
Gibson County Council
Gibson County Commissioners
Special Joint Session
November 17, 2020

The Gibson County Council and Gibson County Commissioners met in Special Joint Session on November 17th, 2020, at 4:00 PM at 225 N. Hart Street, Princeton, Indiana.

Members Present: Included Vice-President Craig Pflug, Jeremy Overton, Derek McGraw, Dan Beard, Michael Stilwell and Kristy York. Also, in attendance were Commission President Gerald Bledsoe, Mary Key, Stephen Bottoms, Kay Vore, and County Attorney James McDonald III.

County Council President Jay Riley attended the meeting via zoom; Councilman McConnell was absent; County Auditor Sherri Smith was absent with Kristy York setting in on the meeting in her absence.

Purpose of the Special Joint Meeting

The items of Jail Project, CARES Act Money, and Salary Ordinance Amendment will be discussed.

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

JAIL PROJECT - The meeting was then turned over to County Attorney McDonald, who explained that he had invited Baker Tilly to explain the assumed jail funding. The floor was given to Matt Eckerly of Baker Tilly via zoom. A memo was distributed to the Council and Commissioners for them to follow along with the Baker Tilly presentation. Mr. Eckerly explained that he and County Attorney McDonald had been in conversations with Structurepoint Architect Conner and they have set two scenarios. One Scenario previews a project using only LIT Correctional Facilities revenue. These accumulated collections of \$24.6 Million for project costs could be used for site acquisition, development, design, and construction. In Indiana, bond payments cannot be made until the facility is occupied. LIT should be certified later in the month, so figures are based on the estimated numbers. 2021 estimates, coming from the State, are a little higher than the 2020 collections, however they are assuming these will decline in 2022. They are still working thru some numbers provided by the State and they are taking a conservative approach, however the bonds are required to have a backup plan; they are using a 25% property tax coverage as a backup plan. The backup plan is for marketing purposes as Indiana looks at the property tax backup plan as a "Gold Plan" for credit. This plan might also provide a better credit rating, as well as a more competitive interest rate. Again, this property tax is backup only with no intent or reasonable expectation they will be needed to make the payment. Scenario Two previews a project using a combination of LIT Correction Facilities revenue and EDIT revenue. EDIT will contribute \$500,000 per year in 2021-2025. In 2026, Courthouse Renovation Bonds will be paid, increasing the EDIT contribution to \$550,000 per year. Which would make total revenue available of \$36,750,000. This would allow for approximately \$34,355,000 in construction costs; approximately \$6.3 Million will be collected during construction and prior to bond payments coming due. Commissioner President Bledsoe spoke up and told Mr. Eckerly the Commissioners would like to contribute another \$350,000 per year for twenty years; however, the State will be reducing the EDIT distribution to the County in 2021. It is undetermined how much this will affect

the EDIT revenue to the County. The State is trying to finalize the number and get back to the County by 11/30/2020. Mr. Eckerly told Commissioners that once they were certain of that number, please pass on to Baker Tilly for an updated analysis. Councilman Overton asked about interest rates; how realistic they are; are they locked in; and how will a .5% change to interest rates affect these scenarios? Mr. Eckerly explained they had used a fixed, conservative rate. They would have to plug in the .5% to see the change. They plan to continue to update these rates as the county goes through this process. They have a coverage of 125% in these bonds which ensures there is enough to cover the bond payment. This allows for the revenue fluctuation; they use the high side of revenue to compensate for interest rate fluctuation. Architect Conner asked Mr. Eckerly to show an enhancement of Scenario One backing the plan up with EDIT money. This is in reference to the 125% coverage and getting the most leverage out of the jail tax; EDIT money could be layered in as a backup to the jail tax, then have property tax fall behind that. If a reduction should happen to the jail tax, EDIT money would make the coverage before property tax and then if not enough EDIT money, property tax would make the coverage. This would have a net affect of \$5 Million on the bond issue. The downside is the EDIT money would have to be committed annually and could have a long-term affect if the County should decide in the future to take out an EDIT Bond. Commissioner Bottoms asked if everyone was accepting of the fact that funding for Scenario One was approximately \$26 Million and Scenario Two was approximately \$36 Million. Councilman Overton respectfully asked Commissioners how they might have reacted had their EDIT Budget been committed by \$500,000 per year for twenty years, during their term served. Commissioner Bottoms does not feel anyone wants to make this commitment; however, they feel they have no choice. He recognizes that paving will be decreased due to this commitment. Commissioner Bledsoe feels the EDIT budget is for road improvements, but thru the years, it has paid for several things; he feels this is just another way the county can avoid a loan. County Attorney McDonald feels this analysis has given some insight as to how much money is available and different scenarios to work from. Councilman Pflug asked for clarification on EDIT Funds used as a backup and the meaning. Mr. Eckerly explained, EDIT will be pledged for reserve annually, on a rolling basis; the County will know, in advance, of the budget year whether they will have to pledge the EDIT money as a backup plan. The jail tax income estimates become available to the County in August and certified in November. Therefore, if certified jail tax is substantial to meet the bond obligation, the EDIT money can be spent on other endeavors. An Audience Member feels \$500,000 is a lot of money to remove from the County's road improvement plan. Commissioner Bottoms explained the new jail is required.

Attorney McDonald says the size of the jail was discussed at the last Council meeting; he feels it is the consensus of the Council that the 288-bed facility is out of reach. He asked Architect Conner if there were any numbers on a 196-bed facility alone and if it could be designed to have add-on's or alternates. That way, the difference could be seen in the additions of the Sheriff's Office and Community Correction building. Architect Conner would like to address all ideas. He would like to note if the facility is scaled down to 196 beds, they would be looking at a 10-year solution, instead of a 20-year solution (288-bed facility). They based these solutions on the 2019 jail count, which averaged out to 128 inmates daily. They then took that daily average and added 3% to the next 10 years to arrive at the 196 beds. They also considered the 20% margin, which the State requires. If the County were to build the 196-bed facility plus Community Corrections, and the Sheriff's office, they would be looking at an estimated cost of \$36.7 Million. If the minimum is done with only 196 beds and no Sheriff's office or Community Corrections, but allow for alternates for both additions, the cost would be \$29.2 Million. Community Corrections adds an estimated \$2.3, and the Sheriff's Office adds an

estimated \$5.3. Sheriff Bottoms does not feel the jail and the Sheriff's office should be separate. Commissioner Bottoms wonders the effect separate facilities would have on staffing. The costs include the Architect's fees, equipment for kitchen, beds, land purchase, site development costs, Mr. Conner feels it is everything. It also includes a 10% contingency. Mr. Conner suggested a design for a 196-bed facility, with room to expand in the future, and two (2) add-ons; 1 for Sheriff's Office and 1 for Community Corrections. In the future, should there be a need for expansion, there would be a knockout wall that would allow this, with ease. If the County builds a jail only, they will be compliant with the Court Order. Mr. Conner does agree with the Sheriff wondering how operations could be handled in two separate facilities; this could create large operating costs. Mr. Conner then noted that a 196-bed facility built on a green field site would not increase operation costs because staffing levels do not increase for a ten-year period. Incoming Commissioner Fleetwood clarified with Sheriff Bottoms that he did want all three components of this facility, as he feels the Sheriff's opinion is important, as is looking out for the Taxpayers. Mr. Fleetwood then asked Architect Conner if the A&E (Architect-Engineering) costs were going to be 10% as per the contract he had previewed. Mr. Conner says the basic services part of the contract are 7.5%. Councilman Overton reviewed the numbers again with Architect Conner for the 196-bed facility, plus Community Corrections and the Sheriff's Office coming in at \$36.7 Million. Councilman Overton then asked about the contract signed by Commissioner Bledsoe, last week, for a 288-bed facility, including Community Corrections in the amount \$38.5 Million. Councilman Overton asked if they could build a 288-bed jail for another \$1.8 Million. Architect Conner reminded Councilman Overton that the numbers in the contract are construction costs only. The numbers being quoted today are total project costs. Councilman Overton then asked if the total project costs include the A/E fees. Architect Conner says the total project costs include the A/E Fees, land, equipment, furniture, everything to get the facility up and running, plus the 10% contingency fee; which, they hope they do not have to use. Architect Conner feels this plan will work well based on the amount of money Baker Tilly has said the County has to put toward this project. He feels his estimate is on the heavy side plus the 10% contingency, but he would rather be on the safe side. Councilman Overton asked what the construction budget would include. Architect Conner says it would be the construction of the jail building, community corrections building, and Sheriff's office building. It does not include land, A/E fees, bond issuance, or Clerk of the Work. Clerk of the Works contract, which was approximately \$120,000, would be covered under contingency in the total project costs. Councilman Overton then asked Commission President Bledsoe if he had read the contract he signed with the Architect. Commission President Bledsoe acknowledged reading the contract signed on 11/4/2020. Architect Conner explained that contract was for the 288-bed facility; based on today's discussion, that contract will change, as today's discussions involve a 196-bed facility. A new contract was circulated for review. Architect Conner does not feel the County should look at anything less than a 196-bed facility in order to be approved by the Courts. Councilman Pflug feels EDIT funds have been used for a lot of things to enhance the lives of Gibson County residents in the past; it will be hard to replace shortfalls if this EDIT money is committed. Councilman Overton feels today was a good restart, it is a lot to digest before committing to a design phase. Before he can move forward on a project, he must be able to answer all questions. County Attorney must report back to Courts in January. Commission President Bledsoe asked if the Council could meet again on December 1, 2020 at 4:00 p.m. Both Commissioners and Council agreed to this meeting date/time.

Baker Tilly, Architect Conner, and Commissioners exited the meeting after Council confirmed the remaining matters were only Council related.

SALARY ORDINANCE AMENDMENT - This matter (Testing Site part-time employees vs contract employees) needs clarification and will move on to the December Council meeting. The Council does not want to commit to contract workers and they feel part-time workers should be held to 24 hours. Health Director Hornby wonders if an emergency exists in order to bypass this 24-hour rule. The Council does not want to commit to anything until they know all the answers. An HR Consultant will be notified to try to get some answers on these questions.

CARES ACT MONEY – EMA Director Terry Hedges informed the Council that the CARES Act money had been received. The Council wants everyone to understand they should request an Additional Appropriation in order to use this money, as it will be receipted into the General Fund. The Council would like a department wish list so they can see what everyone wants. Councilman Overton explained there is no urgency to spend this money, as it is going into the General Fund; the additional appropriation process must be allowed for expenditures. The Health Department would like a Server and Phone System Upgrade in their office. The Council told Director Hornby to ask for an additional appropriation when she knows the total.

Councilman Overton concluded by telling the two remaining Commissioners, the agreement with Structurepoint, contingent on Council approval, will not be approved at \$38.5 Million for construction costs, which is before Architect/Engineering fees. The new agreement presented in this meeting, will need reviewed prior to approval. The Clerk of the Works Agreement will not be approved for funding until it has been reviewed.

The meeting was adjourned at 5:27 p.m. by a motion from Councilman McGraw.

Minutes from the November 17th, 2020 Joint Special Meeting.


Jay Riley, President

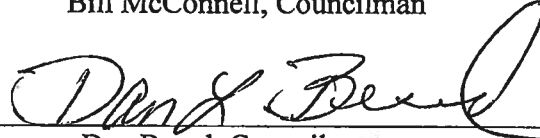

Craig Pflug, Vice President

Jeremy Overton, Councilman



Derek McGraw, Councilman

Bill McConnell, Councilman



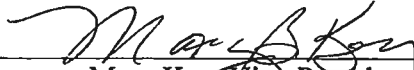
Dan Beard, Councilman

Michael Stilwell, Councilman

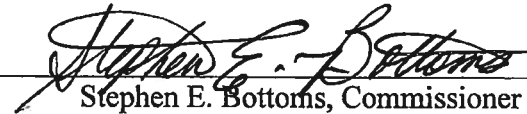


Gerald Bledsoe, President

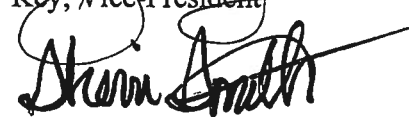
Mary Key, Vice-President



Stephen E. Bottoms, Commissioner



Attest:


Sherri Smith, Gibson County Auditor