

February 4, 2019

1. The Ottawa County Board of Commissioners held their regular scheduled meeting combined with Governmental Building Authority at 1:45 P.M. on February 4, 2019, with the following members present: Chairman Chad Masterson, Commissioners Russell Earls and Mike Furnas. District Attorney Kenny Wright was also in attendance.

Notice of the meeting was posted at the south door of the Ottawa County Courthouse at 3:08 P.M., January 30, 2019. Commissioners' Meeting Agendas and Minutes can also be found online at [ottawa.okcounties.org](http://ottawa.okcounties.org).

2. The Pledge of Allegiance was recited.

3. Motion by Earls, second by Furnas, to approve minutes of January 28, 2019. By vote: Masterson, aye; Furnas, aye; Earls, aye.

4. Motion by Earls, second by Furnas, to approve the following claims: 2 AF3 Technical Solutions Computer Equipment \$592.50 21 Walter P Moore Professional Service \$623.00 28 OK Natural Gas Co \$54.81 7 Guy Engineering Land Acquisition \$9,299.51 21 Veterinary Center Animal Treatment \$245.24 22 Wal-Mart Payments Animal Treatment \$188.65 1475 Hometown Bottled Water \$126.25 1476 April Epperson Office Cleaning \$165.00 1477 Hometown Bottled Water \$12.50 1478 AT&T Internet Service \$50.73 1479 Hometown Bottled Water \$12.50 1480 Cable One Cable Service \$143.76 1481 Alert 360 Security Services \$35.00 1482 York Electronic Systems Inc Repairs \$777.00 1483 Sherwin-Williams Painting \$76.91 1484 Four States Maintenance Cleaning Supplies \$1,479.51 1485 Sherwin-Williams Painting \$126.94 1486 Miami News-Record Legal Notice \$24.90 1487 Sherwin-Williams Painting \$64.40 1488 Locke Supply Parts \$52.16 1489 Ace Hardware Parts \$39.49 1490 Miami News-Record Subscription \$114.00 1491 American Legion Flag Service \$25.00 1466 Lakeland Office Systems Maintenance Agreem \$52.88 1467 Quill Corporation Office Supplies \$297.56 1468 OK Dept Of Public Safety User Fee \$350.00 1469 City Of Miami Tower Rental \$50.00 1470 Canon Financial Services Lease Payment \$186.59 1471 Aadvantage Laundry Systems Inc Maintenance Agreem \$179.00 1472 Easy Ice LLC Maintenance Agreem \$129.00 1492 Quill Corporation Office Supplies \$110.98 1493 Alert 360 Security Services \$105.00 1474 Cable One Internet Service \$136.66 1473 Hometown Bottled Water \$6.25 174 OK State Dept of Health Salary \$17,422.86 175 Lexjet Office Supplies \$198.00 176 Mary Parker Professional Servic \$195.00 177 Mary Parker Professional Servic \$195.00 178 Green Country Shredding Professional Servic \$35.00 179 I-2-I Technologies LC Computer Support \$1,199.00 180 Xerox Corporation Maintenance Agreem \$231.14 181 OK Assoc of Community Action A Registration Fee \$1,375.00 182 Admiral Express Inc Office Supplies \$279.51 183 Quapaw Plumbing Repairs \$112.37 966 Action Graphics Printing Office Supplies \$65.00 973 OK Auto Glass Windshield Repair \$191.70 980 Atwoods of Vinita Uniforms \$149.99 981 Atwoods of Vinita Uniforms \$279.98 982 Diamond Mower Inc Repairs \$1,900.67 985 AT&T Phone Bill \$285.08 986 AT&T Phone Bill \$72.50 987 AT&T Long Distance Phone Bill \$46.54 988 U S Cellular Cell Phone \$85.05 960 Alert 360 Security Services \$37.00 962 Automotive of Fairland Parts \$11.25 963 Hughes Lumber Co Shop Supplies \$6.68 964 Katner Mills Parts \$537.96 965 Yellowhouse Machinery Co Parts \$1,315.67 968 Miami Industrial Supply Shop Supplies \$55.92 969 OSU Agriculture Conferences Registration Fee \$80.00 972 Tri-State Truck Center Parts \$554.13 978 Yellowhouse Machinery Co Parts \$2,150.89 983 Empire District Electric Utilities \$276.25 984 Wyandotte Telephone Co Phone Bill \$260.05 976 Warren Power & Machinery LP Inspections \$1,391.01 961 Quill Corporation Office Equipment \$194.94 967 Yellowhouse Machinery Co Parts \$509.98 970 Fleetpride Inc Parts \$28.40 971 OK Auto Glass Windshield Repair \$95.00 974 ADT Security Services \$499.80 975 Four State Office Products \$70.19 977 Summit Truck Group Parts \$660.60 979 Looper General Repair Pipe \$104.99 989 Wal-Mart Payments Office Supplies

\$207.46 170 Fabick Tractor Co Grader Blades \$9,419.00 176 Longan Construction Co Bagged Asphalt \$490.53 168 Kemp Stone Co Inc Materials \$2,422.52 177 Kemp Stone Co Inc Materials \$170.18 180 Lakeland Petroleum Fuel \$4,051.47 169 Kemp Stone Co Inc Materials \$3,910.11 171 Kemp Stone Co Inc Materials \$5,148.51 172 NEO Concrete & Materials \$368.00 173 NEO Concrete & Materials \$276.00 174 NEO Concrete & Materials \$184.00 175 NEO Concrete & Materials Concrete Block \$35.00 178 Yellowhouse Machinery Co Grader Blades \$4,823.00 179 Yellowhouse Machinery Co Repairs \$592.68 181 Southern Tire Mart Tires \$1,318.00 182 Lakeland Petroleum Fuel \$4,350.18 13 Staybridge Suites Lodging \$633.42 17 Jolene Hooper Office Cleaning \$100.00 6 Kellpro Inc Record Recreation \$32.00 92 Firemaster Apparatus Inc Firefighting Equipme \$7,155.00 93 MFA Oil & Propane \$385.00 77 Turn Key Health Clinics LLC Inmate Treatment \$29.04 78 Turn Key Health Clinics LLC Inmate Treatment \$11,421.42 79 Uline Safety Specialist Jail Supplies \$450.15 7 Wal-Mart Payments Computer Equipment \$249.00 217 Bob Barker Co Inc Jail Supplies \$397.81 218 Fleetcor Technologies Fuel \$570.39 219 Springfield Grocer Co Inc Inmate Nutrition \$1,733.65 220 Fleetcor Technologies Fuel \$650.48 221 Fleetcor Technologies Fuel \$607.09 222 Fleetcor Technologies Fuel \$355.78 223 Fleetcor Technologies Fuel \$720.87 224 Four States Maintenance Cleaning Supplies \$797.67 225 Lakeland Financial Services Lease Payment \$209.79 226 Perrys Towing & Recovery Serv \$100.00 227 Simple Distributors Office Supplies \$360.00 228 Thulin Automotive Vehicle Repair \$317.27. By vote: Masterson, aye; Furnas, aye; Earls, aye.

5. Kathy Enyart from OSU Extension reported the Fair Board didn't have to hold an election because they had one person sign up from each district that are current members. The Fair Board will meet February 19 to discuss the Centennial.

6. Motion by Earls, second by Furnas, to approve a Resolution of the Board of County Commissioners of Ottawa County, Oklahoma (the "County") on the Incurrence of Indebtedness by the Ottawa County Governmental Building Authority (The "Authority") issuing its Sales Tax Revenue Note, Series 2019 (the "Note"); providing that the organizational document creating the Authority is subject to the provisions of the indenture authorizing the issuance of the Note; waiving competitive bidding with respect to the sale of the Note and approving the proceedings of the Authority pertaining to the sale of the Note; approving and authorizing the execution of a Sales Tax Agreement by and between the County and the Authority pertaining to the year-to-year pledge of certain sales tax revenues; providing for designation of the Note as a "Qualified Tax-Exempt Obligations" as contained in the Internal Revenue Code of 1986; and containing other provisions relating thereto. Ben Oglesby, Financial Advisor from Municipal Finance, presented a proposition concerning the Governmental Building Authorities 2013 bonds. The proposed note refinances those bonds at a lower interest rate. "The interest rate is 3.79% for 17 years. It's secured the same way the bonds are, .25% sales tax. By going from a 4.27%, that's the remaining interest on the bonds, to a 3.79%, fixed for the 17 years left to maturity. The GBA will save around \$397,000 over that term. Adjust that for the time value of money, it's about \$310,000. You asked if we should retain the debt service reserve fund on the bonds, my advice is no, we don't want to do that. The savings are very backloaded if you use the debt service reserve fund. The difference is, you are going to receive cash flow savings every year, those are funds that are available for whatever the sales tax is available that you can put away for reserves or what ever else you want to do with the money. I think it provides more financial flexibility for the Authority and the County. One of the benefits is, with the bonds outstanding, the County has a continuing disclosure obligation they have to do every year. You have to file information with the municipal's securities rule making board on their website every year. That takes staff time and energy. If you do this, you no longer have bonds in the market. I don't think you have any bonds, except maybe some school bonds, but no continuing disclosure

obligations beyond those bonds. They would go away with this refinance and the only thing you would be required to do is file your audit every year, just like you are normally required to do.” Earls asked, “On the original bonds in 2013, what was the debt service as far as time?” Oglesby: To finance the courthouse, we issued two series of bonds, one in 2006 and one in 2007. The original maturity of those bonds was February 1, 2036. The maturity of what we are doing will match those exactly what those bonds were. We are basically back to the original maturity date. Earls: So, the original was \$6,045,000 and then \$710,000, a total of \$6,755,000. Oglesby: Those were the 2006, 2007 bonds. The 2013 bonds that are currently outstanding now, refinanced those bonds. At that time, the 2006, 2007 was about 5.80, you refinanced to a true interest cost of 4.20. That provided a net present value savings of \$471,000 back in 2013. You went from 5.80 to 4.20, now you are going from 4.27 to a 3.79. Interest rate is fixed through maturity. You will continue making monthly deposits to the same trustee that you have been using up until now. Maturity is February 1, 2036. It’s the same security as the .25% sales tax. The bonds just became possible to pay them off, so we are looking at that now. This note will be pre-payable February 1, 2028, nine years, and at that point you will have about 8 years left, and at that point you will have an opportunity, if the market is available to you, you can refinance for even a better savings. And at that time, you will have a lot less outstanding, it will be a much shorter term and there’s a possibility local banks will have an interest in it. But it is way too early to say that. We want to preserve the ability of the Authority and the County to issue additional debt if they need to. There is a provision in there, just like the bonds have an additional debt provision, so does this note, as long as the sales tax coverage is 1.2 times, then you can issue additional debt. I don’t anticipate that, I have heard any request for that, but I also want to make sure you have that option in the future. Right now, your coverage is about 1.5 times. Earls: What would be the reason we would do that. Oglesby: Within the scope of what the sales tax allows, you want to fix something, add on or something. Nate Ellis from the Public Finance Law Group, is bond council, they are here for the note as well. The note purchaser is Branch Banking and Trust, which is a very large bank out of Charlotte, North Carolina. This type of note is a fixed rate 17-year term, a local bank is not able to do this type of financing. This has to be a very large national bank that has particular capabilities that can offer a fixed interest rate for 17 years to a municipality or city government. They are the ones making the proposal, their council is Phillips Murrah from Oklahoma City. Municipal Finance Services out of Edmond is my firm and trustee would be Bancfirst, just like it is now. Right now, the closing is set for February 15, 2019. At that point the bonds would be what we call the fees, an escrow would be set up and on April 1<sup>st</sup> when the call date comes, those bonds are gone and this new note will take the place. I want to show you what the sales tax has done over the past ten years. It has tracked a little over \$600,000 the last year and it has been fairly close to that number over the past ten years. The debt service on the 2019 note is in the range in the low 400’s so there is around a one and a half times coverage so that makes me feel comfortable, unless there was a dramatic drop in sales tax, there is sufficient coverage to cover that. I assume no growth in sales tax. That’s typical for us as financial advisors, we don’t like to assume growth in sales tax. But you will probably have some. I’m assuming that what you have in sales tax in 2018 is what you are going to get for the next 17 years. No increase assumed. On the left of the report I put what the actual debt service would be and on the right is the coverage ratio. That is the sales tax divided by the debt service and it’s about 1.5 times coverage. We are taking all of the funds on hand of the trustee and bringing them into this transaction and cleaning out that 2013 bond issue and getting rid of it and the 2019 note will take its place. Ellis: We did get an updated balance from the trustee bank of the funds that you have on hand and your debt service fund and your debt service reserve, it was \$1100 or \$1200, it reflects some short-term interest that you

generated. The allocation of the dollars was a little bit different than what we had so that means the rounding number will be a little bit more. Also, tomorrow we will subscribe to the United States Treasury for SLGS. It's basically Treasury securities that are specifically for refunding transactions like this. Full faith in credit guaranteed. That's what allows us to set up an irrevocable escrow to pay those bonds and those old bond holders consider it paid. They know that with a 100% certainty they are going to be paid and that allows that transaction to go away and this new one to take its place. With the SLG purchase amount, you will have 45 days of re-investment of those funds and between 235 and 238 depending on what the published rates are tomorrow. It won't materially impact things. Oglesby: Mr. Chairman, if we approve, we will sign documents. Nate brought a set of documents for signatures after the meeting and we will report back that we are closed. Earls: We appreciate you bringing that information about the original debt service, interest and when it will be paid off as well as the dollars that we have, is that an escrow account where that \$400,000 is? Oglesby: It's at Bancfirst, its identified as a debt service reserve fund and that money will be applied to this note because we legally have to bring it into this note. It reduces the amount you have to borrow. Earls: So, we never had the option of not using that. You said legally we had to. Ellis: It's not something that could just be released back to the County. You would either apply it, it basically pays down the principal or you would apply it and it would offset the new reserve fund that you would have created if you had funded it with a reserve fund. Furnas: It would be essentially 9 years if everything works out before this could go back to one of the local banks to have the opportunity? Oglesby: Right. When talking to a local bank, if it's under 10 years, they will sometimes have an interest as long as it isn't too large of a dollar amount. I think at that point, there's a good likelihood that we would get some interest from the local banks, because the dollar amount would match up to what they like. By vote: Masterson, aye; Furnas, aye; Earls, aye.

7. Motion by Earls, second by Furnas, the adoption and approval of a Resolution of the Board of County Commissioners of Ottawa County, Oklahoma (the "County") approving the Incurrence of Indebtedness by the Ottawa County Governmental Building Authority (the "Authority") issuing its Sales Tax Revenue Note, Series 2019 (the "Note"); providing that the organizational document creating the Authority is subject to the provisions of the indenture authorizing the issuance of the Note; waiving competitive bidding with respect to the sale of the Note and approving the proceedings of the Authority pertaining to the sale of the Note; approving and authorizing the execution of a Sales Tax Agreement by and between the County and the Authority pertaining to the year-to-year pledge of certain sales tax revenues; providing for designation of the Note as a "Qualified Tax-Exempt Obligations" as contained in the Internal Revenue Code of 1986; and containing other provisions relating thereto. By vote: Masterson, aye; Furnas, aye; Earls, aye.

8. No action taken on consideration of Courthouse security. This item will be placed back on the agenda for the February 19 meeting after Courthouse funds have been discussed.

9. No action taken on request from Paul Thomas Funeral Home and Cremation Service to Ottawa County to authorize cremation and waive the CME 19-P permit fee for Ottawa County resident Jerry Thomas Austin, Jr.

10. No action taken on the removal/destruction of Ottawa County owned property. Legal addresses are needed and will be put on the agenda for the February 11 meeting.

11. Motion by Earls, second by Furnas, to approve the list with surplus vehicles for sale at auction. By vote: Masterson, aye; Furnas, aye; Earls, aye.

12. Motion by Earls, second by Furnas, to approve of allocation of alcoholic beverage tax from County Treasurer. By vote: Masterson, aye; Furnas, aye; Earls, aye.

13. Motion by Earls, second by Furnas, Cash fund estimates of need and requests for appropriation from various county offices.

FF-AFT	\$2,333.76
FF-COM	\$2,310.21
FF-FAI	\$2,299.07
FF-MIA	\$2,328.77
FF-PAR	\$2,320.38
FF-PEO	\$2,313.71
FF-PIC	\$2,295.19
FF-QUA	\$2,295.50
FF-WYA	\$2,303.57
92-A-1	\$42,000.00
92-D-1	\$12,028.97
92-A-2	\$40,000.00
92-C-2	\$1,000.00
92-D-2	\$6,053.98
92-E-2	\$57,765.84
92-G-2	\$5,000.00
92-A-3	\$44,000.00
92-D-3	\$333.31
92-G-3	\$7,830.67
COMM	\$15,017.62
TRUST	\$51,901.63
HWY 1	\$34,542.99
HWY 2	\$34,543.00
HWY 3	\$34,543.00
F5-C	\$646.00
DCRF	\$309.00
REC-D	\$2,440.00
CBRI	\$32,004.13
BOP-A	\$3,838.97
BOP-D	\$13,873.03
C5-D	\$250.00
CARF	\$222.00
BOND	\$453.55
CCRF-D	\$4,771.95
LAW	\$1,183.36
B5-A	\$8,294.86
B5-D	\$2,107.76
B5-F	\$1,527.01
LEPC	\$2,548.70
RESALE	\$15,211.38
DONATION	\$50.00
RESERVES	\$1,201.00

By vote: Masterson, aye; Furnas, aye; Earls, aye.

14. Motion by Earls, second by Furnas, to approve transfers of appropriations in the amount of \$30,000.00 from 7201-1-1400-2005 to 7201-1-1400-1110; \$569.66 from 1102-6-4300-2005 to 1102-6-4300-1310. By vote: Masterson, aye; Furnas, aye; Earls, aye.

15. Motion by Earls, second by Furnas, to approve the following check(s) for deposit: #1035 from Erin O'Quinn in the amount of \$20.00; #1242 from Brian Stengel in the amount of \$105.00; #1067 from Darin Montgomery in the amount of \$100.00; #1073 from Darin Montgomery in the amount of \$40.00; #4236 from Jason David Smith in the amount of \$20.00; #1465 from Brown-Winters Funeral Home in the amount of \$40.00; #5067 from Main Street Dental in the amount of \$100.00; #15996 from Kenny Wright in the amount of \$25.00; #15995 from Kenny Wright in the amount of \$25.00. By vote: Masterson, aye; Furnas, aye; Earls, aye.

16. Motion by Earls, second by Furnas, to approve the monthly reports submitted from the Health Department, County Assessor, County Clerk, County Treasurer and Election Board. By vote: Masterson, aye; Furnas, aye; Earls, aye.

18. Commissioners' activity reports. District 1: Clearing trees from right of way, doing switchover on the convenience center, routine maintenance. District 2: Cutting brush by the Stepps Ford area, putting in some culverts, routine maintenance. District 3: Routine maintenance. After our Association of County Commissioners of Oklahoma meeting, we got word that our pool of self-insurance fund will probably see a 10 – 20% increase if we have a lot of claims. Obviously, one break out sections of County Officers and Deputies Association will be between Commissioners and Sheriffs departments across the state. The claims come from Sheriffs offices across the state. It is draining our fund and when it gets critical, we can literally lose our insurance for our Sheriff departments to get insurance in the private sector. They won't be able to afford it. We will have to continue with training because we cannot afford to lose it. I hope everybody can attend. Opioid lawsuit update from Attorney General Hunter, he believes all of these lawsuits will end up in Cleveland, Ohio. We are going to start in Cleveland, Oklahoma. If we have already signed with a law firm such as Ottawa County, which we have already done that, it won't affect our ability to also go to Cleveland, Ohio. There will be different firms that are being sued. Some of the ones that are being sued here may not go to Cleveland, Ohio and visa versa. It might be a situation where we go into both law suits.

21. Motion by Earls, second by Furnas, to approve the following blanket purchase orders:

**1102-6-4200-2005**

002981 CINTAS CORPORATION \$200.00

002982 FABICK TRACTOR CO \$1,000.00

**Total for 1102-6-4200-2005 \$1,200.00**

**1102-6-4300-2005**

002990 KEMP STONE CO INC \$6,000.00

**Total for 1102-6-4300-2005 \$6,000.00**

**1313-6-4100-2005**

002983 MIDWEST MINERAL IN \$10,000.00

**Total for 1313-6-4100-2005 \$10,000.00**

**1313-6-4300-2005**

002986 KEMP STONE CO INC \$6,000.00  
002987 KEMP STONE CO INC \$6,000.00  
002988 KEMP STONE CO INC \$6,000.00  
002989 KEMP STONE CO INC \$6,000.00  
**Total for 1313-6-4300-2005 \$24,000.00**

**1321-2-8205-2005**

002984 LAKELAND PETROLEU \$500.00  
**Total for 1321-2-8205-2005 \$500.00**

**1321-2-8206-2005**

002985 BARNEYS LAST STOP \$500.00  
**Total for 1321-2-8206-2005 \$500.00**

By vote: Masterson, aye; Furnas, aye; Earls, aye.

22. Motion by Masterson, second by Furnas, to adjourn. By vote: Furnas, aye; Masterson, aye; Earls, aye.

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Chad Masterson, Chairman

Robyn Mitchell, Ottawa County Clerk  
The American Newspaper