

Scott County Board of Supervisors
April 16, 2020 5:00 p.m.

The Board of Supervisors met pursuant to adjournment with Kinzer, Maxwell, Beck, Knobbe and Croken present. Due to social distancing concerns relating to COVID19, Supervisors and staff were separated into different rooms and spaced apart during the meeting with Supervisors Kinzer and Beck participating via telephone. The Board recited the Pledge of Allegiance.

Moved by Maxwell, seconded by Croken a motion approving the minutes of the April 2, 2020 Regular Board Meeting. Roll Call: All Ayes.

Angela Kersten, County Engineer, reviewed professional design services for intersection road improvements. She said the Secondary Roads Department, the Sheriff's Department and the Iowa Department of Transportation (Iowa DOT) are concerned with safety at the intersections of US Highway 61 with 110th Avenue, 112th Avenue and 115th Avenue. She said there have been several accidents at the 112th Avenue intersection over the past several years, many of the accidents involve people turning left across traffic onto Highway 61 and are typically serious in nature. She said the intersection is two-way stop controlled with stop signs on 112th Avenue.

She said a traffic and safety study was performed to identify potential improvements that can be made to the intersection, and in order to fully understand the characteristics of the 112th Avenue intersection, the study also looked at 110th Avenue and 115th Avenue in this corridor. She said the design improvements were intended for 110th and 112th Avenues, and also improvements at 115th Avenue which might include a traffic signal at this intersection.

She said she requested proposals from five qualified engineering firms and received proposals from three firms. The firms were evaluated on expertise and experience with similar projects, experience of the proposed project team, overall quality of sample deliverable documents, ability to work within the timeframe and fees. She recommended that IIW of Davenport be selected to perform the design services with a contract cost estimate for the preliminary and final design of the four intersection improvement projects of \$22,100. She said the firm had recently performed other work for the County and based on that experience she believed IIW would do an excellent job. She said the fees are included in the FY20 budget.

Supervisor Croken asked if this move would make anybody unhappy or if there is some downside.

Kersten said part of the design is to look at improvements that the traffic safety study recommended, and those improvements might include closing the median of the 112th Avenue intersection. She said she could see potential for people that utilize that intersection to make a left-hand turn that may not be supportive of the project.

Supervisor Kinzer said this has been an issue for the Blue Grass Fire Department. He said that he and Supervisor Maxwell met with county staff and the Iowa DOT regarding safety issues and numerous fatal accidents at this intersection.

Supervisor Beck asked if we are trying to solve left hand turn issues.

Kersten answered correct, and said the plan now allows for right turns out of the intersection, but that will all be evaluated as part of the design process. She also said that is why the County is looking at making improvements to 110th and 115th Avenues to handle extra traffic that may come to those intersections.

Supervisor Maxwell commented this intersection is where the Board approved the Kwik Star to go, which makes it more imperative to address this issue.

Lynn Gibson, Senior Relationship Manager at IIW, said they are grateful for the opportunity to work with Scott County and said that Kinzer really humbled her with his statements underscoring the importance of this work from a safety perspective.

Knobbe asked if a stop light is added at the intersection how many stop lights total would be under the County's jurisdiction.

Kersten said there would be two stop lights, one at 110th Avenue and one at 115th Avenue. She said the City of Davenport maintains the stoplights for the County and the lights would be synced to work in connection with stoplights at the Interstate 280 interchange.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) That Scott County enters into a contract with IIW, P.C., for professional design services to perform preliminary and final design of four intersection road improvement designs: Project No. L-821--73-82. 2) That the County Engineer be authorized to sign the contract document on behalf of the Board. 3) That this resolution shall take effect immediately.

Kersten reviewed two bridge replacement projects. She said the federal funding agreement is between Scott County and the Iowa Department of Transportation and dictates the terms of receiving federal reimbursement towards the cost of the project. She said she addressed the Board about these collaborative highway bridge bundling projects in the past, and in January the Board approved funding and a 28E Agreement for two culvert replacement projects. She said these two bridge replacements are the remaining projects with the collaborative highway bridge bundling grant.

She said the 28E Agreement would be between Scott County, Cedar County and the City of Bettendorf. She said the federal grant requires bundling projects together with

other entities to reduce construction cost, and the grant requires letting these projects tied together.

She said the first bridge project is on 20th Avenue (County Road Y30), and the second project is just south on 20th Avenue. She said they both will be concrete slab bridge replacement structures, they are in FY21 of the five-year construction program, the construction project costs will be paid by the Iowa Department of Transportation and the funding will come from the Highway Bridge Program Account. She said because these projects include federal funds, wages will be paid pursuant to the Davis Bacon Act. She said the bundled projects are scheduled for letting in September 2020.

Knobbe commented about the other entities in this agreement and that Scott County is not involved in their projects.

Kersten said Scott County volunteered for contract administration of the bundled projects pursuant to the Iowa DOT. She said the individual projects will be separate for each jurisdiction, with their own time frames and administration of their projects. She said Cedar County and the City of Bettendorf have already approved the agreement.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) That the agreement between Scott County and the Iowa Department of Transportation for Bridge Replacement Projects BRS-CHBP-C082(60)--GB-82 and BRS-CHBP-C082(63)--GB-82 be approved. 2) That the Chairman be authorized to sign the agreement on behalf of the Board. 3) That this resolution shall take effect immediately.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) That the 28E Intergovernmental Agreement between Scott County, Iowa, Cedar County, Iowa, and the City of Bettendorf, Iowa, for construction of Bridge Replacement Projects BRS-CHBP-C082(60)--GB-82, BRS-CHBP-C082(63)--GB-82, BRM-CHBP-0587(638)--NB-82, and BRS-CHBP-C016(109)--GB-16 be approved. 2) That the Chairman be authorized to sign the agreement on behalf of the Board. 3) That this resolution shall take effect immediately.

Kersten also reviewed the purchase of a used van for the Sheriff's Office. She said the resolution is for replacement of a used van that was flooded out and suffered total damages. She said Fleet Manager, Barb Pardie, searched through Auto Traders, and used the criteria of a 25 mile radius of the Quad Cities, less than three years old and less than 30,000 miles. She said of the vehicles that met those stipulations Pardie selected the Chrysler Pacifica. She said the vehicle also has a one year warranty on it.

Beck asked if this was the same van that was bought for the Sheriff's Office last year.

Kersten answered that is correct.

Croken asked why the Sheriff's Office needs a used van.

Major Shawn Roth said the Sheriff's Office purchases used vehicles when possible to save taxpayer money, and because this particular vehicle will be used by the Special Operations Unit, there will not be a lot of miles put on it.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) That the bid for one 2017 Chrysler Pacifica Van for the Sheriff's Office is approved and hereby awarded to Hiland Toyota of Moline, Illinois in the amount of \$19,273.77. 2) This resolution shall take effect immediately.

Tim Huey, Planning and Development Director, reviewed the approval of bid and award of demolition contract for the 404 Hazard Mitigation Grant project for the demolition of residential structures on property located at 31379 Scott Park Road, located in the Wapsipinicon River 100 year floodplain. He said the low bid was \$10,200 and that he recommends to award the bid to Holst Trucking and Excavating. He said the County will be reimbursed that amount by the Federal Government.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) That bid for the demolition, removal and disposal of residential structures on the §404 HMGP Acquisition property located at 31379 Scott Park Road is accepted and the contract is awarded to Holst Trucking and Excavating. Inc. in the amount of \$10,200.00. 2) This bid is awarded contingent on proper documentation demonstrating compliance with the Davis Bacon Act being submitted. 3) That the Scott County Planning and Development Director is hereby authorized to execute the contract documents on behalf of the Scott County Board of Supervisors. 4) This resolution shall take effect immediately.

Mary Thee, Human Resources Director, reviewed staff appointments.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) The hiring of Joseph Veith for the position of Corrections Officer in the Sheriff's Office at the entry level rate. 2) The hiring of Morgan Dunn for the position of Corrections Officer in the Sheriff's Office at the entry level rate. 3) The hiring of Chris Cortez for the position of Corrections Officer in the Sheriff's Office at the entry level rate. 4) The hiring of Brittany Wall for the position of Public Health Nurse in the Health Department at the entry level rate. 5) The hiring of Julia Lotta for the position of Public Health Nurse in the Health Department at the entry level rate.

Major Roth reviewed the over-hire of a full-time Deputy due to a pending retirement. He said a deputy informed the Sheriff that he plans to retire on May 7, 2020, and that the Sheriff's Office requests to over-hire this position and swear in the new deputy on April 24, 2020. He said a corrections officer has been offered the deputy position and the over-hire would not cause a very big budget impact. He said that hiring the new deputy at this time would allow the deputy to attend the next session of the Iowa Law Enforcement Academy set to start on April 27th.

Kinzer asked the name of the retiring deputy.

Roth said Deputy John Skaala is retiring.

Croken asked if the Sheriff would be coming back to the Board with an over-hire for the corrections officer position.

Thee said the Sheriff already has approval for those positions.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) That the Board hereby approves the temporary over-hire of 1.0 FTE Deputy Sheriff from April 24, 2020 through May 7, 2020. 2) This resolution shall take effect immediately.

David Farmer, Budget and Administrative Services Director, reviewed a hearing on proposed amendments to revenue bonds and certain documents related to the issuance of these bonds. He said Cristina Kuhn from Dorsey, the County's debt council, approached him to discuss two conduit bond issuances. He said a conduit debt obligation is an opportunity to issue debt at a tax exempt borrowing capacity to a lower interest rate and that the County has previously issued debt on behalf of Ridgecrest to help with capital projects for that organization. He reviewed a memo from Dorsey and said Ridgecrest is looking to refinance the previous debt, and that Ridgecrest is requesting the County to hold a public hearing on May 14, 2020.

Kinzer asked if this debt is the same kind of debt as debt for the Waste Commission.

Farmer said it is similar, but different as the conduit debt does not relate to an obligation for the County as does the Waste Commission debt.

Knobbe said each year the Federal Government allocates this type of funding to the state level and then states further allocate to counties and cities. He said Scott County serves as a sponsor for the debt but is not guaranteeing the debt in any way.

Beck said he wanted the public to understand that the County does not have any liability for repayment of these bonds, which is solely the responsibility of the borrower to pay.

Croken asked why Scott County would be a sponsor and not the City of Davenport.

Farmer said Davenport has already issued debt this year and would not qualify for this addition of bank qualified debt. He said a local jurisdiction can only have \$10 million of bank qualified debt for a fiscal year. He said he does not foresee the County issuing other debt this year.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

WHEREAS, the County of Scott, State of Iowa (the "Issuer"), is a County authorized and empowered by the provisions of Chapter 419 of the Code of Iowa, as amended (the "Act"), to issue revenue bonds or notes for the purpose of financing the cost of acquiring, by construction or purchase, land, buildings, improvements and equipment, or any interest therein, suitable for the use of any facility for an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") which is exempt from federal income tax under Section 501(a) of the Code (a "Tax Exempt Organization") and to refund any bonds or notes issued pursuant to the Act; and

WHEREAS, at the request by Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the "Borrower"), a Tax Exempt Organization, the Issuer issued its Revenue Refunding Bond (Ridgecrest Village Project), Series 2016, in an original aggregate principal amount of \$13,175,000 (the "Bond") pursuant to the Act and loaned the proceeds thereof to the Borrower pursuant to the Loan Agreement dated as of November 1, 2016 (the "Original Loan Agreement") between the Issuer and the Borrower for the purpose of: (i) refunding the Issuer's outstanding Revenue Refunding Bonds (Ridgecrest Village), Series 2006, originally issued in the principal amount of \$13,820,000 (the "Prior Bonds"), the proceeds of which were used to (a) refund the Issuer's previous issues of \$11,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000A and \$2,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000B, Extendable Rate Adjustment SecuritiesSM (EXTRASSM), (b) fund a debt service reserve fund for the Prior Bonds, and (c) pay costs of issuance and certain other costs associated with the issuance of the Prior Bonds; (ii) funding a debt service reserve fund for the Bond; and (iii) paying costs of issuance and certain other costs associated with the issuance of the Bond; and

WHEREAS, in order to secure repayment of the Bond and to provide for the issuance of the Bond, the Issuer, the Borrower and Cedar Rapids Bank and Trust Company (the "Lender") entered into the Fifth Amendment to Loan Agreement, Mortgage and Security Agreement among the Issuer, the Borrower and the Lender (the "Fifth Amendment to Mortgage") amending and supplementing the Loan Agreement, Mortgage and Security Agreement dated as of October 15, 1993 (the "Original Mortgage") as previously amended and supplemented by the First Amendment to Loan Agreement, Mortgage and Security Agreement dated as of September 1, 2000 (the "First Amendment to Mortgage"), the Second Amendment to Loan Agreement, Mortgage and Security Agreement dated as of November 1, 2004 (the "Second

Amendment to Mortgage”), the Third Amendment to Loan Agreement, Mortgage and Security Agreement dated as of September 1, 2006 (the “Third Amendment to Mortgage”), and the Fourth Amendment to Loan Agreement, Mortgage and Security Agreement dated as of December 1, 2015 (the “Fourth Amendment to Mortgage,” and together with the First Amendment to Mortgage, the Second Amendment to Mortgage, the Third Amendment to Mortgage, the Fifth Amendment to Mortgage and the Original Mortgage, the “Mortgage”), to subject the Borrower’s facilities and the real estate relating thereto to the lien of the Mortgage and to provide for the issuance of the Bond (as defined in the Loan Agreement); and

WHEREAS, the Borrower has requested that the Issuer approve certain amendments to the Bond, the Loan Agreement and the Fifth Amendment to Mortgage in order to increase the interest rate and extend the maturity of the Bond (collectively, the “Amendments”); and

WHEREAS, before the Amendments may be entered into, it is necessary to conduct a public hearing on the proposal to enter into the Amendments, all as required and provided for by Section 147(f) of the Internal Revenue Code; and

NOW, THEREFORE, IT IS RESOLVED by the Board of Supervisors of the Issuer, as follows: 1) This Board shall meet on the 14th day of May, 2020, at the Scott County Administrative Center, Davenport, Iowa, at 5:00 p.m., at which time and place any resident or property owner of the Issuer may present oral or written objections on the proposal to enter into the Amendments referred to in the preamble hereof. 2) The County Administrator or his designee is hereby directed to give notice of intention to enter into the Amendments, setting forth the purpose thereof, the time when and place where the hearing will be held, by publication at least once not less than fifteen (15) days prior to the date fixed for the hearing, in a newspaper published and having a general circulation within the Issuer. The notice shall be in substantially the following form:

NOTICE OF INTENTION TO ENTER INTO CERTAIN AMENDMENTS TO REVENUE REFUNDING BOND (RIDGECREST VILLAGE PROJECT), SERIES 2016 AND CERTAIN AGREEMENTS RELATING THERETO

The Board of Supervisors of Scott County, Iowa, (the “Issuer”) will meet on the 14th day of May, 2020, at 5:00 p.m., at the Scott County Administrative Center, 600 West 4th Street, Davenport, Iowa 52801, for the purpose of conducting a public hearing on the proposal to amend its Revenue Refunding Bond (Ridgecrest Village Project), Series 2016 issued in the original principal amount of \$13,175,000 and currently outstanding in the principal amount of approximately \$11,000,000 (the “Bond”) the proceeds of which were loaned to Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the “Borrower”) and to enter into certain amendments to agreements pursuant to which the Bond was issued. The Bond was originally issued for the purpose of: (i) refunding the Issuer’s outstanding Revenue Refunding Bonds (Ridgecrest Village), Series 2006, originally issued in the principal amount of \$13,820,000 (the “Prior

Bonds”), the proceeds of which were used to (a) refund the Issuer’s previous issues of \$11,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000A and \$2,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000B, Extendable Rate Adjustment SecuritiesSM (EXTRASSM) the proceeds of which were used to finance and refinance the Borrower’s facilities located at 4130 Northwest Boulevard, Davenport, Iowa, (b) fund a debt service reserve fund for the Prior Bonds, and (c) pay costs of issuance and certain other costs associated with the issuance of the Prior Bonds; (ii) funding a debt service reserve fund for the Bond; and (iii) paying costs of issuance and certain other costs associated with the issuance of the Bond.

The Bond, as amended, is a limited obligation and does not constitute a general obligation of the Issuer nor is it payable in any manner by taxation, but the Bond is payable solely and only from amounts received by the Issuer under a Loan Agreement between the Issuer and the Borrower, the obligations of which are sufficient to pay the principal of and interest and redemption premium, if any, on the Bond as and when the same shall become due.

At the time and place, oral or written objections from any resident or property owner of the Issuer may be presented. At such meeting or any adjournment thereof, the Issuer shall adopt a resolution determining whether or not to proceed with the amendments to the Bond. Written comments may also be submitted to the Issuer at the Scott County Administrative Center, Attn: Scott County Board of Supervisors, 600 West 4th Street, Davenport, Iowa 52801. Written comments must be received by the above hearing date.

By order of the Board of Supervisors of Scott County, Iowa.

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

Farmer also reviewed authorizing the execution of a Memorandum of Agreement with WellSpire, LLC, and fixing a date for a hearing on the proposed issuance of revenue bonds or notes pursuant to Chapter 419 of the Iowa Code. He said WellSpire is seeking support for \$3 million conduit debt for the project located in Bettendorf. He said the project started in calendar year 2019, and Princeton, LeClaire and Riverdale will collectively issue \$40 million in conduit funding. He said the conduit debt does not count against the constitutional debt limit for the County.

Knobbe asked Farmer to briefly describe what WellSpire is.

Farmer said Wellspire is a joint venture of Genesis Health System and WesleyLife for a senior living facility which will consist of 100 independent living apartments, 32 assisted living suites and a 40 bed nursing facility on one campus located in Bettendorf.

Croken asked if this agreement would limit the County in issuing debt.

Farmer said that it would limit the County's ability to issue bank qualified debt by \$3 million of the possible \$10 million. He said the County could issue other debt. He said bank qualified debt allows smaller banks to get into the bond market by buying debt from a local government.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

WHEREAS, the County of Scott, State of Iowa (the "Issuer"), is a county and political subdivision of the State of Iowa authorized and empowered by the provisions of Chapter 419 of the Code of Iowa, as amended (the "Act"), to issue revenue bonds or notes for a project located within, or within eight miles of, the Issuer for the purpose of financing the cost of acquiring, by construction or purchase, land, buildings, improvements and equipment suitable for the use of any facility for an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") which is exempt from federal income tax under Section 501(a) of the Code (a "Tax Exempt Organization") and to refund any bonds issued pursuant to the Act and any existing indebtedness relating to such facilities and paying costs of issuance associated therewith; and

WHEREAS, the Issuer has been requested by WellSpire, LLC or an affiliate thereof (the "Borrower"), a Tax Exempt Organization, to issue its revenue bonds or notes in an aggregate principal amount not to exceed \$3,000,000 (the "Bonds") for the purpose of providing funds to the Borrower (a) to finance a portion of the costs of constructing, equipping and furnishing facilities of a senior living campus consisting of approximately 100 independent living apartments, 32 assisted living suites and a 40 bed nursing facility, including the retirement of any existing indebtedness related thereto (the "Project") to be located at the intersection of 53rd Avenue and Middle Road, Bettendorf, Iowa and (b) to pay costs of issuance of the Bonds; and

WHEREAS, it is proposed to finance the foregoing through the issuance of the Bonds and to loan the proceeds from the sale of the Bonds to the Borrower pursuant to a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to provide for a portion of the financing the Project and paying for costs of issuance; and

WHEREAS, the Bonds, if issued, shall be limited obligations of the Issuer, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, and the principal of, interest and premium, if any, on the Bonds shall be payable solely out of the revenues derived from the Loan Agreement; and

WHEREAS, a Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto, has been presented to the Issuer under the terms of which the Issuer agrees, subject to the provisions of such Agreement, to pursue

proceedings necessary under the Act to issue the Bonds for such purpose and the Memorandum of Agreement does not legally commit the Issuer to issue the Bonds;

NOW, THEREFORE, IT IS RESOLVED by the Board of Supervisors of the Issuer, as follows: 1) The Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto is hereby approved, and the Chair is hereby authorized to execute said Memorandum of Agreement and the County Auditor is hereby authorized to attest the same and to affix the seal of the Issuer thereto; said Memorandum of Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit A attached hereto. 2) Officials of the Issuer are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of the Memorandum of Agreement. The final decision whether to issue the Bonds and the final amount of the Bonds shall be subject to further action by this Board of Supervisors. 3) This Board shall meet on the 14th day of May, 2020, at Administrative Center in Davenport, Iowa, at 5:00 p.m., at which time and place any resident or property owner of the Issuer may present oral or written objections on the proposal to issue the Bonds referred to in the preamble hereof. 4) The County Auditor is hereby directed to give notice of intention to issue the Bonds, setting forth the amount and purpose thereof, the time when and place where the hearing will be held, by publication at least once not less than fifteen (15) days prior to the date fixed for the hearing, in a newspaper published and having a general circulation within the Issuer. The notice shall be in substantially the following form:

NOTICE OF INTENTION TO ISSUE REVENUE BONDS OR NOTES

The Board of Supervisors of Scott County, Iowa, (the "Issuer") will meet on the 14th day of May, 2020, at 5:00 p.m., at the Administrative Center, 600 W. 4th Street, Davenport, Iowa 52801, for the purpose of conducting a public hearing on the proposal to issue revenue bonds or notes, of the Issuer in the aggregate principal amount not to exceed \$3,000,000 (the "Bonds") and to loan said amount to WellSpire, LLC or an affiliate thereof (the "Borrower"), for the purpose of providing funds to the Borrower (a) to finance a portion of the costs of constructing, equipping and furnishing facilities of a senior living campus consisting of approximately 100 independent living apartments, 32 assisted living suites and a 40 bed nursing facility, including the retirement of any existing indebtedness related thereto (the "Project") to be located at the intersection of 53rd Avenue and Middle Road, Bettendorf, Iowa and (b) to pay costs of issuance of the Bonds. The Project will be owned by the Borrower.

The Bonds, when issued, will be limited obligations and will not constitute general obligations of the Issuer nor will they be payable in any manner by taxation, but the Bonds will be payable solely and only from amounts received by the Issuer pursuant to a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due.

At the time and place, oral or written objections from any resident or property owner of the Issuer may be presented. At such meeting or any adjournment thereof, the Issuer shall adopt a resolution determining whether or not to proceed with the issuance of the Bonds. Written comments may also be submitted to the Issuer at 600 W. 4th Street, Davenport, Iowa 52801. Written comments must be received by the above hearing date.

By order of the Board of Supervisors of Scott County, Iowa.

5) On the basis of representations of the Borrower, the Issuer declares (a) that the Borrower intends to undertake the Project; (b) that other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, or (ii) expenditures made not earlier than 60 days prior to the date of this Resolution (or other qualifying reimbursement resolution), or (iii) expenditures amounting to the lesser of \$100,000 or 5% of the proceeds of the Bonds, or (iv) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, no expenditures for the Project have heretofore been made by the Borrower and no expenditures will be made by the Borrower until after the date of this Resolution (or other qualifying reimbursement resolution); and (c) that the Borrower reasonably expects to reimburse the expenditures made for costs of the Project out of the proceeds of the Bonds. This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations. 6) All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

David Farmer reviewed a COVID-19 Budget Impacts Update he prepared for the Board. He said the public health disaster that began in March 2020 in Iowa caused a pause in the economy, changing the way we purchase goods, and changing restaurants to take out or drive up only, due to the need for social distancing. He said Scott County closed the Administration Building on March 18, 2020. He said the Conservation Department is following Iowa DNR recommendations to close park restrooms and limit camping to those without other housing resources. He said on March 19, 2020 the County adopted the 2021 Budget and a 2020 Budget Amendment. He noted that the information given tonight will lead into the final budget amendment for the fiscal year.

He said in projecting financial recovery he used information from Government Finance Officers of America (GFOA). He said GFOA identified 12 steps to utilize for the financial recovery process. He said the economy of Scott County is in decline and may be moving into a distress phase. He said the County is recognizing issues and mobilizing for corrective actions, and diagnosing and developing fiscal first aid to have more financial stability. He said the County had a 20 percent fund balance on June 30, 2019 which gives the County a better financial cushion.

He also explained four types of recovery which were graphically displayed. He said in a "v" shaped recovery rebound is swift, and short-term quick fixes may bridge the gap. He said in a big "V" recovery, downturn is deeper, but bounce back is rapid and short term bridge strategies should be used. He said a "W" recovery reflects a short-term recovery

with a return of infection in the fall, and longer term strategies may be needed to endure the downturn. He said an “L” recovery reflects deeper economic woes and long-term transformation strategies needed as soon as possible. He said at this early stage it is difficult to know which recovery will occur.

Maxwell said he was concerned that County expenses had exceeded revenues the past two years.

Farmer reviewed County General Fund Revenue and Expenditure / Transfers out trends for the period of FY 17 through FY 22. He said at the beginning of FY20 the County had an Unassigned General Fund Balance of 20 percent. He said in March he projected a 19 percent fund balance for June 30, 2020 but he now projects an 18 percent fund balance on that date. He said in March he projected an 18 percent fund balance for June 30, 2021 he projects a 15.5 percent fund balance on that date. He said these decreasing fund balances are due to COVID related increased expenditures and lost revenues. He said in the past fund balances exceeding 20 percent have been assigned to the Capital Fund, the Health Fund and to Strategic Priorities, but that the new projected balances will decrease funding in these areas. He said actions by the State of Iowa to delay property tax payments or distribution of sales tax revenue would also impact the budget.

Maxwell said that he was less concerned about delayed property tax payments, which eventually will be paid, and more concerned about lost sales tax revenue which cannot be recovered.

Beck said that he was concerned that the economic downturn would lead to defaults in paying property taxes, and that budget concerns at the state level could lead to the state not paying \$1.5 million in back fill payments to the County.

Kinzer said that the Board needed to prioritize expenditures sooner than later.

Farmer said that delaying capital maintenance may lead to greater long term costs.

He said GFOA recommends, at a minimum, to maintain an unrestricted general fund balance of no less than two months of expenditures, which is equal to 16.66 percent of the budget. He said County policy is to maintain no less than a 15 percent fund balance. He said the Board needs to be very cognizant about the choices made in regards to the fund balance.

Farmer projected the following decreases in revenue: \$690,000 less in sales taxes; \$200,000 less in interest income; \$685,000 less in services charges, sales, rentals, etc. from the Conservation Department; \$121,000 less in Recorder fees; \$127,000 less in fees, fines, permits and other charges from Attorney, Auditor, Health, Planning and Sheriff. He said the total potential decreases could amount to \$1.8 million.

Knobbe asked if there had been a decrease in federal prisoners.

Major Roth said that there are fewer than the normally 15 scheduled federal prisoners but that there are far fewer detainees housed out of county.

Farmer said that expense reductions could amount to \$290,000 normal savings and \$380,000 in savings tied directly to COVID-19.

He said there are already issues in the Mental Health Fund and that a further delay in tax payments would significantly affect provision of services. He said that Secondary Roads Department projects a reduction of \$120,000 in Road Use Taxes. He said the County has incurred \$33,000 in COVID-19 related expenditure and that there may be opportunities for grant reimbursements.

He projected that the Capital Fund will decrease by \$144,000 due to loss of gaming revenue. He said some capital projects, and projected costs, which could be delayed include the following: network core, \$500,000; network access layer, \$480,000; JDC door replacement, \$250,000; enterprise storage, \$250,000; time & attendance upgrade, \$60,000; energy efficiency project, \$40,000; general maintenance, \$68,000.

He said that Scott County Emergency Management Agency (EMA) had a fund balance of \$400,000 on March 31, 2020 and incurred expenses of \$155,000 as of April 14, 2020. He said that purchases occurring through EMA will be reimbursed at 85 percent through FEMA or 100 percent through local partners such as a local hospital.

He said that grant opportunities include FEMA Disaster Declaration, Health Department Emergency Response Grant, Department of Justice Corona Virus Emergency Supplemental Grant, CDBG and CARES Act funds through the State of Iowa. He said these grants only relate to expenses for the Pandemic Response, not lost revenues.

He closed by reminding the Board to be cautious to avoid drawing too heavily on the fund balance and to recognize the low fund balance months of July and August. He suggested that the Board and County departments evaluate projects so as not to incur unknown long term costs down the road.

Croken said that he agreed with not spending the fund balance too quickly, but that the assumption is that the County is a passive victim. He suggested that there was an opportunity to use the County's borrowing power to stimulate the local economy. He also suggested the Board convene a work session to identify opportunities for changes, creativity and innovations to increase investment in the local economy.

Moved by Maxwell, seconded by Croken that the following resolution be approved. Roll Call: All Ayes.

BE IT RESOLVED: 1) The Scott County Board of Supervisors approves for payment all warrants numbered 304714 through 304928 and 304931 through 304932 as submitted and prepared for payment by the County Auditor, in the total amount of \$1,325,132.53. 2) The Board of Supervisors approves for payment to Wells Fargo Bank

all purchase card program transactions as submitted to the County Auditor for review in the amount of \$136,074.20. 3) This resolution shall take effect immediately.

Under other items of interest, Mahesh Sharma, County Administrator, thanked Farmer for the budget update, and that information is constantly changing. He said the County is working on contingency plans, and that the County will tighten its belt if the time comes. He said a lot of good work went into every area, department heads contributed to this information, and he is very thankful to them and to the Board of Supervisors who understand why the finances and maintaining a fund balance are so important.

Moved by Croken, seconded by Maxwell at 6:57 p.m. a motion to adjourn. All Ayes.

Tony Knobbe, Chair of the Board
Scott County Board of Supervisors

ATTEST: Roxanna Moritz
Scott County Auditor