Pflug motioned to approve transfer, seconded by Councilman Beard. With no further discussion, the Motion carried 6-0.
- Judge Krieg requests replacement for probation officer vacancy; Council had no objections, as this is not a new position.
- Judge Krieg and Judge Meade request immediate replacement of Server. This is slated for replacement in the 2021 Budget in the amount of \$27,384.49 on Estimate #2020-07647. The courts are at a critical point as they fear data loss is a looming factor if not replaced soon. A call was made to Parrish Consulting to request install as soon as possible, but delay of payment until January. Parrish agreed to wait on the payment, providing an outstanding invoice is paid. Kay Vore confirmed everything has been turned into insurance and reimbursement from insurance should arrive anytime, thus making that outstanding invoice payment possible.
- Additional Appropriation in the amount of \$1,733 for 1000-27-01-11 requested by Veterans Service for year-end 27th payroll. Councilman Beard made a motion to advertise, seconded by Councilman Stilwell. With no further discussion, the Motion carried 6-0.
- Laptop for Council members for remote meetings to be purchased through the CARES Act. All Council Members declined.
- Matt Eckerle, Representative from Baker Tilly presented the compiled Comprehensive Financial Plan. This plan was prepared for the Redevelopment Commission, at the Council's request. This gives a fresh look of the County's finances while the Toyota TIF

District is nearing expiration in 2025. When this expires, a significant amount of assessed value, currently captured, will be released back into both the County's and taxing units tax base, which could lead to unintended consequences if not strategically released. Mr. Eckerle is going to hit the high notes on this presentation but told the Council they would be happy to go over the document more thoroughly if anyone is interested. First, he highlighted key assumptions about COVID-19. They are assuming a 5% shortfall in property tax collections for 2020. The State recently released the 2021 Income Tax Revenue Estimates and Gibson County's estimate is up compared to 2020. Keeping in mind, the 2021 collections are from revenue the state collected July 1, 2019 – August 31, 2020. This calculation period was extended because tax filings were extended; calculation period would normally have ended on June 30. This will cause the 2022 calculation to be based on a 10-month period of September 1, 2020 – June 30, 2021. They are working with the Department of Revenue to see what drove this increase, so they can figure if there will be a negative impact in 2022. They are going to assume a 10% downfall to the 2022 Income Tax Revenues. They then will assume a 5% downfall in 2023 and a recovery for 2024, 2025, and 2026. They are taking a conservative approach. They are assuming earnings on investment at 50% of the 2019 amounts for 2020 and 2021. They have used actual MVH and Local Road and Street distribution information from the State and annualized it to make it flat in the future, as this income is also affected by COVID-19. Mr. Eckerle explained the Circuit Breaker Tax Credits. In 2020, this County seen property tax revenues of approximately \$12.5 million with circuit breaker of \$700,000. This means of the \$12.5 million the county should have received, there was a shortfall from the circuit breaker of \$700,000, which is property tax relief for taxpayers. As the County's net assessed values grow, so does the circuit breaker. When the Toyota TIF District expires in 2025, the circuit breaker does shrink. The County is not the only person losing money due to the circuit breaker, all taxing units in the county experience a shortfall due to this property tax relief. Baker Tilly looked at the cash balances of selected funds, then provided the projected ending cash balance thru 2026. They feel that even with a lower ending balance for 2020, the county should recover and see a slight increase through 2026. Mr. Eckerle pointed out this plan is based on a set of assumptions, that might and will change at any given time. However, with this template in place, significant items can be accounted for to see the actual impact. They also hope to use this plan and provide an annual update. By doing annual plan updates, the cost to update will be much less. The GFOA recommends a best practice of maintaining a fund balance that is equal to about 15% of the operating expenditures. Mr. Eckerle feels the County is doing a good job in maintaining this 15% balance. He pointed out budgeted funds overall spending in 2018 as 101% and 2019, the county spent 100% of their budget. In 2019, this is a bit misleading because the LRS & MVH Funds really drive that overall number up, as all other budgeted funds stayed within their budget parameters. He feels Gibson County does a good job in budgeting at one level, and spending at another level. Mr. Eckerle pointed out the end page of the Executive Summary. This page tells the County specific actions they might think about to help correct any budget deficits and help prevent cash balance declines.

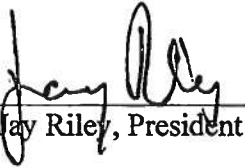
- Mike Stilwell asked the Council about the 2021 budget and the fact that all part-time was eliminated. He wondered if that included current part-time persons. The Council

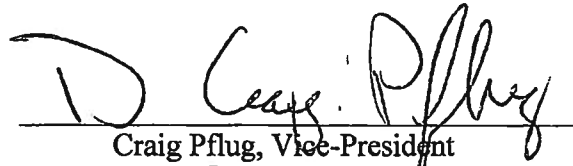
clarified no part-time in 2021. All emergency service departments would be exempt from this rule.

- Kay Vore presented an invoice from Landmark for design services Phase I and II on the Main Street Annex (for new Probation/Pre-Trial Services/Public Defenders Building) in the amount of \$15,750.00. She requested this be paid from Cumulative Building Fund, as the Commissioner's do not have the money in their budget. She feels 40% of this amount will be reimbursed from the State thru the Public Defender Program. Councilman Pflug recommended this item be placed on the November agenda and tabled until someone can explain the plan. He also wonders if Cumulative Building Funds can be used to pay for these services.

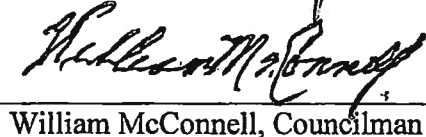
The meeting was adjourned at 11:58 a.m.

Minutes from the October 13th, 2020 Regular Council Meeting.

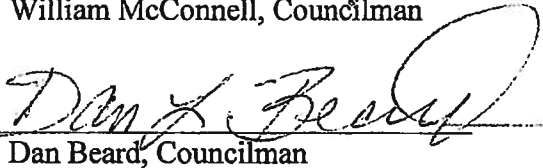

Jay Riley, President


Craig Pflug, Vice-President



Jeremy Overton, Councilman


William McConnell, Councilman


Derek McGraw, Councilman


Dan Beard, Councilman


Michael Stilwell, Councilman

Attest: 
Sherri Smith, Gibson County Auditor