



MINUTES
MONROE COUNTY COUNCIL
SPECIAL SESSION – General Obligation Bond
July 1, 2008, 4:30 p.m.

CALL TO ORDER

Pursuant to proper notice, a Special Session of the Monroe County Council was called to order at 4:30 p.m., July 1, 2008, at the Monroe County Courthouse in the Judge Nat U Hill Meeting Room, Third Floor, Bloomington, Indiana. The presiding officer was Vic Kelson, President.

Councilors Present: Vic Kelson, President
Michael Woods, Vice President
Jill Lesh
Charles Newmann
Warren Henegar

Also present: Auditor Sandy Newmann, Auditor's Financial Representative Cathy Smith, Auditor's Chief Deputy Mark Hazelbaker, Councils' Administrative Assistant Margaret Hollers, Council Attorney Michael Flory.

(Kelson) We will begin with the Special Session for the G.O. Bond request. And we are using our new digital recorder tonight. Which I guess we used the other night, but nobody really noticed.

(Kelson) I will call to order this special session July 1, 2008, special session of the Monroe County Council. This meeting is for the purpose of first reading of general obligation bond request of the commissioners. Michael will you read the preamble.

(Woods) Ordinance number 2008-02 an ordinance of Monroe County Indiana, authorizing the issuance and sale of bonds of the county for the purpose of providing funds to be used for the cost of remodeling and equipping the Curry Building. Together with all necessary pretences related improvements, equipments and incidental expenses in connection therewith and if any proceeds are remaining acquisitions of land, buildings, vehicles, highway equipment, computers, security emergency alert, and communication systems, infrastructure improvements and remodeling and equipping of other county buildings.

(Kelson) We have a motion, is there a second?

(Henegar) Second

(Kelson) Motion and a second. For the purposes tonight, all we have done everything we need to do, however if council has questions we can entertain them at this time.

(Lesh) If this is what we do at this time, what is the next step?

(Kelson) We will read a second reading next Tuesday night and discuss and vote on it. So if you have questions you would rather have answered before the meeting next week, this is the time to bring them up. Just for everyone's understanding, the only project on the list is the Curry Building remodeling that we discussed sometime back. So are there questions from the left?

(C.Newmann) Will Greg Guerrettaz be here for Tuesday meeting, the next council meeting to answer questions?

(Kelson) Any questions regarding the financial impact, should be brought up now or...

(Unknown) inaudible

(C.Newmann) That's normally more accessible to the public and I'm always curious on the bonds of why we do the bonds, what's the advantage of doing the bonds, and it seems like you come up with the best answers on that in the past on why we do the 2 millions dollars. Two or three years ago we didn't do one and we been doing one ever since, so I guess its to the advantage to the county some way under the state rules to do a general obligation bond each year.

(Greg Guerrettaz) Well ultimately if you remember we had originally had a long term jail bond, which was put into place and we paid that off and once that was paid off we really have to (inaudible) in place, except the one year in order to meet some of the additional capital needs that have shown up on your prior CIP your Capital Improvement Plan. This has been a good way to affectively, instead of issuing a 20 year bond, pay an extra almost equal amount in interest, this has been an effective way to be able to get some of these short terms or get some of the capital items addressed in a short term manner at a short term interest rate. Which last year and so far we've been able to invest the money at a pretty close interest rate to what we borrowed. In fact, over the period of years, I've seem sometimes we've made money, including the cost of issuance. I never like to guarantee that or say that's exactly what's going to happen, but you are going to effectively have a very, very low cost of issuance and cost of capital under the method. And so this is an optimal capital structure is not only debt and equity of 60/40 but it's also short term debt. And actually you have no other debt in long term bonds other than this except exclusive of the TIF. So it's a good way at a very low cost, in my opinion, to address the many liabilities you have out there on the horizon in a short term rate environment.

(C.Newmann) Is there some advantage in the state rules for doing this other than the neutral interest on it? Does the state allow us to go above or frozen cap with we do this?

(Greg Guerrettaz) Well, not going forward this has traditionally the same levy that we helped before so in the past that might have been the case in the long term debt. When we had to go to DLGF and whatever, but I don't believe affective with all the changes in July here, I don't believe. Michael, do you know for a fact, have you talked to Ice Miller on that? I don't think that's the case but we can check that.

(Woods) Ok I would like to find out about that because I heard that was one of the advantages in the past and it would be under frozen capital.

(Kelson) Well this is outside the frozen levy.

(Guerrettaz) Yea so it is

(Kelson) Well this is also outside the frozen levy but it is covered by circuit breaker.

(Guerrettaz) It's definitely covered by circuit breaker, that's why probably after this year or next year the likelihood is you will not do this.

(Kelson) Because it will be like stealing from other things that are under the circuit.

(Guerrettaz) I think that's going to be a given, so you probably have one more chance at this, that's about it.

(Kelson) Further from the left.

(Henegar) Felt like the right thing to do this year. This maybe our last chance, let's do it.

(Kelson) Questions from the right.

Inaudible

(Kelson) Is there public comment on this item?

(Ken Todd) For the record, Ken Todd presiding judge from Monroe Circuit Court, I just want to say I will be on vacation next week, so I won't be here at the time of the meeting and I didn't want you to interrupt my absence as not being supportive of this request. The second thing that I wanted to point out was that this possibility was first addressed at least four years ago and we knew that we were going to have some space issues come up with the two new courts, and I want to emphasize that I don't have any particular affinity for the Curry Building, it just seem a logical place for court related offices and we're in dire need of space so we can construct the two new courtroom and we've asked for nothing fancy, nothing special, only operational space that allows us to function. So, since I won't be here next week I wanted to make that statement in your presence and to assure you that my absence next week was not significant.

(Kelson) Thank you very much.

(C.Newmann) Judge Todd, along those lines that the commissioners' given you any indication of the long term viability of the Curry Building. What the life expectancy of it is?

(Todd) That was addressed, I believe, by Christine Matheu when we had the meeting, I can't remember three weeks ago or something of that nature, but we're not viewing this as a temporary location or something that's not viable for the long term. We fully anticipate that this, at least as we understand things, as likely to be as long term as our ability to foresee.

(C.Newmann) So we're going to pour money into the Curry Building.

(Todd) You ask me that, actually

(C.Newmann) That's what you're telling me, it's long term.

(Todd) Well I'm telling you that I support this because I know of no other options, it's readily accessible to the Justice Building as we must have the probation department be and it's my understanding from the examination of the building and the recommendation of the architect that

this will take care of not only our needs but those of several other offices that also need space to work and that they got this put together in a way that will be long term for all of us.

(Kelson) Commissioner Poling did you have public comment on this?

(Poling) She mentioned that the building was a very hearty building and that the drawings that she did we feel can be used for offices for many years. That they will be flexible and can be used for the kinds of offices we need for many years.

(C.Newmann) What are the commissioners long term high-rise building interest for that property for that and the cage both I think that's the main consideration we have here, how much money do we want to put into the Curry Building at this time and what the commissioners timeline is for demolishing it and building a high-rise.

(Poling) I don't think anyone's talked about demolishing that building. Christine actually talked about adding to the building. Where the atrium is she talked about going up, she also talked about taking the little park out and adding on there, and going up.

(C.Newmann) ok

(Todd) During the course of some of these discussions, Charles, the question has come up about what our options are and while I'm not aware of any that are really very functional, by the time you take into consideration finding some place to rent, over the course of two or three years take into consideration the rent we're paying over, I guess we'll still be paying that cause we won't be moving community corrections, so we will still be paying that. But by the time you take into consideration the rent and delayed construction costs and so and I'm not sure if this is anymore expensive than any other route to take. Or at least not significantly so. We just don't have any other options, for the foreseeable future.

(Kelson) Is there further public comment on this item? Hearing none, back up here, we need to also re-ordinance 2008-18.

(Woods) This present move, approval of ordinance number 2008-18 the ordinance of Monroe County, Indiana appropriating the proceeds of the general obligation bonds of 2008. Shall I read the text as well?

(Kelson) Do we just read the title? We have a motion, is there a second?

(Hennegar) Second

(Kelson) Motion is second, if there are no further comments on either of these items, hearing none this special session of the Monroe County Council is adjourned.