

**Randolph County Commissioners
and
Randolph County Council**

June 22, 2014

The Randolph County Commissioners and Randolph County Council met for a special meeting at 7:00 PM in the Commissioners and Council Room in the Courthouse with the following members present: Commissioner Board President Michael Wickersham and Gary Girtton. County Council Board President Gary Friend, David Lenkendorf, Max Holaday, Bob McCoy, Tom Kerns and Jay Harris. Also present was Randolph County Auditor Mary Ann Lenkendorf and County Attorney Meeks Cockerill. Members Rick Brown and William Terrell were absent.

Pledge of Allegiance

Gary Friend, Council President presided over the meeting.

Airport Board Presentation

Eric Livingston, Jason Clearwater and Bill Johnson were present with a presentation. Bill Johnson stated the Randolph County airport would like to build a new terminal to complement the last four years of airport projects. Jason Clearwater of Butler, Fairman and Seufert stated as you know the airport has undergone a transition over the last years. Over eight million dollars was spent as an investment from the FAA, State and County. There is a new runway, taxiway and apron or basically a whole new airport. The building was constructed approximately 70 years ago but is deficient in many ways. The airport board has now turned their attention to the terminal building. We now have some ideas on paper and we would like for you to take this report home and review it. We would like to talk about potential funding sources for this new building. The airport is the gateway to the county for corporate executives and business leaders. They see a great new airport when they arrive but then they see the 1940's building with multiple renovations throughout the years. That is not what corporation pilots expect to see these days. Gary Friend asked for the proposed cost. Clearwater stated there has been no design done but this is a conception drawing. The drawings in the report are based on other airport terminals in Indiana and also cost based on square foot for commercial buildings. There are a few things that will add to the cost. Since the airport is outside municipal limits for sewer and water we will have challenges. The existing well and septic is very questionable. I am certain they will not be allowed for a new structure being built. There are also cost estimates for utilities. The intent would be to build the structure where the parking is now and then demolish the existing building and make parking on that side. We have an estimate in the report of 1.6 million. That works out to \$85 per square foot. Gary Friend asked what is the time limit or projection. Clearwater stated currently this is a concept and we wanted something on paper that you could see. We could have plans in a matter of a few months if we knew you were ready to construct. That is all depending on the funding. David Lenkendorf asked it shows \$150,000 per year of entitlement money can that be used for this project. Bill Johnson stated that \$150,000 is available but there are a lot on rules and regulations which complicates things. Clearwater stated concerning funding the FAA ranks everything on a priority list. Projects such as runways and safety being the highest and then on down through infrastructure. Terminal buildings are far down the ranking and the chances receiving a discretionary grant is basically zero. The airport does receive \$150,000 in entitlement money that could be used as a reimbursement or supplement to build a building but it comes problematic because terminal buildings are nowhere near what you would want to invest your money on. You have to follow guidelines if you use this money which would increase the costs. It would not be in your best interest to do this unless the FAA changes the guidelines. Clearwater went over the different elevations in the book. Michael Wickersham stated if this was to be built this would all be local funding. Eric Livingston stated that was correct. Jason Clearwater stated there is a similar concept of this building at Logansport airport with office space and the hanger. Clearwater stated he would help in facilitating a tour of that building if anyone would like to go. Gary Friend thanked them for giving their presentation.

Discussion of uses for wind farm monies

Gary Friend stated the rest of the meeting would be to discuss the procedures on how the wind farm monies should be used. Friend stated he would like to see these monies used for all county infrastructure development. Maybe by helping with an airport terminal but something that will stay with the county and have a long lasting effect. After talking with Jason at Umbaugh the only tax influx we would have seen in county general would be with the circuit breaker credits. Friend had asked how much would have come to county general otherwise and Semler had stated he couldn't say for sure without looking at every parcel but what actually would be the circuit breaker. Friend stated everyone did a good job to structure this money but it is really not loss tax revenue completely. It's not just for the county to use what about the other cities and towns who would have more money on their sides. My thought is this money was put in for economic development. The first three years of this schedule would have not been any tax dollars dropped in the county anyway. 2017 would be the first tax year before any of the taxes would have come

to us anyway. This is one opportunity to put nine million dollars together and make a real stand in Randolph county. The real growth will be having people come live in our county. We should not use any of these funds for operational costs and we should figure that out on our own. It should be used for economic growth.

Michael Wickersham, President of Commissioners read from the economic development wind farm agreement. The agreement stated economic development payments shall constitute a contribution by the company to the furtherance of other economic development in the county. Economic development payments shall be used by the county for the construction, repair or maintenance of infrastructure; improvement of park systems; economic development projects or other services provided in the county for other purposes that improve the quality of life in the county and thereby foster economic development in the county. All of which will be determined by the Randolph County Commissioners and Randolph County Council. I would agree with Gary's position that the money should be used for a long term benefit to the county. There are a number of opportunities with the airport being one and the highway garage being another. I also believe with a fund like this to use it for a spring board to gain other funds or start projects as seed money for county, community or economic development projects. We have already spent \$15,000 on what really aren't these things. This creates an opportunity to help with long term projects in this county. We discussed at the drainage board meeting that we could use some funding and this money could help with some reconstruction of the ditches in the county that could be paid back from the maintenance fund over a period of time. That would be something that would have a long term benefit to the county as a whole. There will be three school systems that will be benefiting from this money since we have promised to pay a portion to them.

David Lenkendorf stated he agreed with most of this but would like to compromise with using 25% to fund operations and 75% for assets. He agreed that it appears that the money could be structured to be used for other services.

Max Holaday stated if we had gone with the traditional tax abatement we would have seen some increase in the county general fund. I agree that we should invest this in something that would have a long range impact primarily creating as many jobs as we can in Randolph County. I would like to see what money would have been coming into county general and earmark that amount for operational expenses. Bob McCoy stated he agreed with Dave about the 25/75 percent. Every time the airport gets brought up it's considered economic development. I believe the airport should be totally funded out of the edit fund. I also believe we should look at the highway garage and see what it would cost to put a new one up. Tom Kerns stated he would go along with the 25/75 percent and would like to know the long term effect from a traditional abatement. The highway garage is something that we could save up for and not have to borrow the money.

Gary Friend asked how do we want to take care of this money by procedure to fund these projects. Do you want joint meetings every time we want to do something or do we just want to vote on it and pass it on? Tom Kerns stated we might want to do both based on the situation. There may be times that we will want to vote on using the money and pass it on to Commissioners. Michael Wickersham stated 1.677 million is going to come in 2025 and I don't plan on sitting on here at that time. I don't feel comfortable tying up that money for someone else. We are still going to have to bind the county to a loan agreement and then use those funds and the next group may not want to use those funds for that. Meeks Cockerill stated we had a lot of discussion with bond counsel about this. These payments are probably not bondable. You could bond using other funds. You could structure these payments to make the bond payment, but if the payment didn't come in it would be a problem. David Lenkendorf stated even if all the present council would not be on, if you bond, the county is still obligated. Gary Friend stated he is in favor of building a highway garage but wants to be careful of building it out of this fund. I see it as the next bonded project that we have in that particular piece of infrastructure we are serving county government more than serving the county people. I don't believe it should entirely be funded through this fund. David Lenkendorf stated that is where you form a partnership like the airport through a combination of wind farm, CCD and Edit funds. Gary Friend asked if it was okay with Commissioners to continue with the way we have been handling the project requests. Michael Wickersham stated he had no problem with the way it is being done and if we need to call a joint meeting with Council to save a little time especially if we are in disagreement.

Gary Friend stated he hears what the Council is saying about 25/75 percent but what are we doing for our cities and towns who are also losing money. I don't think it is fair for Council to tell them to tighten their budgets if we don't tighten up. We are using a system that benefits us but we are ignoring all the other units that would benefit. Meeks Cockerill stated it would have reduced the township rate and the county is part of that township so it would have reduced the county rate county wide. It was a fractional cent therefore reducing the circuit breaker because the rates would have gone down. Tom Kerns asked if that was the case why didn't we do all schools instead of the three. Gary Friend stated it would have affected the schools in that district and their rates are different. Again, it would have been fractional for the schools since Randolph Central and Union were minimal. David Lenkendorf there is 1.6 million in cum cap and \$239,000 would be coming back in from the airport. We could use that basis on where we want the money to go. Bob McCoy stated the cities and towns could come to us and ask for their piece and what is wrong in giving that. Gary Friend stated instead of them coming and asking why don't we go ahead and give them something. McCoy stated he didn't have a problem with that. David Lenkendorf stated the ditch maintenance shows around 1.4 million. Ed Thornburg, Surveyor stated general drain has around 150 different units and can't be transferred between units. Lenkendorf stated he wasn't opposed

to spending some of this money for drainage because he knows how important the drainage is. He realizes that there has been some good progress on increasing the ditch funds. Gary Friend stated his final thoughts are spending for certain operations. Michael Wickersham stated we discussed some software programming that would help the county for a long period of time in the form of payroll and to me that is a gray area. It is something that allows the county for what we are spending payroll and benefits on with a lot less time involved. That should benefit the county by saving money and I wouldn't be opposed to spending wind farm money for this. Max Holaday stated he didn't have anything else but appreciated everyone's thoughts.

Economic Development- Clyde Shaffer Jr, President and Bruce Hosier Director were present. Shaffer stated we have been working on a long range strategy plan. If there is no plan the money can be gone. Economic Development has been meeting with their group and Susie Ripley to put a strategic plan together. Our goal is where we are today and where we want to be 10 years from now and here are the steps we need to take to accomplish this. The steps could change along the way but we think we need to present a plan with dollars attached to say here are the dollars we need to grow Randolph County. We are looking at similar counties that have had success one being White county. White County was a little bit like us size wise and that is all being looked at since they have windmill money. Hopefully we will be coming back to you in the next 30-60 days with a proposal focusing on developing Randolph County into a middle class community. Randolph County is poor and when we bring in jobs that burden the taxpayer we are not helping anyone. We need to bring in careers for our young people so they can spend money back into our community. When we bring Randolph County back to a middle class community it will fix your budget problems. Our job is growth of the tax base so when we bring back a proposal we are going to try to grow the tax base. Bruce Hosier stated one of my beliefs is that government does not create jobs but government does create partnerships with entities and opportunities on many levels. Over the last year we have reached out to build our partnership capacity with county government because I believe that is how you help build your capacity and partnerships by identifying those particular areas of infrastructure improvement through industrial parks and all different elements that feed in to the economic development component of your county. He does agree with Mike and Gary that is the engine that will drive this community for continued success. I wanted to share this observation but I was quite surprised that the county didn't have a five year financial and capital plan. When the tax caps were implemented one of the first things we did was to engage our accountant to factor in a five year financial plan. For the most part it was a valuable plan and you continue to update that plan going forward and determine priorities going forward. It allows planning more appropriately and responsibly going forward to improve your county capacity. It was an important tool for the city of Portland. As Clyde said we are working very hard to develop our own strategic plan to work with cities and county government. This is all about Randolph County and what benefits the people in the county. This is tough business being in your positions but by being in those roles that's just a part of it to accept the responsibilities that go with it. Gary Friend stated we do now have a five year financial plan. Clyde Shaffer stated once we have a proposal accepted we will be back in front of you to provide a plan for Randolph County. Gary Gitron commended the Economic development for what they are doing. It is a great move with the wind farm proceeds and the financial plan that the county is looking at.

Citizen's comments-

Herbert James stated he was glad to hear that they are trying to get jobs in here that people can live on. That last deal in that building was \$8.00 per hour jobs at the most. People need enough money to spend money here or they won't stay here.

Todd Longfellow, Union City stated he agrees with using a part of the money for the county. You have a maintenance fund but with budget cuts there is no reason not to use this money to keep these buildings updated. There may be systems or things consolidated that is a good way to spend the 25 percent on.

Final comments-

Michael Wickersham wanted to know if it would be a benefit for a commissioner and a couple council members to sit down and discuss wind farm money on a periodic basis. Meeks Cockerill stated if you have a subcommittee of one commissioner and three council members then it definitely has to be advertised.

Gary Gitron stated he was glad that we are moving forward and talking about a plan.

David Lenkendorf stated he there was a lot of information tonight and he would like time to sit and study it and then move forward.

Max Holaday stated it is a great idea to have an informal group to meet on some regular basis. To be able to identify all the needs in one evening is wishful thinking. I am concerned if we don't make it an ongoing process and wait until something happens we will wake up ten years from now without anything of great benefit.

Bob McCoy stated that he believes what Clyde and Bruce said about being a middle class city is where we need to be. We need to get the pay rate up and bring in good paying jobs.

Tom Kerns stated it was a good start to the conversation.

Jay Harris stated he wanted to thank everyone for coming out tonight and if anyone wants to get a hold of me just call.

Gary Friend stated this was a good start tonight to a plan.

Adjournment

Max Holaday made a motion to adjourn. David Lenkendorf seconded the motion. All aye votes cast. Motion carried.

Reviewed and signed this 21st day of July, 2014.

RANDOLPH COUNTY COMMISSIONERS

M. D. Will

William A. Terry

Greg Hester

ATTEST:

Mary Ann Lenkensdofe
Mary Ann Lenkensdofe, Auditor of Randolph County

Reviewed and signed this 5th day of August, 2014.

RANDOLPH COUNTY COUNCIL

David S. ...

David Spalden ...

Ernest ...

Th ...

Jay & Harris

ATTEST: Mary Ann Lenkensdofe
Mary Ann Lenkensdofe, Auditor of Randolph County