

**PROCEEDINGS OF THE WASHINGTON COUNTY BOARD OF SUPERVISORS MEETING
TUESDAY, JULY 31, 2018**

Chairperson Abe Miller called the meeting to order at 9:00 a.m. in the Courthouse chambers in regular session. Items on the agenda included the following: approval of agenda; possible purchase of Federation Bank building located at 102 East Main in Washington; review financing plan for Communications; Resolution #18-33 approving preliminary official statement related to General Obligation Bond financing of Communications equipment; discussion and action regarding contract with Neumann Monson Architects for Communications Building; Engineer's report; Quarterly Report – Sheriff; Secondary Road Use Request – Iowa City Cycling Club; appointment of various commission, board, and committee members; Fireworks Permit Application – Camp Reece; public comment; adjourn. Supervisors Stan Stoops, Jack Seward, Jr., Richard Young; and Bob Yoder were also present.

Others attending were: Michael Hart, Northland Securities; Mary Zielinski, The News; David Hotle, Washington Evening Journal; Zach Ulin, KCII Radio; John Gish, County Attorney; Shawn Ellingson and Bill Fiordelise, County Sheriff's Office; Danielle Pettit-Majewski, County Public Health Director; Cyndie Sinn, County IT/Budget Director; Jeff Garrett, County Treasurer; Amber Williams, Board of Supervisors Administrative Assistant; and citizens Tom Dayton, Bill Miller, Karyl Miller, Richard Gilmore, Denny Stalder and Les Zickefoose.

All motions were passed unanimously by those Supervisors in attendance unless noted otherwise.

On motion by Seward, seconded by Yoder, the Board voted to approve the agenda after it was amended to include the following: certificate of appointment of Derek Gaspie as Deputy Sheriff.

There was no discussion nor Board action with regard to the possible purchase of Federation Bank building located at 102 East Main in Washington.

Michael Hart of Northland Securities addressed the Board in order to outline the financing of new Communications equipment and a new facility to house such equipment. He began his comments by stating that following a public hearing earlier in 2018 the County took steps to borrow up to \$10.5 million in general obligation bonds. In turn a tax levy was implemented by the County for FY19 to begin paying such debt. Hart re-stated his recommendation that the County pursue a two-part plan for financing. The first part would involve borrowing \$3.5 million with the second part involving borrowing during calendar year 2019 the amount needed for completion of the project. One advantage of doing so would be to enable the County to have a more specific estimate of the total remaining project costs and thus be in a position to more specifically determine the remaining amount for which to bond. Hart stated that the \$3.5 million initial borrowing would cover the estimated \$2.6 to \$2.7 million of contract costs related to equipment as well as a contingency for civil engineering fees and other County costs. Hart distributed charts showing projected sources and uses of funds, debt paid from debt service levy, projected general obligation debt summary, and debt service schedule and payment source. The various charts displayed a level amount for payments towards existing debt as well as projected debt related to the Communications project which would result in a final payment being made in FY29. Hart stressed that the various charts were provided as examples only and that a final decision was not presently required. Copies of the reports are available in the Auditor's office. Hart also shared that presently the County has a credit rating of AA3 which Hart described as a very strong rating that indicates the County is financially strong. Hart estimated the fee to prepare a bond rating related to the anticipated \$3.5 million bond offering to be in the range of \$14,000.00 which would still result in an interest cost savings of approximately \$40,000.00 over the life of the bond after the fee was paid. While such a rating is not required Hart recommended that the rating be pursued due to the expected savings that would result. In answer to Seward's question Hart responded that he did not believe an additional \$3.5 million in borrowing would have a negative impact on the County's bond rating and overall financial picture. Treasurer Jeff Garrett stated that such a bond rating would not apply to future bond offerings and thus a decision regarding another such bond rating would need to occur in 2019. Hart also outlined a tentative time schedule for the issuance of the bonds with September 26 as the date for bond closing and availability of the funds. On motion by Young, seconded by Seward, the Board voted to request that Northland Securities assist the County with the task of completing a bond rating of Washington County.

On motion by Seward, seconded by Stoops, the Board voted by way of roll call vote to approve Resolution 18-33 as follows and to authorize the Chairperson to sign Resolution 18-33 on behalf of the Board.

RESOLUTION NO. 18-33

Approving preliminary official statement for General Obligation County Communication Equipment Bonds, Series 2018A

WHEREAS, the Board of Supervisors of Washington County, State of Iowa, has heretofore proposed to enter into a General Obligation Loan Agreement (the "Loan Agreement") in a principal amount not to exceed \$10,500,000, pursuant to the provisions of Section 331.402 of the Code of Iowa, for the purpose of acquiring emergency services communication equipment, and has published notice and held a hearing on the proposal; and

WHEREAS, the County intends to enter into the Loan Agreement and to issue General Obligation County Communication Equipment Bonds at this time in an amount not to exceed \$3,565,000 (the "Bonds"); and

WHEREAS, a preliminary official statement (the "Preliminary Official Statement") has been prepared in connection with the sale of the Bonds, and it is now necessary to make provision for the approval of the Preliminary Official Statement and to authorize its use by Northland Securities, Inc.

NOW, THEREFORE, Be It Resolved by the Board of Supervisors of Washington County, Iowa, as follows:

Section 1. The Board of Supervisors hereby expresses its intent to enter into the Loan Agreement and issue the Bonds in the future and further declares that this resolution shall constitute the "additional action" required by Section 331.402 of the Code of Iowa.

Section 2. The use by Northland Securities, Inc. of the Preliminary Official Statement relating to the Bonds, in substantially the form as has been presented to and considered by the Board of Supervisors, is hereby approved, and Northland Securities, Inc. is hereby authorized to prepare and use a final Official Statement for the Bonds substantially in the form of the Preliminary Official Statement, but with such changes therein as are required to conform the same to the terms of the Bonds and the resolution, when adopted, providing for the issuance of the Bonds, and the County Auditor is hereby authorized and directed to execute a final Official Statement for the Bonds, if requested. The Preliminary Official Statement as of its date is deemed final by the County within the meaning of Rule 15(c)(2)-12 of the Securities and Exchange Commission.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

County Attorney John Gish informed the Board that he had reviewed the proposed contract with Neumann Monson Architects for architectural and design services for the proposed Communications building and described the contract as being a standard contract and one which meets with his approval. On motion by Young, seconded by Seward, the Board voted to approve a contract with Neumann Monson Architects for the design of a Washington County Communications building and to authorize the chairperson to sign the contract on behalf of the Board.

The Board reviewed a report provided by County Engineer Jacob Thorius that listed maintenance activities performed by Secondary Roads staff during the week of July 22. The list included blading of gravel and dirt roads, hauling rock, cutting brush, mowing of paved and gravel road shoulders, shoulder improvement work on 200th Street east of Keota as well as 210 Street east of Riverside Road, replacement of crossroad and entrance pipes, cold patch and PCC work on various roads, sign installation, and assistance with RAGBRAI. The list also included construction work consisting of continued progress on the shoulder areas of the Riverside Road, deck work on the 275th St. Bridge project, grinding work on Highway W47 (Coppock Road) and finally the removal of a bridge on Orange Avenue that will be replaced with a culvert. The Board took no formal action.

On motion by Stoops, seconded by Yoder, the Board voted to acknowledge receipt of the Washington County Sheriff's quarterly report for the 4th quarter of FY 2018. The report, presented by Bill Fiordelise, included a beginning balance of \$73,451.43, total receipts including unallocated funds in the amount of \$243,434.59, total disbursements of \$243,442.59, and an ending balance of \$13,552.92. The complete report is available in the office of the Washington County Auditor.

On motion by Young, seconded by Seward, the Board voted to approve, and authorize the Chairperson to sign, a request for a Secondary Road Use permit received from the Iowa City Cycling Club for Saturday, August 11, 2018, beginning at 9:00 a.m. and ending at 3:00 p.m. Washington County roads scheduled to be used in conjunction with the event include Highway 22, Vine Avenue, County Road G-36, and County Road W-61 (Riverside Road).

On motion Seward seconded by Young, the Board voted to appoint Kim Prier to an unexpired term on the Washington County Conservation Board that ends December 31, 2019.

On motion by Yoder, seconded by Young, the Board voted to approve, and authorize the Chairperson to sign, an application for a fireworks permit from Camp Reece for August 9, 2018 from 8:00 p.m. until 11:00 p.m. with no rain date. The display will take place at the Lake Darling Youth Camp, Brighton. Washington County Sheriff Jared Schneider expressed no issues that would challenge the permit.

On motion by Young, seconded by Seward, the Board voted to approve a certificate of appointment for Derek Glaspie to a term as Deputy Sheriff that ends December 31, 2020.

There was no public comment.

At 9:58 a.m. on motion by Young, seconded by Seward the Board voted to adjourn.

ATTEST:
July 31, 2018

ABE C. MILLER
Chairperson, Board of Supervisors

DANIEL L. WIDMER
County Auditor