

The Rush County Board of Commissioners and the Rush County Council met in special session Tuesday, January 17, 2017 at 1:00 p.m., with Commissioners Bruce Levi, Mark Bacon, Paul Wilkinson, Councilmen Gerald Mohr, Warren Norris, Charles Smith, Janet Kile, Marvin Hedrick, Scott Barnes, Steve McCorkle, Jodi Harr Auditor and Attorney Leigh Morning in attendance.

Commissioner Chairman Paul Wilkinson called the meeting to order. The purpose of the meeting is the proposed financing of the new Jail project. At the January 11 meeting of the County Council, council members agreed that they would like a meeting to get additional information and answers to questions they have regarding the jail project. Jack Krouse with CCI and Alan Thorpe from DLZ were in attendance to answer questions.

JAIL PROJECT

Jack Krouse of CCI started the discussion by indicating the lack of bidders for construction of the jail is the primary concern. The jail committee is reviewing the bids and will rebid for the construction of the jail. He feels like there was some confusion in the bid documents that were not realized until the committee looked at the bids that came in. The other thing the jail committee is doing with the assistance of DLZ and Jack is to look at all of the items in the project to see the pros, cons, and necessity of everything in the project. There will be a meeting to discuss these changes on Wednesday, January 25. They will also go through the estimated costs and update them to what has been actual costs. New edited figures should be available for council review by the end of February.

Rick Hall from Barnes and Thornburg asked if they are discarding previous bids. Jack said they are discarding the previous bids which means the 90 days for financing will start over. Rick told the county council with this being the case, they can wait on lease approval. County Councilman Marvin Hedrick stated he would like to see locked in figures before the council signs any lease agreement.

AUDIENCE QUESTIONS:

Kevin DeWitt asked if the committee is going to keep the same level of expectations for bids and bidders. For example, the experience factor. Jack stated there is no intent of changing the experience factor requirement.

County Councilman Charles Smith asked why bidders were confused about the bid specifications. Jack said it could be they did not read the specifications clearly or completely or simply that they did not understand them. They will rewrite them to clear up as much of the confusion as possible.

Craig Custer asked how many bid packages will be rebid? Jack responded they may combine one or two.

Ron Jarman noted in the original jail contract there were 120 total beds listed. In the meeting last week per DLZ, there are now 139 beds. Why is there a discrepancy in the number of beds? Jack said maybe there were 120 beds in pods plus any intake and medical beds. Alan Thorpe with DLZ said they counted all beds.

Jarman also noted the original cost was twelve million dollars. Additional square footage was approved so that added additional cost which would make the project estimated at sixteen million dollars. What are the additional cost making the project now at twenty three million dollars? Councilman Hedrick added that the original price per square foot was \$200 now it is over \$300 per square foot. Jack answered that the pricing of products going into the jail is increasing because of the demand of the projects. Alan noted at the time of the original pricing the location of the new jail was unknown and the type of building is different now that the building is in town. His understanding is that the county was willing to pay the higher costs in order to be part of the Stellar Program.

Frank Denzler asked if there is a cap to the maximum the county will spend on this project? Councilman Hedrick said the council had spoken of the bonding amount being sixteen million dollars. Councilman Gerald Mohr noted that the current bond amount would be sixteen to eighteen million. Rick Hall stated that Umbaugh projected the bonds would not be more than twenty million dollars with a total project cost of twenty five million dollars.

Marvin Hedrick commented the council wants enough in the income tax collections to cover the bond payment and the additional operational costs. Charles Smith noted the county would have to rely on a property tax back up if there is not enough collected in income tax to pay for the operation of the new jail. Councilman Warren Norris said if the income in Rush County decreases, we may not collect enough in income tax. Rick Hall stated Umbaugh projects \$460,000 would be available each year after the bond payment is made from special income tax collected. He asked what figure would the council be comfortable with having left over for operational costs. Hedrick said by adding at least eight correction officers, maintenance person, dietician, kitchen staff and possibly a nurse, he didn't feel \$460,000 would be enough but the council has not received an estimated cost for operational costs. Jack Krouse commented staffing is estimated at \$300,000 and other operational costs are estimated at \$150,000.00. Assuming that income tax collections stay at current level or above, bond payments will most be less then currently projected. Councilman Barnes noted that Rush County has no economic development at this time. Until something changes, we cannot make these figures work.

Rick Hall said again it will be helpful for them to know what the council wants the operational cost to be. Councilman Scott Barnes asked the council is to know what the operational costs will be. No one has given the council this information. Jack Krouse noted that the additional operational cost estimate would be \$120,000 per year plus the cost of staff. Marvin Hedrick estimates the additional costs of staff would be \$500,000. He would like to see a million dollar cushion.

Warren Norris asked what the interest rate on the bonds are. Rick Hall stated the rates start low at 1.5% and go up to 4.5% closer to maturity.

Commissioner Chairman Paul Wilkinson commented he has heard the Council has not been included in the jail project. Council has been given the figure of \$460,000 a month for operational costs. The commissioner knew the bids were too high and they are addressing it. The Commissioners need to know what the Council wants. We all are in agreement that we need a new jail at a cost the county can afford. The Commissioners need more solid figures from the Council. Councilman Steve McCorkle stated the Council needs better figures from CCI and DLZ. The Council wants the bond amount to be sixteen million dollars. County Attorney Leigh Morning commented she does not think we can get a new jail for a bond of sixteen million dollars. You would have to restructure the proposed jail which would create additional expenses from DLZ.

Ron Jarman asked what budget was given to the jail committee. All bids say the project cost is twenty million dollars. Marvin Hedrick said the jail study committee recommended fifteen to sixteen million dollars would be comfortable.

Commissioner Bruce Levi asked where the figure of 120 beds came from. The jail study said we would need 110 beds over ten years. Do we need 120 beds or can we cut and expand later? Jack Krouse said if you restructure the plans and take walls down, it will be a big additional expense.

Craig Custer asked if Community Corrections will pay for their space in the jail. Sheriff Jim Cowan explained that the inmates pay a program fee to cover their bed costs. Community Corrections will have only a small office space. Craig asked when does the Community Corrections grant program expire and who will pay for the probation officer salaries at that time. Jack Krouse said this is a three year at a time on-going project. Work Release beds are paid for at a certain rate. Marvin Hedrick asked how much it would save to leave Community Corrections in the courthouse. Jack stated not much because they have a little bit of office space.

Commissioner Mark Bacon stated when the jail project was started the county had no idea what the costs would be until DLZ drew up the plans for construction. Paul Wilkinson asked what does a redesign cost. Eric from DLZ would have to answer that question. It would depend on what changes you want to make.

Scott Barnes asked what the amount of the soft cost is. Jack Krouse replied 6.2 million dollars in addition to the construction costs.

Bruce Levi stated he does not think we can save much money without restructuring the jail.

County Councilwoman Janet Kile asked if anyone has talked to Rush Memorial Hospital about continuing to provide food services to the new jail. Bruce Levi said the hospital will work with us. Sheriff Cowan noted he has asked for guidance from the Council and Commissioners on how to staff the kitchen. The Council would like to see options and the costs of each option. Jim met with the new hospital staff last week. They said they can support the maximum inmate count. Jack Krouse noted you can remove the kitchen staff and equipment if this is the case. Sheriff Cowan noted the equipment would need to stay. By serving so many

meals, they will need a place to heat up the food once it is delivered to the jail. Paul Wilkinson noted this would open the door for competition of food vendors maybe lowering the costs.

Jack Krouse commented he hears and sees the Council's concerns. They will work hard starting next week to address all of these concerns.

Paul Wilkinson asked if everyone is okay with continuing on with relocating the fiber hut and the demolition of the buildings. He does not want to continue to incur costs if this is going to be rejected. Steve McCorkle asked if a Council member could attend these jail meetings. Paul stated of course. He is going to work with the other Commissioners to work on one of them being at the council meetings. Hopefully the council will do the same.

It was agreed that Councilman Scott Barnes and Commissioner Mark Bacon will meet with DZL, CCI and the sheriff at the meeting scheduled for January 25, 2017.

Bruce Levi noted that public relations is vital to this project. He asked that Frank Denzler stay in contact with Council Chairman Gerald Mohr and Commissioner Chairman Paul Wilkinson.

Steve McCorkle stated in reality this process would be a whole lot easier if our county had more business opportunity. Bruce Levi noted the state is looking at a possible state road 3 expansion and road funding. Perhaps this will help.

TOWER BID

The Commissioners needed to address the bid for putting up the new tower. Custer Electric was the low bid. Bruce Levi made the motion to proceed with accepting the bid of Custer Electric to up the new tower. Mark Bacon seconded the motion. Motion carried.

Bruce Levi made the motion to adjourn the County Commissioners. Mark Bacon seconded. Motion carried.

Steve McCorkle made the motion to adjourn the County Council. Charles Smith seconded. Motion carried.

<u>/s/Geral Mohr, Chairman</u>	<u>/s/Warrn Norris</u>	<u>/s/Charles Smith</u>
Gerald Mohr, Chairman	Warren Norris	Charles Smith
<u>/s/Janet Kile</u>	<u>/s/Marvin Hedrick</u>	<u>/s/Scott Barnes</u>
Janet Kile	Marvin Hedrick	Scott Barnes

/s/Steve McCorkle
Steve McCorkle

ATTEST:

/s/Jodi Harr
Jodi Harr, Auditor

