

Randolph County Council

July 7, 2020

The Randolph County Council met for its regular meeting at 9:00AM in the Commissioners and Council Room of the Courthouse with the following members present: Council President Gary Friend, Rick Brown, Tom Kerns, Max Holaday, David Lenkensdofer and Missy Williams. Also present was County Auditor Laura J Martin, County Attorney Meeks Cockerill and County Sheriff Art Moystner.

Council President Gary Friend presided.

Pledge of Allegiance

Chris Shaneyfelt – Communications Project update

Chris said I came today to give an update on the tower projects. Yesterday Mr. Burnworth and I met with the Commissioners and we requested permission to publish request for proposals for the recording systems for the telephone and radio systems and the tower bidding. He said those will go to publication on July 22 and then they should be presented to the Commissioners on September 8, 2020 for opening. He said the bidding package that goes out will include eight different things, tower steel, tower stacking, concrete work, shelters for the equipment, the electrical, the fencing, the civil work and part of the bidding will be dispatch furniture. He said that will include bidding for the seven sites, the three 300-foot towers and then the 4-180-foot broadband sites. He said all five of our 700-megahertz channels have been approved and signed over to the county, all sites are FAA approved including the south site now. Shippo approval has been received from two of the sites and the third one is still the Country View Farm site, we are still waiting approval on. He said there are still some on going FCC work and then our functional acceptance test or what they call the FAT test where we run the radio system through its paces with the vendor J & K in Columbia City is scheduled for 8-13-2020. He said beyond that the completion date is still looking like the end of the year before we take acceptance.

Gary asked how does the broadband part of it work.

Chris said he has not been involved in the broadband part. He said that is Terry and Greg Beumer.

Meeks said they did mention that the fiber conduit that the County is putting in will be able to hook into this system.

Chris said yes, Tom Chalfant had brought that up, that they were doing fiber work in the southern part of the county and all of our towers will be able to connect into that to help provide broadband in that area.

Gary said I wonder if Terry could let us know, how does broadband get turned on Randolph County, what is the mechanism that would become a reality.

Chris said I have a meeting with him tomorrow.

Gary said to ask him if it is a utility style bid, where the county owns the infrastructure but won't own the service.

Meeks said I think you will rent it.

Chris said you will rent that space is his understanding.

Gary said so you think we will have all of this by the end of the year.

Chris said it is all depending, he said his understanding that the steel is going to take the longest to deal with.

Gary asked Chris if he could tell us where the seven sites are.

Chris said I can tell you where my sites are. The north site is at Deerfield at the school, the central site is at the county highway barn and the southern site is at the Country view Family Farms at 400 W and Hwy 36. He said we are purchasing a piece of land there that is going to be 100 x 100 square feet. He said the reason we are purchasing it, the banks that have the mortgage on Country View Farms will not allow them to give us a piece of land. He said the surveyor is doing all the paperwork for Meeks to do what he needs to do to purchase it and we will go from there.

Gary asked him how he feels about the project.

Chris said so far so good, the economy is pushing stuff back, but we are moving on and making headway. He said our big concern was that Southern site and we finally got an agreement with them so we can push forward. It is just getting the rest of the red tape taken care of so we can start stacking.

Dave said he just noticed there was some expenditures of \$1.36 million.

Chris said that is for the equipment that has been received by J&K Communications. He said almost all of our equipment is there, there are still some stuff that is outstanding, he said in August they are going to put it all together for us at their site, we will go through the complete system and then they will tear it all down and it will go into a 53 foot trailer that we will store here until we can get it put up.

Dave said the other question he has is for Laura or Angela, the receipts show \$3.3 million does that include the \$400,000.00 from EDIT.

Angela said it does not. She said we received the prime on the bond.

Max said he would like to thank Chris for the updates on Covid-19.

Chris said they were doing the Covid testing at the field house, sports season and the school is starting to go back so that site has been changed and they are doing a drive through site until tomorrow and then Wendy McDavid has another site secured but we have to get the states approval.

Jason Semler and Caitlin Cheek Baker Tilly – Comprehensive Financial Plan

Jason passed out copies of the new Comprehensive Financial Plan to all the Council. He said as you know we have done a Comprehensive Financial Plan for the county. He said we started on this quite a while ago, then Covid hit, we have had numerous calls and discussions updating this and as you can imagine everyday we are learning something new and getting more information, so we have been updating this plan as early as this week with new assumptions. He said we wanted to come in front of you and go through this as we have done in the past, answer any questions that you have and hopefully you can use this as you start to work on your budget for 2021. He said he will have Caitlin to go through the schedules, we will go through it similar to as we have done in the past fund by fund, but we can go as quickly or as slowly as you would like for each fund to answer all your questions and talk about some of the assumptions that we used. We have tried to be kind of conservative in some of these numbers, so hopefully this will be worst case scenario.

Kaitlin said she has been here a few times for some of our bond issues and the prior financial plan as well. She said I am going to start on page 3 which is our executive summary. She said this first section is a summary of all the numbers that follow it kind of walks through our Covid-19 assumptions but I will go through them line by line on later pages as well. This is something you can read through later, it also discusses that circuit breaker references. She said on page 4 there are graphs that kind of show more big picture trend for the county, so we have our estimated and actual net property tax and circuit breaker credits, so that gives you an idea of how much of the levy each year is lost to circuit breaker and below that we have the break out for the county, the total of amount of circuit breaker credits that the county has and the counties portion of those losses. She said there is just a little pie graph there showing how the county contributes 26% of the total County circuit breakers.

Jason said he would add as you are working through your budget that top graph shows historical losses that you have had for circuit breaker, but we also estimated next year \$627,000.00 in circuit breaker losses and that is looking at parcel by parcel analysis, kind of looking at your trend on what assessed value has done historically. He said the decrease in farm land as you have seen.

Gary asked if that is over now, have we plateaued.

Jason said it will be another year or two and then from estimates, I think in 2023 it will start ticking back up, but again that is kind of a running average, so it all depends on farm income, but we think it will decrease for a couple of more years. He said that is contributing to your circuit

breaker, one thing that we haven't seen yet and we are kind of working on assessed values, have you seen what assessed values have done countywide.

Gary said down.

Jason said that is not to surprising just because another impact of Covid is kind of what we been hearing assessed values might go down, so that may increase your circuit breaker.

Gary said ours was down before Covid even impacted.

Jason said what I have heard from some other counties is and this was a couple months ago but businesses were already telling the auditor we are going to appeal our assessed value for 2021 and they had not even gotten their assessed value yet.

Gary asked if the Dark Box rule go through.

Jason said they have tweaked that a little bit each year, but it is still not where we need it to be.

Gary said they are still saying an empty store should be assessed at the same value as an opened store.

Jason the tweaked it but eventually they can still appeal it at the lower value. He said he just wanted to bring that up that we think the circuit breaker is going to increase.

Gary said other counties have got to be experiencing the circuit breaker the rural farming counties.

Jason said yes.

Gary said do they have special plans on how to overcome it.

Jason said no, the one good thing that has helped in recent years is income taxes have been growing pretty healthy to offset some of it but we are still seeing balances, we have seen a lot of counties increase their income tax over the last two or three years because of increased circuit breakers. He said they are in the same predicament, you don't really have a lot of choices, cut cost and increase taxes.

Gary said a third factor is population drift.

Caitlin said page 5 is showing a graph, we were just talking about the change in assessed value over time, so this is looking at historical tax rates as compared to historical assessed values and we have seen assessed values decrease by 2.2% since 2016 to \$1.1 billion in 2020. She said go on to page 6 and this is a graph showing actual and projected ending cash balances so it is historical from 2015 through 2019 and then our estimates of 2020 through 2023 so you can see kind of an upward trend from 2017 through 2019 and we have built in some assumptions related to Covid-19 that are impacting that 2020 balance there. With the windfarm and some of the

other funds to see hopefully that affect of Covid-19 wear off, then hopefully you will be back on an upward trend again. Page 7 is a historical expenditure for those operating funds, so the average increase from 2011 through 2019 in your expenditures is 4%.

Gary said our increase is 4%?

Caitlin said that is the average.

Gary said what is the average growth quotient?

Caitlin for 2021 it is 4.2%.

Gary asked if she knows what the average growth quotient was for 2017. Are we out spending the growth quotient?

Caitlin said for 2020 it was 4% so she would have to look at what it was for 2017.

Jason said any expenditures this also looks at your income tax, putting in your income tax funds and all of your other funds as well. He said what is important breaking your growth quotient and this is why you are getting hit hard by circuit breaker is your growth quotient is kind of like what you are allowed to spend and property taxes froze by about 4% per year, but as you saw your tax base is going down, so when your budget goes up and your tax base goes down its higher tax rates, higher circuit breaker. He said it is not because you are spending too much, its just your tax base is going in the wrong direction.

Caitlin said page 8 is just some funding options, so number 1 is reviewing your general fund appropriations and seeing if you can shift any expenditures to other funds. Number 2 is similar opportunities to shift appropriations from other operating funds to special revenue funds, so you are not relying on the property tax levies. Three shifts circuit breaker credits among funds is necessary for the budget and estimated annual receipts to avoid declining cash balances. Five reviews charges for services the county charges and then six have a three to five-year capital plan and issue of short-term bonds, define projects and help maintain your operating cash balance. She said pages nine and ten have reference pages for you to use to reference different funds that we go over in this report. She said go to page 11, these are cash flow assumptions that really informs the rest of the numbers that you are going to see as we walk through these. Number 1 the first section of receipts is about the maximum levy and so we show here the allocation of your total maximum levy amongst those funds that receive it and look at 2019 actual and 2020 actual allocations and for 2021 through 2023 we maintain that the allocation remains the same moving forward, we did include that growth factor for 2021 a 4.2% growth, for 2022 a 4% growth, and for 2023 a 3.8% growth. As Jason mentioned before we did have a parcel by parcel analysis prepared for the county and we used that to inform the circuit breaker assumptions and so for 2019 and 2020 those are your actual circuit breakers, so for 19, 07.9% of the levy came back as circuit breaker, for 2020 its 8.15% and then for 2021, we are assuming it is going to go up to 9.16%, in 2022 up to 9.69% and 2023, kind of even out a little at 9.62%.

Jason said that is saying that you are losing 9% of your levy, of what you should be receiving, you are losing 9%.

Caitlin said number 3 is our excise tax, FIT and CVET revenues, we used historical information for that. In 2019 you received 7.24% of your levy in those revenues and we held that constant moving forward. Number 4 is a levy excess short fall, so 2018 and 2019 those are based on the actual property tax that you received compared to your levy and also taking into account circuit breakers that was just any nonpayment or delinquencies and this is a line item where we have a specific Covid-19 assumption, you will see on the cash flows where there is levies that there is going to be two ending cash balances, we created that second cash balance to show you if those increase non-payment do to Covid-19 pandemic where your cash balances would end up. That first cash balance is assuming that we continue on in relation to a normal rate and the second cash balance assumes that you see in this case a 10% reduction in your total property tax received as a result of Covid-19.

Jason said that 10% reduction is just an assumption that we are making for delinquencies, he said spring settlement wasn't too far off, it was a little bit less than anticipated which we anticipated especially with tax bills being allowed until July 10th without incurring a penalty. He said it was still pretty strong, but talking internally we thought if this continues there could be people not paying their taxes in the fall, hopefully this is kind of worse case, you won't see a 10% delinquency rate.

Caitlin said similarly number 5 this is our local income tax assumptions, in that top part of the cash flows where local income tax that will be the same amount that was certified for 2020, keeping it the same amount for 2021 through 2023. In the lower second cash balance that we'll see we did assume a reduction do to high unemployment as a result of the Covid-19 pandemic, we used a 5% reduction in 2021, a 10% reduction in 2022 and then a 5% reduction in 2023 for income taxes.

Jason said in prior versions we talked about we had assumed a 10% reduction for 2021 and that is really because at one time the distribution is based on what people earned in 2019 and they are filing their taxes in it was going to be April and now it is July. In a normal situation you wouldn't expect 21 to be reduced because there was only impact up until 19, but when the state allowed people to file their taxes late we thought that would affect the 21 distribution because the 2021 distribution is based upon your income tax filings as of June 30. So, if people wait until July 15th to file we are concerned that all those funds wouldn't be included in your 2020 distribution. He said in the last month or month and a half the governor extended when those funds could be included in 2021 so now it's the end of August. We are hoping that you could even see an uptick until 2021 because hopefully the 2019 revenues were higher than the prior year but again assuming that some people don't even file their taxes because of the situation they are in we have assumed a 5% reduction in 2021. He said hopefully that doesn't come to fruition and is better than that. He said we are anticipating that in 2022 you will see decrease just because of the unemployment. He said that is 10% and that number really came from with the great recession that occurred in 2008, we saw state wide about a 10% reduction, each county is a little different you guy were right about there and it was about a year or two delayed which you

did see that often in counties, 10% was typically on the high end for most counties including yourself.

Caitlin said number 6 is our MVH distribution and again do to the pandemic we assumed there would be less road travel when everyone was to shelter in place, so we have assumed, we used actual receipts for May 2019 through April 2020 and then we used a reduction for three of the months of 40% just do to less travel for part of the year. Moving forward we assumed that the estimate from 2020 budget starts to come back for 2021 through 2023. For local road and streets, we assume that the distribution is based on the budget.

Dave said he had a question for Jason. The LIT tax for 2020 will we see the total amount received from that. He said what he is asking is that he sit in on a meeting with Larry DeBore and the counties don't have the income coming in, they may not receive the total amount of LIT. He said he knows it goes back 18 months but it is a cash issue that if you are not collecting as much to pay the commitment you may not see as much going forward.

Jason said typically and he can't remember if you guys receive the supplemental distribution this year or not.

Dave said we did not.

Jason said there usually is a trust fund that once it gets built up to more than 15% then you get additional distributions. That is what that 15% is to help cover, you're not collecting as much throughout the year. Your right if a short fall is below that 15% it could reduce your next year's payment.

Dave said even if the cash isn't there.

Jason said yes.

Dave said that Larry DeBore led us all to believe that it could be a cash reduction for this year because the cash wasn't available and I don't know how they do that.

Jason said he has never seen it be reduced mid-year. It could definitely impact next years and I have often seen where counties are flat and they don't increase.

Caitlin said I am on page 12 and with the help of Angela and Laura these were some of the revenue items that we made change adjustments with just this week. So, we worked with them and looked at some year to date receipts for some of your miscellaneous revenues to see how some of the charges for services and fee-based line items were doing so far in 2020 during the pandemic and so you can see here some specific assumptions that we have for those. Generally overall for anything that is a charge for service or fee we assume that you are receiving about 80% this year just to be conservative of the revenue you received in 2019, so we see that for 2020 and we assumed for 21 through 23 that those revenues will bounce back.

Gary asked Angela if we are tracking below 80% right now.

Angela said yes.

Jason that why we put it at the whole year its 80%.

Gary said we are experiencing that right now.

Jason said has it come back.

Gary said no.

Jason said hopefully as the year progresses. We want to account in the reduction activity that we have seen.

Caitlin said some of the specific line items that could see drastic short fall already for the year so we made some different assumptions for those is the County Sheriff services we are assuming that only 50% of the revenues received for that line item for 2020 just do to what we have seen year to date. Earning on investment we assume that you are only going to earn 50% of what you have earned historically on investments for this year and also for 2021 just do to the impact on the economy of the pandemic. Emergency medical service fees we also decreased that to 80%. Lastly the rental property due to the sale of some farm land through some of your projects and things like that we just think that the revenue you receive for rental property will decrease.

Gary said you show that decrease through 2023.

Caitlin said yes. The last section is discernments of which we are still using the 2020 budget assuming that you spend the entirety of your 2020 budget for every fund. She said we do assume a 2% increase to each budget for 2021 through 2023 and we hold capital outlays at a 0% increase for all the funds as well. Page 13 is just a graph again to reiterate the circuit breaker, this is showing your actual circuit breaker going back to 2010 through 2020 and then our future projections 2021 through 2023, as Jason mentioned earlier they would increase. Page 14 is a summary of all the actual and projected cash balances for all the funds that we have detailed in the report, so this is just a nice snapshot of where we project all those funds to end up at the end of each year. She said 2018 and 2019 those are actual ending cash balances and then 2020 you can see we are projecting for the fund that we looked at an ending cash balance of \$10.8 almost \$10.9 million, so a decrease of about \$3 million from 2019 to 2020. As we discussed earlier we see an uptick for 2021 through 2023 with the help of some of those wind farm funds. Now we are going to look at each individual fund and if anyone has question feel free to stop me. The first fund on page 15 is our general fund, I want to point out with what I mentioned earlier when we were talking about the assumption on line 44 is our ending cash and cash equivalence, so that is our ending cash balances assuming that all those changes to miscellaneous revenues that we talked about but not any changes to income tax or the levy. If you want to see the projected ending cash balance assuming that we come in short on property taxes and see a decrease in income taxes that is on line 49. Go back up to the top we have our receipts at the top and our certified levy on line 3 growing by the growth quotient and maintaining the same allocation as we have had historically followed by circuit breaker and miscellaneous revenues and our income

taxes and all those separate line items we have talked about, you can see on line 13 county sheriff services dipped down for 20 and going back up for 21.

Jason said you can see on line 24 the total revenues 19 is \$9,386,000.00 now we are projecting 2020 only being \$8,691,000.00 the reason for that decrease is as Caitlin mentioned all those reductions in revenues that we talked about, 80% of all your fees, that is kind of a big reason why you are going to see your ending balance going from \$3.8 million to \$2.9 million is you are losing almost \$700,000.00 in revenue based on all these assumptions.

Caitlin said if you go down to line 34 that is your total operating disbursements that Jason was just talking about, you see the difference in operating disbursements for 2019 was \$9.1 million and for 2020 assuming you spend the entire budget would be \$9.7 million. Go down to line 41 and every page shows the increase/decrease of the amount of cash balance you are receiving or losing in each fund, so for 2020 we are projecting a loss of \$900,000.00.

Jason said if this comes to fruition these revenues you spend 100% of your budget we are projecting that your ending balance of your general fund is about \$2.9 million compared to the \$3.8 million at the beginning of the year. If you were to also see 5% of delinquencies or 5% or your tax payers don't pay then that balance would go down to \$2.4 million.

Caitlin said that carries forward, we assumed the budget grows by 2% each year but if you want to maintain that \$2.9 ending balance that we are projecting for 2020, you would only be able to spend about the \$9 million of receipt that we are projecting.

Gary said we have a proposed budget now of \$10.2 million.

Angela said yes.

Gary said that is not going to work.

Jason said we did look at this is assuming you spend 100% of your budget and historically you spend 100% of your budget, its 96 to 99%. It is not like you typically have a lot of cushion in your budget.

Caitlin asked if anyone had any questions on the general fund. Page 16 and 17 are a few graphs illustrating the numbers that are on page 15, so we do recommend that counties shoot for a 15% operating balance. On page 16 is a graph showing we project your ending cash balance for the general fund into the future and where that 15% operating balance would be at, for 2021 that operating balance of 15% would be \$1.4 million and we are projecting you to be at \$2.9 million and if you look down we continue on this trend in 2023, 15% operating would be \$1.5 million and we are projecting you to be at \$600,000.00.

Jason said going back to page 15 you can maybe move some of these funds around. He said as you are looking at your budget for 2021, you can either look at your revenue you are to receive is \$9 million or we need to reduce that by the 5% income tax, we can help you calculate that if you are trying to come up with a budget for your general funds and you know your desired balance,

lets just say you want your balance to go back up to \$3.8 million, we can back in this is how much revenue you have, this is what you want your ending balance to be, so the difference is your budget for your general fund. That is how you may want to look at your budget going forward.

Gary said even if we stay at \$29 we level out.

Jason said yes, \$2.9 leaves you with a 30% so that is over 2 months in the bank.

Gary said it is going to be a pain to remain at \$2.9 let alone trying to build.

Caitlin said page 17 is another graph comparing receipts and disbursements and you can see disbursements are bigger than receipts in the future. Page 18 is our reassessment fund, this is a levy fund, we have those two ending balances, one on 21 and the illustrated-on line 26, so again we show the levy increasing, then in our receipts, you did move levy from 19 to 20 in the reassessment fund and we did keep allocation the same, that's obviously an annual decision, when you are doing your budget.

Gary said what we have done on a surplus on this assessment is managing what's in the next years need versus just letting it build.

Jason said I think that is from prior recommendations, we had that balance in there, so we recommended using that levy from here to the general fund which has helped and you have done exactly that and now you have dwindled it down, so we can do this for next year, but in 2022 we can see right now we are looking at \$6,000.00 short fall, you might need to bump it up a little bit at that time.

Gary said we had the same strategy on the Health Department, trying to keep them funded.

Jason said that is exactly what you want to do.

Caitlin said jump to page 21 which is your Health fund. This is another levy driven fund, another one that we talked about we shifted levy from 2019 around and increased it through 2020 and we have held that moving forward and you see that we project for 2020 to end with a 20% operating balance of \$42,000.00 and then slowly building from 2021 through 2023, so this could be some opportunity to move some money back to the general fund if needed.

Jason said or move it to the reassessment since it is coming up short.

Caitlin said to skip to page 24, this is your Public Safety Fund, in the top part of the cash flow shows certified public safety income tax which is \$605,000.00 for 2020 and we held that constant, assuming that you spend your entire budget of \$628,000.00, almost breaking even for 2020 for \$23,000.00 cash balance. You can see on line 24 that is illustrating that if you receive those decreases in income taxes, where we would project your ending cash to be at assuming you spend your whole budget.

Jason said this will be one where we really want to be as your looking at your budget, unfortunately, the positive thing that the governor extended the time when the income tax could be included in your 2021 distribution, but now we may not know what your actual 2021 distribution is until after you are pretty well through your budget process.

Gary said you can zero it out when its certified, but you can't if it is not.

Jason said that is something that we won't know 2021 until later in the year than typical. He said he heard that we were supposed to get an estimate county wide, by the end of this month or early August, again that is just an estimate and in some years estimates have been good and other years they are just estimates, he is anxious to see what we get from the state, but that is one that if we do see reductions of 5 and 10% we may have reduce the budget here or move some expenses around. If there are no reductions you can fund this budget at least for a couple more years.

Caitlin said on page 27 is our EDIT fund, similar to the Public Safety fund, we held constant, the revenues, your certified shares for Economic Development from 2020 through 2023. We assume that you spend your whole budget for 2020 and we project a decrease of \$192,000.00 for 2020 from this fund and ending this year with \$966,000.00 and you can see from 21 to 23 there is a short fall that we are projecting each year if you maintain that same level of Economic Development. On line 32 you see the impact if we see that decrease again in the EDIT funds, but there is a healthy balance in this fund to cushion the shortfalls. Page 30 is our Special Purpose Income tax, this fund pays the debt service on the 2005 bonds, 2016B Bonds, 2019 Bonds and 2020 Bonds, we broke this all out for you individually on lines 7 through 10, so you can see all the individual debt service payments and they are well covered by the current level of special purpose income tax that the county is receiving and even on line 21 assuming a decrease still enough income tax revenue to cover that debt service as well.

Jason said this page is very important because we are showing here that beginning next year we believe you can pay for all of your bonds out of this special LIT and not have to put a levy on. He said our goal is to gradually decrease that levy and eventually completely take it off the tax rolls. He said in 2021 you can do that. Even if there is a decrease in income tax the next couple of years, you still have enough money built up that you can handle that decrease and still cover your bond payments and not have the levy in place.

Gary said that was our goal not to do it and also start to reduce circuit breaker slightly.

Caitlin said page 31 is our state wide 911 fund, so for 2020 we assume the 911 would maintain the same level of revenue that it has historically and if we spend the entire 2020 budget in this fund we would end 2020 with a balance of \$187,000.00 about 42% of the operating balance, she said you can see that it is operating at a shortfall each year and that we could fund the budget at its current level through 2023 almost.

Gary asked where is this revenue generated, is this from telephone service too.

Jason said yes.

Gary asked if that was cellular phones too.

Jason said they added that years ago, because of less land lines.

Caitlin said on page 34 is Local Road and Street, so for 2020 the Local Road and Street distribution is based on the 1782 notice, so it was already projected to see a decrease and we held that constant through 2023. Assuming again that we spend our whole budget, we are anticipating a shortfall of \$27 almost \$28,000 for 2020 and an ending cash balance of \$263,000.00. This is a very healthy cash balance in this fund, it will fund that shortfall for quite a few years.

Jason said that the 1782 was actually lower than what you have collected so far and kind of prorated it for the year, it looks like we are probably going to collect more than what we are showing here.

Caitlin said page 37 is your Highway fund, we did project a reduction for 2020 because of less travel due to the Covid-19 pandemic, but then we increased it back up to the 1782 notice estimate for 2021 through 2023. This is again assuming you spend the entire budget which is \$2.3 million compared to the expenditures for 2019 of \$1.7 million, a little higher, so we have a shortfall in this fund for 2020 of \$62,941.00. The next budget we are going to look at is the Highway restricted fund, looking at what expenditures maybe out of the Highway fund could be paid out of the restricted fund, that one has a balance available, when you are looking at your budget.

Gary said we requested the Highway Department pay everything possible from restricted first before you move to non-restricted.

Jason said that is what we were looking at here, there is a lot of surplus. He said the big thing is a lot of personal services that can't be in restricted.

Caitlin said go to page 40 is the restricted fund and there is a very healthy balance and building, it is based on the 2020 restricted fund budget, so as you can find more projects that qualify to be paid out of this fund.

Jason said one of the things that AIC was talking to the governor and trying to get legislation changed. You are no alone here, a lot of counties find that it is hard to find items that hit that restricted requirement and its 50% that has to be applied to restricted, there have been discussions to try to reduce that amount, so it is not as restrictive to you. I haven't heard that that made much progress this year. He said there are some Cities and Towns there is no way they can follow this guideline, because they have so much personal wrapped up in that, that is something that he always recommends when he is out in counties and communities, talk to your legislators, help them understand how this doesn't always fit each particular county.

Gary said to your knowledge on the highway funds, wheel tax and tipping fees, can any of those funds be used to help relieve the personal services that is in the nonrestrictive.

Jason said he believes wheel tax is pretty flexible.

Gary said we just need to find subsequent funds to use as relief. Highway is not as bad as it looks when you go page to page. That is just one of the things we can do with the tipping fees, they are not real restrictive.

Jason said unless you have something in your own ordinance that restricts it. Those are typically pretty flexible.

Caitlin said page 43 is the wheel tax fund, we did project in our assumptions a slight decrease in the wheel tax for 2020 and then bumping back up in 2021 through 2023. We don't have any budgeted expenditures out of this fund so you can see the cash balance is building, there is a good amount of revenue already available in this fund and coming in each year.

Jason said this is one area where you could stop that gap.

Caitlin said page 46 is our windfarm economic development fund, line 3 our windfarm payment that's following the schedule per that economic development agreement and then line 9 is our school payment schedule, showing that coming out of the windfarm revenue also, so for 2020, we are projecting that the fund will end the year with \$500,000.00 and then moving forward we don't have any other expenditures coming out of it besides those school payments, so you can see that fund balance building as well.

Max asked since we started this, when we made the original proposal to the schools, it is my understanding that the state legislature has given them the funds that they would be losing and I am thinking that we need as much money as we can get and I am going to propose that we discontinue the payments to the schools, but that is going to take a resolution on the Commissioner's part as I understand it.

Meeks said he thinks Max's question might be, there has been a change right.

Jason said yes there has.

Meeks said what does the schools get from new development now.

Jason said the fund that we thought by doing the 100% abatement and getting additional economic development payment, what the school is going to be losing as far as new revenue was in their cum cap development fund, that works the same way as the counties cum cap, so whenever that tax base increases, the school would have received additional revenue, so we kind of looked at it as if that assessed value were to pass through this is how much additional revenue the schools would have received. He said that is the way it worked when the agreements were done. Since then the state has come back and said we are not going to treat the capital project fund separately like a CCD fund, it is going to be part of the schools maximum levy, so it is going to go up by a percent each year, but that number that they used for the starting point that they gave the school was probably a little low because it did not include that \$100,000.00 or what ever they should have gotten and was given to them by you in place of property taxes. He

said in a way he can see the school saying no, when the state gave them the maximum levy number increased it by \$100,000.00 it really should have been \$200,000.00 because we would have gotten more property taxes, we are not getting property taxes, we are getting payment from the county. He said you are right the law has changed but the amount that the state gave them as their base wasn't as high as it could have been because the tax base wasn't that high because you gave the 100% abatement. I can see the school saying your right, but we are still short because our starting point was lower.

Meeks asked if that would be a hard analysis to do if the County Council decided to do it.

Jason said no, we can do it.

Meeks said we could quantify that in a number.

Jason said yes.

Gary asked if it would work on the same curve as the circuit breaker would have worked had not put it into the economic development fund. Which didn't show a lot of help.

Jason said we did that analysis for the reduction.

Gary asked Max if he wanted to see a report on that. On what the dollar for dollar actuality is or is it just a matter of principle.

Max said it wouldn't hurt.

Missy said I would like to see it, but for me it is a matter of principle. I support Max on this. I know times are lean for schools, but they are lean for the county right now too.

Max said I am not sure it is all that lean for some of the schools.

Jason said we can look at that.

Max made a motion to have Baker Tilly create a report on the wind farm funding to the schools. Missy seconded. All aye votes. Motion carried.

Caitlin said page 47 is the new wind farm fund for Headwaters II, right now we don't have any expenditures coming out of this fund, but I am showing the economic development payments, there is a good balance there as well. Page 48 is Next Era wind farm fund which is receiving its final payment in 2020, so you can see that \$105,000.00 balance at the end of this year. Page 49 is our rainy-day fund, so right now we are showing that the fund will have \$1.1 million at the end of 2020. Page 50 is the cum bridge fund which is another property tax fund, so line 3 is your certified levy from 2020 and showing that growth quotient again through 2023, we are assuming this fund will have \$550,000 in revenue for 2020 and our budget is \$486,000.00 adding to the cash balance for 2020 in the cum bridge fund.

Jason said this is another one that is in your maximum levy, cum bridge is typically a fund where you build up a reserve and then you do a large project, but a lot of counties have bridges that seem to be large projects, but it is one that you don't have any large projects in your future to save for this is one where you could move some levy from here to another fund if you needed to.

Gary said we are not allowed to get into a bridge fund if its standing on levy, because our population is too low.

Jason said population has to be 100,000 to have a major bridge.

Gary said is that something that can be advanced to legislation that its not fair, we have 800 miles of roads out here and 300 bridges.

Dave said 306 bridges, we rank third in the state of Indiana.

Gary said and just because we only have 25,000 people, we are not allowed to have a special levy for it.

Jason said anything can be amended or changed. He said you can even be as specific as a county that has over 300 bridges. He said he could see that getting passed easier than just dropping the population to 25000 because it shows the need, how your county is unique and it could be deserving of special legislation.

Caitlin said page 51 is the cum cap development fund and you guys are at the maximum rate for this fund and assume that you spend the entire budget for 2020 its \$740,000.00 which results in a decrease of \$330,000.00 on line 26 and ending 2020 with \$485,000.00 on line 29.

Jason said this is one fund that we have talked about you have capacity, you may lose some expenses and you could continue to do that for maybe a year or two, it is a short term.

Caitlin said the last fund is the courthouse bond fund that we discussed earlier it's a special LIT, we are showing that this fund won't need a levy for 2021 and that all the debts are listed and this fund can be paid from the special LIT fund. You can see the difference in that ending cash balance is just, the change is just the amount that would be paid out of the special lit fund if there is a shortfall in taxes. Assuming that we spend as much out of this fund so that it zero's out at the end of the year and then move forward in paying the debt service from the special LIT fund.

Angela said on the Special LIT we have \$125,000.00 that has not been appropriated, should I put a levy on for communications, we earmarked that to pay for the rest of the communications project but it has not been appropriated.

Jason said we are showing that at the end of this year having a million and the end of next year \$1.2 million worst case. We will look at that to triple check.

Caitlin said the following schedules are just some more supplemental information for you to have as reference, so page 53 is a summary of your current local income taxes.

Gary said the levy for the courthouse bond, that is part of our total levy.

Jason said it is outside of the maximum levy.

Gary said so it lets that fund build and maintains where it is at, that fund actually has openings in it for Courthouse operations. The Special purpose taxes. So, if we allow a levy that sits outside to allow that fund to have some growth, we could use some of that fund for operations.

Jason said yes.

Gary said if we reduce the levy totally then we pull that fund down but our ability to have some operating funds goes down with it.

Jason said that is correct.

Gary said that is something we need to consider.

Jason said I know you have looked at the special LIT and it is limited on what it can be used for.

Gary said it is but if we had to have Courthouse security, that is one of the things you could fund out of that, but if we take it all away and reduce it to actual expenses of bonds, we won't have that room to do that. That is something we should be considering before we say the levy goes away.

Jason said he would look at it over the next three to five years, expenses that qualify and include it in our schedule here and if the cash flow doesn't work then maybe you don't want to eliminate that levy.

Gary said just conversation, if we are getting our self into a cash balance problem and we are, loosing cash opportunity may not be the best thing to do.

Jason said I would recommend looking at all of those expenses that qualify for the next three to five years, see if it fits within this cash flow, if it doesn't then you may want to keep that tax rate on for another year or two in order to build up that fund.

Gary said not in perpetuity, but just to get some room in the next two years.

Caitlin said page 53 is a summary of your local income tax, so you can see at the bottom the county has a .5% property tax relief income tax, your expenditure rate is made up of your certified shares, public safety and EDIT, which you have a 1% certified shares .25% public safety and .25 Economic development income tax and .25% special purpose income tax. Pages 54 and 55 are just for reference on your actual expenditures compared to your budgets for 2018 and 2019 for each of the funds. You can kind of see which ones historically under spent and over spent over the past two years and like we mentioned before the general fund has spend

nearly 100%. Pages 56 through 59 those are your outstanding amortization schedules, those are just for reference on the bond payments for the outstanding bonds.

Gary said that is a good report, Thank You. It is everything I asked for, it doesn't build budget for us, but it will help us do it.

Jason said I keep going back to where we were four or five years ago and where we thought we were going, you guys have made some difficult decision, but it has paid off. Even thinking about the impact of Covid and an 80% reduction in a lot of your revenues and potentially 5 to 10% of income and still have positive balances for the next four years says a lot for what you have done. I can tell you compared to a lot of counties, it could be worse.

Meeks said I received an e-mail the other day, are there going to be more binding revues. He said he just received an e-mail that the city of Winchester could do a binding review of say the Library if the Library had a certain amount of cash reserves.

Jason said I have heard about that. Did you already review the libraries?

Meeks said I think you guys review the libraries, right?

Gary said only if, we had to do Ridgeville's before because they had to spend more money from rainy day. They over spent so we had to review it.

Gary asked if anyone had any other questions for Jason.

Dave said I just have a comment, I don't know if you guys read your AIC magazine, there is a great article in there about county budgets, one major conclusion in it, is to have a strong rainy-day fund and I am a big advocate of trying to increase this. I think we need to evaluate this moving forward and see if we can increase that potentially with wind farm money.

Jason said the rainy-day fund, our biggest concerns a few months ago, what your spring settlement would look like if people did delay paying their spring taxes and having a nice balance in your rainy-day fund would allow you to do without borrowing and you would not have to do a tax anticipation warrant and pay interest and professional fees. That short term cash flow is very helpful.

Gary said we do a resolution every year to make that possible to use.

Gary asked if any of the other council people had any questions for Jason. Hearing none, he asked Jason if we need help on the general budget, is that something we can hire your firm to do. He said our challenge this year is going to be getting this general fund budget balanced to not have significant pain throughout the county, because that one fund is in desperation.

Jason said we do have a budget department.

Gary said we are looking at some way between our requested budget and our expenses that we can afford, there is a \$1 million difference between the two and it is not the easiest to fix.

Jason said we will be glad to help in any way we can.

Bob McCoy said he would like to see an analysis on maybe consolidating a little bit between the cities and the counties.

Gary said let's take a 5-minute recess.

Gary called the meeting back to order.

Jake Donham – HVAC Community Corrections

Jake said a couple of weeks ago there was a compressor bad on one of the roof top units at Community Corrections, I don't have enough funding in my building maintenance to cover it. It was \$2,498.75, I asked Commissioners yesterday and they recommended asking for \$2,500.00 into my line from CCD to cover that, that way I still have five or six months left to go and I hate to dump complete maintenance line items over there and still need. He said the compressor was on site and they had it fixed the next day.

Gary said there is money available in CCD are there any questions.

Max made a motion to pay this expenditure of \$2,498.75 out of cum cap. Missy seconded. All aye votes. Motion carried.

Jake said also he received a bill from our outside vendor for the lawn care and I am going to fall short on that. He said I was hoping we wouldn't, but we had a lot of late snows, taking care sidewalks and parking lots, both at the RCFFO and here. We are still more than once a week, we have been fortunate enough to get the rains and normally we are spreading that out, but so far it looks like it is going to keep growing. He said I will be okay this month but next month for sure I will fall short, I didn't know if we could put some money into those to line items for the Courthouse and the RCFFO. The RCFFO budget actually takes care of EMS mowing as well.

Gary asked how much are you needing.

Jake said if we could do \$2,000.00 to each facility, that would get him close, depending on what mother nature does to us this winter.

Dave made a motion to add \$2000.00 to each of the line items for outside maintenance for RCFFO and the Courthouse. Tom seconded. All aye votes. Motion carried.

Gary asked Jake how it was going with the fans for the boiler system.

Jake said we are waiting on equipment. He said they received some of the equipment, but they only shipped one of the two fans. He said we did run a punch list this past Friday, Salyer Taylor, Argo and some of the other people were on site. He said there was nothing major, just some

cosmetics and some things that was missed on the spec sheets as far as sealing between floors for fire, caulking and that kind of stuff. Salyer Taylor is on site today getting some of that stuff taken care of.

Gary asked what Jake's perception of the project is. Is it what you expected.

Jake said it is definitely not where I wanted it to be or expected it to be, I would have liked to have had it done. He said so far on the A/C it is working awesome, the units outside, you can hardly even tell they are running and everything is staying comfortable as hot as it has been, I think is really good. Once we get the boiler dialed in, I think then we will know for sure. It was definitely a need, we needed another heat source on top of the Diken to make it work correctly, we needed that all along and once we get that dialed in I think we will be where we need to be.

Art Moystner, Sheriff – Jail Security System

Art said what I have today is change orders, there is three of them, I sent out an email trying to explain the best I could what was taken place with it, I can tell you I initially looked at doing this with the project to begin with, but I knew it was going to cost more at the time, so I didn't do it and we were able to get the engineer in to the jail and look at it. We actually did change order one is actually removing one of the work stations in dispatch because it is not needed. He said that was a savings of almost \$8,000.00, then I talked to Chris Shaneyfelt and we had software that would print ID's that we need to get into DOC and some of the county jails require those and the printer went down, the printer itself is \$3,000.00 or \$4,000.00 expense, his software is in the mid \$2,500 range give or take a few years and it is obsolete now. He said to add that stuff in were looking at probably a five or six-thousand-dollar expense anyway, so to add into this project and take it back in, I asked the Commissioner's yesterday to approve, which they did and what I am bringing you today, is going to add \$9,620.00 to the project. If we are going to spend that \$4,000 or \$5000 anyway for the ID maker. This also puts some card readers on a few of the interior doors and I think it would help with movement inside to be more efficient, instead of jail staff having to wait on dispatch to move them through the doors, there is a few of those doors they will be able to move through. He said there will not be any card readers within two doors of the exterior for security reasons. It's something in my opinion I think the system can build throughout the county if we ever get in the position that we would secure the courthouse. You could have multiple ID's for other agencies if they need it.

Gary said the \$9,620 is above and beyond the \$8,000.00 savings.

Art said the \$9620.00 includes everything, the change orders, the initial one would save us \$7880.00, the second one would cost \$10,050.00 and the third one would cost \$7,450.00 so the total change is the \$9,620.00.

Tom made a motion to approve the change orders presented by the Sheriff for a total expense of \$9,620.00 out of Cum Cap. Max seconded. All aye votes. Motion carried.

Art said the other thing that should have been given to you was the commissary report. If you would look at the total on that the only thing that I would note on that is as soon as the supply

lines start moving again, we will be buying another vehicle for this year that we are going to buy out of commissary so that is going to reduce by about \$40,000.00.

Gary ask if the total is the \$97,446.00.

Art said yes, that is also going to slow down a bit, when you look at the deposits over the last six months, when I did the contract to bring in commissary, to make that more enticing for us they gave us our portion of the profits and we got some of the company profits for a year and that ends in August. He asked if any of the council had any feed back regarding the commissary report presented.

Gary asked how the jail was doing through all of this Covid-19.

Art said we are doing pretty good, our population, I haven't had a chance the last two mornings to look at our population yet but as of Friday we had 34 inmates. I can tell you in talking to the judges because I have worked with the judges throughout this on what we allowed to come into the jail as far as arrests and what not, and still balancing the safety of the county obviously, on probably July 20th we are going to start fazing in some of the other things we have been excluding and opening up more of the intake so the population is going to increase to what extent, I think this is also some positive you can take out of this, as far as incarcerations and what we are going to hold because I know there are certain misdemeanors we have held and when they get to trial their time is served, there is certain level 6 felonies that we hold until they get to trial, with state reimbursements of level 6 felons by the time they get to trial we don't get the money until they are sentenced, by the time they are sentenced, its time serve and there is nothing we get to send back for reimbursement from the state, so we are working with the judges with the pretrial release program and what not and trying to change some of that for the lower level, you talk about a level 6 felony and people get upset because it is a felony and the level 6 felonies used to be the A misdemeanors'. They have shifted some of burden of those from the state back to county jails to house them.

Gary said not putting words in the judge's mouths, but is everybody looking at, if we are keeping the county safe and the population down, do we need to be at 110 people just because it used to be the old school.

Art said we are looking at pre-trial that came in January 1 anyway, Covid has effected our approach, not that I am speaking for the judges or anyone else, but Covid had effected our approach to this and some of the things that we are working on is what were going to use with the pre-trial release and how they are going to set that up and that takes a pretty good effort from a lot of community partners that's in the law enforcement area, we are using defense attorney's also, but there are several good ideas that we are floating prior to us not being able together meet anymore and some of that will open up in mid-July again and we will start getting back together to work on some of that and hash out a plan. I think you will see some changes taking place that are going to be the balance between all of the partners.

Gary said crime rate went down through Covid, what do you think.

Art said I don't know that it necessarily went down, I know our arrest rate went down, so it was lower level crime that we were dealing with, when we set it up initially we set everything at a level 5 felony and above was still coming into the jail as well as any type of a crime against a person, was still coming to the jail. Alcohol related was still coming to the jail until they got them to the legal limit and then we were releasing them on their own recognizance. I don't think that it decreased a lot, I think for a while it maybe slowed down, we didn't have as many crimes against people, which I'm glad. I think we have maintained very well, I think the officers have done a good job, I think the support we have received from the council and commissioners have been wonderful. I don't think we are out of the woods yet and so far, we have not had it in the jail. We are going to try and maintain that quarantine system, all of the other departments in the county are working with them really well on what's coming in and understanding the situation. It would be nice to get back to some type of normalcy.

Other Business:

Minutes of May 5, 2020 and June 3, 2020

Max made a motion to accept the minutes from May 5 and June 3 as presented. Dave seconded. All aye votes. Motion carried.

Report from Commissioners

Gary Girton said from his perspective the Communication system is moving along. He said they are meeting tomorrow to finalize getting the RFP's out for the bids on the towers. They are projecting having this project done by the end of the year. We are bringing some of that equipment to the highway to store. He said they are still working on the solar ordinance.

Gary Friend said we have two ordinances that we approved to have written up and ready to go for the change in the pays at the highway department for part-time labor and truck driver trainees.

Ordinance 2020-04

ORDINANCE NO. 2020-04

AN ORDINANCE TO AMEND SALARY ORDINANCE NO. 2019-13
AMENDING RANDOLPH COUNTY'S HIGHWAY BUDGET

WHEREAS: There has been a change in the 2020 Salary Ordinance with regard to the Randolph County Highway Budget and it is necessary to amend the 2020 Salary Ordinance and to change Part-Time Laborers' pay in the Salary Ordinance effective with the pay of July 17, 2020 as follows:

HIGHWAY DEPARTMENT

PART-TIME LABORER

\$12.50 PER HOUR

IT IS THEREFORE ORDAINED BY THE COUNTY COUNCIL OF RANDOLPH COUNTY INDIANA THAT:

SECTION 1. Ordinance No. 2019-13, 2020 Salary Ordinance pertaining to Randolph County's HIGHWAY BUDGET shall be amended to read as follows:

HIGHWAY DEPARTMENT

PART-TIME LABORER

\$12.50 PER HOUR

Passed and adopted by the County Council of Randolph County, Indiana, this 7th day of July 2020.

Max made a motion to pass Ordinance 2020-04 after the first reading. Rick seconded. All aye votes. Motion carried.

Max made a motion that the rules be suspended and have second and third reading by title only and adopt the same day. Rick seconded. All aye votes. Motion carried.

Max made a motion for council to adopt Ordinance 2020-04. Rick seconded. All aye votes. Motion carried.

Ordinance 2020-05

ORDINANCE NO. 2020-05

AN ORDINANCE TO AMEND SALARY ORDINANCE NO. 2019-13

AMENDING RANDOLPH COUNTY'S HIGHWAY BUDGET

WHEREAS: There has been a change in the 2020 Salary Ordinance with regard to the Randolph County Highway Budget and it is necessary to amend the 2020 Salary Ordinance and to add Truck Driver Trainees' and Bridge Techs' pay in the Salary Ordinance effective with the pay of July 17, 2020 as follows:

HIGHWAY DEPARTMENT

TRUCK DRIVER TRAINEE

\$14.42 PER HOUR

HIGHWAY DEPARTMENT

BRIDGE TECH

\$15.42 PER HOUR FOR NEW HIRE

16.32 PER HOUR WHEN FULLY TRAINED

IT IS THEREFORE ORDAINED BY THE COUNTY COUNCIL OF RANDOLPH COUNTY INDIANA THAT:

SECTION 1. Ordinance No. 2019-13, 2020 Salary Ordinance pertaining to Randolph County's HIGHWAY BUDGET shall be amended to read as follows:

HIGHWAY DEPARTMENT
TRUCK DRIVER TRAINEE
\$14.42 PER HOUR

HIGHWAY DEPARTMENT
BRIDGE TECH
\$15.42 PER HOUR FOR NEW HIRE
16.32 PER HOUR WHEN FULLY TRAINED

Passed and adopted by the County Council of Randolph County, Indiana, this 7th day of
July 2020.

Max made a motion to pass Ordinance 2020-05 after the first reading. Tom seconded. All aye
votes. Motion carried.

Max made a motion that the rules be suspended and have second and third reading by title only
and adopt the same day. Rick seconded. All aye votes. Motion carried.

Max made a motion for council to adopt Ordinance 2020-05. Tom seconded. All aye votes.
Motion carried.

TIF Management Annual Report

Gary asked if everyone received the TIF Management Annual Report for review.

Gary said everyone received the TIF Management Annual Report.

Additional Appropriations:

1138 – CCD Jail Maintenance Security System \$213,276.00

Rick made a motion to approve the Additional Appropriation as presented. Dave seconded. All
aye votes. Motion carried.

Transfers:		From:	To:
Community Corrections	\$150.99	Mobil Phones	Dues &Subscriptions (establish new line)

Gary said this is a transfer for Community Corrections from mobile phones to dues and
subscriptions for the New Gazette subscription is an occurring and ongoing thing and that has
been confirmed.

Tom made a motion to approve the Community Corrections transfer as presented. Missy
seconded. All aye votes. Motion carried.

Citizen Comments (3-minute limit)

None.

Meeks Cockerill

Meeks said on the solar ordinance, the Commissioner's have been discussing for quite a while now, they had several hours of discussion. That is set for July 22 for the Area Planning to finalize. After that why it effects council, I was talking to Jason and we are going to do the same analysis we did for the wind farm for this project. Probably at your August meeting if the agreements are done, we will be looking at tax abatements, latest September.

Max said will this be a traditional?

Meeks said he asked them to do both.

Gary said the same type of abatement as the wind farms.

Meeks said they are going to say this is what it would be if it was a traditional tax abatement and this is what it is with a 10-year 100% tax abatement. We did that for both wind projects.

Adjournment

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

Reviewed and accepted this 9 day of September 2020.

RANDOLPH COUNTY COUNCIL

[Signature]

[Signature]

David Benkensofer

[Signature]

[Signature]

ATTESTED: Laura J. Martin
Laura J Martin, Auditor