

07/07/2020

THE MINNEHAHA COUNTY BUILDING COMMITTEE CONVENEED AT 7:45 A.M. July 7, 2020, pursuant to adjournment on June 16, 2020. Committee Members present were: Barth, Bender, Beninga, Heiberger, Karsky, Kriens, Litz, and Muller.

MOTION by Barth, seconded by Karsky, to approve the June 16, 2020, Building Committee Meeting Minutes. 8 ayes.

BOND ISSUE

Kim Adamson, Finance & Budget Officer, and Tom Grimmond, Senior Vice President at Colliers Securities (formerly Dougherty & Co.), gave a briefing on bond considerations for capital projects. Two options brought forward for discussion were a single \$20 million bond issue to be timed around December 1, 2020, or two bank qualified issues of \$10 million each with the first issue being around December 1, 2020, and the second issue being around June 1, 2021. Two bank qualified bond issues allows for lower interest rates, greater flexibility to size the second issue, and results in a savings of \$327,000.00 over the single non-bank qualified issue. Mr. Grimmond spoke on the current market conditions, bank qualified financing versus non-bank qualified financing, and the advantages and disadvantages of the bond options. The variability of interest rates and construction costs were discussed, as well as the flexibility in the language regarding bond amount and use of the funds within a resolution for bond issuance. Direction was provided to staff to reach out to bond counsel to begin drafting a resolution for a bank qualified bond of \$10 million in 2020 and determine the amount of flexibility in the language of the resolution.

CAPITAL PROJECTS

Kim Adamson, Finance & Budget Officer, gave a briefing on the Capital Projects Fund 2021 Project List including cost estimates for the Chiller Replacement Project, the Highway Shop Project, and the Administration/Extension Building Project. The proposed budget for 2021 includes \$20 million for the Capital Projects Fund. Agreements have been entered into with The Tegra Group for owners representation services with monthly costs of \$27,000 for the Highway Shop and Administration/Extension Building Projects. Design services have been contracted for the chiller replacement at a cost of \$135,700. A 5% contingency was included in the 2021 Capital Projects Fund 2021 Project List. Ms. Adamson also reported on contact from the City of Sioux Falls Finance Office regarding a request for a capital contribution of \$2 million from the County for the new Metro Communications facility. This contribution has been included in the Building Fund Long Range Plan for 2022 subject to Commission approval. Direction was given to staff to inquire about provisions for liquidation, equipment, and a new agreement for the facility when discussing options with the City.

MOTION by Heiberger, seconded by Beninga, to adjourn. 8 ayes.

APPROVED BY THE BUILDING COMMITTEE:

Jean Bender

Building Committee Chair

ATTEST:

Olivia Larson

Deputy Auditor