

Randolph County Commissioners/Council Joint meeting

January 10, 2022

The Randolph County Commissioners and Council met in a joint meeting at 7:00 PM in the Commissioners and Council Room in the Courthouse with the following members present: Board President Michael Wickersham, Tom Chalfant and Gary Girtou. Council President Gary Friend, Rick Brown, Tom Kerns, Max Holaday, David Lenkendorf and Beverly Fields Also present was Randolph County Auditor Laura J Martin, Sheriff Art Moystner and County Attorney Meeks Cockerill.

Michael Wickersham, President presided over the meeting.

Pledge of Allegiance

ARPA fund plan discussion

Mike said the agenda tonight is for the ARPA fund plan discussion. To begin the discussion, I will open it up for any Council or Commissioner member that wants to start the discussion.

Gary Friend said I can start for the Council. I have read most of the guidance that we just recently received, seeing that we have the option and probably should talk about taking all of it as lost revenue for government services. That would put a plan in place that would put it in a less difficult place for tracking purposes to satisfy any audit concerns that may or may not come in. From there once it's into that account, we can then begin to expend the requests out per the Commissioner majority approval and the Council's majority approval as a basic way to look at the possibility for this.

Mike said as you indicated the final rule indicates that regardless of what you lost in revenue, you can spend up to \$10 million and it can be considered lost revenue for governmental services. The question becomes and I did read that today but I don't have it in front of me the definition of government services. I know it is in that final rule.

Meeks said that is on page 9. Do you want the restrictions, I have it here?

Mike said I was just looking for the definition for government services.

Meeks read: **Government services generally include any service traditionally provided by a government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services. Funds spent under government services are subject to streamlined reporting and compliance requirements.**

Meeks said and the restrictions are you can't use it to offset taxes, deposit into pension funds, you can't use it for debt service, it may not be used for a project that conflicts with the purposes of the ARPA statute.

Mike said would you say that it would be available for government services that are not the counties but could be subdivisions of the government.

Gary said I took it that way.

Mike said could it be Cities and Towns?

Meeks said yes, we can get a definite ruling on that but that is how I took it.

Mike said basically if we as a government support a private industry with economic development tax funds would that be considered a government service?

Meeks said we would be talking about roads and bridges and things like that.

Tom asked is there a private company you had in mind?

Mike said I had a request from somebody locally that wants to start a nonprofit youth center and housing for a certain sector of the population and this person considers ARPA funds available for the use of that because of inadequate housing.

Tom said not a for profit business?

Mike said it starts out as for profit, it's going to become a not for profit. I'm just trying to get a handle on it. I tend to agree with Gary I think the cleanest way would be to put it in that separate account as government services.

Tom said we could stop our consultant fees, too couldn't we?

Mike said I would think we could. I would think with this final rule and with Baker Tilly's email, I think we could stop those anyway. Any other comments or thoughts.

Dave said I concur with all you guys, that what I interpret of the final ruling is that we can use that for putting it in one special account and draw upon that as needed per requests.

Gary asked could you share what you were told the possibility of audit fees could be on this.

Dave said at our conference last September when ARPA was just getting started they said try to include 10% of the total amount for audit fees for your federal and state audits.

Laura said we did get our engagement letter today for our audit, so that is going to be happening too.

Dave said 10% sounds like a lot, especially if we streamline it through one account. In my opinion it's going to help the Auditor's office, it will help us as a body and then it will help the audit's themselves. It may not be as severe if we try to break it down into various accounts.

Laura said I think that is what Baker Tilly's email kind of indicated.

Dave said I think they are doing that for all cities and towns because probably 80 or 90% of us fall in that \$10 million or less in the state of Indiana.

Mike said our lost revenue was how much?

Gary said \$2.1 million.

Mike said if we do that it would be a simple plan at this point in time. I forget the month but 2024 is when this needs to be spent by.

Laura said we have to have our plan in place by the end of 2024 and then it needs to be spent by December 31, 2026.

Gary said yes, costs must be obligated by December 31, 2024.

Gary Girton said I am in agreement with that, I think that's the best way since we have that option. I wasn't sure we were going to have that option two weeks ago when we first started discussing this. That's by far the best way to do it. I agree with Dave, I think it is going to be cheaper on the audit. Hopefully anyway.

Mike said correct me if I'm wrong but they kind of broadened the whole deal but they didn't change the speed on broadband improvement. It's 120?

Gary said it's 120 is what they still have.

Dave said we need clarification from legal on that. The way I understand it it's 100 down and 20 up. If area's served with access to reliable of 100 down and 20 up.

Laura said I have from Barnes and Thornburg what they told us on that.

Dave said do you want to read that.

Laura read: - Eligible projects must reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

Gary asked does that even happen to Randolph County?

Dave said it does not. I have Spectrum in Union City, I have 115 download and about 12 up and that services everything for me. The only way you could get 100 down and 100 up I believe is through fiber. It's \$40 to \$60 thousand per resident in Randolph County to supply that. There is no way we can afford that.

Laura said when we started talking about broadband that is one of the first things we asked.

Dave said I read it a little different on page 39. That is why I wondered.

Laura said that is what Barnes and Thornburg gave us.

Dave said I just don't know if they've seen page 39 of this report.

Mike asked what was the date of that recommendation?

Laura said I'm not sure.

Mike said it was before this final rule, wasn't it?

Laura said yes. I did talk to Veronica and they had not had time to analyze the whole rule yet.

Gary said if it doesn't exist then none of those funds can be used to compete against the existence. It has to be for where it does not exist only?

Dave said exactly.

Mike said we have a nice audience here tonight; do we want to open it up.

Gary said sure.

Mike asked does anyone want to share their thoughts?

Matt Werth said I am not sure if this is the appropriate forum but Matt Werth from Common Wealth Engineering here with Losantville and Modoc. I think you are all familiar with what both of these communities are trying to accomplish and I guess I would ask if it is appropriate we could have both the Council President Brian from Losantville and Councilman Jeff from Modoc to come up and tell you a little bit about why both of these waste water projects are so viable to that part of the county. If that would be okay.

Mike said sure.

Brian said I am Brian Hill President of Losantville Town Board.

Jeff said I am Jeff Ison, Town Board member from Modoc.

Brian said we've worked on this sewer project for Losantville for the last two or three years, a lot of meetings a lot of talk and we're really looking forward to expanding Losantville not only just with sewer but also with the water. In the same turn I believe Modoc needs some help. We want to make the southwest part of this county grow and about the only way I see us doing it is putting that sewer system in at Losantville and keeping Modoc alive with hooking up to their system.

They've been small towns forever and this is one chance, the only chance that I can see right now for us to grow and make something of ourselves. I'm excited about this project, have been since we started it, it's time for Losantville to shine. Since the railroad tracks came in it's been some kind of town, there are people who travel miles just to come to Losantville. That's been gone for many years and we just have two main highways and again there is a potential chance of making that, using those two highways to our benefit and with the sewer system, we greatly need it.

Jeff said I agree with everything that Brian said and also my concern is that we need some extra help from the county to keep our rates close to what they are now, I don't want to have to raise the rates on Modoc plus Losantville is going to have to take on a huge hit all at once this could be doubling people's utility bills. So, I'm asking for some help from the county to relieve that area and this part of the county does a lot of work for the county.

Mike asked your looking for how much money?

Steve Brock, financial advisor for both Losantville and Modoc, if I could just give you a quick summary. We are trying to get the money to do the engineering design, the construction work will be paid for by either rural development or the Indiana state revolving loan fund. As you have probably heard the ARPA money is not the only money that is out there. We've got infrastructure money coming in \$640 million is coming to Indiana as part of this infrastructure bill that's going to the Indiana state revolving loan fund to be spent on water or wastewater projects. Their application deadline is April 1st of this year to get in on the first part of that money. We need to be under engineering design and certainly Losantville needs seed money from the county to be able to do that. There is a state law that you can talk to your attorney about that a sewage utility that's not providing service can't charge a user fee. Losantville doesn't have current sewer service so they can't charge a user fee, so it's hard for us to go to a bank to borrow money, we can't charge a user fee so every time you've got a new sewer utility that's starting up in a county, almost always that county steps up to give some of the initial money to be able to get that started, get it under engineering design so you can apply for the construction funding. The engineering for Losantville is \$750,000.00 is what it is going to take for engineering design to get to the point where we can apply for construction financing. For Modoc it's \$500,000.00. I will make this offer, if we could even make a loan, but you've got to remember what I said before and that is if we never get to the point where we can go into construction financing then we can't charge a fee and the attorney defines it as the shovel hitting the dirt, so if you're not under construction you can't charge a user fee. Modoc is better off because they are providing service, we can get a loan on them and pay you back in the future, the further plan is to keep the user fees low. Losantville is very important because, they are not providing service now and without providing service we can't go to a bank or any other agency to get a loan for design work, they can't charge their users for that because they can't charge a user fee. So, the only way the project for Losantville is going to get started is with the counties help and Losantville is going to go onto Modoc's service so it's going to expand the customer base for Modoc which is going to help them keep their user fees low in the future.

Jeff said the rates that they projected are actually higher than what we have now for Modoc, so that is my concern.

Steve said that is why we are going to look for all the grant money that we can get. This is the first part of that, we need the seed money from the county to be able to get the project started, so we can apply for all this grant money that is coming in 2022.

Mike said so, Losantville's total project cost is estimated to be at what?

Matt said it is almost \$8.1 to \$8.5 million. That is just Losantville, Modoc is a little less at about \$6 million.

Tom Chalfant asked when it's all built how many units are going to be on this system?

Matt asked how many water customers do you have now?

Brian said approximately 140 or 150 extra will go on. Right now, Family Dollar is moving in, after our annexation is complete we've got four businesses outside of town just waiting.

Matt said Jeff you've got about 70?

Jeff said 75 would be a high number.

Matt said 115 plus 75.

Tom said so you thing you'll have 225 units on there.

Matt said initially and then obviously we hope to connect future, that opens up a lot of possibilities between the two towns that are right there on the highway and allows them both to grow and there are some other areas out there that need some help with waste water I believe so we would look at bringing those on but we can't do that until, we've got to walk before we run.

Mike said the grant monies your going after, would be federal grant money?

Matt said yes and actually the state as well through the state revolving fund.

Mike asked what is your thinking on this project being approved because if it's not approved for grant money, I presume the project is dead in the water so to speak.

Steve said we've got \$740 million coming over the next five years with the infrastructure bill and the state revolving loan fund, we've got \$50 million left over from SWIFT from last year and the second round for this year, we've got the normal allocation from the state revolving loan fund that they get every year from the EPA to fund water and wastewater projects. We can also look at rural development for loan money, that's 40-year loan money from the farm bill. That's a typical way that these water and sewer projects are funded. That's a lot of money coming in to fund projects just like this and what they're looking for are projects, especially projects that are communities that are unsewered, community with low to medium house income and communities with high project user fees. They use that grant money to buy down user fees to

affordable levels and that is somewhere between \$65 to \$80 per household. Modoc is currently \$100.00 per household. So, this is going to be a project that they are going to look at very favorably and Losantville is a project that is unsewered and low to medium house income will be another project they are going to look at very favorably. So, they've got \$740 million to spend in Indiana plus.

Mike said the grantor's do they have any standards that they look at projects and again the number of households, the size of the community?

Steve said the medium housing income and high post project user fees and they give additional points for regionalization which this would be and they give additional scoring to unsewered communities which all Losantville is. We look very good for the parameters that they are looking at to give this money to.

Mike asked is this the least expensive way to go for both communities?

Matt said it really is, we looked at Losantville putting in what you call grinder pumps and that user fee was going to be astronomical, we have an existing way to take care of the waste that IDEM would approve of pumping it directly to Modoc's plant. IDEM also likes the idea of Modoc's plant, Modoc's plant issue is they don't have enough people, they don't have enough capacity right now to make that plant operate as efficiently as it should be. By adding these new customers, we're starting to help their plant as well so IDEM likes that idea more than any other quite honestly. Anytime you can treat the waste at a plant, it's preferable. Your right there is no inexpensive solution but if you think about Losantville's case we're literally starting from the ground up, they don't have a collection system right now they don't have any way to treat any waste. You've got septic and you've got very aging septic.

Brian said you've got households there that have two 55-gallon drums in the back yard and all the waste water goes down the main ditch right there by the fire station and goes east and does a right-hand turn, goes south and right into the crick just south of town. It's right over 1050 you'll see it down there. We want to clean the area up and this will help a lot. Our footstep now can be seen hopefully in the future. Smaller towns can hopefully can start jumping aboard and fixing their sewer systems and septic systems.

Mike asked we are the only source of these funds, you don't have any other dollars to put toward this?

Matt said I believe they have applied to the Union Township Trustee.

Brian said yes, we have sent a letter to Robert Smith and we have not gotten anything back from him at this time.

Matt said Mr. Wickersham yes, you are the only local source. We are going after every state and federal program we can including OCRA. We will go after that as well.

Gary asked how much is the local expected. If this came into another community in the state of Indiana under such challenges, how much is the county government really expected to be putting in this? How old is Modoc's plant right now?

Jeff said 12 years.

Gary asked did you guys choose not to work together 12 years ago.

Jeff said that was before my time.

Brian said yes, that was before both our times. From what I understand the Town of Losantville didn't want to hook to it because of the cost and rates.

Gary asked are we buying down Losantville with this total cost too? Are we going to buy down Losantville and Modoc below other communities in Randolph County?

Steve said probably not, they are already at \$100.00 to start with.

Jeff said right now, if your hooked to the water in Modoc and they can meter your water usage, your rate is \$67.50. They are able to use the \$119.00 because that is if you are not metered by water. Most of the homes in Modoc are metered by water through L&M.

Gary said So, it's \$67 they pay in sewer. Are we expected to buy that down also?

Jeff said no, their projected rates are up \$85, so it's going to be an increase of \$17.00.

Steve said we are hoping to get the same rates in Losantville and Modoc.

Jeff said I worry that we are going to lose people, we're not going to get people by raising the rates. I would never thought by adding a whole other town that it would increase. Unless there is a cheaper way, maybe we are going to big on construction as far as what we have to do on the sewer plant. Do we have to do all these things right now or can we do this section now and 15 years from now do another. I don't know.

Gary said these are questions that need answered too, I'm glad you said that because I know I've got those questions. How much are counties expected to be able to help support their cities and towns that don't have sewer, this is not the only non-sewer situation in Randolph County. What's common, your asking for probably 10% of the total cost?

Steve said I don't know if there is a percentage that is standard, we're trying to get to the point where we can apply for construction and the idea is to get the federal government and the state government to these loan programs and grant programs to pay for as much construction as we can so all that is left is the operating costs and then you can spread the operating costs through the number of users that we have. The key is to get construction paid for and the key for us today is to try to get this project moving where it can pay for design so if we do get grant money we can meet the schedules to apply for the programs. Typically, in the past and again things are

changing now with all the money coming in, if we get grant money from the state revolving loan fund we have to apply by April 1st we'll find out sometime around August or September and you have done construction bids by mid-December and close the loan by the following year and the state revolving loan and grant by the end of March. If we're not under design, which it takes about six months to do the design, we can't wait until we get awarded the grant and the loan to start our design so we need to be under design to be able to tell these state and federal agencies that we can comply with their loan closing, grant closing schedules for their programs. They get all this money in from the federal government and if they can't get it out he door then they can't get anymore because the federal government says you can't even spend the money you have why should we keep giving you additional money so they're emphasis is to get the money out the door as quickly as they can. But there is a lot of lead time involved we need to get the project under design so that we can bid the project. Six months to design, sixty days for permitting, it's another sixty days to be able to advertise for constructions bids, 90 days to close a loan so you have to have a lot of lead time built into the process to make these deadlines that we have.

Gary said I have a couple quicker questions. This question is for Jeff are you directly involve with this with Losantville or would you rather stand alone?

Jeff said I am 100% for being involved with Losantville. The numbers that are coming back are very worrisome and like they said this is just to get this engineering 10% of the project almost.

Gary said Modoc can run by itself right now, if Losantville did not have a sewer system, you guys would be fine and move on, right? So, why not get Losantville a stand-alone small sewer system. Do we have to go to traditional sewer systems on this? I'm just asking, I don't know, it just seems like a lot of money for Randolph County to put out on this. There are other means out there. My final question for you guys is what if the county doesn't have the means to do it for cities and towns. For these cities and towns what's their avenue if there is no county money. What's the next step if there is no county money for a town such as Modoc or Losantville and there are several I'm sure?

Steve said without county money, there's almost no way to start it. Unless you can convince an engineering firm to do it on spec. Very few engineering firms are willing to do \$800,000.00 of work on speculation that something is going to happen. On Modoc, their up and running, they can charge user fees, they can go out and get loans, they can pay you back for a loan if you want to turn this into a loan. Losantville is the problem, Losantville because they don't currently have a sewer system, that prevents them from being able to charge a user fee which in turn prevents them from being able to go out and borrow money to do this or be able to assure you they can pay you back for this if you loan them the money. Almost always when there's a new sewer utility in a county, the county gets it started. County money moves it forward to get the engineering design to be able to get project designs so we can apply for construction grants and construction loans.

Mike said do you know if those grants will pay back engineering fees?

Steve said they will, all those grants and loans can pay back engineering fees. If you want to set this up as a loan for these communities, we can do that. The caveat here is that the loan to

Losantville, if we never get to the point where we get to construction then we have no avenue to raise the rates to be able to pay that.

Gary said how much threat is that?

Steve said I really think with \$740 million coming in from one program, \$15 million from another, the traditional money coming in to fund these projects, we're looking at 2022, 2023, 2024. The years in which there's more grant and loan money available. I think the risk is low but I can't tell you it's riskless. We have a good engineering firm here, if they go through and get this assigned, that's the reason the state revolving loan fund is in existence is to fund these projects. These high need projects, to buy down the user fees for these projects that have high post project user fees. To fund these projects that are currently unsewered so that they can be sewerred. It's an environmental, the state revolving loan fund is an environmental program that wants to help the environment in Indiana.

Dave asked Mike how did you guys as Commissioner's fund Ridgeville a few years ago? Wasn't it through their EDIT plan?

Mike said it was \$100,000.00 that we advanced them on their EDIT plan and then they paid back their EDIT money.

Dave said I don't know if that's an avenue that could be looked at?

Mike said sure, I wouldn't have a problem looking at that. We've not done anything in Losantville, we did a little bit in Losantville with demolition. That's an avenue.

Tom said that was outside of the EDIT money. We could advance both towns their EDIT money.

Max said I don't know if this is a valid argument or not but that part of the county, Union Township, through support of renewable energy will have contributed about \$20 million towards the county. At this point we have allocated \$4.5 million to different entities, none of it going to that part of the county. I think that we owe Union Township, the towns of Losantville and Modoc consideration.

Tom Chalfant said I agree.

Mike said that's a different funding but your right.

Max said I don't know if it's a valid argument.

Mike said in ten years if we don't spend anymore money, we're going to have about \$23 million in the bank.

Tom Chalfant said I hate to think of putting \$70,000.00 in for each home to have a septic system. It just doesn't make economic sense to have to spend that much money to flush the toilet.

Mike said I don't want to disrupt anything here but Gary did ask the question, is there a simpler less expensive way for Losantville to stand on its own for this sewer system?

Steve said the process works by the engineering starting with the preliminary engineering report and that preliminary engineering report is supposed to evaluate all of the alternative, and these finances will only fund the least expensive method for getting this done. So, they look at all the alternatives including running lines to the nearest utility and grinder pumps and all the available alternatives and they determine what the life cost is for each of these alternatives and then these funding agencies will only fund the least expensive alternative. We are looking at funding the least expensive alternative. On \$70,000.00 per home, I know it sounds ridiculous and we're not asking you to fund that \$70,000.00 per home, we're asking the federal government, the state to do that with our tax money for Modoc and Losantville to try to buy down those user fees to a reasonable level.

Tom asked is that sustainable in our country, how can we do this everywhere, these communities are not the only ones that have problems.

Steve said I do this for a living and last year I think I got seven or eight grants for communities between \$2 million and \$7 million. The biggest grant I've got was \$10 million for down in Johnson County for a water project. It sounds like it is not sustainable but it's the process that's set up in Indiana and throughout the United States to make these projects work. Not every utility gets grant money, these are the types of utilities that do get grant money because they can't exist without it.

Gary Girtton asked what's the possibility of the state because of the effort that is being expelled right now in Losantville, telling them they have too.

Matt said that would be coming, I can't sit here and tell you today, they're going to be out there tomorrow but that's a very distinct possibility, we've got a letter from your county health officer stating that these septic systems are failing. It's a matter of time before an IDEM inspector would show up to check that out. I don't know when, I hate to say this will be more expensive when your forced to do it versus when you want to do it but that is the reality.

Jeff said it does get more expensive, just for them to put their piping in is more than Modoc paid for piping, the plant and everything 12 years ago.

Brian said how much was the change in those numbers with the construction, they're telling us there could be a lot of change.

Matt said I'm sure everybody is aware of the current bidding environment right now, it's very volatile, it's calming down a little bit but primarily on plastic end steel pipe, its changes bidding amounts almost weekly.

Rick said I heard in conversation that once the engineering starts, the engineer and it goes down to the least expensive and even a possibility of no project at all because it's too expensive. Did I hear that?

Steve said that's what the preliminary engineering report, that's what it evaluates. You've got an engineer that does the report, looks at all the alternatives, it picks the alternative to fund and they'll only design that alternative. The least expensive alternative.

Rick said the dollar amount you need to do that design?

Matt said we actually pick from the preliminary engineering report the least expensive alternative.

Rick said I mean how much are you asking for to start that process?

Matt said for Losantville to get them going would be \$750,000.00.

Rick said you said \$500,000.00 for Modoc.

Matt said yes.

Rick said you are talking about \$1.2 million and a possibility all be it slim that it could come back and say it's not feasible, we're not get the project.

Matt said if we don't get a dollar of grant money through the state or federal government correct.

Rick said and then that \$1.2 million will not come back.

Matt said Modoc's could come back, Losantville's could not.

Jeff said that is correct. But it is fair to say that if all the grants that they are expecting don't come through the user fee is going to be even higher and we're still committed at that time.

Gary said that's Modoc's risk of getting involved and getting stuck in the middle if the grants don't come through.

Jeff said if the grants don't come through we are basically going to double our sewer and it's already, we're high.

Steve said my experience over several hundred projects over 35 or 40 years, I've never had a construction project that came in with user fees higher than \$85, \$86, \$87 right around that range. I know I've had projects like this where I haven't been able to get some sort of help from the state revolving loan fund or rural development. These are projects that meet all of the parameters that these loan programs are looking for. I am highly confident of course I can't make any guarantees but I'm highly confident that these are the types of projects that is they are looking for and to fund with the money to come in. Added to that is we have more money

coming in in 2022 than we've ever seen before. We've never seen \$740 million coming into Indiana for water and sewer projects over the next five years. So, this is the time to do it if your going to do it.

Jeff said I think to get it to the \$85 but that's still more than what it is now and that's why I'm looking to you guys for help. To keep us at the \$67.00.

Gary said that is just the sewer rate, is that the maximum sewer rate?

Jeff said that's the base.

Tom Kerns asked do you know what the other communities in the county are paying? Is there anybody out there higher than that now?

Brian said Moreland which is 4 miles west of us in Henry County, I think their around \$45 or \$50.

Jeff said \$67.00 is high.

Mike said you expect with the metered water it will go up to \$85 to \$87 and then your asking the county to help defer that expense. Beyond the engineering funding we're talking about.

Jeff said yes, it sounds like we can do the engineering funding for Modoc as a repayable but I don't know how to get the rate to stay at \$67.00.

Steve said that would take grant money from these state and federal agencies to do that. To get the rate down as low as we can and see if we can keep it at \$67.00. I'm estimating it will be at that \$65 to \$85 range but that all depends on how the grant money comes in and how many applicants there are for it and what the allocation is. How favorably the state revolving loan fund looks on Modoc and Losantville. Again, Modoc can pay it back it you set it up as a loan, Losantville it would be possible as long as we move forward to a construction phase.

Gary said I am struggling with being asked to buy down the rates. No offense to Modoc at all, there's going to be customers across Randolph County that want their rates bought down as they start to increase. How long can you guarantee a buy down?

Meeks said once you get money from the state, if they give you a grant, no matter what utility it is. Essentially, it's going to be called a buy down. If they give you a million bucks you don't have to pay that back.

Steve said grant money pays off construction costs and then you've got a loan and at that point you've just got to budget and if your budget goes up in future years and you need to raise rates a little to pay for the increase in the budget. That should be similar to a general inflation increase, we get every year.

Gary said when that other funding comes in, what's a loan look like? What's a loan for Losantville look like?

Steve said a loan for Losantville is probably 20 years and right now the interest rate at 2% fixed for the term of the loan.

Gary said I mean for the upfront engineering fees?

Steve said something with you? That would be an agreement that your attorney would draft, you could put an interest rate in there if you wanted or it could be zero percent interest. It would be paid from the construction financing. Something that's called a bond anticipation note, a lot of utilities go up and borrow money on the open market to be able to fund their engineering and preconstruction costs and then pay it back from the final construction financing. Modoc can do that currently if we can find a lender that would lend to them. Losantville would not be able to because they would not have any guaranteed way to pay it back at this point.

Gary said I understand that but if it's carried for two years and this project done. Then can it begin paying back?

Steve said it would be paid back in one fell swoop, when they close the construction financing from the state revolving loan fund. Part of that loan from the state revolving loan fund money would pay off you from the loan that you made to Losantville and Modoc. For example, if we go and currently the plan is to apply to the state revolving loan fund by April 1st we need to be under design to bid the project out this summer and to close a loan in March of 2023, it would pay you back for your loan in March of 2023.

Meeks said I have a question, I think might help. Of the \$85 that's your anticipating, how much of that is going to be used to pay back? Do you know?

Steve said I don't that would be in my project.

Meeks said that would detail all that out normally. When I see it, it would say we're going to take \$10 of that and put into a fund to fix things, we're going to take \$20 to pay salaries.

Steve said sure, we fund an operation and maintenance fund, we fund a replacement fund, we fund a debt service fund.

Gary said I understand.

Meeks said when they say pay down, that's why they do it.

Gary said which happens in all projects. Hypothetically if every single dime was covered under federal granting money the only cost there would be is operation. I understand what you are saying. So, there is methods to loan Losantville and Modoc to start this that could be fully paid back to Randolph County?

Steve said yes.

Mike said the problem is Losantville may not have a way to pay it back.

Meeks said you are taking the risk.

Mike said I kind of agree with Max that we are gaining a lot of revenue from that part of the county because of the wind farms and the solar. On the other side \$1.25 million is a lot of money to put down there. I'm just wondering if we couldn't do a blended grant, no interest loan and even include EDIT monies in there. If you guys saw that as an opportunity. Sort of like what Ridgeville did.

Gary said I think it's a lot more palatable that theirs, let's just say that Losantville is going to get this, I would be shocked if they didn't but their avenues to get that all back. It's an investment.

Gary Girton asked what's are windfarm fund right now?

Angela said you have \$105,000.00 in the Next Era, that's the last one towards Jay County. I have the cash balance, so I don't have the appropriations for the windfarm.

Mike said it's about \$1.3 isn't it?

Angela said \$1.325.

Mike said total?

Angela said correct, but that doesn't have our appropriations out of it.

Mike said we are do to get in February, Headwater's I this year, we're do to get?

Max said I think a total of \$2.456 million from all three in 2022.

Gary Girton said by the end of February when we get it we should have \$2.1.

Mike said \$2.1 is what is due in February.

Gary Friend asked do you have any idea of how much is already appropriated into it?

Angela said I do not.

Mike said bridge 208 is \$192,000.00, City of Winchester is \$150,000.00, the communication project is \$400,000.00, new ambulance is \$184,000.00 and we've got engineering fees of \$168,000.00. I think those are what's appropriated. That's \$1.95 million which would take that down to \$2.5 million at the end of February. When do you need that check?

Matt said whatever your appropriation process is, would be fine.

Mike asked does that come out all at once?

Matt said no. I don't know how you want to set it up, if you want to send the checks to each municipality or do you want us to bill you.

Steve said we can invoice you directly, if you wanted to set it up that way, it could identify each invoice whether it's Modoc or Losantville. You could pay them as they come in, that would keep you from having to come up with it all the money up front.

Mike said typically we would appropriate it, set it aside and then pay bills off of it.

Gary asked what is the simplest avenue? Direct bill the county?

Steve said the simplest is for you to write a check to Losantville and Modoc. The second simplest would be to have them send that to you and then you keep track of what they owe you inside of a loan agreement that your attorney would draft and determine how much of that is going to be grant and how much is loan.

Mike said for instance, we have \$168,000 appropriated for the highway and bridge professional services, they send us a monthly bill and we pay them and that reduces that amount.

Matt said the firm you've contracted with sends that?

Mike said yes.

Matt said we can certainly do that.

Mike said they're working for our department though. You could send them a bill and they could send us a bill.

Matt said that would be easier for us.

Jeff asked is this blended as a grant or all a loan?

Gary said I would do a zero-interest loan to start.

Gary Girton made a motion to give them a no interest loan, if we decide to grant some in the future, then that could be done. For right now it would be a zero-interest loan coming out of the windfarm money. Tom seconded. All aye votes. Motion carried.

Mike said the Council would need to act as well.

Tom made a motion to give Losantville a zero-interest loan of \$750,000.00 from windfarm funding and Modoc a zero-interest loan of \$500,00.00 from windfarm funds. Dave seconded. All aye votes. Motion carried.

Steve asked can we ask your attorney to draft a loan agreement for Modoc and Losantville?

Mike said you can do that for us can't you Meeks?

Meeks said I represent Modoc so we're going to have to think that through.

Greg Beumer – L&M Water District

Greg said I would like to introduce Carol Weaver, Carol is not only the Clerk-Treasurer of Losantville but she is also the President of the L&M Regional Water District and tomorrow morning at 10:00 am we will be opening bids for L&M's water project. I think I can say with all honesty that we would not be where we are today which is having almost 100% grant funding, if it wasn't for the seed money that the county put into this project that did exactly what we are talking about here on the waste water side. All we are hoping for is that we get some good competitive bids. I just wanted on behalf of the town and L&M Water District to thank you for your support.

Art Moystner – Body Cameras, mobile cameras, radios and employee Covid leave

Art said I was asked to bring some figures here by the Council, are you still wanting those tonight?

Gary said yes. It's for the body camera's and such. We talked about putting it in the ARPA funding.

Art said I through some figures together like I was asked at the Council meeting. The body camera figure that I have is \$171,655.07 would be the body camera portion for that five-year project. The mobile camera's and we haven't received those yet but will receive those later but I believe you said both out of the ARPA fund was \$118,638.01.

Gary said I know me and the Council and I think the Commissioner's also wanted to know if any of that would be paid for by the grants. You had said that you are getting very little.

Art said as I stated to both, I was turned down for the one grant which was the one for small counties and the other grant I am submitting for it but I believe I'm only allowed to recoup \$400.00 per full time officer at max which would be 17 full time officers so your looking at the neighborhood of \$6,800.00.

Gary asked when will you know?

Art said the deadline for submission for that is mid-February, I'm in the process of trying to get into Intelligrants now with Chris Shaneyfelt's assistance and we're going to work through that process but they haven't given us a time frame for that. I know the initial invoice that I have for the first year of the body cameras was right around \$36,000.00 that I submitted to the Auditor. The rest of that will carry and I can have them invoice whenever so we can wait on that. I just wanted to make sure you had the figures for this. I would also like to mention that with the radio project we have, I believe Chris Shaneyfelt had brought the amount which was a July bid for

radios for all of the county departments which came to a little over \$123,000.00 but again that bid is six months old. I would tell you that that's going to be in the neighborhood of probably \$125,000 and we can find out for sure if you'd like those figures emailed to you.

Mike said we have the July bid, your talking about emailing us updated numbers?

Art said if any of those numbers have changed Chris and I can check into that.

Mike said that would be nice to know.

Art said I just wanted to bring some of that to your attention, I know those are some of the projects that would clean up some of the stuff we've done this year.

Gary said that would be part of our ARPA plan to pay this. I think Councils already given a verbal to do it.

Art said can I ask a clarifying question? I know tonight's intention and Meeks had mentioned that they found out today that you were able to transfer. Does this still require an ARP plan, is there a plan that is necessary where you guys discuss what you are going to spend the money on tonight in order to use that fund?

Gary said we haven't voted on it, but putting it all into government services. That is our plan and then we have to let it out through allowable avenues according to the guidance and this is one of them.

Art said I just know that one of the things Winchester is working on is a benefit policy for their employees regarding Covid leave and I know it's something that I want to discuss with the Commissioner's at the next meeting. I'm getting to the point where some of my employees are running out of that personal leave time because they are encountering Covid a couple times a year and with our current policy they only receive 6 sick days a year. They're eating that at 10 days each time. I just think that is something that I would like to discuss in the future. I wasn't sure if it was something that needed discussed tonight so that it was something you could use the funding for.

Mike said I think that would fall under government services as well as I think it is specifically provided for in the plan.

Gary said it is allowable.

Rick asked Art who are those radios for again?

Art said those would be for all the county agencies, so it does not include the fire departments. It would include Randolph County EMS, Sheriff's office, Coroner's office, Health Department and E911.

Laura Martin, Auditor – Quote from Arcasearch for scanning transfer books

Laura said I sent you all a quote for digitizing my transfer and land books. I would like for this to be considered as an expenditure out of the ARPA funds.

Tom asked do you have an example of how this could help us?

Laura said if this building was destroyed like what just happened in Mayfield Kentucky, then we would lose all those records and there is no backup to them. We have searchers in those records every day. I feel like it is important to have a backup to them and in this quote not only will we get two hard drive backups, it will also put them online, so searchers can search them from outside of this building, they would not even have to come here to do it.

Mike asked do they come back and do it every year, I see there's an annual fee in there?

Laura said that is just for the maintenance on the program.

Mike said is that something your office would do every year?

Laura said we now do everything digital. We no longer enter the information in the books.

ARPA Fund Plan

Gary said I think with these projects we're talking about to properly appropriate them we need to take action on what we are going to do with the funding.

Mike said you are right. Also, for your information that radio quote total is \$123,193.00. We talked about earmarking the funds as lost revenue, the total is \$4.783 million. We discussed treating it all as lost revenue and our plan at this time would be to spend it on governmental services.

Tom Chalfant made a motion to allow the total ARPA funds of \$4.783 million to be treated as lost revenue and to be used for governmental services. Mike seconded. All aye votes. Motion carried.

Gary asked would the Council like to make the same motion?

Tom Kerns made a motion to allow the total ARPA funds of \$4.783 million to be treated as lost revenue and to be used for governmental services. Bev Fields seconded. All aye votes. Motion carried.

Laura said I asked Veronica from Barnes and Thornburg the question if there was an additional charge above what we have been paying them monthly and I have not gotten an answer to that question.

Meeks said if not then we'll figure it out.

Mike said I think we should have them give us an opinion regarding the final ruling, which I would think that would be included in our monthly fee.

Laura said I've already talked to her about that, she had not had time to analyze it.

Meeks – Losantville and Modoc loan

Meeks said I need to reach out to them and see what is the best way, if this is going to be a loan, how that loan works. The problem is the 2%, they can't have more than 2% of their assessed valuation in a loan and I don't know how Losantville and Modoc is set up.

Mike said if that's an issue from my standpoint I would probably grant some of it and loan the balance.

Meeks said I don't know what their assessed value is. I will talk to Barnes and Thornburg, I will send an email tomorrow.

Gary said I agree, if that becomes an issue, we can adjust it so it continues.

Mike Wickersham – Alternative Energy Fund plan

Mike said another matter and we've kind of discussed. We are starting to get three alternative energy payments in and that's going to build up pretty fast. I didn't know if we wanted to try and revisit creating a plan on how to spend that. We have had our new highway engineer suggest that we need to put \$750,000 a year into a bridge fund over the next 10 years, which is basically the payout of the three current projects we have. I didn't know if you wanted to try and earmark, obviously anything is subject to change at the will of the Commissioner's or the will of the Council and this body is going to change over the next 1,2,3,4 and 5 years as well. So, nothing is going to be set in stone but it could be a broad guidance document to say okay we're going to spend 50% of the money every year on county infrastructure, 25% of the money every year on community support and 25% a year roll over until next year and save it. Nothing significant in those numbers, I just thought them out but I think we've done a good job of spending it so far but also, it's going to get to be more money and I don't want to see us spend it and not have anything at the end of a decade. We've talked about the planning before and I got the feeling that we're trying to plan to much and if we just did some broad guidance. I put that out there for discussion at this time.

Dave said I would definitely support you on that, it's been sort of my concept idea for the last three or four years to try to plan something. I think the bridge is for five years, \$750,000.00?

Tom Chalfant said I think it could go longer, he's got a five year and a ten-year plan. To get all these bridges back in shape it's more than five years.

Dave said I think it's a great plan, great organization. What I'd like to recommend is maybe we do that for roads and drainage both, have five- or ten-year plans. That way we can designate the proper money from the windfarm to those three areas. I'm in favor of it.

Mike asked how do you want to go about it? Do you want to chair a committee to plan that?

Dave said I'm not sure we need a committee. Just have another joint meeting down the road and share ideas and plan from that. I'd love to see a five-year road, we used to have it years ago. We do have I think the Pacer report and then get drainage to get their five-year plan together that way we can allocate the funding.

Mike said I think that the \$300,000.00 we put into drainage a few years back, I think has really helped with the general drain improvement fund to allow for projects to improve drains.

Gary Girton said that's a revolving loan.

Mike said right.

Tom said it needs to be enlarged.

Gary said we probably should have another joint meeting sometime and come to a conclusion to how we want to percentage it out. I don't think we need to set it here today.

Mike said I just raise it as food for thought.

Tom Kerns said I would still like to see some go to rainy day to build that up for future.

Gary Girton said that's what a good discussion will bring out.

Mike asked does anyone else have anything to add?

Adjournment

Gary Girton made a motion to adjourn the Commissioner's. Tom seconded. All aye votes. Motion carried.

Max made a motion to adjourn the Council. Rick seconded. All aye votes. Motion carried.

Reviewed and signed this 4th day of April, 2022

RANDOLPH COUNTY COMMISSIONERS







RANDOLPH COUNTY COUNCIL









