OWEN COUNTY COUNCIL & COMMISSIONERS
JOINT JAIL MEETING MINUTES
July 27, 2026 @ 6:00 P.M. COURTHOUSE 2ND FLOOR
YouTube Live Streamed-Owen County Government

Call to Order and Opening

- The joint meeting of the Owen County Council and Board of Commissioners was called to order. The meeting opened with prayer and the Pledge of Allegiance.
- Council members: Daniel Browning, Steve Carrell, Polly Chesser, Joe Fry, Verl Keith, Anton Neff and Nick Robertson
- Commissioners: Sam Hobbs, David Risk and Norm Warner and County officials, consultants, and project representatives introduced themselves. Public-comment procedures were reviewed, including a requested three-minute limit.

Opening Comments and Purpose of Meeting

- Commissioners and Council members thanked the public for attending and acknowledged the difficulty and expense of the proposed jail project. Members stated that the existing jail was in serious disrepair, that repair would be costly and extend its useful life only temporarily, and that the County had been advised that insurance on the existing facility would be limited or substantially more expensive in the future.
- County Attorney Tony Overholt explained that two statutory actions were anticipated: the Council would first consider a resolution expressing interest in the land acquisition and separately identify funding, after which the Commissioners would consider approval of the purchase agreement and related closing authority.

Project and Site Presentation

- Representatives of BW Construction, Garmong Construction, and Elevatus Architecture presented the current site, design, schedule, and preliminary cost information. They emphasized that the evening's land action would allow the project to advance, but later approvals would still be required for the final design, guaranteed maximum price (GMP), BOT process, and bond financing.

Proposed Site and Due Diligence

- The proposed site consists of approximately 18.003 acres at 909 West State Road 46, Spencer, near Walmart and the YMCA.
- A Phase I environmental assessment found no environmental concerns requiring a Phase II review.
- Boundary and topographical surveys were completed.
- Geotechnical testing indicated that conventional foundations and slabs could be used, avoiding specialized deep-foundation costs associated with other sites.

- The preliminary layout placed the building near the southwest/front portion of the property, with public and staff parking, secure vehicle access, and space for future administrative and housing-pod expansion.
- Two access points were proposed for emergency and operational safety. Final access would require an INDOT traffic-operational review, driveway-spacing compliance, sidewalk reconstruction, turn-lane work, and drainage adjustments.
- The exact building placement was not final. Officials agreed to continue evaluating front-versus-rear placement, utility-extension costs, future expansion, emergency access, and the possible value or use of excess frontage.

Preliminary Facility Design

- The proposed facility contains slightly more than 38,000 square feet and 112 beds.
- The plan includes administration, booking and intake, kitchen, laundry, secure vehicle sally port, staff and public parking, six 16-bed cell-housing classifications, and two eight-bed dormitory areas.
- The housing area uses a two-level mezzanine arrangement. The 112-bed count includes both levels.
- The Sheriff and jail staff participated in development of the plan. Expansion areas were identified for future administrative space and an additional housing pod.

Schedule and Delivery Process

- The project was in schematic design. Completion of architectural, civil, structural, mechanical, electrical, plumbing, and INDOT-related design work was estimated at four to five months.
- Construction documents were targeted for early December 2026, followed by bidding and presentation of a GMP in December 2026 or January 2027.
- If approved and financed, construction was anticipated to begin around April 2027 and take approximately 24 months.
- BW stated that project costs would be handled through an open-book process. Unused contingency and allowance funds would return to the County.

Preliminary Project Budget

- The preliminary all-in project budget was presented at $38,621,444. The amount included construction, land, design and professional fees, financing, contingencies, furniture/fixtures/equipment, insurance and bonds, sanitary-sewer work, and related project costs.
- The budget included an unsuitable-soil allowance of $250,000 and approximately $1.25 million in design, estimating, escalation, and construction contingencies.
- The land line was based on approximately $1,620,270, calculated at $90,000 per acre. Discussion identified a two-percent real-estate commission of approximately $32,405.40, making the land transaction approximately $1,652,675.40 before separately budgeted due-diligence expenses:

    - Survey, environmental, geotechnical, and other due-diligence work was reported at just under $80,000.
- A sanitary-main extension remained under development. Officials stated that the working estimate had been approximately $2 million, not $4 million, and that a written agreement with the Town of Spencer would be a later step.
- Construction escalation was estimated at roughly four to six percent annually. One project representative estimated that delay could add approximately $6,600 per business day.

Financing Plan

- Financial advisor Jeff Peters reviewed the preliminary financing plan. Estimates were subject to refinement as the design and GMP were completed.
- The model assumed approximately $32.15 million in par bonds, an estimated $2.4 million reoffering premium, approximately $4 million in Correctional Facility LIT cash, and an additional cash placeholder of approximately $60,270.
- The bonds were modeled over approximately 20 years at coupons near five percent. Final borrowing would be reduced to the amount actually needed after bids and the GMP were known.
- The County planned to use a substitute asset in the lease structure to avoid capitalized interest during construction.
- Estimated annual debt service was approximately $2.6 million, paid semiannually. Projected local-income-tax revenue under the post-2028 structure was approximately $2.8 million annually at a modeled 2.4-percent rate.
- Property tax would serve as the legal backup security to improve the bond rating and reduce interest expense. Officials repeatedly stated that debt service was intended to be paid from local income tax, not added to property-tax bills.
- The County expected to adopt a new local-income-tax structure for receipts beginning in 2029 because existing LIT categories terminate after 2028. The model anticipated sufficient revenue without increasing the County's current overall 2.5-percent rate.
- Sale proceeds from County property received before bond issuance could reduce the amount borrowed. Later proceeds could be reserved to call bonds when permitted, likely after ten years.

Council and Commissioner Questions

- Owen County Title representative reported that the property title and survey matters were being cleared. A recorded/perpetual shared-access easement along the west-side road was discussed; future maintenance responsibility was not established.
- Officials discussed the road's tax-sale status and the importance of preserving access.
- The Sheriff supported separate access to State Road 46 so an accident or other event at the shared road would not block emergency response.
- The Sheriff stated that the new facility would require five additional jail officers if the department moved to 12-hour shifts. Neff estimated the fully burdened cost at

approximately $73,000 per position, or $365,000 annually. The Sheriff noted that prior staffing studies had already found the existing jail understaffed.

- Neff noted that regardless of any previous staffing studies the $365,000.00 annual cost has not been disclosed as part of the financial impact and would need to be.
- Potential sale or appraisal of the current jail, storage units, and other County property was discussed. Commissioner Hobbs stated that appraisal of the current jail and storage property would be considered at a later Commissioners' meeting if the project advanced.
- Officials stated that inmates would remain in the existing jail during construction. Insurance was expected to continue, although premiums could increase after the present coverage period.
- Questions were raised about conflicts of interest and the use of one real-estate broker in the transaction. Filed conflict disclosures were acknowledged. The County Attorney stated that Indiana law permitted dual agency and that no legal impediment to the votes had been identified. Verl Keith stated he would abstain from the land vote. Joe Frye disclosed a distant family relationship with a project representative and stated he would abstain from a later project-approval vote, although not necessarily the land acquisition.
- Officials stated that Indiana Code 36-7-14-9 concerning redevelopment commissions was not applicable to this direct County transaction.
- The construction-management structure was explained: the Commissioners held the project agreements; Elevatus and its engineering consultants would oversee design compliance; BW would serve as BOT developer; and Garmong would manage daily construction. The parties described these roles as contractual checks and balances.

Public Comment

Public comment included both support for moving forward and concerns about cost, process, legal compliance, site selection, excess acreage, potential property-tax exposure, proximity to schools, and prior project expenses. Major points included:

- Several speakers supported prompt action, citing the long history of jail discussions, rising construction costs, the condition of the existing facility, and the need to protect law-enforcement staff and inmates.
- Other speakers questioned the increase from earlier project estimates, including a previously discussed $25 million ceiling, and asked whether a less costly design or smaller parcel could be used.
- Speakers questioned the $90,000-per-acre price, the property's agricultural assessment, dual-agency representation, the absence of a counteroffer, and whether the County should buy only the acreage immediately needed.
- The broker reported two independent appraisals of approximately $1.65 million and $1.8 million, averaging approximately $1.725 million, or about $95,817 per acre. He stated that the negotiated $90,000-per-acre price was below that average.

- Residents expressed concern that property taxes could eventually be used if LIT revenue were insufficient. Officials repeated that property tax was intended only as backup security and that the modeled LIT receipts exceeded projected debt service.
- Questions were raised about previous site and design costs, RFQ/RFP scope, professional-service agreements, design-fee percentages, required affidavits, possible duplicated services, project inspection, quality control, and independent review. Project representatives stated that contracts provided separate oversight roles and that Garmong's former County contract had been cancelled when it joined the BW team.
- Residents asked whether placement near the front would reduce resale or development value and whether moving the jail farther back, retaining frontage, or obtaining access toward Texas Pike would be beneficial. Officials confirmed that final placement remained under review.
- Concerns were raised about a jail near schools and the YMCA. The Sheriff stated that the proposed secure design would make escape extremely difficult and that proximity would improve law-enforcement response time to a school emergency.

Formal Action

County Council Resolution 2026-006 - Interest in Land Acquisition

- The County Attorney read a resolution expressing the Council's interest in acquiring approximately 18 acres at 909 West State Road 46 for the proposed jail, subject to the Commissioners satisfying Indiana Code 36-1-10.5 requirements and paying no more than the average of the two required appraisals.
- Motion by Carrell to approve the Council resolution second by Browning 5/1/1 abstention by Keith and No by Neff.

County Council - Source of Funds

- The Auditor identified two jail-related funds: Jail Project Fund 9181, with a reported balance of approximately $1,042,630.16, and Fund 1233, with a reported balance of approximately $4,638,079.96. Council discussed exhausting Fund 9181 first and paying the remaining land and related costs from Fund 1233.
- Motion by Carrell to close out/use the balance of Jail Project Fund 9181 and pay the remaining required amount from Fund 1233 second by Frye 5/1/1 abstention by Keith and No by Neff.

Board of Commissioners - Purchase Resolution 2026-007

- The County Attorney read the Commissioners' resolution approving the purchase agreement for the approximately 18-acre property at 909 West State Road 46 and authorizing Commissioner Hobbs to execute the purchase agreement, closing papers, and other necessary documents. The resolution was identified as Resolution 2026-07.
- Warner moved to approve Resolution 2026-07, second by Risk. 3/0 approved.
- Motion by Warner to clarify Ordinance #2026-007, second by Risk 3/0 approved.

Council Amendment to Resolution Number

- Motion by Carrell to amend its earlier resolution action to include Council Resolution 2026-06 second by Browning 6/0/1 approved abstention by Keith.

Closing Authority

- Carrell moved to authorize the Council president or vice president to attend the closing second by Browning5/0/1 approved abstention by Keith.
- Warner moved to authorize the Commissioners' president to attend the closing. Second by Risk 3/0 approved.

Wire Transfer Authority

- Warner moved to authorize the wire transfer of the previously identified funds for the property transaction Invoices and Additional Appropriation
- Commissioners and Council members requested that jail-project invoices be presented for review so both bodies would remain informed. The Auditor advised that only approximately $19,000 remained in the applicable 2026 budget line and that additional appropriation would be needed at a subsequent meeting, potentially August 3, August 26, or the September meeting.

Adjournment

- The chair asked for a motion to adjourn made by Carrell second by Browning approved.
- Thank you all for coming.