

Vermillion County Commissioners
Meeting Memorandum

June 18, 2024

6:30 PM

Commissioner's Courtroom, 2nd Floor, Courthouse

- I. Call to Order
- II. Pledge Allegiance to the Flag
- III. Roll Call
 - All Present
- IV. Approval of Minutes for 05.28.24, 06.04.24 & 06.12.24
 - Luther makes the motion to approve the 05.28.24, 06.04.24, & 06.12.24 minutes. Dunavan seconds the motion to approve the 05.28.24, 06.04.24, & 06.12.24 minutes. All in favor, motion carried
- V. Approval of Claims for 06.21.24
 - Luther makes the motion to approve the 06.21.24 claims. Dunavan seconds the motion to approve the 06.21.24 claims. All in favor, motion carried.
- VI. Approval of Payroll for 06.21.24
 - Dunavan makes the motion to approve the 06.21.24 payroll. Luther seconds the motion to approve the 06.21.24 payroll. All in favor, motion carried.
- VII. Public Comment
 - NONE
- VIII. New Issues
 - a. Updated Contract Approval for Economic Development & Purdue Extension with Valley Professionals: Lori Bouslog
 - Bouslog comes to update the lease for Economic Development and Purdue Extension with Valley Professionals. Luther makes the motion to approve the lease agreement with Valley Professionals with the change of making the lease Vermillion County Commissioners instead of Economic Development and Purdue Extension. Dunavan seconds the motion. All in favor, motion carried.
 - b. Vermillion County Redevelopment Annual TIF Presentation: Scott Craig & John Moore
 - Moore states it is now required to give an annual TIF Presentation to the Commissioners and Council. Moore gives a brief overview of the TIF annual report.
 - c. Road Leasing for the Elanco Bonds Resolution 2024-06: Scott Craig, Tom Pittman (Barnes & Thornburg), & Andy Mouser (Baker Tilly)
 - Craig explains that this is for the purpose of the financing of the bonds we've been working on for some time that are part of an economic development agreement between the County and Elanco. He also states that Tom Pitman from Barnes & Thornburg law firm and Andy Mouser from Baker Tilly (video conference) are attending the meeting as well to give a better explanation, go over the documents and the numbers, and to answer any questions you may have. Both Tom and Andy are experts in this area and have been instrumental in assisting us in figuring out a way to do this. Elanco has committed to investing \$150 million for new equipment in their Clinton facility and, in exchange, the County has agreed to issue TIF bonds that will generate something around \$6 to \$7 million in cash for Elanco, depending on interest rates. The bond issue would actually be more like \$9 million because we have to pay for bond issuance costs, a debt service reserve, and some other costs. The funds used to pay this debt will come from money paid into the TIF District by Elanco from their property taxes on the new equipment, backed by a pledge from Elanco to make the payments if there is some shortfall in the property taxes, and finally backstopped by a pledge of other County funds if all else fails. Only 80% of the anticipated new taxes paid by Elanco will go toward the bonds, leaving the remaining 20% to the TIF District to be used by Redevelopment on other projects in or serving the area. Over the next 25 years, the County's 20% share is estimated to be over \$6 million. Late last year (or maybe early this year) the Council approved an amendment to the original

bond resolution to allow for a higher interest rate. We thought that would be enough to get the bonds issued but we ran into another snag. In order to sell these bonds, we wanted to get them rated by S&P Global. A rating is an evaluation of the credit of the borrower and has a big impact on the interest rate we will receive from bidders. We originally had the bonds rating back in 2023 and got a solid rating – an “A+” rating. That isn’t quite as good as it sounds because AAA is the best rating, then AA, then A, then BBB, and so on. But still a very good rating for a County of our size. When we went back to have the bonds rated in 2024, S&P didn’t like the way the deal was structured as much and indicated that we were likely to receive a lower rating than before which would significantly impact the interest rate and, in turn, the amount of cash generated by the bonds. However, their primary issue was with the way the deal was structured and it was indicated that if the structure of the deal could be altered a bit, we would get a better rating. To finance a deal like this you need to have some assets that are being leased. It is really convoluted, but essentially you have assets that are leased (and in some cases subleased and sub-subleased) between various entities so that you have some basis to justify payments. In this case, the plan was to use Elanco’s equipment as the asset being leased. The first time we went through the rating process, S&P didn’t have any issue with that concept, but this time they did. They were concerned about the mobility of the assets and that something could happen to the assets (like a natural disaster) that would result in their destruction. They expressed a preference that the asset involved be something (a) owned by the County; and (b) less mobile, longer life-cycle, less susceptible to damage, etc. With that background in mind, the new concept is to have County roads be the asset being leased. I realize this sounds crazy, but it is fairly common and, the way it works, it is just a big circle with the roads going from the County, to the VCEDC, then leased to Redevelopment, and then back to the County. The roads are owned and maintained by the County the entire time, and no one is going to start charging tolls or anything. This is similar to what we had to do to finance the jail improvement project. Technically, the jail was conveyed to a building corporation which, in turn, is leasing the jail back to the County for 20 years. It is just a vehicle to do the financing and avoid issues with the County’s Constitutional debt limit. We’re only selling and leasing the roads in the same way we sold and are leasing the jail. Dunavan makes the motion to approve the 2024-06 resolution, Resolution of the Board of Commissioners of the County of Vermillion, Indiana, Approving the Transfer of Certain Roads and Streets to the Vermillion County Economic Developments Corporation amending with what Britton said. Yocum seconds the motion. All in favor, motion carried.

IX. Open Issues

- a. CCMG 2024 – 01 Bid Award
 - i. Pavement Solutions: \$1,503,906.70
 - ii. Evergreen Roadworks: \$1,499,394.50
- Luther would like to make the motion to approve the Evergreen Roadworks CCMG 2024-01 Bid Award. Dunavan seconds the motion. All in favor, motion carried.
- b. County Owned Printers
 - Dunavan states that he had a couple of entities reach out about needing printers. All the Commissioner agree to give the printers to the first three entities that were interest. The first three entities were Clinton City Court, Newport Lions Club, and Cayuga Fire Department. Luther states he thought we had more than three, he will check into it and let Dunavan know
- c. Ambulance
 - O’Heir states that the second ambulance will be delivered either Friday or Monday.
- d. Improvement Fund
 - Dunavan states that he has reviewed all the projects and he has chosen three that he feels should be fully funded. Donavan’s top three picks include, Verm Co. Disc Golf Club, Eugene Township, & Soil & Water. Yocum’s top three picks include, Friends of Ernie

Pyle, the Dana Ball Park, and Verm Co. Disc Golf Club. The three projects the commissioners agreed to fund are the Vermillion County Disc Golf Club for \$14,150.00, the Dana Ball Park for \$15,000.00, and Eugene Township for \$20,325.00. Yocum makes the motion to approve the three projects. Dunavan seconds the motion. Luther votes no. Motion passed.

- e. Wabash Valley Resources: Greg Zeller
 - Zeller with Wabash Valley Resources comes to talk about the Community Benefits Agreement that Wabash Valley Resources is offering the county. The initial grant of \$1M would establish a Donor-Advised Fund (DAF) with \$500,000.00 going toward the initial needs of the community. The remaining funds would go to establish the DAF in 2024. There is an opportunity to use some portion of these funds to fulfill the requirement of the Lilly Endowment's matching GIFT VIII program. These funds would be structured and administrated by the Wabash Valley Community Foundation (WVCF) for use within the county for nonprofit programs. County Commissioners would serve to advise the foundation as the use of the funds that would be in the best interest of the local community. These funds would come during the years following the commencement of contraction and prior to the start-up of the facility. An initial study of local roads would be conducted, and roads would be improved as part of the company's initial investment in the county. An initial study will be conducted to assess county needs for additional training, equipment, and resources that will be part of the company's initial investment prior to start-up. All required studies and any necessary actions will be paid for by the company. Dunavan states that he had just received the information and hasn't had time to review it all to make a decision yet. Zeller is wanting a commitment from the commissioners that they are willing to be the advisors for the funds to the Wash Valley Community Foundation on deciding what nonprofits get the funds and authorization to do the road study and permits, the commissioners wouldn't give the permits, they just have to state that they are supporting them. He also states that the benefits being offered are the same as what was offered to Vigo County except the road agreement might be different, the money is the same.

X. Announcements

- Dunavan states that we have a new Veterans Office. His name is David Parsons.

XI. Public Comment

- Yocum states that he had just received a copy of the agreement with Clinton City to house the ambulance and staff in the Clinton City Fire Station and he has forwarded it to the other commissioners so they can review it for the next meeting.

XII. Adjourn

- Luther makes the motion to adjourn. Luther seconds the motion. All in favor, motion carried.

AYE:

NAY:



Tim Yocum



RJ Dunavan



Britton Luther

ATTEST: 

Brenda Furry

DATE: 