

COUNTY COUNCIL REGULAR MEETING – MARCH 13, 2006

The meeting was called to order by President, Ron West.

I. ROLL CALL

The following members were present: John Price, Josh McCarty, Rick Mason, Paul Reed, Steve Hollenbeck, Charles Canary. Phil Wilson was present as the Council's attorney.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

IV. APPROVAL OF 3/13/06 AGENDA

Mr. Mason moved to approve the agenda as presented. Mr. Hollenbeck seconded the motion that carried unanimously.

V. APPROVAL OF 2/1/06 & 2/13/06 MINUTES

Mr. Reed moved to approve the minutes as presented. Mr. Hollenbeck seconded the motion, which unanimously carried.

VI. PUBLIC COMMENTS

Mr. West read a proclamation which declared March 13, 2006 – Honorable Steve Hollenbeck Day.

Mr. West also expressed his concerns regarding major moves, specifically the I-69 extension as it travels south from 465 to Evansville. Each Council member also expressed their concerns with the major moves and it was the consensus that they wanted State Road 37 to remain as is and felt that if it became part of I-69, it would not be in the best interest of Johnson County's economic development. They are in favor of the idea of major moves, just not this particular project.

VII. SALARY ORDINANCE AMENDMENTS, ADDITIONAL APPROPRIATIONS, REDUCTIONS, & TRANSFERS:

MARCH OF DIMES GRANT – (360)

Mr. Mason made a motion to approve the request as presented. Mr. McCarty seconded the motion, which carried unanimously.

360-210.0 – Claims \$ 668.52

SUPERIOR COURT NO. 2 – (133)

Superior Court #2 Judge Cynthia Emkes appeared before the Council to request a transfer of funds to part-time clerical assistants to help cover a position of a full-time employee who will be off on maternity leave. She also requested that the starting rate be increased from \$7.50 to \$8.50 so that she can hire someone with some experience.

Mr. Reed moved to approve the requests as presented. Mr. Price seconded the motion.

Mr. Mason asked if the rate would revert to \$7.50 when the person returns from maternity leave?

Barb Davis, First Deputy Auditor, stated that it should be clarified in the motion.

Mr. Reed then moved to amend his motion to add that the \$8.50 reverts to \$7.50 when this position is no longer needed. Mr. Price, who seconded the motion, concurred with the amendment. The motion carried unanimously.

From: 133-301.0 – Professional Services (\$ 3,500.00)
To: 133-119.1 – Clerical Assistants \$8.50 per hour \$ 3,500.00

EMERGENCY PLANNING & RIGHT TO KNOW – (212)

Forrest Sutton, Director, was present to request a transfer of funds to pay for some haz-mat training.

Mr. Reed moved to approve the request as presented. Mr. Canary seconded the motion that unanimously carried.

From: 212-410.0 – Equipment (\$ 5,000.00)
To: 212-323.0 – Travel & Training \$ 5,000.00

STATE HOMELAND SECURITY – (371)

Mr. Sutton commented that both the Commissioners and the Council have already approved this grant; however, it was all listed under Equipment and not all of it is being used as equipment. He explained that the following is a breakdown of how the funds will be used and noted that this is the first year where part of the funds could be used to supplement salaries for public safety personnel. He also stated that the Commissioners approved him to become full-time as long as he could fund the salary with grant money.

Mr. Price asked if any of the items listed on the bond could be paid for from this grant money?

Mr. Sutton replied that his office usually suffers because he tries to please everyone and those items were listed under the grant at one time but they just ran out of money. He expressed that the State is pushing for exercise classes to learn how to operate all of the equipment that they have already purchased. He also noted that the grant got cut 40% this year.

Mr. Canary just wanted to note that if this is approved, it would be a salary increase for an employee and this should be remembered for future reference.

Mr. Mason moved to approve the transfer as requested below, retroactive to January 1, 2006. Mr. Price seconded the motion that carried unanimously.

From: 371-410.0 – Equipment (\$ 42,010.00)
To: 371-110.0 – Emergency Mngt. Director \$20,000 \$ 20,000.00
To: 371-114.0 – Emergency Mngt. Asst. Salary Supp \$3,364 \$ 3,364.00
To: 371-142.0 – Social Security \$ 1,836.00
To: 371-143.0 – PERF \$ 1,980.00
To: 371-310.0 – Training \$ 8,500.00
To: 371-311.0 – Exercise \$ 6,330.00

JOHNSON COUNTY SHERIFF L.E.C.E – (325)

SHERIFF – (105)

Sheriff Terry McLaughlin appeared before the Council to request the following appropriation and transfer, noting the overtime is from Operation Pull Over:

325-400.0 – Equipment	\$ 2,432.35
105-165.0 – Overtime	\$ 3,811.04

Mr. Reed moved to approve the requests as presented. Mr. Price seconded the motion, which unanimously carried.

HIGHWAY – (202)

Don Sanders, Director, was present to request a transfer of funds from the Salary Engineer to Professional Services so that they could pay the consulting engineer through June 2006.

Some discussion was held regarding the status of hiring a new director and an engineer. R.J. McConnell, Commissioner, was also present and noted that they are asking for this money as a precaution and it would only be spent if needed; there is no additional funds being requested, only a transfer.

Mr. McCarty moved to approve the transfer as requested. Mr. Mason seconded the motion. The motion carried unanimously.

From: 202-113.0 – Salary Engineer	(\$ 20,000.00)
To: 202-311.0 – Professional Services	\$ 20,000.00

CUMULATIVE BRIDGE FUND – (206)

LOCAL ROAD & STREET – (207)

Mr. Sanders explained that these requests are being made to reimburse these line items that were expended in February. The \$80,000 was expended for an emergency repair of a bridge at 500 W and 700 N; the \$73,100 was used for right-of-way purchases on Main Street in Greenwood; and the \$5,493 was spent on the balance of Phase 2 of Smith Valley Road to the engineering company.

Mr. Price commented that he didn't recall expending monies for right of way purchases and inquired why money was going into paving if it was used to purchase right-of-ways.

Mrs. Davis commented that if the funds are in the same series, the printouts would not show any deductions or transfers, only the appropriation amount changes. In order to determine the amount changed you would need to compare it to the original amount appropriated in January.

206-472.0 – 500 West and 700 North	\$ 80,000.00
206-480.0 – Paving	\$ 73,100.00
207-460.1 – Concrete	\$ 5,493.00

Mr. Reed made a motion to approve the above as requested. Mr. Mason seconded the motion, which carried unanimously.

COURTHOUSE MAINTENANCE – (123)

Mr. McConnell appeared to request that a full time line item be reinstated and to allow transfers to fund this new line item.

Mr. Hollenbeck moved to approve the request as presented. Mr. McCarty seconded the motion that unanimously carried.

From: 123-114.0 – Part-time Custodian Help	(\$ 15,650.70)
From: 123-115.0 – Salary Custodian	(\$ 600.00)
To: 123-117.0 – Salary Custodian \$22,238	\$ 16,250.70

CUMULATIVE CAPITAL DEVELOPMENT – (254)

Sheriff McLaughlin was present to ask for funds to purchase Sheriff’s Vehicles. He commented that Ford stops accepting sales sometime in April for this year and he wants to start the purchasing process before it is too late. This will be paid back once the bond is issued.

Mr. Canary asked if all of the items being requested would be paid back from the bond?

Mrs. Davis noted that the 911 Recording System was not listed on the bond.

Sheriff McLaughlin commented that this system is broken and needs repaired and the Commissioners have agreed to pay for this from the Cum. Cap. Fund.

Mr. West asked if the E-911 increased fee could pay for these repairs?

Sheriff McLaughlin responded that it could pay for it, but the Commissioners volunteered to fund the expense and noted that they have not begun collecting the increased fees yet.

Mr. Price moved to approve the requests as presented. Mr. Mason seconded the motion, which carried unanimously.

254-409.0 – Sheriff Vehicles	\$ 300,000.00
254-410.0 – 911 Recording System	\$ 74,000.00
254-411.0 – Telecommunications	\$ 42,500.00
254-412.0 – Brake Lathe (Fleet Shop)	\$ 7,000.00

VIII. – SPECIAL ORDER AT 8:00 P.M.

Kirk Grable, with Barnes & Thornburg, was present as Bond Counsel to the Council. He noted that there are five agenda items for tonight’s meeting; three public hearings and two ordinances. The first three hearings, (1)Hearing on the Additional Appropriation of the Proceeds of the General Obligation Bonds, (2)Hearing on the Road and Bridge Bonds, (3)Hearing on the Additional Appropriations of the Proceeds of the Road and Bridge Bonds, are required by statute as preconditions to the issuance of these bonds.

Bob Swintz, with the London Witte Group, was also present and discussed the bond issue as it affects the debt service. He commented that they have two bond issues that they are looking at and distributed handouts showing what the 4-year, 5-year and 6-year options would be for total debt service payments. He outlined that a likely scenario would be that the equipment bond could be paid off in about four years with an interest rate of about 4.5% to 4.75%, if they bond was issued in today’s market. He also reviewed a handout

with figures calculated by Mike Reuter, the County's Financial Advisor, in regards to the impact this will have on property taxes; for example, a home with an assessed value of \$100,000 would pay \$9.00 more a year in property taxes.

1. Hearing on the Additional Appropriation of the Proceeds of the General Obligation Bonds.

Mr. Grable commented that according to the last version that was considered at the February 13, 2006 meeting, the maximum principle amount of the bond was \$3.5 million, the maximum term of the bonds was seven years, there was no right of pre-payment of the bonds, and the maximum interest rate was 7%. The bonds would be sold by competitive bid at public sale. He also noted that the departments, as requested by the Commissioners, have updated their equipment list. This updated list is attached to Ordinance No. 2006-03 as exhibit "A".

Mr. West then opened up the first hearing for public comment. He briefly explained that the intention of the County is to sell \$3.5 million in general obligation bonds to fund equipment that was taken out of the budget process, which gave relief to the general fund.

Mr. Canary asked what the \$75,000 for contingencies was for?

Mr. McConnell replied that many of the purchases have not been bid yet and the bids may come in higher or lower than what is listed currently; therefore, they had put in the \$75,000 as a contingency.

Mr. McCarty asked if there is a more definite pricing for the telecommunications?

Mr. McConnell responded that the original number was \$700,000 and it has been tightened down to \$650,000.

Darin Lange, Telephone Communication Consultant for the County, was also present. He explained that the system will be about \$422,000, and cabling will be about \$222,030. Once this is completed, there will be an estimated monthly savings between \$10,000 to \$18,000.

Mr. McCarty also inquired about the payroll/financial software.

Commissioner Ripley added that this was for both the software package and for the equipment.

Ms. Richhart commented that the software is for both payroll and financial and will be used by both the Auditor's office and Treasurer's office. She also stated that Rob Norris, Computer Director, felt like these numbers were pretty accurate.

Mr. Reed questioned the amount for vehicles in the Planning & Zoning Department.

Craig Bartlett, Highway Department, and Commissioner McConnell replied that the amount was for two vehicles, not just one, and that they were going to buy one the first year, and the second one next year.

Mr. Reed also asked if the two new vans for Animal Shelter were needed right away?

Shawn Donovan, Animal Warden, was present and replied that yes; they are in need of both vehicles right away.

Mr. Mason asked if any of the items for the Animal Shelter could be added to the bond for building the new Animal Shelter; he also asked if the equipment they requested be transferred to the new shelter.

Mr. Donovan responded that they would transfer as much equipment as possible.

Mr. McConnell expressed that they would not be buying any new equipment that could not be used in the new shelter; the shelter is being designed to accommodate the purchase of the new equipment so that there is no waste of taxpayer's dollars. He also noted that they might have to go ahead and purchase some of this from the Cum. Cap. Fund due to the timing of the bonds.

Mr. Mason then inquired about the purchase of heating and air conditioning units – would these be transferred as well?

Mr. Donovan replied that those are for the vehicles and they are subject to change depending on what type of vehicle is purchased.

Mr. West commented that once the purchases are made, they still need to come before the Council to get the money appropriated.

Mr. McConnell stated that that needs to be clarified; there are other options that are available.

Mr. Grable stated that he incorrectly explained the appropriation process in the prior meeting. In both of these bond ordinances, the Council is approving the appropriations of the bond proceeds, at that point; the County Council loses all control of the use of that money. Thereafter, a vendor would submit a claim to the County Auditor, who would then submit that claim for approval to the Board of Commissioners (which he had originally thought would be given to the County Council for approval); the Commissioners would then approve that claim and give it back to the County Auditor who in turn draws a warrant and gives it to the County Treasurer who issues a check from the County Treasury. He then stated that on both bond ordinances on exhibit A, there is language which states “or other equipment similar to the equipment set forth in the list attached hereto”. This gives the county flexibility to purchase equipment that is not necessarily the same that is on the list, but similar equipment that would serve the same purpose at a lower cost or if for some reason the equipment listed becomes obsolete.

Mr. Grable then explained to them their options. One option would be to have the Commissioners come before the Council to notify them of their intentions, in an informal matter; another option would be to delete that clause, which would lock them into the equipment list as attached as exhibit “A”, and if something is changed, then the bond ordinance would have to be amended.

Discussion was held on the language regarding the clause of the ordinance that states “or other equipment similar to the equipment set forth in the list attached hereto”. The consensus of the Council was to still have the last say; however Mr. McConnell stated he

wants this to be a win-win situation and the Commissioners intend to work along with the Council throughout this project.

Mr. McCarty stated that there is \$3.1 million dollars in Cum. Cap. and asked the Commissioners what they intend to use that for?

Mr. McConnell replied that they have been using those monies for routine maintenance and they have borrowed from it to cover shortages in the general fund; he doesn't want to exhaust that entire fund in case of an emergency.

Mr. McCarty agreed that the county should keep money in reserve, but thought maybe part of that could be spent in conjunction with the bond at a lesser amount to purchase the equipment being requested.

Mr. McConnell responded that could be a possibility and would support that if that needed to occur; however, at this point he would prefer to go forward with what is currently being proposed for the bond.

There were no public comments.

Mr. West then declared that the public hearing on the Additional Appropriation of the Proceeds of the General Obligation Bonds be closed.

2. Hearing on the Road and Bridge Bonds.

Mr. Grable stated that the version that was presented on the February 13, 2006 authorized a maximum principle amount of \$800,000, a maximum maturity of seven years, and a maximum interest rate of 7%; they are not subject to a pre-payment either because there term is less than ten years. These bonds, like the GO bonds, will be sold by competitive bids at a public auction. He did note that there was one amendment in the version being presented tonight, which was made by Barb Davis and Mike Reuter, and that is to create a single sinking fund into which all three pledged funds (i.e. the MVH Revenues, the LRS Revenues, and the certified shares of the CAGIT Revenues) would be deposited in order to pay debt service on the Road and Bridge Bonds

Mr. West then opened the second hearing for public comment.

Mr. Mason asked what happens if this would be tabled until a new highway director/engineer is hired to see whether or not they agree with what is being requested.

Mr. McConnell replied that some of the equipment would need to be bought before the bond is even issued and that needs to be replaced before the season starts.

Mr. Sanders commented that they haven't purchased any trucks in quite a while and have spent roughly \$30,000 within the last two months on repairs. He briefly reviewed the requested items on this list, which included the purchase of a tri-axle dump truck, three tandem dump trucks, a sign truck, and a road widener.

Discussion was held regarding some of the items on the list as to whether or not these would be the preference of the new director/engineer when one is hired; maybe they would have a different view on how to operate the department and the purchases should be postponed until someone is hired. They also discussed the possibility of using Cum.

Cap. Funds to purchase some of the equipment and to review again the items being requested.

Mr. McConnell stated that it is the commitment of the Commissioners to keep the Council updated on the equipment purchases.

Mr. McCarty asked if they could reduce the bond amount to \$500,000, what affect would that have on the ordinance?

Mr. Grable noted that he was concerned if this was tabled thirty days and the ordinance did not pass, then the timeframe for reimbursement from the bond proceeds would be changed also and he would need to prepare a resolution.

There were no public comments.

Mr. West then declared the public hearing on the Road and Bridge Bonds to be closed.

3. Hearing on the Additional Appropriations of the Proceeds of the Road and Bridge Bonds.

There were no public comments.

Mr. West then declared the public hearing on the Additional Appropriations of the Proceeds of the Road and Bridge Bonds to be closed.

Ordinance No. 2006-03 - *An Ordinance of the Johnson County Council Authorizing the Issuance of General Obligation Bonds for the Purpose of Providing Funds to Acquire Certain Equipment and to Pay the Costs of Issuance of the Bonds.*

Mr. Canary moved to adopt Ordinance 2006-03 as presented. The motion died due to lack of a second.

Mr. McCarty expressed his concern with the items being able to be changed from what was actually on the list without the Council's input. He also commented that he feels that some of the Cum. Cap. money should be spent in addition to the bond.

Mr. Price commented that he feels that some of the prices for the items on the list could be reduced which in turn would reduce the amount of the bond.

Mr. Reed stated that there are at least four requests for Ford F-350 trucks all with different prices.

Mr. Ripley responded that each department has different needs and they are going to try to get the best deal by buying in bulk. He also reminded the Council that the list for the bond was created by having each department determine what they needed to get their work done more efficiently.

Mr. Mason agreed with Mr. McCarty as far as spending some of the Cum. Cap. money and lowering the bond amount. He then moved to approve the bond at \$3 million and pay it off in four years. Mr. Price seconded the motion.

Mr. McCarty inquired if the Commissioners would be willing to spend Cum. Cap. funds to purchase the additional items.

Mitch Ripley, Commissioner, stated that the Commissioners are willing to accept the bond for \$3 million and to purchase the equipment if the Council is willing to approve the requests when it is presented to them.

Mr. Grable noted that he would suggest that the Council change the payoff from four years to four and half years just to make sure that they received four full years of property taxes.

Mr. Mason then moved to amend his motion to change the term of the bond to four and a half years. Mr. Price, who seconded the original motion, concurred with the amendment.

The motion then carried six to one; Mr. Reed voted nay.

Ordinance No. 2006-04 - *An Ordinance of the Johnson County Council Authorizing the Issuance of Road and Bridge Bonds for the Purpose of Providing Funds to Acquire Certain Equipment for the County's Highway Department and to Pay the Costs of Issuance of the Bonds.*

Mr. Mason moved to table this request for thirty days. Mr. Price seconded the motion, which carried five to two. Mr. Reed and Mr. McCarty voted nay.

IX. OLD BUSINESS

There was no old business discussed.

X. NEW BUSINESS

Adult Probation- Discussion of the User Fee Accounts and Cash Flow

Richard Pfifer, Chief Adult Probation Officer, appeared to discuss the User Fee Accounts and to give an update on their current cash flow. He reminded the Council that since 1995 he has used the User Fees to help fund salaries; however, those funds are being dwindled down and at budget time this year, he will have to ask for a larger portion from the General Fund. He noted that the user fees are only intended to supplement the General Fund. He pointed out too, that his department is in need of additional staffing and also noted that Juvenile Probation is in a similar situation financially.

There being no further business, Mr. Canary moved to adjourn the meeting. Mr. Price seconded the motion, which carried unanimously.