



**BOARD OF COUNTY COMMISSIONERS
WARREN COUNTY, OHIO**

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***TOM GROSSMANN
SHANNON JONES
DAVID G. YOUNG***

**BOARD OF COUNTY COMMISSIONERS
WARREN COUNTY, OHIO**

MINUTES: Regular Session – May 16, 2017

The Board met in regular session pursuant to adjournment of the May 11, 2017, meeting.

Tom Grossmann – present

Shannon Jones – present

David G. Young – present

Tina Osborne, Clerk – present

Minutes of the May 11, 2017 meeting were read and approved.

- 17-0773 A resolution was adopted to approve lease agreements with Ohio Department of Public Safety relative to 19 Dave Avenue Lebanon Ohio. Vote: Unanimous
- 17-0774 A resolution was adopted to approve Memorandum of Understanding for School Resource Deputy with the Kings Local School District, on behalf of the Warren County Sheriff's Office. Vote: Unanimous
- 17-0775 A resolution was adopted to approve agreement and addendum with Pressley Ridge as a Child Placement and Related Service Provider for the Warren County Board of County Commissioners on behalf of Warren County Children Services. Vote: Unanimous
- 17-0776 A resolution was adopted to approve Engineering Agreement with Fishbeck, Carr & Huber, Inc. for the design of improvements to the Simpson Creek and Bear Run Lift Stations. Vote: Unanimous
- 17-0777 A resolution was adopted to enter into a Temporary Entrance and Work Agreement with Pendragon Development Company, LLC. for the Snook Road Bridge Replacement Project. Vote: Unanimous
- 17-0778 A resolution was adopted to approve County Motor Vehicle Tax (CVT-335) for

- the Village of Carlisle in the amount of \$50,000.00. Vote: Unanimous
- 17-0779 A resolution was adopted to approve County Motor Vehicle Tax (CVT-354) for the City of Loveland in the amount of \$10,039.14. Vote: Unanimous
- 17-0780 A resolution was adopted to approve various refunds. Vote: Unanimous
- 17-0781 A resolution was adopted to approve supplemental appropriation within Common Pleas Community Based Corrections Program PIIG Grant Fund #289.
Vote: Unanimous
- 17-0782 A resolution was adopted to approve supplemental appropriation within Fund 575 Various Sewer Projects and approve operating transfers from Water Revenue Fund 580 into Sewer Revenue Project Fund No. 575 for various sewer system improvements. Vote: Unanimous
- 17-0783 A resolution was adopted to approve supplemental appropriation into #101-1112 and approve an operational transfer from General Fund #101 into Property and Casualty Insurance Fund #637. Vote: Unanimous
- 17-0784 A resolution was adopted to approve appropriation adjustment from Commissioners' General Fund #101-1110 into Court of Common Pleas Pretrial Services Fund #101-1222. Vote: Unanimous
- 17-0785 A resolution was adopted to approve appropriation adjustment within Grants Administration Fund #265. Vote: Unanimous
- 17-0786 A resolution was adopted to authorize payment of bills. Vote: Unanimous
- 17-0787 A resolution was adopted to approve promotion of Matt Schnipke to the position of Deputy Director within the Warren County Economic Development Department. Vote: Unanimous

DISCUSSIONS

On motion, upon unanimous call of the roll, the Board accepted and approved the consent agenda.

Bruce McGary, Assistant Prosecutor, was present for an informational meeting to provide an update to the Board regarding the medical marijuana legislation as it relates to county zoning.

Mr. McGary stated that with the passage of the medical marijuana legislation, the State of Ohio can issue a cultivator license. He then explained that municipalities and townships have the authority to regulate, but Counties do not. Townships may regulate by prohibiting or limiting under Title 37/Health Code. Townships that having their own zoning resolution can also regulate by prohibiting or limiting their location. Townships that have not adopted their own Zoning Resolution (thus, they fall under the County Zoning – in Warren County that includes Franklin, Harlan, Turtlecreek, Union, Washington) cannot regulate through zoning, they can only regulate under Title 37/Health Code.

Mr. McGary then informed the Board that they anticipate an application to be filed to grow marijuana for medical use in Harlan Township. He then informed the Board that if the application is for cultivation only, it would fall under the agricultural exemption for zoning.

Andy Brossart, Bradley Payne Advisors and consultant to Warren County, was present for a work session to discuss financing options relative to the construction of a new jail.

Mr. Brossart presented the attached PowerPoint presentation reviewing Warren County's bond rating, the financing summary of the various scenarios for consideration and the financing participants rules and responsibly.

There was discussion relative to the significant cost savings in financing over a short period of time.

Tiffany Zindel, County Administrator, discussed the possibility of enacting a .25% increase in sales tax. She stated that based upon her calculations, a \$40 million borrow county be paid off in approximately five years. She then informed the Board that she has \$4million saved towards this project to date.

Commissioner Jones discussed the option and stated the need to answer two questions:

1. How much money does the Board desire to fund?
2. How do we choose to fund it?

Mrs. Zindel stated that if no additional sales tax is levied, she would not be comfortable with committing any more than \$2.5 million in debt service per year. She then reminded the Board of the enormous increases in spending within Children Services associated with the increase in drug use.

Commissioner Young requested the opinion of Matt Nolan, County Auditor.

Mr. Nolan stated he does not like the long financing option. He stated that the Board has the option to increase property taxes which would add an additional \$52 per household on a \$100,000 home which would require going to the ballot for approval, or enacting the .25% increase in sales tax which is paid 50 – 60% by individuals living outside of Warren County.

Commissioner Young then stated the following facts:

1. We must have a new jail
2. Money is a constraint
3. There is a long term benefit to build to what the needs are and not the funding
4. The longer payment on debt service is a detriment to the residents

Commissioner Jones then discussed the option of doing nothing and financing the jail through a long term bond at a debt service of \$2.5 million per year. She stated that option would put a constraint on spending for approximately 25 years and not include any potential increase in funding for Children Services.

Commissioner Young informed those present that most counties pay for Children Services and Parks from levy funds however, Warren County provides funding through the general fund. He agreed with Commissioner Jones that if funded through current revenue, our hands would be tied to complete any additional project for 25 – 30 years.

There was discussion relative to the possibility of doing a jail levy or a Children Services levy which would place the burden entirely on the residents of Warren County versus a .25% increase in the sales tax which is paid 50 – 60% by people outside of Warren County.

Commissioner Grossmann stated that if the Board chose to finance over time, there would be no need to raise taxes. He stated that with the increase in new development within the county, that would allow for an increase in revenue.

Mr. Nolan stated that he does not see a bump in the property tax collection except every 3 years due to reappraisal.

Commissioner Grossmann stated the ability to decide financing for the project at a later time.

Mr. Nolan stated that funds must be certified at the same time a contract for construction is approved. He stated that a sales tax would be subject to referendum and there would be no other way to pay for the project other than a high interest cost over time.

Commissioner Young questioned how other counties fund projects like this.

Mr. Brossart stated that Hamilton County placed a Museum Center tax on the ballot and it passed.

Mr. Nolan stated that Warren County's property taxes are well below most counties due to the lack of numerous levies. He then stated an increase in the sales tax would make us even with everyone else.

Commissioner Grossmann stated his opinion that a levy for Children Services would have a better chance for passing rather than a levy to pay for a new jail. He then stated he would rather see a children services levy and pay for the jail from the general fund.

Mr. Nolan stated that a children services levy would be forever but the .25% increase in sales tax could be done when the jail is paid for.

There was discussion relative to the different philosophies on paying for the jail.

Commissioner Jones stated she is not willing to push the most vulnerable – our children- to the taxpayers for funding stating her concern with all funding being dependent on a tax levy. She stated that if a levy were to fail and all of our funds are committed to pay debt service on a jail, the children would be pushed to last on the list if a levy doesn't pass.

Commissioner Grossmann discussed his desire for any sales tax increase to be subject to referendum.

Commissioner Jones stated that the time to file a referendum is within 30 days and we would know right away if the sales tax would be a financing option. She then stated that the sales tax increase option would not push the cost of government services solely on the backs of residents through a property tax.

Commissioner Young stated his desire for other people to pay for the jail, not our people. He then reiterated the commitment to building a new jail.

Commissioner Young and Commissioner Jones agreed that they are willing to accept the recourse of a referendum including the ability to be voted out of office.

Commissioner Grossmann stated he is not in favor of any tax increase without approval on the ballot.

There was discussion relative to a referendum petition being the people's check and balance.

Commissioner Jones stated she dejects that the voters lose the right to vote when the action would be subject to a referendum petition.

Commissioner Grossmann stated he has never approved a tax increase without going to the voters.

Larry Sims, Warren County Sheriff, stated his appreciation of the gravity of this decision. He stated that if the Board chooses to increase the property taxes, it would eliminate the ability for people outside of the county to help pay for the jail. He then discussed the concern that if the

question is placed on the ballot, it will push the jail project further down the road and overcrowding continues to be a problem. He then reminded those present that the criminals being released early are not those types that have a DUI or failure to pay child support charge.

Upon further discussion, the Board stated their desire to schedule this matter for additional discussion and a decision in two weeks.

Rebecca Osborne, Warren County Fair Board Secretary and Manager, was present along with representatives from McGill Smith and Puncheon, Inc., consultants, for a following work session relative to the Event Center project.

Commissioner Grossmann reviewed the events from the previous meeting and stated his request for a follow up was due to Commissioner Young being out of town. He then stated that at the conclusion of the last discussion, he questioned the feasibility of additional space being needed if additional funds were available.

Commissioner Jones stated at the last meeting she had questioned the design of the building relative to a market study of the need.

Mrs. Osborne stated her option that the cost associated with adding additional square footage to the building would not justify the number of additional uses it would provide. She stated that the building is designed to maximize the various uses of the \$3 million investment.

Jack Willard, McGill Smith Puncheon, Inc., stated the design was based upon a balance of the best possible facility with the budget that was given.

There was discussion relative to a market study being completed.

Commissioner Young stated the Board of Commissioners along with the Agricultural Society Board members chose not to spend money on a market analysis but to utilize the information of current utilization along with what they felt was lacking in available space within the county to determine the design. He then stated that this project is not being designed to compete with the open market but in order to fill a public need while allowing additional income for the fairgrounds to be self sustaining.

There was discussion relative to the budget and what could be built if additional funding was available.

Commissioner Young stated that this project has already grown from \$2 million to \$3 million. He stated the funding for this is from the private sector thorough negotiations with Miami Valley Gaming and he stated his lack of desire for taxpayer dollars to be put towards the project.

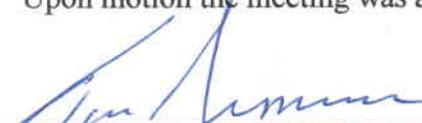
Adam Nice, Assistant Prosecutor, discussed the current request for qualification for a construction manager at risk to be hired and stated that qualifications are due back by June 21st.

Tiffany Zindel, County Administrator, discussed the need for additional office space within the Probate-Juvenile Court. She stated that funds have been set aside to help fund the project and questioned the desire to issue a request for qualifications to begin.

There was discussion relative to the potential requirement of a separate probate and juvenile court judge which would require additional space needs.

Upon discussion, the Board requested Bruce McGary, Assistant Prosecutor, to investigate how a determination is made on the Probate-Juvenile Court judge needs.

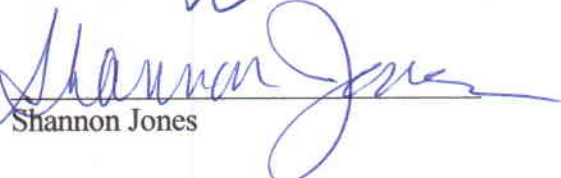
Upon motion the meeting was adjourned.



Tom Grossmann, President




David G. Young



Shannon Jones

I hereby certify that the foregoing is a true and correct copy of the minutes of the meeting of the Board of County Commissioners held on May 16, 2017, in compliance with Section 121.22 O.R.C.



Tina Osborne, Clerk
Board of County Commissioners
Warren County, Ohio

Warren County, Ohio



2017 Jail Financing Options & Market Update Presentation

May 16, 2017

Credit Rating Scale

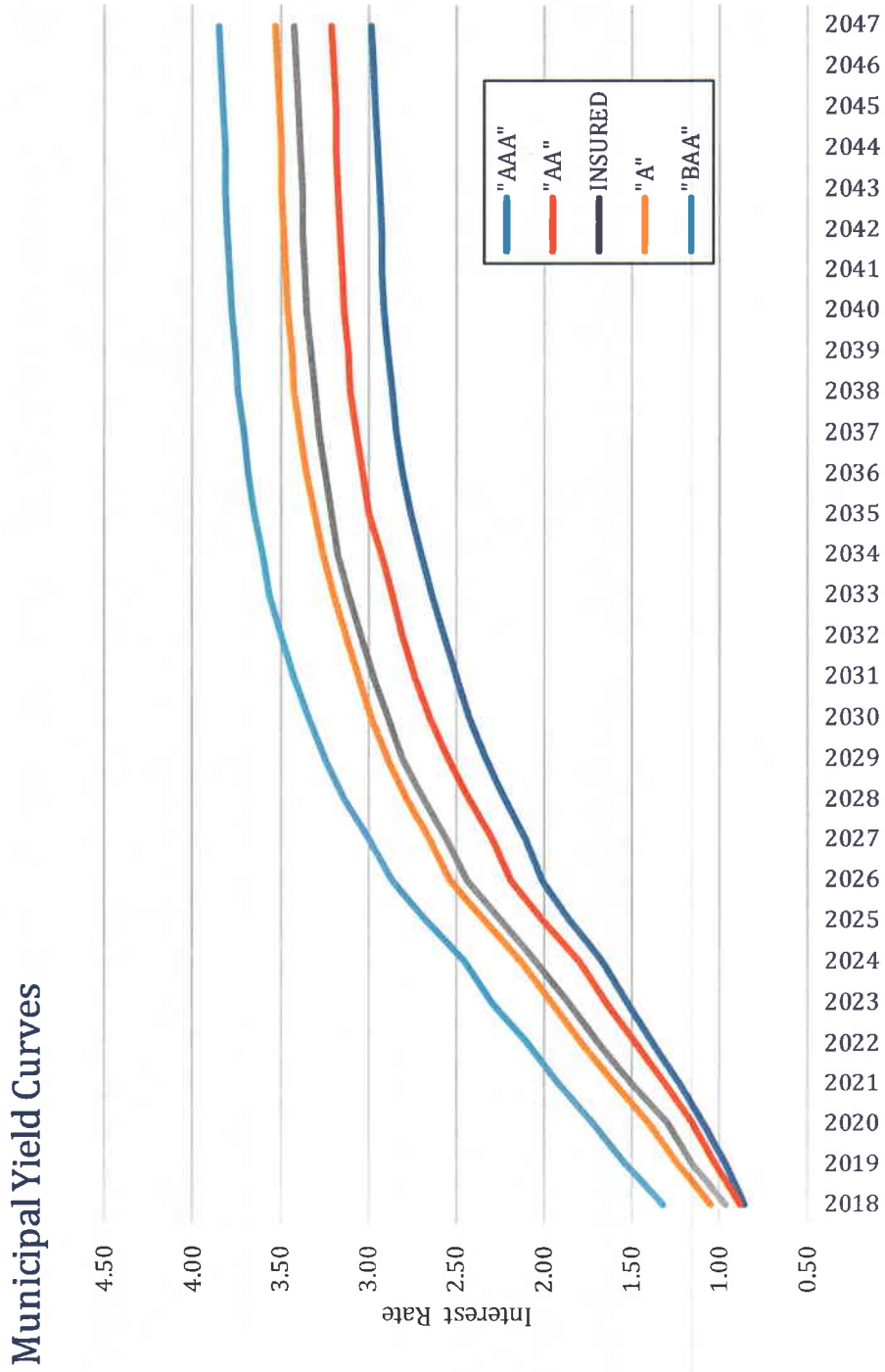


Bond Rating Services

	Moody's Investors Service	STANDARD & POOR'S	Fitch Ratings
Best Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium Grade	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-

(Lower Interest Rates)

Municipal Yield Curve Comparison



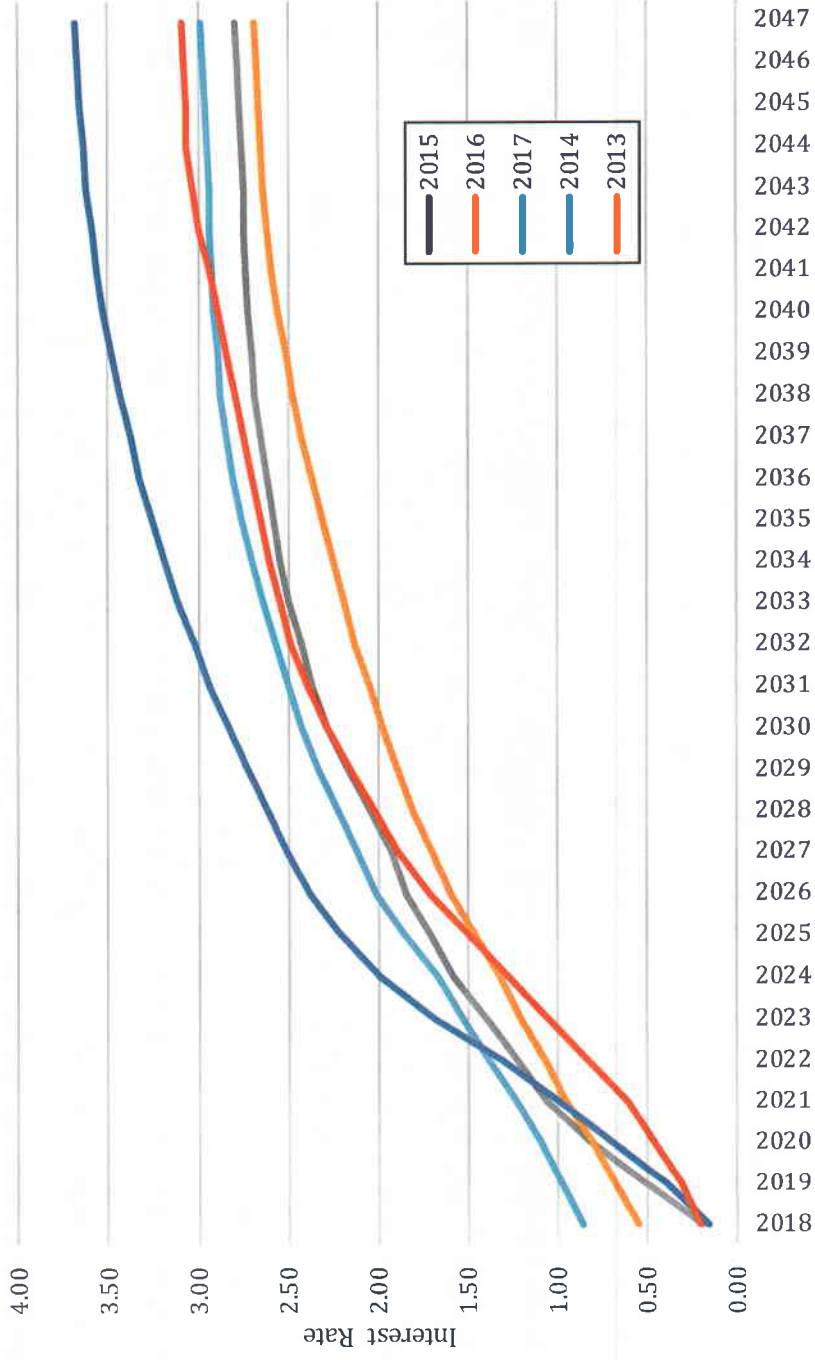
Note: Reflects Market Conditions as of May 12, 2017

Source: Thomson Reuters

Municipal Yield Curve Comparison



Aaa Municipal Yield Curves Past Five Years



Note: Reflects Market Conditions as of May 12, 2017

Source: Thomson Reuters



Municipal Market Data Spot Yields

Bond Year & Maturity		Municipal Yield Curves as of 05/12/2017										"AAA" Coupon Range	
		General Obligations					INSURE D						
		"AAA"	PRE-RE	INSURE D	"AA"	"A"	"BAA"	"LOW"	"HIGH"				
1	2018	0.86	0.86	0.96	0.88	1.05	1.32	5.00	5.00				
2	2019	0.97	0.98	1.16	1.02	1.24	1.54	5.00	5.00				
3	2020	1.09	1.10	1.30	1.15	1.40	1.72	5.00	5.00				
4	2021	1.23	1.25	1.50	1.31	1.59	1.91	5.00	5.00				
5	2022	1.38	1.40	1.69	1.48	1.78	2.09	5.00	5.00				
6	2023	1.52	1.54	1.86	1.64	1.95	2.29	5.00	5.00				
7	2024	1.66	1.69	2.04	1.80	2.13	2.45	5.00	5.00				
8	2025	1.85	1.88	2.25	2.01	2.34	2.68	5.00	5.00				
9	2026	2.01		2.44	2.19	2.53	2.87	5.00	5.00				
10	2027	2.11		2.56	2.30	2.65	3.00	5.00	5.00				
11	2028	2.22		2.69	2.43	2.78	3.14	5.00	5.00				
12	2029	2.33		2.80	2.55	2.89	3.25	5.00	5.00				
13	2030	2.42		2.89	2.65	2.98	3.34	5.00	5.00				
14	2031	2.50		2.97	2.73	3.06	3.42	5.00	5.00				
15	2032	2.57		3.04	2.80	3.13	3.49	5.00	5.00				
16	2033	2.64		3.11	2.87	3.20	3.56	5.00	5.00				
17	2034	2.70		3.17	2.93	3.26	3.60	5.00	5.00				
18	2035	2.76		3.21	2.99	3.31	3.65	5.00	5.00				
19	2036	2.80		3.25	3.03	3.35	3.68	5.00	5.00				
20	2037	2.84		3.28	3.07	3.39	3.71	5.00	5.00				
21	2038	2.87		3.31	3.10	3.42	3.74	5.00	5.00				
22	2039	2.89		3.33	3.12	3.44	3.76	5.00	5.00				
23	2040	2.91		3.35	3.14	3.46	3.78	5.00	5.00				
24	2041	2.92		3.36	3.15	3.47	3.79	5.00	5.00				
25	2042	2.93		3.37	3.16	3.48	3.80	5.00	5.00				
26	2043	2.94		3.38	3.17	3.49	3.81	5.00	5.00				
27	2044	2.95		3.39	3.18	3.50	3.82	5.00	5.00				
28	2045	2.96		3.40	3.19	3.51	3.83	5.00	5.00				
29	2046	2.97		3.41	3.20	3.52	3.84	5.00	5.00				
30	2047	2.98		3.42	3.21	3.53	3.85	5.00	5.00				

Note: Reflects Market Conditions as of May 12, 2017

Source: Thomson Reuters



Financing Summary Results



	Project Fund Deposit	20 Years	25 Years	30 Years	Accelerated Options
Average Debt Service	\$40mm	\$2,898,792	\$2,532,520	\$2,296,850	5yrs - \$8,635,950
	\$50mm	\$3,623,417	\$3,165,662	\$2,870,400	7yrs - \$7,962,585
	\$60mm	\$4,347,962	\$3,798,842	\$3,441,580	8yrs - \$8,489,668
Total Debt Service	\$40mm	\$57,975,850	\$63,313,000	\$68,831,350	5yrs - \$43,179,750
	\$50mm	\$72,468,350	\$79,141,550	\$86,037,250	7yrs - \$55,738,100
	\$60mm	\$86,959,250	\$94,971,050	\$103,247,400	8yrs - \$67,917,350
All In True Interest Cost (A-TIC)	\$40mm	2.89%	3.07%	3.17%	1.97%
	\$50mm	2.89%	3.07%	3.17%	2.03%
	\$60mm	2.89%	3.07%	3.17%	2.11%

Financing Participant Roles and Responsibilities



- ### Issuer
- Approve Bond Legislation
 - Assist with Financing Plan
 - Assist With Preparation Of Disclosure Data
 - Make Rating & Insurance Presentations (if applicable)
 - Make Bond Payments
 - Post Sale Responsibilities

- ### Municipal Advisor
- Oversee Entire Financing Process
 - Provide Financing Plan Assistance
 - Develop Schedule
 - Provide Rating Agency & Bond Insurer Preparation Assistance
 - Provide Structuring Advice
 - Provide Market Guidance
 - Oversee Pricing Process

- ### Underwriter
- Perform Due Diligence On Disclosure
 - Assist With Financing Plan, Structuring and Credit Rating
 - Provide Market Information and Comparables For Pricing
 - Market and Sell The Bonds
 - Utilize Balance Sheet to Support Financing
 - Provide Liquidity in Secondary Market

- ### Bond Counsel
- Prepare Bond Proceedings
 - Assist in Evaluating the Structure of the Bond Issue from Legal Standpoint
 - Assist in Preparation of Primary or Continuing Disclosure Documents
 - Prepare Deal Related Legal Documents
 - Provide Legal Opinion

- ### Investors
- Purchase Bonds
 - Receive Interest and Principal Payments From Paying Agent
 - Receive Ongoing Continuing Disclosure Requirements

- ### Paying Agent/Registrar/Trustee
- Authenticate Bonds
 - Receive Interest & Principal Payments From Issuer
 - Make Interest and Principal Payments to Investors
 - Trustee Oversees Trust Obligations of Issuer

- ### Rating Agencies/Bond Insurer
- Review Credit Worthiness of the Issuer
 - Rating Agencies Issue Bond Rating
 - Rating Agencies Periodically Review Appropriateness of Rating After Assignment
 - Bond Insurer Wraps Credit (if economically beneficial)

Contact Information



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