

**JOINT MEETING OF THE WABASH COUNTY BOARD OF COMMISSIONERS
AND THE WABASH COUNTY COUNCIL**

The Wabash County Board of Commissioners and the Wabash County Council met in a joint session on Tuesday, August 23, 2016 in the Commissioner's Meeting Room of the Wabash County Courthouse. Commissioners' Chairman Barry Eppley called the meeting to order at 5:00 P.M. All Commissioners were present: Eppley, Brian Hauptert, and Scott Givens. All Council members were present: Mike Ridenour, Randy Curless, Claude Markstahler, Bill Ruppel, Matt Dillon, Jeff Dawes, and Kyle Bowman. The proceedings of the meeting were recorded by the County Auditor's office.

Commissioner Eppley stated that the meeting was for the purpose of discussing funding options for the possible construction of a new Wabash County Jail. He introduced Todd Samuelson and two of his associates with the Certified Public Accounting firm, Umbaugh whose credentials include advising governmental units on over 297 bond issues in Indiana and the completion of numerous jail/correctional facility feasibilities and financings. Eppley stated that the Commissioners have had the opportunity to hear and comment on the jail financing proposal from Umbaugh in their own meetings, but the purpose of this meeting is to allow Umbaugh to explain the jail financing options to the County Council, so they may comment or ask questions.

Mr. Samuelson explained that the first step of any jail project is determining the project's scope; the size and capacity of the building, the problems to be addressed, and the services provided. He stated that the project must be viewed in terms of the financial impact to Wabash County with the goal of minimizing the impact to individuals and other local governmental units. Determining an accurate financial position of the County with the resources available is crucial from the start of the project. He suggested that the project include several team members: County Commissioners, County Council, County Sheriff, an architect or construction manager, local counsel and bond counsel just to name a few.

Samuelson suggested several financing options or combinations: Property Tax, Income Tax, or other sources of revenue such as Wheel Tax or Food & Beverage Tax. Samuelson explained that 500 taxpayers would need to circulate a petition requesting a property tax referendum. This particular financing would be exempt from the circuit breaker loss but it could result in property tax loss to local governmental units and a reduction in farm ground assessments. He mentioned that not very many counties have completed the referendum process. Samuelson explained that every local unit has a debt limitation and a jail project would be beyond the limit of Wabash County's \$8.7 million limit. The project could be financed with lease financing which requires the creation of a building corporation who would own the building, with the County as the tenant who pays the lease. This would not be a debt of the County so the statutory debt limit does not apply. He stated that operating costs of the jail

cannot be bonded or part of the debt service and that interest would need to be paid during the two years it would take to build the facility.

The other option explained by Samuelson is income tax financing. He stated that the current rates would not be enough to finance the project even with the current LOIT Public Safety Tax revenue. He stated that there is an optional special purpose rate that requires State certification based on need with no State input into the project itself required. The additional income tax would place Wabash County even higher in comparison to other counties within the State. This option would need to be reviewed and explored in detail by the Council and Commissioners because of the optional combinations and the purposes of the income tax rate financing.

Samuelson stated that a Wheel Tax or a Food and Beverage Tax could not be levied for the specific purpose of financing a new jail, but the revenue collected from these taxes could help to free-up other revenue currently used for county expense.

Comments and questions followed:

Dawes: Would a sales tax be possible to finance the jail? Samuelson stated that the County's local legislators would need to pursue that option and that it could take some time. He mentioned Wheel Tax as an option that could free up road funding revenue.

Dillon: Who would be members of the lease financing building corporation? Samuelson stated that the corporation consists of three county residents who are project supporters and are well thought of by the community and are appointed by the County.

Ridenour: Are there other options available other than a new jail construction? Consider a treatment facility? Sheriff Land stated that 47% inmates are currently incarcerated due to drug addiction and four inmates have mental health issues.

Markstahler: stated that he is against any additional income tax rate.

Curless: other counties may need to build jails soon and Wabash County may no longer be among the highest income tax counties by the time the jail is built.

Ruppel: concerned that additional income tax could impact new industry coming to Wabash County. If the project becomes court-ordered/mandated, the County could lose control of the project. Any help coming from the State to assist with jail operating costs due to criminal code changes? Samuelson stated that enlisting support from local legislators should be a priority.

Samuelson stated that the next step in the process is engaging an experienced construction manager to help define the project. He stated that he and Umbaugh associates will be working with the County Auditor's office regarding the current financial situation of the county.

The following individuals also attended the August 23rd Joint meeting:

**If any names are spelled incorrectly, we apologize.*

Chief Deputy Auditor Marcie Shepherd, Deputy Auditor B.J. Grube, Attorney Steve Downs, Attorney Mark Frantz, Sheriff Bob Land, Circuit Court reporter Christa Stroup, Ryan Short, Tim Cooper, Barry Smout, Wabash Plain Dealer reporter Mackenzi Klemann, and Editor of The Paper, Joe Slacian.