

Vermillion County Council
Special Meeting Minutes

March 29, 2022

6:00 P.M.

Commissioner's Court, 2nd Floor Courthouse

- I. **Call to Order.** The Council convened in a special meeting on March 29, 2022 at 6:00 p.m. in the Commissioner's Courtroom.
- II. **Pledge of Allegiance to the Flag.**
- III. **Roll Call.** Members present were President Ashley James, William Rennels, Rick Weir (came in late at 6:40 p.m.), Kelly Summerville, William Brent Bush, Randy Dreher, Martin Brown, Auditor Brenda Furry, Deputy Auditor Annie Wickens, and County Council Attorney, Scott Craig.
- IV. **Additional Appropriations**
9103-Certified Shares/1138-Cum Cap Development/1149 Economic Development
 - **Commissioners.** This is to purchase the First Financial Bank building at 100 Market Street. The Auditor published 3 different funds that the money could come from 9103 Certified Shares, 1138 Cumulative Capital Development and 1149 Economic Development. Doing this gives the Council the option where they would like to take the funds from. James states that in front of them Commissioner Britton Luther has put together the appraisals for the Bank. (See attached) Luther stated that the Commissioners had put a resolution together for intent to purchase the property that is known as the First Financial Bank on the south side of the Courthouse. Britton stated that they had negotiated the price with First Financial and came to an agreement for a price of \$100,000.00. There were 2 appraisals conducted, one is from First Financial and the other is from Stephen Junker. The average of those 2 appraisals is \$102,000.00. Luther states that they have had different offers from different offices and departments wanting to move to that location. Commissioners have not made any decisions on who will be moving to the office space. Luther stated it is a bank and it will need to be reformatted on the inside. Luther states he thinks this is a good value for the county stating it will provide offices more and to be able to reallocate other offices in the Courthouse. Luther states that the County does have other outlining offices that we could move back to the Newport property but this is still under consideration. Luther states that there have been no at this time. Luther states that they council has the closing documents in front of them that were given to them right before the meeting. Luther makes the recommendation to approve the allocation of the funds in the amount of \$105,000 for the cost for the purchase of the bank property and the closing costs. Tim Yocum stated that is also includes the property behind it and the parking lot. Dreher questions how many offices do you think you can move over there. Luther states he has not plotted that out yet. Right now, there is two (2) offices, one (1) large lobby area, a commons area with 2 storage facility with a rack of files, two, bathroom facilities, two (2) safes, and two gigantic offices, more like conference rooms instead of offices. Luther states he hasn't plotted it out on what will be done until they figure out who they plan to put over there. Luther states that multiple offices could moved there. He states he is thinking that a lobby down the middle and a conference room in the very back, and offices on each side. Dreher wanted to know who the other offices that are not located in Newport that he would like to bring back to Newport? Luther stated there are several offices like the Board of Health, Emergency Management (EMS), Purdue Extension (4H) and Economic Development. Dreher questioned whether we would leave Soil and Water at the Library? Luther stated he wasn't sure they would move any of these. He did state that Soil and Water could also be included. Dreher stated that the Health Department is paying a around \$1009 a month for rent down in

Clinton and Soil and Water is paying like \$500 a month down here in Newport. Dreher stated that would help off set those costs per month. Dreher stated those should be consider first in my opinion. Luther stated that the Public Defenders board is also looking for space. Luther stated that they have money allocated for them to have some space for an office. Vermillion County, Parke and Fountain County would all have a portion to pay for this office. Luther stated that there are other offices who have money in their budget to go towards this building if they are moved there. James stated that the Public Defender board gets a portion of their budget reimbursed from the state. Luther stated not all offices would be able to move. Some offices have to work closely with other offices and they all couldn't go to the new building. For instance, the Treasurer's office could not go there without the Auditor's office. Dreher questioned if the bank gave information on what it cost to run the building next door (electric, heat etc.) It was stated it was in the packet they received. Dreher stated he just got the packet right before the meeting and didn't get to go over that yet. Luther stated he couldn't remember but it is in the packet for him to look over. Bush stated that his question was that in the paper on the front page it states where we intended to purchase the bank for \$100,000 and on the 3rd page Montezuma is selling their branch for \$70,000. Bush wanted to what the difference is between the two buildings. He states they look about the same to him. Luther stated we had it appraised. Bush stated just because it appraised at that doesn't mean you can't negotiate the price. Bush stated that if First Financial wants to get rid of it bad enough then they would negotiate with the price. We shouldn't just give them what they want we should try and come to an agreement. Luther states that they were asking \$110,000.00 for the building and we had it appraised and it came back at \$100,000.00. Luther stated that they came to the agreement of \$100,000 and if the Council doesn't want to pay that price that is your prerogative. Bush stated the it just doesn't look good that on the first page of the paper we are willing to pay \$100,000 for the building in Newport and the one in Montezuma is fairly close to the same size is only being sold at \$70,000. The difference in price would pay for updates for this building. Luther stated that there are differences but he doesn't know what they are. Bush stated that there isn't much difference. He has banked at the Montezuma bank and there isn't much difference. Luther tells Bush that he is more familiar with the building then he is so maybe he could answer the questions on the differences. Bush states that hey have 2 office areas and a meeting area with a large lobby in the middle at Montezuma. Luther asks what is the asking price for the building? Bush states that is in the paper for \$70,000. Luther questions if that is what they bought it for and Bush states no it hasn't been sold but that is what they are asking for it. Luther stated that he doesn't know why they would offer the Newport facility for \$110,000 and the Montezuma one for \$70,000 if there is no difference. Bush stated he is just stating what was in the paper. Bush states that when he sees a \$30,000 difference in price for a same size bank building it just doesn't seem right. Luther states if it is the same then maybe we should withdraw or if you don't, the offer is subject to County Council Funding, so if the Council doesn't believe the values are there and it is comparable property then. Luther stated the two Assessor's didn't find it as a comparable property, and doesn't know why they wouldn't have. Luther also stated there has to be differences, and if the Council doesn't believe this is a value for the County then that is your prerogative to deny them the funds. Dreher stated he thinks it would be a good asset for the county but the timing is not great. Dreher stated for instance the Cum Bridge fund is getting extinct and the money is getting low for it, and we have a lot of bridges that need work and we are going to have to come up with money for these issues that we don't even know what they are yet and including the Jail we aren't even done with that yet. Dreher states he would like to know where we are money wise before we go spending more money. Dreher states we are spending a lot of tax-payers money and that concerns him. Luther states as far as the bridges and stuff go, we are working on

an asset management plan and that to get those issues planned out. Luther states the County will be shocked at the liability because the County hasn't done anything to these bridges in a long time. We are having failure after failure on these bridges that were constructed back in the 1920's to 1930's. Dreher states that the bridge at Tree Springs sounds like it definitely needs done since there is only one way in and one way out, and we don't know when but that bridge is going to fail anytime. Luther states that is why we need to be planning these things and we are currently doing that. The County has failed to do that for I don't know how long and the previous administration had the attitude of don't fix it unless it is broke. We don't have that attitude now. Luther stated if you don't believe this is a good value which you should know the monies of the County better than we do and you know what is coming in and what is going out. If you think the County can't afford this due to bridges than the County can't do anything else in the County period anyway, minus mandates. Dreher states it not a bad deal, I definitely know we need room. Dreher questioned if they could put offices in the down stair area on a temporary basis until we know what we are going to be facing with the jail. Dreher thinks we should sit back and wait to see where we are. Dreher stated that when he came over the hill tonight there wasn't a line of people wanting to buy that bank. Dreher requested a little time to see where the County is before spending more tax payer's money. Luther states again this is your choice, we the commissioners recommended that we purchase it. The Commissioner made a resolution accordingly, we have had the opportunity to know what the price has been and to take the opportunity to look at the budget to know what the Counties obligation is and what they are, going into the future here, you know what our County space requirements are we know how many we have outside of the County now. We know about people sharing rooms now. The problem with those rooms being adjacent to other rooms. Luther thinks we really need to look at the, reallocating. Luther states again this is your choice. Luther states that the County Commissioners are making a solid offer in, if you believe the offer is to high still, then you can reject it. Britton states if you believe we don't need the space for our future and present dealings then you can reject it. Dreher stated that it would have been nice if the Council could have gone and looked at the building before we decide. In years past we all went and looked at another building that we were looking into and was able to decide for ourselves. We have no way of knowing what is over there. Britton stated we can call them over there and go look. Luther states the opportunities are available that in the future endeavors, if you want to go and look at something all you need to do is call. Luther states we don't have keys to the building, because we don't own it, but we can make those arrangements to do so. Brown questions if the Commissioners know what the IT part of the building and the reconstruction of the building will entail? Luther, states it's a level 5 estimate. Britton states with what he comes up with is that they would need another \$100,000 to \$105,000. Luther states is all doesn't have to done at once but that in the next 3 to 5 years it will have to get done. Internet is already in the building. Brown states that the Commissioners have departments that could very well have the money in their budget to fix some of this. Luther states that it will depend who we put over there. Luther states that the Commissioners will likely have to come back to the Council to get any additional monies for those issues. Rennels added that he and Luther toured the building a couple of weeks ago and stated there is ample room to reconfigure the building to serve its purpose. Rennels stated as far as internet goes, Joink is already in the building. It would just need to be distributed out. Rennels stated he thinks it's a good investment for the price. Rennels states he didn't read the paper thoroughly about the bank in Montezuma. Rennels states he doesn't know the differences in the two buildings but the appraisal which we need to look at to see the differences between the two. Rennels states he doesn't see how the Montezuma bank could benefit us. Rennels also states that as far as reutilize we have different offices that would like to reutilize the

building, but we have the upcoming public defender's office, so there is going to be some space needed somewhere. Rennels also states that we have other offices that are paying rent that could move to this building and reduce our costs long term. Rennels stated that they have looked at this seriously and as far as the other bank in Montezuma that is new to me. Rennels states he doesn't know what the differences are. We could go and look at the differences and make another offer but we are pretty far into the negotiations already. Summerville asks if Parke and Fountain County have already agreed to setup offices here? Britton states that Vermillion County would be the host County. Britton also states that Vermillion County Public Defendere needs are greater than the other Counties. Summerville asks how much money would that be from the other 2 counties? James states she believes that they were looking at spending \$1000 for rent somewhere else per month. Dreher states is based on the number of cases. Vermillion County might be higher. Brown states it will probably 25%, 25% and 50%. Summerville states that will be extra money coming in, right? James states yes. James also states that the budget for the Public Defender board gets reimbursed at 40%. Summerville stated that would pay the biggest part of the mortgage. James agreed it would pay a huge part of it. Brown questioned how much room does the public defender office need? Luther stated that they would need a receptionist space, a room for the Chief Public Defender and another room for the other public defenders to use for their clients and storage. Britton states that the Public Defenders Office would take up 1/3 to 1/2 of the building. Brown states then we probably get another office there or two more. Britton stated that they would have to be compatible with the Public Defender Office. Bush questioned whether the Commissioners would try to get all the offices back to Newport. (Health Department, 4-H Extension, Economic Development, Emergency Management). Luther states that they have to look at lease agreements and other issues to see if we can bring them back. Commissioners have not really spoke about bringing all the offices back. They haven't gotten that far yet. Brown questioned if we could table this issue? He would like some time to look things over. He doesn't think it's a bad idea just want to look at the details a little more. Brown asked if we table this we could shoot for a lower number and look at it at the next meeting with more information to make a sound decision. Luther states that we are at the point now that if we agree on the price today then the money would be wired tomorrow, closing would be on Thursday and we would have to negate and go back to the bank and tell them that the offer was not funded. Then we would have to put it on hold until we can answer the Council's questions and counter with a different deal. Luther states that the chances that we take is that price could change or someone could make an offer on it. We could take the chance of loosing it. Rennels stated that he and Luther went through the building and envisioned what could be done with the space. Rennels stated we can't pull all of the outside offices in there plus the Public Defender's Office. It's not going to house everyone, but can make room for some consolidations in there. Rennels states that there is some really secure storage there. There are 2 walk-in vaults. One is more secure than the other. James, stated that the additional is for \$105,000 but it can be reduced to what you want it to be up to \$105,000. Summerville stated that the building in Newport is not the same size as the one in Montezuma. Bush stated it could be but how do we know for sure. Dreher questioned if the Commissioners had spoken to Economic Development about funding it? James stated that Attorney Scott Craig looked at the accounts and stated that we could take money from the three different funds that had the available funding. Certified Shares, Cum Cap Development or Economic Development. James explained the amounts of what the funds had in them. Summerville stated I was elected to support you guys so that is what I am doing. Summerville asked the 2 commissioners if they think we need the building. Tim Yocum stated that we all know this is the seat of the County and we need to do everything we can do to make this area look better. Yocum stated that this is a

very important decision that you all are making tonight as far as if you pay the price or not but it is totally up to you. Yocum stated that he knows there are some risk if we don't follow through with this and go back to the bank to negotiate and that there is someone else who is interested and that is fine but we are taking a risk if we don't go through with it. Yocum stated that people come and see the Main (capitol) or County Seat. We have a lot to do to keep this area maintained. Yocum stated he did not see the appraisal for the Montezuma Bank but we did what we should be doing to establish value. Yocum states he is just worried that someone could go in there and do whatever they want with it. We don't want this area to look bad. Yocum states that image is very important to the County and we can maintain it and keep it looking good. Yocum believes the value of it is reasonable. Yocum believes it has a lot of potential. The decision is up to you. It could be a risk or it won't be. Yocum believes it will be a great investment for the County. Summerville questioned if the County owns the office where Economic Development, the extension office & the health departments are? He was told it is all rented. Summerville stated that the renting makes this an easy decision. Yocum stated that it was up to the Council to make that decision. Yocum stated that Rick Weir was on his way to the meeting. There was conversation between the Council but was not coherent due to everyone talking at the same time. James asked Luther if the Commissioner had plans on replacing the roof on the bank building? Luther stated within 2 years. Could not hear the conversations going on. Rick Weir entered the Courtroom at 6:37 p.m. Rennels stated that looking at the article in the paper it mentions that the Montezuma bank is being offered for \$70,000 by First Financial. The one in Newport was a listing and that had it listed for \$110,000. Rennels feels that First Financial feels there is a difference by offering one at one price and one at another, what that is I don't know. Rennels also stated that in the paper it was talking about structural concerns. I don't know what that is. Bush stated that his concern was the difference in price. (\$40,000) Rennels states that is what First Financial values those properties at. Yocum questioned if he seen the appraisal from the Montezuma bank. Bush stated he didn't know he just got the information right before the meeting. Luther stated that this appraisal was done on the market value. First Financial did the appraisals on these properties. Luther stated he didn't thin First Financial would appraise them incorrectly. Luther stated that the building in Newport was appraised at \$110,000 and our appraiser appraised it at \$96,000. The County's obligation is to have 2 appraisals and not to pay more than the average appraisal. Luther stated we can pay less just not more. Luther (inaudible). Luther stated that First did appraisals on all of the properties that they were closing. Yocum and Luther had a conversation but was inaudible. Luther states not that he recalls. Luther stated that he asked if there were any other considerations that we could enter into as far as being with the County, or any considerations the bank might have in helping the community. The answer he got was that they are responsible to their stockholders as well. Bush stated which is us, all of us sitting in here. Bush stated he doesn't mean this against anybody in here but just stating a fact. Luther states he is just stating what they told him. Bush states yes but they forget who the stockholders are sometimes. Weir questions if we have any other like banks for comparisons? Luther states that the comparative values are in the packet that was provided. James stated in Junkers comparable sales, the Old Fifth Third bank on Vine street in Clinton, the sales price was \$50,000 and they took \$5,000 away since Clinton is a higher traffic area and the retail space is higher. James stated in our case we aren't using it as a retail space, so the value of that retail space added the appraisal doesn't quite seem like it, I mean the adjust value went up \$61,750 for that bank building in Clinton, but for our usage the retail area is not a value. James stated that most of these appraisals do that and the retail area for this bank is a lot higher than some of the others, but if you just look at the sales price, there is one for \$100,000, \$50,000 & \$112,000. Weir stated that page 24 would be our

best analysis of comparable sales, indicated by values by square foot. James stated the Bank in Rosedale, First Financial sold for \$40,000. James stated that was August of 2021. Brown stated that there are 2 questions, number one do we think it's a good idea to have this building, and number 2 what is our comfort level on how much we spend? If some of us think it is not a good idea period, then we don't have to think about the price. Bush, my personal opinion I don't think it's a bad idea, I just think the price is way to high. Brown questions what is the number we go back with that we all agree on. Brown asks do we agree to a number tonight or have them go back and see if they can get it lower and come back to the next meeting and agree on it then. Brown states that in the mean time do we have a number we can give them so that they know that is what we will approve? James stated if you want to do that you can make a motion to give them a certain amount and they can negotiate up to that amount knowing the Council has approved it. James states that if they need more than they would have to come back and request it. Brown states he doesn't think it's a bad idea we just need to figure out what the price is we are willing to pay. Brown states he doesn't think anybody here doesn't think we don't need this building it's the price. Brown states how can we move forward. Luther questions is it proper to ask for vote since you have everyone's opinion? James states I guess. Luther states you can ask if everyone is ok with the \$100,000. James states looking at the appraisal values and what other bank buildings have sold for, knowing that they didn't go back to being a bank and most of them even retail space, it seems the selling price is higher than some of the other buildings, but again without seeing those buildings, to what they turn into. James states that is where the hang-up is on the selling price. James states it not the matter of the usage space, especially with the public defender board needing space, with all the other rents that we pay. Weir stated that the only bank that he shared with some of you is the one next to Western Boone high school. Weir stated that his local mission purchased it, he states he doesn't know what the price was, or even share it if he knew it, but he doesn't think it was this amount but it's in a totally different location and the square footage isn't the same. James stated that the one in Montezuma is on a major highway, and the bank across from the street is going to need a new roof and they even stated it would need a new roof with 2 years. James stated she doesn't think that was taken in consideration. It states as is and says some marks for condition. Dreher stated that the reason the other banks sold at a lower price is because there is no demand for them. They know we want this building, so that is the whole key. Dreher questions do we counter offer them, sure why not. Dreher states we have been looking for a long time, and I realize there is a possibility that we could lose the bank but Fountain Trust won't come here because they won't let another bank operate in that facility. Am I right about that Tim? Yocum states yes that is correct. Dreher states that is why they are hanging the hat over there because they know we want it because we need to expand. Dreher states we need to counter offer with them. Yocum states that the Council all agrees that we need room to expand. Yocum states these bank that are in residential areas, there isn't a need for them that there is no value there because no one wants them. We are stating we want it and we could use it, and that adds the value to it. Yocum states if you try and build this same building somewhere else it would cost you \$150 a square foot. Summerville and Weir state easily these days. Yocum stated you talking 3 times the amount of that building if we have to do something. Yocum stated I can tell by the conversation that you wouldn't have a problem with \$80,000 but the difference with this is that it will go back out in open market. Luther states it's a possibility. We just don't know what will happen if we don't do this. Brown states you can counter the offer, right? Luther states yes. Rennels states that they set an amount and we counter offered and accepted the offer, how can we go back and counter another offers. Rennels states where does this put us in the negotiations? Rennels questions if this is proper. Summerville states no. Brown states he doesn't know. Rennels states its abnormal. Brown states

you can blame the Council and Rennels states well ok. James states this is a little different than a private deal due to the subject of funding and I don't know if that makes a difference. Luther states this is not official, but inquiry on the building over here on the corner, potential spot before the bank came up, the property was up for sale for \$75,000. This was just for the property itself, now it was more than I would spend for the property but then again it gives you a little comparison. Whether someone will pay that or not. Summerville stated no. Dreher stated it is the main building here in Newport to look at but have we explored looking at other areas like Mark Wilson's building or any other building? Luther stated that they did look at two buildings that are on the east side the Courthouse. They are for sale, rent and/or lease. Luther stated that one building that was to the left (ground floor level red brick) was \$1000 and the one to the right was \$1200. Dreher stated he was talking about the building where the alternative school used to be. It has a full basement in it. Dreher stated it would provide a lot of storage. Dreher stated he didn't even know what Mark Wilson would want for it, but it is sitting there dormant. Luther stated he hadn't looked into it. Yocum stated it's not here by the Court house. Luther stated the things he considered was the building in the lot over here in the northwest corner, which will come available to the County and the two buildings on the east side of the Courthouse. Luther stated in all fairness they also looked at the Rise, there is a clinic at the Rise. We have been going back and forth about the potential about using the main administration building out there. Luther stated we would still have to lease or rent out there. Weir stated he would like to interject on the building Mr. Wilson owns, I was on the school board when North Vermillion and South Vermillion so called entered into that agreement, that we paid considerably more than \$100,000. Dreher stated I'm sure it was more than that. Weir stated that when it came to the end of the term contract, I'm going to say an issue. Weir stated the thought we owned it and Mark said no and that is why one reason we went in town Montezuma and went into a different contract. Weir states he isn't in favor of going with there. Dreher stated he has never really dealt with Mark. Weir states he has been inside both of them but they were a lot more than \$100,000. Weir states they would be asking for more. Just his personal opinion. Weir states he has been sitting empty though. Dreher stated that he appreciated the feed back because he didn't know anything about it at all. Dreher stated it is just setting there. Weir states it's a shame it is just setting there. Bush stated that it has just been redone. Bush stated after the school left they had a flood and they redone all the walls and everything in it. Brown states we still have two questions to answer to move forward. Brown states should we make a motion, not sure what the proper wording is but to have them offer a different number in? Is there a way to give them permission for a certain amount of money? James stated our next meeting is in two weeks. James stated you can make a motion for a specific amount and have them negotiate or you can make a recommendation at here is where we want the number to be at and table it and then we would have up to the \$105,000 on April 11, 2022. Summerville makes a motion to approve the \$105,000, and was seconded by Weir. Rennels states they can use the money without negotiation? James states yes but they still can negotiate. Rennels even after they gave an offer. Summerville asks James what do you think? James states she believes we need it, but based on the sale price it has her worried. The other banks appraisals are based on retail space value and that is not a value to us. Weir states if you look at page 24 you look at the square footage, the dollars per square foot, the five different comparisons. Weir states the first one is \$45.46 and we are looking at \$35 to \$40. Weir states that is really what you are going to have to look at. Weir states we are within the but not above the top dollar. James states that comparable sales also include the increase in retail space adjustment. James states if you look at the bank buildings that have sold, none of them have sold for \$100,000. Weir states one has. James stated maybe the one in Terre Haute but that wouldn't be a comparable neighborhood. Rennels

states so what is the property value with the proximity to the Courthouse. We are our own worst enemy. James states that is the added value having the so close to the Courthouse. James states we do need to decide where to take the funds from. We can either use 9103 Certified Shares, 1138 Cum Capital Development, Economic Development or a combination of the three. James stated that Certified Shares has the largest balance right now and it does receive funds into it monthly for the LIT tax. The others do not necessarily receive money as often. Summerville makes a motion to approve \$105,000 out of the Certified Shares Fund (9103) and to purchase the Newport Bank Building and seconded by Weir. James takes a roll call vote Mr. Rennels yes, Mr. Weir, yes, Mr. Summerville, yes Mr. Bush, no, Mr. Dreher, no and Mr. Brown, yes, with the majority motion carried. Luther questioned if this approval was with any contingencies? James stated you have the \$105,000.

Public Comment: Doug Hess commented that when it comes to the Public Defenders office, that you should be very cautious when allowing any other departments to be in same area as the Public Defender office, because of the clients that they will have coming and going from that office. Summerville questions how many offices does the prosecutor's office take up in the Courthouse? Summerville asked if the Prosecutor's office would fit over there? Luther stated yes, I think so. Luther stated that the interested parties for the bank building were the public defender office also the Probation office, CASA, Prosecutor's office. Luther stated that the Prosecutor's office has a budget that they could use towards the renovations. Luther stated it is up to the Commissioners to relocate the offices. Rennels stated we would want the prosecutor's office and public defender to be in an area with a security desk.

V. Adjourn

Motion to Adjourn made by Summerville and 2nd by Bush. All in favor.
Meeting Adjourned.

AYE

Nay

Ashley James
Ashley James

Randy Dreher

William Brent Bush
William Brent Bush

Rick Weir
Rick Weir

Martin Brown

William H. Rennels
William Rennels

Kelly Summerville
Kelly Summerville

Attest: Brenda Furry
Brenda Furry, Auditor

[Signature]

Date: 5/9/22