Randolph County Commissioners/Council

June 13, 2024

The Randolph County Commissioners and Council met in a joint meeting at 6:00PM in the Commissioners and Council Room in the Courthouse with the following members present: Board President Michael Wickersham, Gary Friend and Gary Girton. Council President David Lenkensdofer, Tom Chalfant, Beverly Fields, Mike Stine, Todd Holaday. Also present was Randolph County Auditor Laura J Martin and Tom Cockerill.

****

Pledge of Allegiance

Jason Semler, Baker Tilly – Comprehensive Financial Plan

David said hi, Jason. Go right ahead and tell us what we have.

Jason Semler said thanks for having me back this year updating you guys' comprehensive financial report. In front of you, I have a copy of the draft report for us to kind of go through and just talk about some of the assumptions that we've used to put this together. And then might have some questions as we go through some of the funds. But then, also, very open to any other suggestions, recommendations that you'd like to see that we could update, as well, because again, we want this to be a tool for you to use ad you are starting to go into your budget for 2025. But, before I get to the individual funds, I do want to hit a couple of highlights that wanted to pass on some of the actual information that has occurred since we last met. So, I start on page three actually. This is a graph that I show circle tax rate, and the assessed value of the county. So, you can see in 2020, the tax rate was about 60 cents, and assessed value of the county, the entire county. So, this is all the assessed value, real property, equipment for agricultural, homesteads, commercial, manufacturing, anything that's not in a TIF area, was about 1.1 billion. You went down a little bit in 21, increased in 2022, and you can see it went up significantly in 2023 and 24. And then above that, you can see the tax rate. Again, it was 60 cents in 2020. It was about 59 cents in 2023, then about 56 cents this year. That's the county's rate. So, I wanted to bring that up because we've talked before in the past that kind of relationship between assessed value and tax rate. We want to do things to increase your assessed value to keep your tax rate low. That does one, well it does a couple things. One, makes taxpayers happy. Keeps property taxes low. But it also helps mitigate that your circuit breaker losses. So, you turn to page two, the previous page, at the top, that top graph, you can see the circuit breaker losses. So, again, the circuit breaker losses are the credits the taxpayers receive, because they hit the caps, the 1, 2 and 3 percent caps. A break for the taxpayers, but that's lost revenue for the county. So, you can see the actual $654,000 loss in 2022, $607,000 in 23, and then $500,000 in 24, this year. So, again, just wanted to show that correlation, decrease in tax rates means a decrease in your circuit breaker losses, which means more money in your general fund. So, just wanted to point that out.

Gary Friend said is there a reason why it starts the other way?

Jason Semler said we assumed that the assessed value is not going to continue as fast as it has the last couple of years. It's going to slow down. That's the only reason.

Gary Friend said okay. Is that the total before you reduce to 607,000?

Jason Semler said no.

Gary Friend said the 748 is what the county should receive?

Jason Semler said well that's an estimate for 25. For 24 the $7,306,000 that's your actual, what you should receive this year.

Gary Friend said right. And has not been circuit breaker, that 505 would have been added to it?

Jason Semler said correct. Yep. With that, let's skip to page 20. And for most of these funds, you're going to see a common trend, and you saw this you know, when I was here two years ago. But, considering where the county was when we did this the first time, you know, 6, 7 years ago, and looking at your balances and the trends, it's remarkable. And I know part of that is because you have increased your income taxes over the years. But, the trend is, you've got pretty healthy balances and that trend is going to continue. This is what you see in your general fund, here on page 20. So, something, always kind of look at, if you look at line 34, that's your net operating receipts. You can see in 21, 22 and 23, every year you had a positive cash flow, meaning you brought in more money than what you spent. So, in 2021, you brought in almost $400,000.00 more than what you spent. 2022, 1.8 million. Then in 2023, increased to 2.7 million more. And then, if you look at line 39, that reflects your ending balance. So, in 2023, you ended your balance, end of the year, the balance of 9.7 million dollars in your general fund. So, another way of looking at that is if you look at your expenses for 2023, line 32, you spent 11.6 million dollars, and at the end of the year you had 9.7. So, you had, at the end of the year, almost enough in the bank to pay a whole year's worth of expenses. That's very healthy. In previous years, when I first started this, our goal was that of 15% operating balance to cover two months. You're well above that now. So, again, very healthy. Now one thing I do want to point out that really helps the situation, and you're not alone, but if you look at line 12, the earnings on investment, you can kind of see the trend in your interest earnings. In 2021, you only earned about $14,000.00 in interest. 2022, $232,000.00. The last year, almost 1.5 million dollars. So, that really helped you. I mean, you are already trending positive, but that really increased your positive cash flow.

Todd said in your assumptions for the three years after this year, what rate did you use for that?

Jason Semler said we kind of took the percentage of your balances that you have, and kind of, we took like an average. This 23, that's pretty impressive. Interest rates have fallen a little bit since 2023. So, we kind of took a look the last 3 years and took an allocation of the interest earnings based upon your ending balances. So, it wasn't so much an interest rate. It was kind of cash balances.

Todd said okay. So, I'm not sure I get that. So, this rate, so in 2025, got a 1.5 million dollars, it's got to be a certain interest rate times a certain cash balance, right?

Jason Semler said we looked at your ending balance, like 1.4 million dollars is how much interest you earned last year. We compared that to your cash balances. So, it wasn't really an interest rate. We looked at how much you earned compared to how much you had. And that's why in 2024, you know, we're only showing you're going to earn about 1.2 million dollars in interest, even though your cash balance are higher, we just used the average the last couple of years, knowing that 23 was probably higher than what we are anticipating in the next few years. One thing I did forget to talk about, that was some of the assumptions that we used. Let me go back to, go back to page 18. I apologize. Something I did want to talk about are the assumptions that we used, which the interest earnings was one significant assumption. But the other was on page 18, that first assumption, maximum levy growth, says that's the amount that you can raise your budget each year per the state legislation. Used to be, a 7-year average of non-farm income, and then they changed that and maxed it out at 4%. So, this year, you should have increased your budget by about 5%. But because of that statute change, you couldn't increase it by more than 4%. That's supposed to be for 24 and 25. Based upon current estimates, we think the levy can grow about 3.9% next year. We won't now that exact number until later this year, but we're estimating 3.9 right now. So, under current statute, that should fall off and then that rate can increase by the 7-year non-farm income. But we've heard from David Bottorff and others that there're some legislators may like that 4% cap. So, I've just kept that at 4% going forward for 2026 and 27 to conservative. If the statute doesn't change, and that current law falls off, I think you'll be a little bit higher than 4%, more like 4.2, 4.3. Again, to be conservative, I capped at that 4%, assuming legislators will continue this current law.

Gary Friend said can you explain to me why the legislators won't allow the budget to increase more than that when we submit our budget? If it was $10 million last year, we can't be more than 10,390,000, even though inflation, don't they take inflation's not a factor?

Jason Semler said no. That, the growth quotient.

Gary Friend said yeah.

Jason Semler said your Council has to follow. It's based upon the 7-year average of non-farm income. So, it really has nothing to do with inflation, has nothing to do with your budget. It all has to do with income. But the last couple of years it's been you know, 5% or higher. So, to try to reduce property tax rates, they wanted to cap how much they can increase your budget. So, they capped it, be the lesser of the equation or 4%. So, this year, if you would have done the equation, you should have been able to increase your budget by about 5.3% I think, or 4.8. But that's higher than the 4, so should know you can't use that equation. You can only increase it by 4% this year.

Gary Friend said and that's the budget related to the property tax?

Jason Semler said yes.

Gary Friend said the lit tax is not under that?

Jason Semler said no. The local income tax, what you receive is based upon what people who live in Randolph County pay.

Gary Friend said so, that's no cap on that, so your budget going from both, how do they know the difference?

Jason Semler said the DLGF they only control, I don't want to say control, but they only tell you what you can collect in property taxes.

Gary Friend said right, which is 3.9%. So, when I'm talking about our budget, that's it, that's all they're going to give us. But if we build a budget that's more than that in percentage, we're taking from LIT, they don't have a problem with that?

Jason Semler said no. When you put together your budget, you'll put together what you anticipate receiving, property taxes and income taxes, so that, and out of miscellaneous revenues. So, that's where you have some flexibility, and then your beginning balance. And then as long as your budget, when you put in your budget, as long as you have a balance above the zero DLGF will approve it. It's like going to your general fund, you have like a 9 million dollar beginning balance, they'll allow you to spend everything that you think you're going to receive in 2025, plus another 9 million dollars. They don't, they're not going to tell you, you can't go to zero. They will just tell you; you can't go below zero.

Gary Friend said it is ironic that, and I spoke to our legislators about it, they'll do these caps on the budgets and whatnot, but they won't cap sales tax when inflation is flying prices. They get theirs in real time and as they revert and come back to us and say hey, keep it under check because property taxes are increasing.

Todd said seemed timely to cap those because you've got wage inflation knocking that up too. But sales tax, I agree, especially, they done in the past, the fuel caps.

Gary Friend said yeah, and when they get themselves an hour budget and won't let us home rule a little bit, each county is different and each county's revenue is different.

Jason Semler said it does kind of tie your hands when they restrict on how much you can collect. And just like your expenses are increasing, you're trying to be competitive with wages for your employees. So, you're kind of getting it from both sides. I apologize. I wanted to bring that up. Again, I'm trying to be a little conservative by capping at 4%, anticipating that the legislators may continue that logic. Also, and too, I kept, this is kind of your maximum levy, so these are the four funds that are within your maximum levy that you can't go above those amounts. Again, you can allocate them differently the four funds, but the total can't be higher than that. So, we pretty much kept the allocations between the general, reassessment, cum bridge and health the same as you had for 2024. Then circuit breaker, something that we have seen that would slightly increase a little bit per year. Kind of showing you in 2022, you lost about 9% of your revenue from circuit breaker. And 23 was a little over 8%. And then went down to 6.5 in 2024, as I showed you from the previous graph. And I just have it creeping up a little bit as we talked about.

Todd said did you, under the assumptions, did you feel like that effect on the assessed value from the tornado was not a significant enough event to really delve into a budget?

Jason Semler said well ant that's one reason I had it going from 6 ½ to 7 ½, a whole 1% increase for one year. And also, the houses being rebuilt, that will kind of replenish.

Gary Friend said in reference to circuit breaker?

Jason Semler said uh huh. So, number 5, that's just your miscellaneous revenue. You're talking about income tax, something else that I did to be conservative. But if you want me to change them, I'm happy to, but I did keep your local income tax flat going forward. So, what you're receiving 2024, I kept that constant. Again, the trend has been, it's been increasing. And I'm happy just to assume some type of increase if you want me to, but for right now, I just kept it flat. And then there at the bottom, page 19, I did assume a 3% increase in your personal services supplies, and other services and charges, just kind of for inflation. So, took your 2024 budget increased them by 3% per year.

Todd said just because I don't know, I'm going to ask, so, on some of these funds that get up to, you know, the balances, does DLGF ever cap a rate based off the size of a fund?

Jim Semler said huh uh.

Todd said I feel like they did that in school when we were, and I can't remember the situation, don't know if it was transportation or what, but they don't do that with any of these funds?

Jim Semler said huh uh. Not to say that they wouldn't try in the future with some, but no. Right now, there's no, no limit on it on your current balances that you can sustain.

Gary Girton said that was true for several years.

Todd said yeah. We never have to transfer money out of rainy day.

Jason Semler said so now if you go back to page 20, the general fund, we're showing that, get into 2023, getting a balance about 9.7 million. For 2024, if you collect everything that you should collect, you should receive about $15,149,000.00 this year. That's on line 21. If you spend 100% of your budget, about 12.7 million, when you add in some additional appropriations and encumbrances. We're showing that you'll bring about 2.4 million dollars more than what you brought in, I mean than what you spend. So, it would increase your ending balance to over 12 million dollars. One thing I did highlight there, I did senior personal services. It did see a pretty healthy increase, running 6,140,000 to 9,398,000. So, I didn't know if you did have some pay adjustments or new employees, or if that was just a healthy budget that was approved?

Gary Friend said 6 million to 9 million?

Jason Semler said uh huh.

Gary Friend said in personal services?

Jason Semler said uh huh.

Gary Friend said I don't think, that doesn't make any sense.

Mike Wickersham said I don't think it was going to be that much.

Gary Friend said no.

Mike Wickersham said I'm not sure where that number came from.

Gary Friend said unless it was some insurance issues in there.

Jason Semler said that's why I wasn't sure. That's why I highlighted that to see if there was anymore detail. Then we're showing that you could fund it but this is a pretty big increase.

Todd said does that include service contracts or is it just wages?

Mike Wickersham said still, that's a 50% increase.

Gary Friend said yeah.

Laura said I'll look at those numbers.

Gary Friend said I think there's something wrong there.

Jason Semler said okay.

Mike Wickersham said we did give some healthy increases.

Gary Girton said right, but not that great.

Jason Semler said Laura, I'll work with you on that then. But even with that number, that number increasing as much as it did, you know, we're still showing, again with the interest earning still staying pretty healthy, that your general fund is going to be increasing quite a bit year after year. So, any question with the general fund?

Gary Friend said let us all know when you find it Laura?

Laura said okay.

Gary Friend said thank you.

David said I think we only increased personal services about $750,000.

Todd said that was the wages, but I didn't know if service contracts were included in that. We had a pretty healthy chunk also for.

Laura said I think that's just like health, like your benefits, your salary and benefits. Am I right, Jason? Salaries and benefits?

Jason Semler said yeah. Uh huh.

Laura said yeah, that's what I thought. So, yeah, I'll look at it and see why it.

Jason Semler said next page, property re-assessment, again kind of same trend your growing each year. Started about $140,000.00 ending balance in 2022, $162,000 in the last year, projected 179,000, so again, just king of increasing that a little bit, just because you're bringing in a little bit more than what you're spending as well. And no issues here. Next fund, the health department. Again, bringing in more than what you're spending here as well, so, I guess that's going to be a common trend that this fund is continuing to grow as well.

Gary Friend said that's the new money that they put in. All 92 counties are on board with it.

Jason Semler said yeah, and that's, things worked out well. Page 22 is the cum bridge fund. And this is a fund where you kind of accumulate funds and then you often times have a big project. So, we're showing a different appropriation of $1,370,000.00 this year. And then, after that, I just kind of did a $689,000.00 line item, just to kind of keep the ending balance about the same, about $983,000.00. But this is just a fund you can spend out of with what you collect. But we were talking about bridges early on. You could always use money out of your general fund to fund budgets, but as your general fund is as healthy as it is, you could move levy from the general fund to your bridge fund if you wanted to.

Gary Friend said you can move the levy about the .334, which is the cut off for cum bridge?

Jason Semler said oh, that's right, for the bridge, yeah. So, you are right. But that will help you with as your assessed value increases, that's going to help.

Gary Friend said right.

Jason Semler said yeah, you're right about that. I kind of forgot this is bridge.

Gary Friend said we're under 100,000 people, so, we can't have 1% I think.

Jason Semler said the next fund is your cum cap development fund. This is another fund where you often just pay for projects out as you have revenue. Your budget is about twice as much as what you kind of spent historically, so, even if you do spend all your budget, you're spending more than what you brought in, but no concern because you have such a healthy balance. And you can continue doing that for a number of years.

Gary Friend said I think maybe council is starting to back stuff out of cum cam aren't they, a little bit? During the rougher times, we've put a lot in wages but we were allowed to.

David said right.

Jason Semler said yeah, that was one of our kind of solutions early on, is trying to use some of this.

Jason Semler said the next page 25 is the public safety tax. Again, I kept this revenue flat based upon 2024. As you can see looking at line 2, you collected $655,000 in 22, when up to $716,000 last year, and $782,000 this year, plus, you got the supplemental distribution of $119,000 earlier. So, that really helped with this fund. But even that, we're still showing you bring in more than what you're spending, even with this budget up until 2027, showing a slight decrease then. Really no concerns. Next page, the local income tax for the economic development, again, bring in more than what you've budgeted. So, that's continued to grow. There's a of flexibility there. The next page is LIT special purpose. As you know, this is what you're using to pay your outstanding bonds. There're 3 bonds outstanding that were issued in 2005, 2019 and 2020. And because the revenue has grown so much, you can see that that ending balance is increasing. So, something that we may want to think about you know, again, we can use this for other projects that fit within special legislation.

Gary Friend said we have a jail project coming that will wind up right in there.

David said we also have an airport terminal.

Gary Friend said I don't think it can go in special LIT, that's just for public safety. You can put the courthouse security in it. You can put jail projects in it. And it may be the airport. EMS can go in it. But airport may or may not. I don't know.

David said we'll have to check that one.

Gary Friend said yeah.

Jason Semler said we amended the legislation a few years ago, to expand to let you guys, could be something.

David said well that 2005 comes off this year I think.

Jason Semler said the 2005 bond, yep, in 2025, uh huh. And then you can start paying off the 2019 and 2020 bonds in 2029 and 2030 is when you can start paying those off. So, if you didn't have a project by that time, you'd probably have enough money accumulated to pay off both of those bonds.

David said and that's the hope and desire to pay those bonds off early. But it's a 10-year wasn't it? You had to wait ten years to.

Jason Semler said yeah, yep. That's if you do have a project, like that jail project, then you might just want you weigh which is more efficient, pay these off, or, and if you had to do the project or issue more bonds, or take that project and apply it toward the project so we don't have to issue bonds or issue as much. We'll just wait to see what the interest rates are.

Gary Friend said what I can see right now, I don't think we're going to have to even consider a bond for the jail project. It's coming hypothetically, right now, to 2, 2.1 million. We have several resource avenues to pay for it straight up.

Jason Semler said the next fund, the statewide 911 fund, again bringing in more than what you're spending. Pretty much a balanced budget thereafter. There are really no concerns. And the next fund is local road and street and MVH restricted. Again, I feel like a broken record, but it's still doing really well, revenue coming in. A lot of those, you know, these funds you kind of spend what you collect as well. But MVH is very healthy. I know that's restricted, so you're kind of limited on what you can use that for. I know there's always legislation trying to expand and reduce the amount that you have to transfer over there.

Todd said so that one has a big jump in personal services too?

Jason Semler said uh huh. From $580,000 to 1.3 million.

Gary Friend said you have to look at both of them.

David said 1173 is in there.

Gary Friend said yeah, see, that's where, in order to keep that 50/50 balance, you push wages back and forth. So, they were probably pushed over there to meet that 50/50 on expenditures.

David said it does show a decrease on that.

Jason Semler said and then page 32 is your rainy-day funds. I think someone mentioned about the rainy day. I mean, since you do have such a healthy balance, you could transfer money from your general fund to your rainy day. My only recommendation is when you transfer money to rainy day, I always like the once it's there, try not to touch it.

David said well, our goal, Jason is about 3.4 million we'd like to see in there. Basically, if we have catastrophic premiums on the health insurance, it's sort of a guideline.

Todd said sorry, I just, I just want to make sure. So, you're saying on this motor vehicle on the restricted versus the page 30, because the personal services dropped on the one, it went up on the other?

Gary said yes.

Todd said dollar amount is pretty huge isn't it? I mean, it only went down $500,000 on one, but it went up by $800,000 on the other. So, 1176 went up $800,000, 1173 went down $80,000?

Gary Friend said right.

Mike Wickersham said that's still a big jump.

Gary Friend said still a big jump.

Todd said I just wondered if it was the same issue that we've got going on, on the other fund where we're overstating the personal services?

Gary Friend said could very well be, yeah. I was just bringing up that one fund requires a lot more scrutiny on the 50/50 and the one didn't have any.

Todd said I remember during the budget we shifted some around, but it feels like a trend on.

Gary Friend said on the personal services?

Todd said yeah.

Jason said we can look at that.

Gary Friend said they pay their own insurance out of that budget too. I don't know if this is insurance related or not. That's a good point thought Todd. You add the two together, then look at it and it's still what? You have a couple hundred, three hundred thousand.

Jason Semler said page 33, wheel tax, look at that, and again, that's growing by over $200,000.00 a year. The next two funds is the communication of bond debt service. We're showing at the end of the year you had $13,000.00 left. So, just kind of recommend using that $13,000 to make your bond payment, just so you can kind of close out that fund, just as one less fund you have to keep track of. And the next couple of slides are the EDA payments that you have. Page 35 is the Windfarm. Have a couple more years collecting that. Page 36 is the Head Waters II. And page 37 is the next era which looks like there was a $50,000.00 repayment deposited back-to-back here in, earlier this year, so we put that back in there.

Gary Friend said I don't know about that.

David said that should be closed out I would think.

Gary Friend said 50,000 back in next era, the one up by Ridgeville and southern Jay County one?

Laura said yeah. I don't know why that's there because I thought we used all that. I'll look at that.

Gary Friend said you said one had a couple years left, the first one, Head Water?

Jason Semler said yeah.

Gary Friend said that expires in February.

Jason Semler said yeah.

Gary Friend said don't seem like it's been 10 years on it. It's been longer than 10.

Jason Semler said and I actually reviewed the schedules for Head Waters III today, so, I'll be sending that to Meeks probably tomorrow. And on that one they, if you remember, on Head Waters II they gave their proposal on ADA payments, and it was higher than what I could calculate it.

Gary Friend said right. We took it.

Jason Semler said so, we accepted it. We just took it.

Gary Friend said have they corrected that?

Jason Semler said I think they caught on. So, I asked them if they would give us another proposal and they said no, you calculate it. So, we're calculating, that being said, we're not calculating at what other counties are offering, or receiving, and they're receiving you know, higher economic development payments per megawatt.

Gary Friend said than we are?

Jason Semler said than we have in the past. It's like $15,000.00 for megawatt now.

Gary Friend said we were what, 12,5?

Jason Semler said yeah, something like that. So, I am re-doing it based upon the current going market rate. So, you should be receiving that here soon. Next, just kind of the next couple of pages talking about the description of the funds. Nothing new there. Page 40 is a summary of all the funds that we just talked about if you want to look at a quick shot of all the funds and kind of where they're at, just the ending balances. This just kind of looks at all of your funds. You know, you had 21 million dollars in 2022. We're estimating at the end of this year, over 30 million and again, continuing growing. Page 41, this is just a summary of all the income taxes that you have. If you look at all the expenditure rates, they total 2.25% and your cap at 2.5. So, Randolph County is the highest, the county with the highest local income tax rate, with a combined rate of 3%

Gary Friend said I stand corrected. Mike said that, I said now we're third. That was a couple months.

Jason Semler said Pulaski County used to be number one. They were over 3% but they reduced their rate two years ago.

Gary Friend said did Jay County reduce theirs? I thought they were 3.14.

Jason Semler said no. But I will tell you I'm working with a lot of counties that are continuing to increase theirs, so it's just a matter of time where they'll be some at 3% if not, higher, because, I mean, you guys were proactive because you saw where you were and kind of just took it all at once, or over a couple of years.

Gary Friend said you were really helpful on that one.

Todd said I can't believe more counties haven't because historically, there was like one or two or three rates in the counties and most counties were at that highest rate. So, when I was just trying to do some personal planning, I was looking at the different county rates, and I was surprised how much it varies now versus what it did a few years ago. And when I saw Randolph County was number one, I was thinking how did that happen?

Gary Friend said because they took a reduction. When we did it Cass County was ahead of us.

Jason Semler said and then the last couple of schedules, the amortization schedules for the bonds that you have. The overall, you guys have, compared to where we were when we did this the first year, it's amazing, the turnaround that we've in really a short period of time. I'd be happy to answer any questions or make any changes?

Gary Friend said I'm surprised income tax rate to those low assessed valuations, you flip this thing over to a county that's got 5 or 6 or 7 billion dollars, their assessed valuation which brings LIT taxes, a tremendous amount more money. I think when you are a low assessed value county, lower, you had better be driving your income taxes up if you're going to survive. I don't know how they do it without it.

Jason Semler said yeah and that's why it's kind of frustrating with some of the laws that are made, because it's not a one-size-fits-all.

Gary Friend said no. When we were doing it, we were facing seeing if there were anymore people we could lay off. We had one year in the budget, it wasn't too long ago, that Randy came in, our building commissioner, and said hey, by the way, you know, Head Waters or Solar Farm had just paid their permits, 300 some dollars and were able to tear up the list of people that were going to be leaving.

Jason Semler said yeah, I remember.

Gary Friend said so close. And now we're on the other side, so.

Tom Chalfant said Jason, do you know where we rank as far as assessed valuation with other counties, that 1, 1.1?

Jason Semler said no.

Tom Chalfant said pretty well close to the bottom?

Jason Semler said yeah, for a county that your, from the bottom, I've not looked at that before. I could get it, but I don't know it off hand.

Tom Chalfant said didn't know if we're in the bottom 10% probably, or whatever, so.

Jason Semler said huh uh.

Gary Friend said that 1.3 you're showing, is that showing Head Waters coming off of the assessed value?

Jason Semler said no.

Gary Friend said it's not there yet?

Jason Semler said no, huh uh.

Gary Friend said what's it, do you know what it's assessed value is going to do to their county? Is that going to be?

Jason Semler said I don't, it'll be a couple more years before it really hits.

Gary Friend said do you know how much it is though, what the value would be?

Jason Semler said no. I haven't looked since we did our original estimates.

Tom Chalfant said it was 373 million to build it so.

Gary Friend said they won't assess it at that I know.

Tom Chalfant said what, 30%?

David said probably 30%.

Gary Friend said yeah, 30%.

Jason Semler said yeah.

Gary Friend said so it would be like a 100 million dollars for assessed value?

David said yeah.

Gary Friend said okay. They'll drive that rate down. That'll let us.

Jason Semler said yeah, that helps your tax rate and help your circuit break losses, as well. Is there any other thing that you would like to see differently or change?

Mike Wickersham said I thought it was pretty clear.

David said yeah it was very clear.

Jason Semler said I'll work with Laura on this too, personal services.

Gary Friend said it would be nice to get that personal services one figured and see if we're actually in better shape than we.

Laura said yeah, we'll look at it. I'll look at some reports tomorrow and get with Jason.

Mike Wickersham said almost like the maximum liability for insurance was added.

Gary Friend said yeah it does, doesn't it?

Mike Wickersham said about a 3 million dollar hit.

Laura said I feel like our health insurance is going better. I mean, we raised our budget on it.

Mike Wickersham said it's not changed by 3 million dollars.

Laura said no.

Gary Friend said it was like 170,000 last year that increased, something like that?

Laura said yeah. We're not huge, and this year is going to be like 1%.

Gary Friend said 2. While you were gone, they doubled it.

Mike Wickersham said yes.

Laura said are you kidding me?

Jason Semler said Todd, you had a question?

Todd said yeah. On page 31, the supplies dropped by about a million in 23 that it's really inconsistent there 10 and 11, you have supplies going from $500,000 to 1.2 million, $330,000 and the services and charges went from 162 up to 1.2 million.

Jason Semler said I know some counties do this because you know, when you approve your budget, it's kind of, just one budget you approved, you, kind of like wait until the end of the year, then move things over to your restricted. Could that be, could be part of it. Is that, maybe the budget amount is not really reflecting what will actually occur at the end of the year, on how you account for.

Gary Friend said the highway budget is difficult, because even projects are by how much reserve builds up. And we've actually got close to counting that. So, I don't know that that's it, Todd, but if we, Joe's bridge program, they have put some of the money in the MV there's 176 and 73. And if that's some of the grant matching funds went in there because of the.

Todd said yeah, I wonder if that isn't something. There were a couple of bridges that had a huge Federal match with them, right.

Gary Friend said yeah, uh huh.

Todd said and maybe these will offset yet for the.

Gary Friend said it could be. But that often happens in there where you take on a road project because the money is there, towards the end of the year and you spend it out. But there's no real easy, it's kind of like the public service LIT, it's going to show a balance but I can almost assure that when the council goes to put in the budget, it'll be exhausted out. We've got a habit of making them spend all that, and then backfilling up the county general funding. That's not my vote now.

Jason Semler said yeah, often times, the MVH you'll need to look at both restricted and unrestricted together. But a lot of times, counties, because you don't know really, what projects fit within the restricted, they kind of allocate all in one and then at the end of the year, kind of true it up.

Todd said now here's another, sorry to keep asking questions. So, these bonds that we have issued over different decades, when you have cash balance, what is the advantage of renewing a loan? Why are we borrowing money when we have money? What's, is it a rate differential?

Gary Friend said we didn't have the money at the time.

Todd said yeah, but you do now. We've said several times that we want to replace, we have one bond coming off and we want to find a project to use that for instead of just letting it go away.

Gary Friend said I think there's a misconception a little bit on that. Tom Kerns talked about, the special LIT is funded by tax, or income tax. A bond has got a rate to it. Once you have your rate established, you give it up, you lose it. So, you try to get another project to keep that rate.

Todd said okay. So, you lose the funding if you remove the bond?

Gary Friend said right. Yeah, you go down a couple cents and it goes to another municipality or government. We want to keep that and then attach something to it.

Todd said okay. I get it.

Jason Semler said and then the thought process is.

Gary Friend said it's not the same way, that you have a project, to have a project and say we've got all this money in special LIT. That's a LIT tax. That's not necessarily a, that's not a rate. So, it doesn't have any effect there. It just says you want to borrow money and pay it back to LIT tax with interest, we'll just fund it straight out.

Jason Semler said yeah, you're exactly right with the property tax break, a lot of communities, a lot of schools have been in this for years. When you have a tax rate in place, property tax rate in place, what you don't want to do is have the bonds mature and drop off and like another year or two later, do another project, because then you see a rate increase. If you can time your projects the same time, you keep that tax rate flat. So, from a taxpayer standpoint, you don't see that other than closed, just a constant tax rate.

Gary Friend said it's easier to keep it and have another project.

Gary Girton said right. That's right.

Gary Friend said schools know how to do that. Maybe Union didn't do a lot with it. Schools do that. If project's coming off, if there's something to do, they'll get one right back on top of it.

Jason Semler said and we recommend a lot of counties, cities and towns do that as well, because they don't have the cash balances that you guys have, and that's really how they fund their capital projects is through small bond issues, just two or three-year bond issues for a couple million dollars. Is there anything you'd like to see like scenarios as you're starting to go into your budget for 2025 if you're looking at any kind of raises or anything like that you want to see what that might do to the numbers, not only for 25, but going forward? I mean, we've already kind of shown like what this is with a 3% increase in salaries and personal services. But if you're looking at something higher, we could kind of show a different scenario just to see what that would look like. But, your balances are pretty healthy.

Gary Friend said yeah, I mean, as long as I know the total, I can do it in my head almost. Look at what you give us and then correct it after it's done, because there's nothing, I mean, there's been several meetings, I'm on that committee. Actually, we're meeting next week because we want to go through this meeting before we finalize that one. And then I'll know, we'll all know, just not me.

Mike Wickersham said where does it, where does comp time show up?

Gary Friend said comp time doesn't.

Mike Wickersham said it's not there?

Gary Friend said it's non-funded on there.

Mike Wickersham said oh, it's not part of that personal services?

Laura said only if it's paid out.

Gary Friend said only if it's paid out. It's non-funded.

Laura said like for instance, somebody retires and they have a bunch of comp time, we pay out. That would show up.

Gary Friend said that's one of the discussions we're having in there is, if the will is there, if the commissioners and the council altogether to eliminate comp time, budget up overtime into the budget. That may take some work from you guys, and then we will have to immediately pay off our comp time liability on the books right then and there.

Gary Girton said where is it now?

Gary Friend said I don't know what it is. It's probably.

Gary Girton said quarter of a million?

Gary Friend said I don't think so.

David said like 170, 180,000.

Gary Friend said we've paid it down so many times.

Gary Girton said I know we paid it down, then it would go back up, then we paid it down.

Mike Wickersham said there again, we wouldn't want to pay 3 million dollars.

Gary Friend said no. I'm not sure everybody here has got the email about all the concerns, but all I figured is we're pretty much over the target.

David said since the salary committee advising the 2025 budget maybe it change to that or 2026.

Gary Friend said 5.

David said 25.

Gary Friend said we're hoping that's something ready for next week.

Mike Wickersham said are you on that committee?

Laura said I will say there might be a little bit of a problem as far as budgeting because the budgets are going in. We have to have them in the system in Gateway by August 1st. Well you're saying you want people to budget money in there for overtime and they're not doing that because they don't even really, until Monday, Tuesday, they didn't know. Budgets are due in right now. She's starting to collect them right now.

Gary Friend said but this is June. We're going to have it in in June.

Mike Wickersham said June 5th.

Laura said they've already done their budgets and turning them in now.

Gary Friend said the department heads?

Laura said yes.

Gary Friend said it's nothing to, I get that. I do.

Laura said okay. I'm just saying.

Mike Wickersham said well if I'm a head. I've got 70 hours of comp time last year by 3 employees that get paid 15 or $20 an hour, I can calculate what my overtime is in a matter of minutes.

Laura said I'm just saying they haven't put that in their budgets because they didn't know.

Gary Friend said they don't know.

Mike Wickersham said right. It would have to be calculated pretty quick.

Gary Friend said yeah.

Mike Wickersham said if we still choose to do it that way.

Gary Friend said right.

Mike Wickersham said who is on that salary committee?

Gary Friend said I am.

Bev said I am.

Gary said Mike, Todd, Bev and myself.

Mike Wickersham said that's good. I thought you were on it, Dave.

David said no, I pulled off of it this year, since I'm a lame duck.

Gary Friend said but we did absolutely say we wanted to get this meeting through before we, yeah.

Mike Wickersham said well based on this meeting, it sounds like we better do that. And that would clean up a lot of chaotic mess.

Gary Friend said yeah, some of the complaints I've been hearing about it, I mean, we've all had emails to read about it, just means we're over the target.

Mike Wickersham said the E911 and the others, they can't take their comp time. There aren't enough people to cover them.

Gary Friend said right.

Mike Wickersham said and we started doing that with them anyway. I think we still are.

Laura said so, there's some rumor out there that some people have been told they'll still get comp time and others won't.

Gary Friend said no, they misunderstood what exempt and non-exempt is referring to. I was talking about there may be department heads whose salaries reflect an exempt status. They don't get overtime.

Laura said appointed, elected are exempt?

Gary Friend said elected are exempt.

Laura said but you're talking appointed department heads.

Gary Friends said going exempt.

Laura said may be exempt.

Gary Friend said exempt from overtime. Pure salary.

Laura said okay, because some of them think that they still are going to get comp time.

Gary Friend said well, they're not correct.

Laura said when you and I discussed it, I thought you were doing away with all comp time.

Gary Friend said that is doing away with it.

Mike Wickersham said it wouldn't make since to do away with just some of it.

Laura said exactly and that's what I thought, but, and I thought that's what Gary and I had discussed.

Gary Friend said the person that asked me, I said you misunderstood exempt and non-exempt is referring to whether you get overtime or whether you don't. Comp time doesn't exist in this plan if it's approved.

Laura said okay. Just clarifying.

Todd said you talked about it being easy to compute, we should probably be computing that so that when we see the budget in front of us, if they are budgeting over time we have some sense of whether or not it' realistic based off of what, otherwise, we're going to see their number and have no idea whether or not it's historically.

Gary Friend said and I actually think that the county general is healthy enough to take a very calculated stab at it, and if the department heads need more, they're going to have to come back to the council and tell them why.

Todd said yeah, I'd like that.

Mike Wickersham said and I suppose that report is still available. We used to get that monthly comp time report, that broke it down by department, and each department had the number of hours and the unfunded liability that that department was.

Gary Friend said did you look if the EMS is already paid out? 911 is paid out.

David said is that still available, that report? I haven't seen it.

Laura said we haven't done one for, since before Paula left. It's in our system. We just need to do the report.

Gary Friend said even the highway department is already paid out. Ambulance is already paid out.

Mike Wickersham said they're your high hitters.

Gary Friend said the sheriff told me that he thought his department would need $150,000.00 of extra budgeting for overtime. And I've shared that with the committee. Whether you knew that or not, I don't know. But I do believe personally, that if departments go over, and they have to have more, they'll at least as an elected body, they've got to come to and explain why, and convince the council to give them the extra money. If you have legitimate emergency services, a crisis is going on, everybody knows it. They don't have to come and tell you, you already know. If it's just a matter of not managing manpower.

Tom Chalfant said overtime should be 15 or 20% of comp time.

Gary Friend said and there's a lot of concern that comp time is used for 5 or 6 weeks of vacation. It's built up and up. You know, that's why when you hear people saying hey, if everybody goes to a paid lunch, there's only 52 people I think that are not out of 175. It's just mainly saying if you want to work through your lunch, go ahead you're already paid, but you didn't have to. You don't get to collect two hours a week for 50 weeks. Not that that's the way it goes but one hour a week is not uncommon to a lot of people trying to do it. I think that's why some of the email concerns are coming out because it's going to.

Bev said it's impacting the abusers.

Gary Friend said but if everyone were having to take all the sick time and all the PTO for personal paid time off, so nobody has to say they're sick to get their time. It's going to be interesting. And I don't know, Mike, maybe you know, but I'm not sure that, because Meeks at one time kind of told me that you can't have, a salaried person still has to show up for work or their salary is reduced. I never got that sunk deep into my mind, how that can be when you're salaried. With salary, you don't lunch time, you can't take away from the other side. The pendulum swings both ways. But we're also looking for, I don't know when all these decisions are finally made, if they're made, of getting Irwin involved to make sure we do it correctly. So, that'll have some budgetary effects.

Mike Wickersham said do Commissioners have any other questions of Jason?

Gary Friend said I do not.

Adjourn
Mike Wickersham said I'd entertain a motion to adjourn.

Gary Friend made motion to adjourn. Gary Girton seconded the motion. All aye votes.

David said I'd entertain a motion to adjourn the County Council meeting.

Tom Chalfant made motion to adjourn. Mike Stine seconded the motion. All aye votes. Meeting adjourned.

Reviewed and signed this 5 day of August, 2024.

RANDOLPH COUNTY COMMISSIONERS

Reviewed and accepted this 6 day of August, 2024.

RANDOLPH COUNTY COUNCIL

ATTEST:

Laura J Martin, Auditor of Randolph County