

**WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM**

Date: 12-23-17

Weekly Agenda Date: 1-2-18

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Dennis Butler, Finance Director

**WORDING FOR AGENDA ITEM:**

Discussion and Action on the Funding Proposal for the Payments and Interest regarding the Lease/Purchase of the New Sheriff's Training Center.

**ACTION REQUIRED:**

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

**EXECUTIVE SUMMARY:**

The Board of Supervisors approved the building of the new Sheriff's Training Center using the Lease/Purchase method of construction. The payments are on a quarterly schedule for five years with a starting date of January 19, 2018 and the last payment on 10-19-2022. There has been a subsidiary fund established named Sheriff's Training Center in all funds will be received and disbursed for this project. A budgetary transfer is needed and additional funds are needed to be allocated to make the payments. The operations of the center will be budgeted from the building services department under the department/ division named Training Center.

**BACKGROUND:**

The Board of Supervisors approved a Lease/Purchase Agreement for the construction of a new training center for the sheriff's department. The agreement is for five years. The Board did allocate \$75,000 from L.O.S.T. revenues and \$75,000 from Gaming revenues. Those funds will be transferred from these funds to the Sheriff's Training Center Fund and be used equally for each of the payments due. Also the Deputy Sheriff's Union pledged \$40,000 for this purpose. That also will be used equally for each payment. The funding for the first payment due on January 19, 2018 if approved by the Board of Supervisors will come from funds set aside for a lease/purchase payment for jail cells that did not materialize which amounted to \$29,000. Funds for the next 19 payments will come from the L.O.S.T. revenues, Gaming revenues and the union donation. As shown by the Schedule of Payments and funding additional funds are needed.

**FINANCIAL IMPACT:**

The amount of additional revenue needed will be a total of \$352,614. The breakdown by FY is as follows: FY 18 is \$18,067.68, for FY 19 \$74,343.92, FY 20 \$74,343.92, FY 21 \$74,343.92, FY 22 \$74,343.92 and FY 23 \$37,172.00. If there are other revenues that are generated the amounts needed would be reduced.

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes  No

**RECOMMENDATION:**

It is recommended that the Board of Supervisors approve the transfer of Budget funds in the amount of \$29,000 to the Sheriff's Training Center for FY 18. The remaining revenue needed would come from L.O.S.T. revenues and Gaming revenues split equally as follows:

FY 18	Gaming revenue	\$9,033.34	L.O.S.T.	\$9,033.34	for a total of \$18,066.68
FY 19	Gaming revenue	\$ 37,171.96	L.O.S.T.	\$37,171.96	for a total of \$74,343.92
FY 20	Gaming revenue	\$ 37,171.96	L.O.S.T.	\$37,171.96	for a total of \$74,343.92
FY 21	Gaming revenue	\$ 37,171.96	L.O.S.T.	\$37,171.96	for a total of \$74,343.92
FY 22	Gaming revenue	\$ 37,171.96	L.O.S.T.	\$37,171.96	for a total of \$74,343.92
FY 23	Gaming revenue	\$ 18,586.01	L.O.S.T.	\$18,586.01	for a total of \$37,172.02

**ACTION REQUIRED / PROPOSED MOTION:**

- (1) Approve the transfer \$29,000 from the General Basic Fund to the Sheriff's Training Center Fund for FY 18 in regards to appropriation and cash.
- (2) Approve the additional funding sources for the Lease/Purchase payments from the L.O.S.T. revenues and Gaming revenues per the Schedule of Lease/Purchase Payments totaling \$352,614.38 over five FY's.

**Schedule of Lease/Purchase Payments for the Sheriff's Training Center  
Proposed Payments and Funding**

Board Approved Using \$75,000 (Total \$150,000) From each Fund - Gaming Revenues & L.O.S.T.  
Donations \$40,000

*Lease/Purchase*  
**Rental Payments Schedule & Funding Sources**

	Lease/Purchase Payments	Budgeted Funds	Approved by Board		Additional Funds Proposed To Complete Funding		Donations	Total Proposed Funding
			L.O.S.T. Revenue	Gaming Revenue	L.O.S.T. Revenue	Gaming Revenue		
<b>FY 18</b>								
1/19/2018	28,480.71	28,480.71	-	-	-	-	-	28,480.71
4/19/2018	28,480.71	519.29	3,947.37	3,947.37	9,033.34	9,033.34	2,000.00	28,480.71
<b>Total FY 18</b>	<b>56,961.42</b>	<b>29,000.00</b>	<b>3,947.37</b>	<b>3,947.37</b>	<b>9,033.34</b>	<b>9,033.34</b>	<b>2,000.00</b>	<b>56,961.42</b>
<b>FY 19</b>								
7/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
10/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
1/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
4/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
<b>Total FY 19</b>	<b>113,922.84</b>	<b>-</b>	<b>15,789.48</b>	<b>15,789.48</b>	<b>37,171.96</b>	<b>37,171.92</b>	<b>8,000.00</b>	<b>113,922.84</b>
<b>FY 20</b>								
7/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
10/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
1/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
4/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
<b>Total FY 20</b>	<b>113,922.84</b>	<b>-</b>	<b>15,789.48</b>	<b>15,789.48</b>	<b>37,171.96</b>	<b>37,171.92</b>	<b>8,000.00</b>	<b>113,922.84</b>
<b>FY 21</b>								
7/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
10/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
1/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
4/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
<b>Total FY 21</b>	<b>113,922.84</b>	<b>-</b>	<b>15,789.48</b>	<b>15,789.48</b>	<b>37,171.96</b>	<b>37,171.92</b>	<b>8,000.00</b>	<b>113,922.84</b>
<b>FY 22</b>								
7/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
10/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
1/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
4/19/2019	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
<b>Total FY 22</b>	<b>113,922.84</b>	<b>-</b>	<b>15,789.48</b>	<b>15,789.48</b>	<b>37,171.96</b>	<b>37,171.92</b>	<b>8,000.00</b>	<b>113,922.84</b>

FY 22								
7/19/2018	28,480.71	-	3,947.37	3,947.37	9,292.99	9,292.98	2,000.00	28,480.71
10/19/2018	28,480.71	-	3,947.34	3,947.34	9,293.02	9,293.01	2,000.00	28,480.71
Total FY 219	56,961.42	-	7,894.71	7,894.71	18,586.01	18,585.99	4,000.00	56,961.42
Grand Total	569,614.20	29,000.00	75,000.00	75,000.00	176,307.19	176,307.01	38,000.00	569,614.20

**EXHIBIT B**

**RENTAL PAYMENTS SCHEDULE**

**Interest Rate.** The Interest Rate shall consist of the annual interest coupon of 3.25%. Upon an Event of Default described in Section 34 of the Lease Agreement, the Interest Rate shall be increased by 5% per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

<b>Date</b>	<b>Principal Component</b>	<b>Interest Component</b>	<b>Rental Payments</b>	<b>Outstanding Principal</b>	<b>Purchase Price</b>
10/19/2017	\$0.00	\$0.00	\$0.00	\$523,784.28	\$534,259.97
1/19/2018	24,224.96	4,255.75	28,480.71	499,559.32	509,550.50
4/19/2018	24,421.79	4,058.92	28,480.71	475,137.53	484,640.28
7/19/2018	24,620.22	3,860.49	28,480.71	450,517.31	459,527.66
10/19/2018	24,820.26	3,660.45	28,480.71	425,697.05	434,210.99
1/19/2019	25,021.92	3,458.79	28,480.71	400,675.13	408,688.63
4/19/2019	25,225.22	3,255.49	28,480.71	375,449.91	382,958.91
7/19/2019	25,430.18	3,050.53	28,480.71	350,019.73	357,020.12
10/19/2019	25,636.80	2,843.91	28,480.71	324,382.93	330,870.59
1/19/2020	25,845.10	2,635.61	28,480.71	298,537.83	304,508.59
4/19/2020	26,055.09	2,425.62	28,480.71	272,482.74	277,932.39
7/19/2020	26,266.79	2,213.92	28,480.71	246,215.95	251,140.27
10/19/2020	26,480.21	2,000.50	28,480.71	219,735.75	224,130.46
1/19/2021	26,695.36	1,785.35	28,480.71	193,040.39	196,901.20
4/19/2021	26,912.26	1,568.45	28,480.71	166,128.13	169,450.70
7/19/2021	27,130.92	1,349.79	28,480.71	138,997.21	141,777.16
10/19/2021	27,351.36	1,129.35	28,480.71	111,645.86	113,878.77
1/19/2022	27,573.59	907.12	28,480.71	84,072.27	85,753.72
4/19/2022	27,797.62	683.09	28,480.71	56,274.65	57,400.14
7/19/2022	28,023.48	457.23	28,480.71	28,251.17	28,816.19
10/19/2022	28,251.17	229.54	28,480.71	0.00	0.00
<b>Totals</b>	<b>\$523,784.28</b>	<b>\$45,829.92</b>	<b>\$569,614.20</b>		

[Signature page follows]

**FINANCIAL IMPACT:**

2018 CIP

Purchase Agreement:

Building Cost = \$515,034.28

Legal Transaction Fees = \$7,500.00

Escrow Agent Fee = \$1,250.000

Sub-Total = \$523,784.28

Finance Charges (5-year Term @ 3.25%) = \$45,829.92

TOTAL COST = \$569,614.20 (Quarterly Payment- \$28,480.71

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

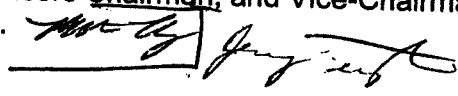
Yes  No

**RECOMMENDATION:**

Building Services requests Board of Supervisors consideration of approval for the Prairie Hills Training Center actual costs and BluePath Lease Purchase Agreement.

**ACTION REQUIRED / PROPOSED MOTION:**

Motion to approve the Prairie Hills Lease Purchase Agreement and Documents, funding in the amount of \$569,614.20, and authorize the Board of Supervisors Chairman, and Vice-Chairman to execute the final Legal/ Lease Purchase Documents as required.



Approved by Board of Supervisors April 5, 2016.