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1 STATE OF INDIANA)
)SS:

2 COUNTY OF ALLEN)

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7 BOARD OF COMMISSIONERS
8 OF THE COUNTY OF ALLEN

9 RE: LEGISLATIVE SESSION OF
10 August 30, 2006

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DATE: August 30, 2006

15
16

TIME: 10:02 a.m.

17
18

LOCATION: Room 200
 Commissioners Courtroom
 City-County Building
 1 East Main Street
 Fort Wayne, Indiana 46802

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REPORTER: Kimberlee M. Adams

23
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25

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1 PRESENT:
2 Marla J. Irving Allen County Commissioner
3 Linda K. Bloom Allen County Commissioner
4 Nelson Peters Allen County Commissioner
5 Susan Elser Commissioners Office
6 Mary Hitchens Allen County Public
 Information

7

G. William Fishering Allen County Counsel

8

Bill Hartman Allen County Highway

9 Department

10 Mindy Waldron Administrator, Allen County

Department of Health

11

Dan Freck Director, Allen County

12 Buildings & Grounds

13 Ozzie Mitson Fort Wayne Chamber of

Commerce

14

Dr. John Crawford City of Fort Wayne Common

15 Council

16 Dr. Greg Schmidt Allen County Board of Health

17 Molly McCray Administrative Assistant,

Fort Wayne Common Council

18

Tera Klutz Chief Deputy, Allen County

19 Recorder's Office

20 John Simcox Public Information Office,

Department of Health

21

Darryl Jagers Tower Bank

22

Dana Heine Tower Bank

23

Kathie Fleck American Cancer Society

24

Maureen Holle Homebuilders Association

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1 ALSO PRESENT:

2

Kimberlee M. Adams Rolf Reporting, Inc.

3

Cindy Larson News Sentinel

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Kevin Leininger News Sentinel

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Ben Lanka Journal Gazette

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Julie Creek Journal Gazette

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E X H I B I T S

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Exhibit 31-57

16 (Tower Bank and Trust, Market Study 2005)

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2 Agenda:

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5 Smoking Ordinance 8

6 3. Agreement between Allen County and NIPSCO
for Commercial and Industrial

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9 and Kenneth and Pamela Arthur for
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5. Presentation by Darryl Jagers of Tower
11 Bank & Trust of Fort Wayne/Allen County
Residential Market Study 2005 31

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6. Plats for Signature 25

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7. Approve and accept completion of
14 construction contract for 2006 HMA
Resurface Package #1, Bid Reference
15 #06-06 at the following locations: 25

16

A) Project #05-330, Ellison Road,
From NW R/R to +/-1600 feet North

17 B) Project #0700106, Doyle Road,
From US 30 to Dawkins Road

18 C) Project #0700206, Graber Road,
From SR 37 to Notestine Road

19 D) Project #0700306, Grabill Road,
From Roth Road to Cuba Road

20 E) Project #0700406, Marion Center
Road, From Roundabout to Thompson

21 Road

F) Project #0700506, Valley Road,
22 From Hursh Road to Dead End,
Brooks Construction Co., Inc. was

23 the contractor -- Final contract
amount \$390,336.15.

24

25 (AGENDA continues)

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1 (AGENDA continued)

2

8. Approve Change Order #5 between Wayne

3 Asphalt & Construction Co., Inc. and
Allen County for Coldwater Road, Phase I,

4 from Union Chapel Road to Pion Road,
Project #03-120, Bid Reference #24-05,

5 \$21,795.67 INCREASE 27

6 9. Approve Change Order #1 between Wayne

Asphalt & Construction Co., Inc. and

7 Allen County for Coldwater Road, Phase
II, from Pion Road to Gump Road, Project

8 #04-254, Bid Reference #08-06, \$56,768.00
INCREASE 27

9

10. Approve Change Order #2 (Final Change

10 Order) between Wayne Asphalt &
Construction Co., Inc. and Allen County

11 for 2005 HMA Resurface Package #2, Bid
Reference #21-05 -- \$13,545.54 INCREASE.

12 This package included the following
resurfaced roads: 28

13

A) Project #05-198, Edgebrook Drive,
14 From Rosewood Drive to West
Jefferson Blvd.

15 B) Project #05-199, Rosewood Drive,
From Aboite Center Road to

16 Cul-de-sac

C) Project #05-200, Winchester Road,
17 From Poe Road to Simmerman Ditch

D) Project #05-201, North Clinton

18 Street, from Ft. Wayne City

Limits to Mayhew Rd.

19 E) Project #05-220, Whispering Creek
Trail, From Aboite Center Road to

20 Cul-de-sac

F) Project #04-249, Donna Lynn Lane,
21 From Old Lima Road to Cul-de-sac

G) Project #04-250, Doug Drive, From
22 Donna Lynn Lane to Cul-de-sac.

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(AGENDA continues)

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1 (AGENDA continued)

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11. Approve Change Order #1 (Final Change

3 Order) between Bunn Excavating, Inc. and
Allen County for Homestead Road Curve

4 Realignment, from Lower Huntington Road
to Ernst Road, Project #04-209, Bid

5 Reference #45-05, \$854.75 DECREASE 30

6 12. Other Business 57

7 a) Commissioners launch new poll for
public input on issue of

8 government reorganization.

9 13. Approval to waive the 2nd Reading on any
matter approved today and for which it

10 may be deemed necessary for the
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15. Motion to Adjourn 63

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1 IRVING: Good morning, and welcome to the August
2 30th, 2006 Legislative Session. We've got a lot
3 going on today and a lot of presentations, but before
4 we get started, we'd like everyone to rise for the
5 Pledge of Allegiance and a moment of silence.

6 (At this time, the Pledge of Allegiance was
7 recited in unison, and a moment of silence
8 was recognized by all.)

9 IRVING: Thank you very much. First on our Agenda
10 today is Approval of the Minutes of the August 23rd
11 meeting.

12 PETERS: I make a motion to approve the Minutes of
13 August 23rd, 2006.

14 BLOOM: Second.

15 IRVING: It's been moved and seconded. All in favor,
16 say, "Aye."

17 BLOOM: Aye.

18 PETERS: Aye.

19 IRVING: Aye. Motion carried. Second on our Agenda,
20 which I think that that's why we have some of our
21 guests here today is the introduction of the proposed
22 Allen County Smoking Ordinance. The Smoking
23 Ordinance, which has been long awaited, has had the
24 final approval of what the Commissioners had a chance
25 to look up--look at. We had a chance to talk to

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1 different individuals throughout our community. We
2 took a look at the City Ordinance. Plus, our
3 attorney took a look at--Mr. Fishering, wasn't it
4 seven different communities and what--

5 FISHERING: Counties and--cities and counties.

6 IRVING: Yeah--

7 BLOOM: Cities and counties.

8 IRVING: --seven different cities and counties--

9 BLOOM: Uh-huh (affirmative).

10 IRVING: --and got an idea of what they're doing all
11 over the United States here. This will be posted
12 today, by the end of the workday, on our website
13 which is www.allencounty.us. Of if you would like to
14 call the Commissioners Office at 260-449-7555, we can
15 send you a hard copy of the Ordinance. If you would
16 like to have a copy of the Ordinance faxed to you,
17 you can call us or you can fax us the request at
18 449-7568. Also, we are going to have a public
19 meeting in approximately two weeks. It will be
20 September 11th--that's September 11th--at 6:00 p.m.
21 in Room 126 at the City-County Building. We would
22 hope that anyone that wants to come and give their
23 views on the Smoking Ordinance and tell us the good
24 things and tell us some things that--that maybe you
25 would like to see changed, that you would have read a
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1 copy of the Ordinance. And again, I'm sure--we have
2 a lot of media here today, I'm sure that they will
3 carry the phone numbers, our web address, and our fax
4 number that we could fax it out. We're very proud of
5 it. It doesn't mean that--that it's perfect. That's
6 why we want public input. Commissioner Bloom, would
7 you like to add anything?

8 BLOOM: We had already done the comments and poll on
9 the--on our website, and now we feel that we should
10 have a public meeting. Hopefully, those interested
11 will come and share their thoughts with us, and we're
12 ready to get going on this and hopefully pass it
13 within a few weeks.

14 IRVING: Commissioner Peters?

15 PETERS: Well, just to underscore what's previously
16 been said, this Ordinance is not final at this
17 particular point. It's--it's our best guess estimate
18 based on what we've heard up to this point. There
19 have been a number of people who have said, "Oh, my
20 goodness. I mean, the poll you ran wasn't
21 scientific. How could you possibly follow the lead
22 of that poll," when the fact of the matter is that
23 that poll was simply one more tool in the--in the

24 Commissioners' toolbox to arrive at the decision that
25 we have at this particular point. There--as

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1 Commissioner Irving said there are going to be a lot
2 of divergent views out there.

3 IRVING: Uh-huh (affirmative).

4 PETERS: And we--we want to ensure that we get all of
5 those views heard before any ordinance becomes final.

6 So what you are looking at, or what you will be
7 looking at, over the next couple of days or weeks
8 could very well not be final. And we do, in fact,
9 encourage to come to provide input at that public
10 meeting on September 11th.

11 IRVING: From this morning's article, I got several
12 calls from the outlining areas, and if I could just
13 take a moment of time here, I would like to read
14 Chapter 10, and it is for the opt out for other
15 municipalities so they understand exactly what we
16 have proposed because we did listen to the small
17 cities and towns.

18 It says, "Any municipality may opt out--opt out
19 of the requirements of this Ordinance for the
20 territory under its jurisdiction by adopting an
21 Ordinance so stating and filing the same with the
22 Board of Commissioners of the County of Allen. A
23 municipality may elect to add exemptions to those
24 allowed for the territory under its jurisdiction by
25 adopting an ordinance so stating and filing same with

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1 the Board of Commissioners of the County of Allen and
2 the Fort Wayne-Allen County Board of Health." So, I
3 think that that's key to the--

4 BLOOM: Uh-huh (affirmative).

5 IRVING: --outlining areas that they make sure that
6 when they receive a copy of the Ordinance, that they
7 make sure that they understand, and if they have any
8 questions about Chapter 10 to please feel free to
9 notify us.

10 PETERS: And it's my understanding, Mr. Fishing,
11 that in that opt out provision, it would take the
12 Legislative bodies--

13 FISHERING: That's correct.

14 PETERS: --in each of the respective--

15 IRVING: Yes.
16 PETERS: --jurisdictions--
17 BLOOM: Uh-huh (affirmative).
18 PETERS: --to provide for that opt out.
19 FISHERING: That's correct.
20 IRVING: Yes. Do we have any other questions with--
21 amongst the Commissioners? Any more statements? We
22 will have our public meeting. Again, it will be on
23 September 11th at 6:00 p.m. in the City-County
24 Building, Room 126. You can call the Commissioners'
25 Office at 449-7555 and we can fax it to you. You can
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1 call at that same number. And you can look on our
2 web by the workday end today at www.allencounty.us.
3 Thank you very much.

4 Third on our Agenda, Agreement between Allen
5 County and NIPSCO for Commercial and Industrial
6 Interruptible Sales Service under Rate 334A.

7 BLOOM: Good morning, Dan.

8 FRECK: Good morning. My name is Dan Freck, Director
9 of Buildings and Grounds.

10 IRVING: Right. Dan, before you start, Mindy, I know
11 you have another meeting, I apologize. After Mr.
12 Freck, we--we'll address you. Is that okay?

13 WALDRON: Absolutely.

14 IRVING: Thank you for your patience, I appreciate
15 it. Dan, would you like to give us a little summary
16 about our agreement with NIPSCO?

17 FRECK: Sure. This agreement, we put in place 2002.
18 This gives us a better gas rate for the City-County
19 Building because we have a back-up system in case
20 there is--

21 BLOOM: Uh-huh (affirmative).

22 FRECK: --a problem with NIPSCO. We put a program
23 together that will allow us to shut off natural gas
24 and still be able to run this building. By doing
25 this, we receive a better rate than the average
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1 commercial buildings do have downtown. We have
2 started this in--

3 IRVING: Right.

4 FRECK: --2002 and we do run a little bit of the fuel
5 throughout the year--

6 IRVING: Uh-huh (affirmative).

7 FRECK: --to just make sure everything is running

8 and--

9 BLOOM: Uh-huh (affirmative).

10 FRECK: --ready to go, but normally we just use it as

11 a back-up system, and we still keep this in place

12 with an emergency program, so--

13 IRVING: Great.

14 FRECK: --we just redo it every year.

15 IRVING: It's a good program.

16 PETERS: Have we ever had to switch?

17 FRECK: No.

18 IRVING: No.

19 FRECK: Not to my knowledge, Commissioner, no.

20 IRVING: Two years ago, there was a que--wasn't it

21 two years ago that there was a question we may have?

22 FRECK: Yeah.

23 IRVING: And they wanted to make sure that--

24 FRECK: Yeah.

25 IRVING: --all of our testing had been done. And of

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1 course, our Maintenance Department has it on a

2 rotation.

3 FRECK: Yeah--

4 IRVING: We appreciate that.

5 FRECK: --we have it on a rotation, and then there's

6 three or four of us that are called regardless, and

7 then we're all down here ready to go. So, everything

8 has been in place, and hopefully, and we don't

9 foresee it, but we're able to go where--

10 IRVING: Right.

11 BLOOM: Uh-huh (affirmative).

12 FRECK: --some of the other buildings will have to

13 shut down. We do not have to in this building, so.

14 PETERS: I make a motion to approve the Agreement

15 between Allen County and NIPSCO for Commercial and

16 Industrial Interruptible Sales Service under Rate

17 334A.

18 BLOOM: Second.

19 IRVING: It's been moved and seconded. Anymore

20 discussion? Hearing none, all in favor, say, "Aye."

21 PETERS: Aye.

22 BLOOM: Aye.

23 IRVING: Aye. Motion carried. Thank you, Dan.

24 FRECK: Thank you.

25 BLOOM: Thank you.

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1 PETERS: Thank you.

2 IRVING: Mindy Waldron which is the Director of our

3 Allen County Board of Health has asked for a couple

4 of minutes just to give you an update on Hepatitis A.

5 Mindy, I apologize, I know I said I'd squeeze you in

6 right after the Smoking Ordinance, but maybe you

7 could tell us a little bit about some change of plans

8 that happened yesterday.

9 WALDRON: I appreciate the opportunity. Just wanted

10 to kind of bring you all up to speed of the last five

11 days. So I'll just give you a few bullet points and

12 then answer any questions that you have. And first

13 of all, thanks for letting me call you Friday night,

14 all of you, to brief you on this.

15 IRVING: Anytime.

16 WALDRON: As you know, last Friday we were notified

17 of a positive Hepatitis A in a food worker which

18 usually initiates a very large outbreak kind of a

19 containment operation, which we did put in place.

20 And over the weekend, Saturday and Sunday, operated

21 out at the fairgrounds and then needed to continue in

22 a--a longer scale operation, so we moved everything

23 to the Coliseum for yesterday and today. And now

24 we'll go--we've added more clinics through Saturday

25 to ensure that we don't miss anyone.

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1 In the past four days, we've administered

2 nearly 3700 shots and have arranged for shots to

3 either be transferred or given in eight to 10 cities,

4 four states, and Canada. Because the window of

5 opportunity for this particular food worker's

6 infectious period ends Saturday--

7 BLOOM: Uh-huh (affirmative).

8 WALDRON: --short of receiving any other positive

9 Hepatitis A cases, we should be done by Saturday.

10 The reason that we've extended, as I said to the

11 other clinics, we do believe they'll be smaller and

12 maybe only a few people, but we would hate to miss

13 anyone. So, we need to be--

14 BLOOM: Exactly.

15 WALDRON: --open. It's not conducive to run it
16 through our clinic here. It's been nice to be able
17 to have hours where workers and school kids--

18 IRVING: Uh-huh (affirmative).

19 WALDRON: --can come--

20 BLOOM: Uh-huh (affirmative).

21 WALDRON: --so we've been doing them--

22 IRVING: Right.

23 BLOOM: Uh-huh (affirmative).

24 WALDRON: --we will do them Wednesday through Friday,
25 4:00 to 7:00, and Saturday, 9:00 to noon. We are

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1 looking for volunteers through our Medical Reserve
2 Corps. We've taxed out our staff for the last four
3 days non-stop.

4 BLOOM: I'm sure.

5 WALDRON: So we've put out a call to the Medical
6 Reserve Corps for medical volunteers to fill in for
7 those actual shot givers. We can cover the
8 non-medical and the management staff. As I said, if
9 there's no other reported cases, we should be good to
10 go by Saturday.

11 IRVING: Okay.

12 WALDRON: It's really important for you to know that
13 the Coliseum staff, Dan Freck and his staff, many of
14 the other staff that Marla kind of mobilized for us,
15 Bernie Beier, Allen County Sheriff's Department, all
16 of our medical partners here in the community, and a
17 lot of the universities, especially IPFW and all of
18 their Department heads mobilized teams for us and
19 have assisted us non-stop, pretty much, on 24/7
20 operations for the last four to five days. And it's
21 important to mention that.

22 IRVING: Yes.

23 WALDRON: We much appreciate your support and all of
24 the calls that I've made to you, especially
25 Commissioner Irving, in the last few days. Glad to

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1 answer any questions. Just wanted to bring you up to
2 speed.

3 PETERS: Well, let me first echo what you said, and--
4 and thank you for the good work that--that--

5 WALDRON: Thanks.

6 PETERS: --you've done along with Commissioner Irving
7 and all of the other departments within--

8 IRVING: Uh-huh (affirmative).

9 BLOOM: Absolutely.

10 PETERS: --the County. Outstanding effort. How do
11 you know when you've been successful? If the
12 gestation period is two to seven weeks from what I
13 read, or if the period in which symptoms show up is
14 two to seven weeks, how do you know if this
15 initiative was successful?

16 WALDRON: A couple of things, we would hope then for.
17 The actual longer incubation period going from when
18 this person worked as infectious to when we would
19 need to potentially be watching for other symptoms,
20 like you said, is usually up to 50 days, so two to
21 seven weeks thereabouts, so we will maintain a
22 hotline, as will Pizza Hut. They've maintained a
23 1-800 hotline, and they'll keep that through that
24 whole incubation period to monitor for symptoms for
25 folks. They have set up accounts for all of the

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1 medical assessments that we're referring or that they
2 are referring from their hotline to other states.

3 So, they'll maintain that. The--the bigger key would
4 be that we don't have any other Hepatitis A cases
5 reported. It's very crucial that we reach everyone
6 that consumed so we could, you know, hopefully get--
7 wrap our arms around those that would have the
8 potential to come down with the illness. There isn't
9 an 100% way to ensure that. It's all about quick
10 containment. So we hope we've done that. We hope--
11 we've got a lot of messages out. It did go out
12 nationwide. Not as widespread as we had hoped, but
13 we hope we've reached everyone that--that really
14 needed to get the shot. I hope that answers your
15 question.

16 PETERS: Uh-huh (affirmative). Thank you.

17 IRVING: Commissioner Bloom?

18 BLOOM: Wonderful, wonderful job that our community
19 did and pulled together, and this is the way it's
20 supposed to work and it did, and we're proud.

21 WALDRON: Okay. Thank you.

22 IRVING: The only thing I would like to add to that,
23 Mindy, is, you know, sometimes we--we see the money
24 that is spent for training and we think, "Oh, it's
25 never going to happen in our community." And then
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1 when something like this happens, when we see that
2 that training has--has paid off, and especially with
3 public health, that we've been able to protect our
4 community. And my hat off to you and your department
5 and Dr. McMahan, and Bernie Beiers--

6 WALDRON: Yeah.

7 IRVING: --they--they've done a great job. But the
8 second offer--I'd like to make one more offer to you.

9 If you had any shots that need to go down to the
10 Bahamas or Bermuda, any place like that--

11 WALDRON: I'll take them.

12 IRVING: --feel free--I--I'll be glad to carry the
13 suitcase. How's that?

14 WALDRON: There haven't been any Hawaii requests or I
15 would have been right on that.

16 IRVING: I forgot that.

17 BLOOM: Hawaii.

18 IRVING: I'm in for that request too. But thank--

19 WALDRON: Well, I appreciate that.

20 IRVING: --you very much, Mindy.

21 WALDRON: And the last thing I would like to say is
22 that our staff has been phenomenal. Again, they've--

23 none of us have had much sleep since, I think,

24 Thursday night, and they have been great. Everyone--
25 there's no complaints, and they're volunteering, and

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1 I just need you to know that our department has
2 really--

3 IRVING: Yes, they have.

4 WALDRON: --stepped up too. They're--all staff,
5 non-medical and medical, so--thanks.

6 IRVING: We appreciate it.

7 WALDRON: Thanks for the update.

8 IRVING: Thank you. Feel free to come back, Mindy,
9 next Wednesday again and maybe you can give us just a
10 little five minute wrap up--

11 WALDRON: Synopsis.

12 IRVING: --and make sure that--how we're doing.

13 WALDRON: Sure.
14 IRVING: Thank you. Give me the number one more
15 time. Is that still set up?
16 WALDRON: The hotline?
17 IRVING: Yes.
18 WALDRON: It's--and we have it bouncing wherever
19 location we are.
20 IRVING: I know.
21 WALDRON: We've got voicemail everywhere, so
22 449-7105.
23 IRVING: 7105, okay.
24 WALDRON: Thanks.
25 IRVING: Thank you very much, Mindy. Commissioners,
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1 I'm going to ask for your input. We have a
2 presentation today for the Residential Market Study.
3 Would you like to proceed with that or would you like
4 to proceed with getting the Highway Department
5 approved and let our--
6 BLOOM: Let's do our contract here too?
7 IRVING: Pardon?
8 ELSER: Item Number 4.
9 BLOOM: Yeah. The--
10 IRVING: Oh, yeah, we'll--
11 BLOOM: --the contract.
12 IRVING: --do Item Number 4. And then would it be--
13 BLOOM: And Highway.
14 IRVING: --okay if I then do the Highway--
15 BLOOM: Yeah.
16 IRVING: --and then we can do the presentation
17 because we're getting the screen down and everything?
18 BLOOM: Exactly.
19 IRVING: If that's okay with you, Mr. Jagers, we
20 would like to put you at the end? Okay, thank you.
21 Number 4, renewal of a contract between Allen County
22 and Kenneth and Pamela Arthur for operation of the
23 City-County Cafeteria.
24 FISHERING: This is the license for the operation of
25 the cafeteria currently being operated out of the
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1 basement of the City-County Building. This is a
2 renewal of it. It is not significantly changed from
3 the prior 10 years when it gets right down to it.

4 IRVING: That's right.
5 FISHERING: One of the parties dropped off, and other
6 than that, there's no significant change in either
7 the amount or the requirements.
8 PETERS: And that is a one-year renewable?
9 FISHERING: It's a license for us which means
10 technically it's terminable at any time on our side,
11 I guess. So--
12 PETERS: I guess what I'm asking is how often are we
13 signing this document? Is it--
14 FISHERING: We do it annually.
15 PETERS: --annually?
16 IRVING: Yes.
17 FISHERING: We review it annually. Okay.
18 IRVING: Yes.
19 BLOOM: We have all reviewed the contract of the
20 renewal between Allen County and Ken and Pam Arthur
21 for operation of our cafeteria, and I'd make a motion
22 we accept this.
23 PETERS: I'll second it.
24 IRVING: It's been moved and seconded. All in favor,
25 say, "Aye."

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1 PETERS: Aye.
2 BLOOM: Aye.
3 IRVING: Aye. Motion carried. Do we have any plats
4 for signature today?
5 ELSER: We do not.
6 IRVING: Okay. Now, we're going to go to the
7 Highway. Approval and acceptance completion of
8 cons--construction contract for 2006 HMA Resurfacing
9 Package #1, Bid Reference #06-06 at the following
10 locations.
11 BLOOM: Good morning.
12 HARTMAN: Good morning.
13 IRVING: Good morning.
14 HARTMAN: Bill Hartman, Allen County Highway
15 Department.
16 IRVING: We have Project #05-330, Ellison Road. Do I
17 have to read the road in or can I just read the
18 project in?
19 ELSER: I think just the project.
20 IRVING: I think we can do that too.

21 HARTMAN: yeah.
22 IRVING: It's the Ellison Road Project; Project
23 #0700106, Doyle Road, from US 30 to Dawkins
24 Road; Project #0700206 which is Grabill Road;
25 Project--
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1 BLOOM: Graber.
2 IRVING: Graber. Thank you very much. Graber Road.
3 The next one is Grabill Road, Project #07-0--
4 #0700306, Grabill Road from Roth Road to Cuba Road.
5 BLOOM: Right.
6 IRVING: Project #0700406, Marion County Road; and
7 Project #0700506, Valley Road, from Hursh Road to
8 Dead End. And the total, the final contract amount,
9 was \$390,336.15 for Brooks Construction Company.

10 BLOOM: So moved.
11 PETERS: I'll second it.
12 IRVING: It's been moved and seconded. All in favor,
13 say, "Aye."

14 PETERS: Aye.
15 BLOOM: Aye.
16 IRVING: Aye. Motion carried. Approve Change
17 Order #5 between Wayne Asphalt & Construction
18 Control--Construction Co., Inc. and Allen County for
19 Coldwater Road, Phase I, from Union Chapel Road to
20 Pion Road, Project #03-120, Bid Reference #24-05,
21 \$21,795.67 INCREASE.

22 BLOOM: Increase being?
23 HARTMAN: \$12,000.00 for additional mulch seeding
24 that was needed. More of the right of way was
25 excavated, you know, for drainage for this project

0027
1 than--than anticipated, and so that resulted in that.
2 And then an additional \$8,000.00 worth of asphalt in
3 order to put a proper crown in the road.
4 IRVING: Okay.
5 BLOOM: I make a motion that we approve the Change
6 Order #5 between Wayne Asphalt and Allen County for
7 Phase I of Coldwater Road, \$21,795.67 increase.

8 PETERS: And I'll second that.
9 IRVING: It's been moved and seconded. All in favor,
10 say, "Aye."
11 PETERS: Aye.

12 BLOOM: Aye.
13 IRVING: Aye. Motion carried. Approve Change
14 Order #1 between Wayne Asphalt & Construction Co.,
15 Incorporated and Allen County for Coldwater Road,
16 Phase II, from Pion Road to Gump Road, Project
17 #04-254, Bid Reference #08-06, for a \$56,768.00
18 INCREASE.
19 HARTMAN: \$50,000.00 of this was for additional
20 geogrid material to support the subgrade where we
21 widened the road.
22 BLOOM: Uh-huh (affirmative).
23 HARTMAN: We ran into subgrade materials that were--
24 were--would not suppor--support the road bed, and
25 there were some additional signage added to the
0028

1 project and some additional concrete pipe because of
2 a--a conflict with a sanitary manhole.

3 BLOOM: And with that, I'll make a motion that we
4 accept the increase of \$56,758.00 for Phase II of
5 Coldwater Road.

6 ELSER: Sixty-eight.

7 IRVING: Seven sixty-eight [\$56,768.00].

8 BLOOM: What did I say?

9 IRVING: I don't know, but--

10 ELSER: Seven fifty-eight.

11 BLOOM: Oh.

12 IRVING: Oh, you said--

13 BLOOM: \$56,768.00. Thank you.

14 PETERS: And I'll second that motion for \$56,768.00.

15 IRVING: It's been moved and seconded for \$56,768.00.

16 BLOOM: Good.

17 IRVING: All in favor, say, "Aye."

18 PETERS: Aye.

19 BLOOM: Aye.

20 IRVING: Aye. Motion carried. Approve Change Order
21 #2 (Final Change Order) between Wayne Asphalt &
22 Construction Co., Inc. and Allen County for 2005 HMA
23 Resurfacing Package #2, Bid Reference #21-05 for
24 \$13,545.54 INCREASE. This--
25 HARTMAN: Okay. Excuse me.

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1 IRVING: That's not the correct amount?

2 HARTMAN: No, I was going to start explaining.

3 IRVING: Oh. This package includes the following
4 resurfaced roads: Project #05-198, Edge--Edgebrook
5 Drive; Project #05-199, Rosewood Drive; Project
6 #05-200, Windsor Road--
7 BLOOM: Winchester.
8 IRVING: --Winchester Road. What is wrong with us
9 today? Winchester Road; Project #05-201, North
10 Clinton Street, from Ft. Wayne City Limits to the
11 Mayhew Road; Project #05-220, Whispering Creek Trail;
12 Project #04-249, Donna Lynn Lane; and Project
13 #04-250, Doug Drive.
14 HARTMAN: The increases were due to adding some
15 streets and roads to the project in Whispering Creek
16 and then also in Ridgeway subdivision where there was
17 considerable amount of storm drain work--
18 IRVING: Yeah.
19 BLOOM: Oh, yeah.
20 HARTMAN: --last year, that--that resurfacing was
21 also added to this contract.
22 BLOOM: I'll make a motion with the increases here of
23 \$13,545.54 to Wayne Asphalt on Resurface Package #2.
24 PETERS: And I'll second that.
25 IRVING: It's been moved and seconded. All in favor,
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1 say, "Aye."
2 PETERS: Aye.
3 BLOOM: Aye.
4 IRVING: Aye. Motion carried. Approve Change Order
5 #1 (Final Change Order) between Bunn Excavating, Inc.
6 and Allen County for Homestead Road Curve
7 Realignment, from Lower Huntington Road to Ernst
8 Road, Project #04-209, Bid Reference #45-05, for an
9 \$854.75 DECREASE.
10 BLOOM: So moved.
11 PETERS: I'll second that.
12 IRVING: Boy, don't they just go easy when they're
13 decreases? It's been moved and seconded. All in
14 favor, say, "Aye."
15 PETERS: Aye.
16 BLOOM: Aye.
17 IRVING: Aye. Motion carried.
18 BLOOM: I'm glad this project is completed because
19 that was a real safety issue for Southwest Schools

20 out there and--
21 HARTMAN: Yes.
22 IRVING: Right.
23 BLOOM: --this is a very good thing.
24 IRVING: Mr. Hartman, is there anything that you
25 would like to add today?

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1 HARTMAN: Thank you very much. Appreciate it.
2 IRVING: Thank you. We're going to skip back up now
3 to the presentation by Darryl Jagers of Tower Bank
4 and Trust of Fort Wayne and Allen County on the
5 Residential Market Study of 2005. Mr. Jagers, would
6 you like to step forward? I'm going to--I do that
7 afterwards.
8 BLOOM: Okay.
9 IRVING: That--we have to come down on that's under
10 "Other Business."
11 BLOOM: Okay.
12 IRVING: Okay.
13 BLOOM: Good morning.
14 JAGGERS: Good morning.
15 IRVING: Good morning.
16 PETERS: Good morning.
17 IRVING: How are you?
18 JAGGERS: Great, great. Thank you for letting me
19 come here.
20 IRVING: I had had several requests, and I was glad
21 that you were able to come, that you did this
22 presentation to the Homebuilders Association.
23 JAGGERS: Yes.
24 BLOOM: Uh-huh (affirmative).
25 IRVING: And I was so impressed, Darryl, when I saw

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1 it that I thought maybe you would like to share it to
2 our TV audience. And you know, if we don't put
3 people to sleep, I'm sure that, you know--
4 JAGGERS: Okay.
5 IRVING: --the whole meeting will. I'm just kidding.
6 JAGGERS: Okay.
7 IRVING: Would you--would you like us to come to the
8 back so you can do your--
9 JAGGERS: Yeah, we'll need to because we have an
10 overhead--

11 IRVING: Okay.

12 JAGGERS: --projection.

13 BLOOM: That works.

14 IRVING: We'll be glad to do that. Thank you.

15 JAGGERS: Okay. And we also have some written copies
16 to pass out for people to look out as well.

17 IRVING: Great. Thank you, Darryl.

18 JAGGERS: I'll let Dana finish passing out the
19 reports here so you can have that to look at as well

20 as the screen. A little background on this first

21 while we're doing that is that I've been doing this

22 report for nearly 15 years now, going back to when I

23 first came to Fort Wayne from Indianapolis as part of

24 the Summit Bank/NBD Bank acquisition and merger. And

25 one of the things that as a bank we looked at was our

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1 loan portfolio and the activity. And having some new

2 people, new faces in the community, coming from

3 Detroit, from Indianapolis, looking at the lending

4 activities of the bank, there was some perceptions

5 that it appeared that we were making a lot of real

6 estate loans. And the concern was are we financing

7 every builder, every developer, everything that's

8 being built in the county? And by the way, what's

9 going on in the community? How strong is the market?

10 Is this something that we should be heavily investing

11 in as a bank? While the report started and as it's

12 grown through the years because each year I've grown

13 with more information, added information as a result,

14 and we've worked to share this throughout the

15 community with other banks, with the Homebuilders

16 Association on a regular basis, with basically

17 anybody that has an interest in the homebuilding

18 industry. And as a community, we should have an

19 interest in the homebuilding industry because when

20 you look at the total numbers, it's a--it's a huge

21 economic impact. When you combine the total new home

22 sales, historically, on an annual basis and existing

23 home sales on an annual basis, it's nearly a

24 \$1,000,000,000.00 industry as far as the economic

25 impact in the community. And the jobs that creates

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1 and supports is--is very large. But--so, we started

2 that report, and--and this year, I think especially
3 with the concern about the decline in housing, one,
4 but also about housing bubbles and housing excess is
5 a concern, so I think this study will help, you know,
6 demonstrate some of the things going on in the
7 community and hopefully answer some questions. And
8 if you have any questions along the way, feel free to
9 ask. I want to make this as meaningful as possible.
10 And--so, we'll go ahead and get started.

11 And the key topics that we looked at and we--
12 that really compelled this study this year was "Is
13 the Allen County/Fort Wayne market a 'Bubble Market'?
14 Is it ready to burst?" As the Wall Street Journal,
15 as so many other publications have shared concerns
16 about housing bubbles and housing markets, you know,
17 a question--the next question was "How strong is the
18 Allen County/Fort Wayne market and where is the
19 market headed?" One of the things we did this year
20 was to look at "What is a 'Bubble Market'? What does
21 it look like?" And we had some information from USA
22 Today that we're sharing that shows some bubble
23 markets that are truly bubble markets based upon
24 price increases, average price increases, of homes
25 from 2002 to 2005. And I'm sure there's a lot of--a
0035

1 lot of citizens in the community would love to see
2 their homes appreciating at 86% over the last three,
3 four years here. That's not the case.

4 IRVING: Darryl, if that's a--

5 JAGGERS: But you see Las Vegas--

6 IRVING: --if that's a motion, I'll second it.

7 JAGGERS: Okay.

8 IRVING: All right?

9 JAGGERS: Yeah, you could get a lot of support. But,
10 you know, when you see some of these communities, and
11 Las Vegas, Washington, D.C., you know--Florida has a
12 lot, southern California has a lot. You know, what
13 we--what we did find out too was that Fort Wayne, the
14 average increase from '96 to 2005 was about four
15 percent a year. And housing prices based upon
16 existing home sales, and from '04 to '05, there was
17 about a one percent increase. So, you know, are we
18 appreciating like the housing bubble markets, no.

19 So, again, I think that this helps us confirm that
20 we're not a bubble market as far as appreciation
21 goes. Another indicator of bubble markets is housing
22 activity, just, you know, tremendous growth. I lived
23 in Austin, Texas back in the middle '80s where, you
24 know, we had 3,000 people a month move into the
25 community and it was about twice the size of Fort
0036

1 Wayne, you know. And when you have that kind of
2 activity, it was--it was a huge--you know, there's a
3 large bubble being built there also. But, you know,
4 I will show some other indications here.

5 But we talked about some causes of explosive
6 growth that's really hit the United States. One is
7 that the baby-boomers wealth build-up over the last
8 several years and demand for new and second homes.
9 Next, is the mortgage industry overall has been very
10 effective in creating new products and having lower
11 rates and being able to process mortgages more and
12 more efficiently. You know, there's even 40 and 50
13 year mortgages out there available now as well as
14 zero interest rate loans. You know, you don't see a
15 lot of that here in Fort Wayne because it's a more
16 conservative community, but in the bubble markets,
17 you know, you can go in and get a zero interest rate
18 mortgage for five years, you know--you know, if your-
19 -and if your home appreciates, that's--that's great.
20 But you're--you're banking on that. But that's--
21 that's had an impact nationally.

22 Another is speculation in real estate. Again,
23 when you look at those appreciation values, you know,
24 people see that, compare it to what's happening to
25 their stock markets, and it's a lot--it's pretty easy
0037

1 to make that decision, "Well, I'll just go buy a home
2 and make an investment and make more money in that
3 than I would in the stock."

4 You know, then Greenspan's term, the
5 "Irrational Exuberance," you know, people just going
6 after the homes, especially in the sunbelt in Florida
7 and southern California, that, you know--the house
8 prices are, you know--you see all of the news arti--
9 articles. You know, if you can buy a home in

10 southern California for less than \$500,000.00, you
11 know--and that--that's a bungalow, you know, and so
12 it's--it's not Fort Wayne.

13 The next thing we look at is the housing stock
14 and what's happening to the housing stock. And here,
15 we pull this from the Census Bureau. And you see in
16 1990, you know, we had combi--combination, and this--
17 these are renter-occupied and owner-occupied units
18 which includes multi-family and single family and
19 mobile homes and the whole--the whole range. But
20 there are a total of 113,000 housing units in Allen
21 County in 1990. By 19--or by 2004, we're up to
22 132,000, a little over, you know. That--that
23 averages out to about a little over a one percent
24 increase a year. So again, we're not exploding and--
25 and adding housing stock to the market. And we'll

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1 see some information on the population increases at
2 the same time. So, again, are we--are we a bubble
3 market, are we exploding? No, this doesn't indicate
4 that.

5 Next slide just gives you some additional
6 information from another survey that the Census
7 Bureau put together but breaking it down into more
8 segments. But--now this is just the total housing
9 inventory, you know, not owner-occupied or not
10 identified by owner-occupied or rental but just the
11 stock, different type. You know, this is where you
12 can get into some questions. One thing we've had a
13 challenge with is every year, the--the day it comes
14 out, and sometimes it doesn't always match up with
15 the year before. If you look in the multi-family
16 column here, you know, you'll see that they show from
17 2000 to 2004, we lost 2300 multi-family units. And
18 we know that didn't happen. But if you look over in
19 the next column, you see it--somehow they decided--
20 they redefined some of the housing stock, so it went
21 over to another column. But this has always been a
22 challenge trying to match the data year to year
23 because it--it comes out differently.

24 But next, we look at housing by price range.
25 You know, and here, you know, you see from 2004 to

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1 2005, you know, the total units sold was 7,000 and
2 7400, the average price was \$118,000.00 and
3 \$120,000.00. This is from the MLS, Multiple Listing
4 Service. So this combines some new homes, primarily
5 existing homes. But again, that's a one--you know,
6 1.1%--1.16% increase in one year. What we also track
7 was going back to 1996, the average price is
8 \$81,000.00. You know, when you factor that in, going
9 up to 2005, that's--that gets you to that 4% average
10 increase in housing and the housing values, at least
11 based upon homes that are sold. So again, we're not
12 exploding by prices.

13 Another chart we have just by price range which
14 breaks it down a little bit differently but which was
15 kind of interesting when you look at the different
16 segments. You see, in 1995, we had 128 homes sold
17 that were over \$250,000.00. You know, in 19--in
18 2005, we're up to almost 500. So, you know, they--
19 you know, they--the newer homes that are being built
20 are adding to the value, you know, we're seeing
21 larger homes, more expensive homes, and so as they--
22 as they translate through the MLS that are being
23 sold, we're seeing that impact. So, you know, the
24 housing stock value is going up, but you also see
25 that primarily, you know, we're a hundred and--less
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1 than \$200,000.00, that represents--in 1995, that was
2 95% of all homes sold. In 2005, that--that was still
3 88%. So we're still primarily a lower cost home
4 market com--especially compared to other regions,
5 other markets in the country.

6 Next chart, again, this is just a pie chart
7 showing again graphically the--the difference in the
8 price ranges. You can see the \$150,000.00 to--and
9 less, basically represents over 75% of that pie as
10 far as the activity. You know, again, we're not a
11 high cost community at all.

12 Next chart, look at construction activity. And
13 again, the question is, are we exploding. When you
14 drive around the community especially out in the
15 outlying parts of the community, you see all of the
16 new subdivisions, and the perception is that, "Gee,
17 we're just exploding," you know, "We're--we're taking

18 all of this farmland, we're--we're growing like
19 crazy. We're building all of these new
20 subdivisions." But when you look at what the
21 activity has been fro--going back to 1990 through
22 2005, it's been very stable. There's no explosion
23 there. It's anywhere from basically 1500 to 2000 new
24 homes permits each year. So no bubble there, no big
25 increase, you know. And then when you translate that
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1 back to the housing stock, it--it says again, "Hey,
2 we're not--we're not adding that many homes to the
3 housing stock each and every year." You know,
4 overall, if you take a step back at a 10 to 15 year
5 perspective, you know, it's more--it's more steady,
6 more--more manageable. But--and at the same time,
7 don't have it--oh, yeah, we have it on the slide.
8 We--the average permit for new homes in 2004 was
9 eight--\$184,000.00. In 2005, it was \$187,000.00. So
10 again, even though we're building more expensive
11 homes that are in the \$400,000.00 plus range, most of
12 the new activity is still very affordable, you know,
13 especially when you compare us to other markets in
14 the country.

15 Next slide, we look at the supply of lots which
16 leads into the subdivision into the housing
17 construction. And here, you know--and I don't have
18 to--you know, I share this with the audience, but
19 when you look at primary plats versus secondary
20 plats, you have to understand the difference. When a
21 developer takes out an application for a primary
22 plat, you know, that includes the entire subdivision
23 that he proposes to build. Before he starts
24 construction--he or she starts construction--you
25 know, then they'll be--there may be some changes from
0042

1 the Planning Commission, through the planning
2 process, through the market process. They may change
3 the size of the lots, the number of lots either up or
4 down, whatever. But when you look at secondary
5 plats, that's when--that's supplied for and approved
6 when the builder is ready to start construction. So
7 we track that as far as actual activity. So when you
8 look at that, you know, the secondary plats, you see

9 that from 2000 to 2005, again, we're in that, you
10 know, 1500 to 2000 range of lots. So that's staying
11 even with the housing permits that are being pulled.
12 And you see also, again, in that same range on the--
13 on the graph that it's fairly steady, you know, no
14 explosion there. So the developers aren't out ahead
15 of the market. They're not out creating more lots
16 than we have a demand for. And they do a pretty good
17 job. And I know--we don't have it on the chart here,
18 but I know housing permits this year has really
19 dropped off. At the same time, secondary plats have
20 dropped. And the year-to-date, latest number I
21 picked up from another report was, I think, we've
22 approved eight--roughly 800 new subdivision lots this
23 year. And typically most of the approvals are done
24 in the first six to seven months of the year, so
25 we're pretty well through the year as far as new

0043

1 subdivisions. And--now Nelson?

2 PETERS: Darryl, the secondary plats in 2000, 2001
3 are in excess of the primary plats because,
4 presumably, the primary plats were applied for the
5 year before?

6 JAGGERS: That's correct.

7 PETERS: Okay.

8 JAGGERS: Yeah, sometimes two or three years before
9 that.

10 PETERS: Okay.

11 BLOOM: Uh-huh (affirmative).

12 JAGGERS: Okay? So, next chart, we look at just the
13 inventory and look at where it's been. And here, a
14 little explanation, when I first moved to Allen
15 County, there was no study done, and short of going
16 out and counting every single lot in every
17 subdivision, there was no way to really get an
18 accurate count. At the same time, 1990 was the--is
19 really the first stage ramp up from the real estate
20 recession in the '80s. There hadn't been that much
21 activity. So talking to developers, builders, to the
22 Planning Department--Planning Commission, you know,
23 we've--we made some estimates that there was roughly,
24 we felt a--a supply of about 2,000 lots in the
25 community at the time. You know, that was an

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1 estimate, you know, but we've been able to track
2 since then by adding secondary plats, subtracting
3 building permits, and also including in there the
4 unplatted permits which, you know, comes through the
5 building approval process which doesn't take a
6 platted lot. They--these are lots--these are homes
7 being built out in the county in, you know,
8 unincorporated areas, not in a subdivision, through a
9 sell off or whatever. So, we've, you know, made the
10 adjustment for that. But you see the supply of lots
11 anywhere from 3,000--right now, we're estimating
12 about 4500 lots. The question is, is that too many.
13 Well, rule of thumb from being in the lending
14 business for 30 plus years and financing real estate
15 around the country, you know, a healthy supply of
16 lots, you know, would be at least a two-year supply,
17 you know, for construc--based upon current
18 construction activity. The reason for that is it
19 takes so long to develop a subdivision. You know,
20 it's a long time. You have to buy the land, go
21 through the design, the engineering, the approval
22 process, then the construction. So you know, you--
23 you know, it's to--to support a healthy construction
24 industry, you need to have a supply of lots that are
25 marketable, that are desirable, so they have to--the

0045

1 developers have to be out ahead of that, otherwise,
2 we could cause a, you know, a shortage in--cause a
3 problem with the--with the homebuilders, you know
4 especially if there were a sudden demand with a--if
5 we had a new plant come to Fort Wayne or Allen County
6 with new jobs, new people coming in, we've got to
7 have that inventory, that infrastructure of lots
8 ready to go.

9 So, when you look at the--we'll show another
10 chart. You'll see that this is--this is not an add--
11 an--an overabundance of lots. Next chart, this is
12 just basically again a bar graph showing the
13 inventory level year-to-year. And you can see,
14 except for 2002, 2003, it dropped down. There were
15 some concerns--if you remember 9/11, the economy
16 really tanked after 9/11. There was a lot of concern

17 about, well, where is the economy going, so the
18 developers slowed down in 2002. And--and knowing the
19 developers, they do a pretty good job of watching and
20 gauging the economy, where it's going. So they were
21 pulling in, whereas, housing starts stayed fairly
22 level above the 1500 mark. So you see, in 2003 and
23 '04, you know, subdivision development, lot
24 development, came back up. But again, no bubble,
25 fairly even, nice and steady, you know--you know, a
0046

1 very--I know there's a lot of communities that would
2 like to have this level of steady growth. You know,
3 it's easier to plan for, it's easier to manage.

4 Next, we just compare the Midwest to other
5 regions of the country. A show, you know, based upon
6 the volume of homes built. And you see, the real
7 growth area is the South, you know, and you hear
8 about the South as being a bubble market. You know,
9 you see, the Midwest is kind of back in the middle of
10 the pack. The Northeast and the West, you know, are
11 back there too. But the South, especially in
12 Florida, the Carolinas, you know, is really leading
13 the--the country in home growth.

14 The next chart shows the region comparison
15 based upon price. And here, you see, the Northeast
16 and the West really lead in price, whereas, the South
17 and the Midwest--and the only thing consistent is the
18 Midwest is at the lower end whether it's in volume or
19 in price. We're down at the bottom, you know, and I
20 don't think that's a surprise to anybody.

21 The next chart, you look at Allen County
22 population, and we go back to the Census Bureau from
23 1990 all the way up through--with projections at
24 2040. But if we focus in on 1990 to 2004 as that 15
25 year range, you know, and--and--and you know, average
0047

1 that out over the--those--the 14 years here, that's
2 about a little less than 1% growth a year in new
3 population. It actually comes out to about 0.86%.
4 So, are we--are we exploding as a community in
5 population, no, we're not. So, there's no strong
6 demand there and I don't think anybody is surprised
7 at that. But there's no real strong demand to

8 enforce a housing bubble based upon population
9 growth.

10 IRVING: Darryl.

11 JAGGERS: Yes.

12 IRVING: 2004 to 2005, why is there such a dip in
13 population?

14 JAGGERS: Well, this is, you know--

15 IRVING: An estimate versus a projection--

16 JAGGERS: Yeah.

17 IRVING: --I understand.

18 JAGGERS: Estimate. And they--and the Census Bureau
19 had not updated the 2005 projections. You know, when
20 they had the 2004 estimates.

21 IRVING: So we're not looking for people to mass
22 exit--

23 JAGGERS: No.

24 IRVING: --to come back in again, okay.

25 JAGGERS: No, no, no, we're not. It's just that this
0048

1 was--this is the only data available from the Census
2 Bureau which we felt that was most accurate. But
3 again, they only update the projections--you know,
4 they don't update those as often as they do the
5 estimates. You know, so--you know, that's why I
6 wanted to stay focused on the 2004 and 2000, you
7 know, back to 1990.

8 Next, we look at the population based upon the
9 region. And here, you see, again, if we stay focused
10 on the 1990 in Allen County--1990 to 2004, the
11 numbers tie back to the previous chart, you know,
12 again, it's 0.86% growth. Well, how does that
13 compare to the nine county region? You know, same
14 time period, the nine county region was growing at a
15 0.93% rate, a little bit faster than Allen County but
16 not significantly faster. Indiana as a state overall
17 was growing at 0.78% average increase a year. So,
18 Allen County and Northeast Indiana was actually
19 growing faster than the state over the last 15 years.
20 So, that's the good news, you know. So, even though
21 we seem like we're really, really slow here, you
22 know, we're better than other parts--the rest of the
23 state. So, you know, again, but--again, no huge
24 increase in population.

25 Next, we look at the labor force. And these
0049

1 are employees in Allen County and the surrounding
2 counties. And you see here from 1990 to 2005, we've
3 as--we've, you know, managed to increase our labor
4 force by 0.62% a year on average. Again, no--no
5 bubble there, nothing forcing the construction or our
6 housing bubble. And in the nine county area, you
7 know, we're 0.74% increase overall, you know. But
8 this is just good, steady growth. Again, easier to
9 manage, but it also shows that the labor force is
10 growing, you know.

11 Next chart is just a pie chart showing some of
12 the same data, but it basically shows that Allen
13 County is the major economic center for the region,
14 no question about that.

15 You know, then we look at Allen County labor
16 force versus unemployment rates. And you can see the
17 labor force has been fairly steady, you know, the--
18 the slight growth. Unemployment rates, you know, did
19 drop off in the--to--you know, the--below 3% in 2000,
20 but then we're back up to above 5%. But compared to
21 the nation, compared to what most economists project,
22 5% unemployment is--is--is a natural point. You
23 know, we don't have a problem there. We're very
24 stable.

25 Now we look at jobs themselves with total
0050

1 employment in the region and Allen County and--and as
2 well as the state. You know, the things to pick up
3 here, so you can see in Allen County from 2001 to
4 2004, we lost nearly 5,000 jobs. And of that, 3800
5 were manufacturing. And I think everybody sees that,
6 everybody understands that. That's a concern.
7 That's why we have to protect as many jobs as we can
8 in the economy, you know, especially when you have a
9 segment like the homebuilding industry that is such a
10 major economic force. So how--you know, that's one
11 of the points of this chart. Also, what's kind of,
12 you know, interesting and alarming is when you look
13 at Allen County and Northeast Indiana versus the job
14 loss for the State of Indiana, you know, Allen County
15 in--for 2001 to 2004 represented 22% of all jobs lost

16 in the State of Indiana. We led the state. And
17 what's even more surprising, and it's not on this
18 chart, but a--a report came out a few weeks ago that
19 indicated that Northeast Indiana for 2005 accounted
20 for 43% of all jobs lost in the state in 2005. So--
21 BLOOM: Northeast.

22 JAGGERS: --you know--you know, again, we have to
23 protect every job we can here, you know. We don't--
24 we're not--we don't have the jobs growing, we don't
25 have the strength here in the economy that, you know,
0051

1 we can afford to, you know, hurt any industry
2 especially the homebuilding industry because it's--
3 it's so vital. And it's what's carried the economy
4 nation--nationally, but also locally, for the last
5 many years. You know, the question are, are there
6 any bright spots in the economy, in employment. You
7 know, here we see the job losses, again, the
8 manufacturing of 3800, you know. But you see that
9 there has been some growth especially in health
10 services during that same timeframe. We added over
11 3300 jobs in the health services--education and
12 health services. You see the hospitals expanding,
13 medical offices growing. You know, those are high
14 paying jobs and that is a good thing. You know, so
15 we're--we're--you know, although we've lost 3800
16 manufacturing jobs, we've picked up 3300 health and
17 education service jobs which, you know, that's--
18 that's not a bad trade off completely, although
19 manufacturing is still critical. The other areas of
20 growth is leisure and hospitality and, well, and
21 government, federal, state, and local government, an
22 increase in jobs. So, no comment on that. But
23 again, you know, there--there are some bright spots
24 out there and it's not all doom and gloom.

25 Next chart, we look at single family

0052

1 residential demolition. This is something that a lot
2 of people lose track of. When you look at housing
3 and construction each year and the demand for housing
4 and construction, well here, you look at--going back
5 to 2000, and this tracking back over the 1990s, this
6 is pretty consistent, but see that we've--we

7 demolish, we tear down an average of 250 homes a year
8 in Allen County for various and sundry reasons, for
9 expansion, for you know, cause of conditions in the
10 housing, whatever. What we don't track in this
11 though are houses that are burned down, houses that
12 are converted to commercial use, and houses that are
13 boarded up, just they're not occupied but they--but
14 they haven't been torn down yet. So, when you--if we
15 were able to factor all of those in too and say, "All
16 right, we have 250 plus houses torn down a year,"
17 well, if we just added another 50 for the others, 300
18 homes a year would have to be replaced just to
19 maintain the housing stock. You know, when you
20 factor that into an average of 1500 homes a year
21 built, well, you're saying that basically 20% is
22 there just to replace existing housing. So there is
23 a cost of supply there. So when you look at 1500 new
24 homes built, it doesn't mean that, hey, that's 1500
25 new homes to the market, you know. There--there is
0053

1 some replacement there.
2 Next chart, we look at--which was a new chart
3 that Dana, my--my analyst found this this year, and--
4 which really--you know, one of the questions that
5 kept coming and popping up over the last few years is
6 where is this demand from housing coming from. And
7 when you look at Northeast Indiana as an economic
8 region and Allen County as the center of the economic
9 region, you see--and then when you look at commuting
10 patterns, you see, in the--basically, you know--you
11 know, people commuting out of Allen County going to
12 jobs in surrounding counties was 18,000. But
13 people--you know, we're sending, you know, commuting
14 out, but we have--these are the top five and then the
15 total, we have 11,000 people commuting out of Allen
16 County to--into the surrounding counties and states.
17 So, the surrounding area, there's been a lot of
18 economic growth, a lot of manufacturing growth.
19 People are still choosing to live in Fort Wayne and
20 Allen County for the schools, the quality of housing,
21 you know, the retails, the medical services, you
22 know. Allen County is a hub. It's a center, you
23 know. So, you know, there is a hidden economy, a

24 hidden demand there, you know. And I know from, you
25 know, talking to some of my customers, clients,
0054

1 Warsaw especially has a major impact with the
2 expansion of the biomedical industry over there. We
3 have a lot of people that are being relocated to
4 those companies--those three companies from Chicago,
5 from New York, from Connecticut, from other parts of
6 the country that--and--and I know, a couple of years
7 ago, there was a relocation contract for 96
8 executives to be relo--relocated to that area.
9 Ninety-five [95] chose to live in Allen County and
10 commute those 45 miles to Allen County to work in
11 Warsaw. And for them, that was a very nice,
12 comfortable drive across the country versus a--you
13 know, the commute they used to have in New York where
14 it might be a two-hour, one-way commute. So, you
15 know, the opportunity to live in Allen County, that--
16 that's--again, that's a hidden demand that we need to
17 think of and keep reminding ourselves of as a--as a
18 regional economy.

19 Next, we look at another impact as just
20 interest rates. And here, historical prime, you
21 know--you know, it does have an impact on interest
22 rates, but you can see over the last 15 years,
23 we've--have been fairly low, although now we are back
24 up to 8.25% prime, so we're seeing the impact of
25 interest rates on housing. Basically, we've had 17

0055

1 rate increases over the last two years. So that's--
2 when you look at the housing starts slowing down, the
3 housing activity, that's having an impact. But yeah,
4 when you look at long-term interest rates over the
5 long-term though--you know, I remember buying a home
6 back in 1980 when interest rates--I thought I was
7 happy to get an 11% interest rate. Mortgage rates
8 were up in the, you know, 15, 14, 16% range. Now
9 we're seeing rates in the 6% range still. You know,
10 the average rate over the last 30 years has averaged
11 at about 9%. So, mortgage rates are healthy. That's
12 still supporting the economy.

13 Another area of concern is bankruptcy filings
14 which Indiana leads the nation in many aspects. Then

15 we look at population projections. And here, I'll
16 just wrap it up with this, the one thing that's
17 interesting is when you look at the projections, you
18 look at the 65 plus as the primary growth. We're
19 projecting that 65 plus population range, which is
20 the baby-boomers, are going to be, you know, a major
21 part of the economy going forward. So what that
22 means as far as housing demand, changes in housing,
23 services overall, that's another factor that, you
24 know, we need to look at.

25 Why don't we just flip through all the way to
0056

1 the end there because I think we're pretty well
2 wrapped up. You know, the conclusions that I had
3 then was that--I came up with is that we're not a
4 bubble economy, we're not exploding, we're very slow
5 and steady. But there are some thing--some things we
6 need to be concerned about and manage, so that--
7 that's my presentation. And I appreciate your time
8 and attention.

9 IRVING: Darryl, you did a great job. We--

10 JAGGERS: Okay.

11 IRVING: --appreciate you coming.

12 JAGGERS: Thank you.

13 IRVING: One interesting point as we're getting the--
14 the screen pulled up because we've got a couple of
15 other business points to do, is it's interesting
16 because with economic development, we spend a lot of
17 our time on job retention. And I think your numbers
18 showed--and a lot of time people are saying, you
19 know, "Hey, they're going to stay here anyways.
20 Why--why are you giving them incentives? Why are you
21 working with these companies?" But I think your--are
22 we okay there--I think your figures showed that we
23 have to even work harder at relationships and making
24 sure that--that we retain what we have here.

25 JAGGERS: Retain and support, yes.

0057

1 IRVING: Retain and support, that's a great way.

2 Okay--

3 JAGGERS: Okay.

4 IRVING: --thank you very much.

5 JAGGERS: Thank you.

6 PETERS: Thank you.

7 BLOOM: Thank you, Darryl.

8 IRVING: Feel free to come back anytime, Darryl,

9 and--as you have updates on these--

10 JAGGERS: All right.

11 IRVING: --because I--I--I think it's very

12 interesting.

13 JAGGERS: All right. Thank you.

14 IRVING: Okay. Susan, do we have any other business?

15 ELSER: I have no other business. I believe you

16 have--

17 IRVING: Yes.

18 ELSER: --one item?

19 IRVING: I have one item. Starting today at noon,

20 there is going to be a new poll on our website,

21 www.allencounty.us--oh, John, you said--it is--it--it

22 is going to go live today? I'm sorry. The

23 Commissioners are launching an online poll to gather

24 additional public input on the issue of government

25 reorganization. The poll would be available for

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1 approximately one month to provide feedback to the

2 Allen County Commissioners considering the issue. It

3 can be accessed by going to the Allen County website

4 and selecting the Commissioners tab on the upper left

5 of each page. Comments in writing may be submitted

6 by e-mail the Commissioners at AllenCounty.us, by

7 fax, 449-7568, or by mail at 1 East Main Street, Room

8 200, Fort Wayne, Indiana, 46802. And you can always

9 call 449-7555 to get any of that information.

10 These are the four questions that the

11 Commissioners are asking the public: The first

12 question is:

13 1) Do you believe that the current structure

14 of local government is an obstacle to our community's

15 progress and economic development?

16 2) Do you support the creation of a committee

17 for purposes of studying reorganization of local

18 government?

19 3) How large do you believe--how large do you

20 believe such a committee should be in order to

21 represent all interests that should be involved in

22 discussing of government reorganization?

23 And last but not least:
24 4) Where do you live?
25 So that will be posted. We will give you

0059

1 updates as we normally have. Give us a chance. We
2 always like to make sure after the Legislative
3 Session and after we've had our meeting that this
4 goes live, as soon as possible afterwards, we again
5 encourage all of our residents to be on the poll. We
6 have been very successful at being able to block out
7 the surrounding areas, or at least be able to
8 identify the--the people that try to vote in out of
9 our community. Any questions, comments? I'm sure
10 there will be as time goes on. Could I have a motion
11 to waive the second reading?

12 PETERS: I make a motion to approve to waive the
13 second reading on any matter approved today and for
14 which it may be deemed necessary for the Legislative
15 Session of August 30th, 2006.

16 BLOOM: Second.

17 IRVING: It's been moved and seconded. All in favor,
18 say, "Aye."

19 PETERS: Aye.

20 BLOOM: Aye.

21 IRVING: Aye. Motion carried. We do have comments
22 from the public today. In a matter of--of time, Dr.
23 Crawford? We are so honored to have our City
24 Councilman, Dr. Crawford, with us today, and I think
25 he wanted to say three or four words.

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1 CRAWFORD: Yes.

2 IRVING: But we'll give you a few more if you want.

3 CRAWFORD: No, I'm not--I'm not going to talk long.

4 I just wanted to commend you. I just want to say I'm
5 very proud to be a citizen of Allen County at this
6 moment and very proud of you three Commissioners.
7 This is not an easy thing to do. I'm referring to
8 the Smoking Ordinance. Medically, there's absolutely
9 no question, it is the right thing to do. Your
10 timing couldn't be better. We just had a Surgeon
11 General report saying this is exactly what you need
12 to do, and there's no question that that's where the
13 future is headed. Your--your ordinance, from what I

14 know about it thus far, what I've had a chance to
15 glean, seems far superior to the ordinance we passed
16 as a City 10 years ago, because at that time, it was
17 a different time and it was hard to pass anything.
18 It was a much more of a bigger step. But your
19 ordinance is much improved over ours and--from what I
20 know so far--and will be a tremendous step forward.
21 That said, you're going to have an interesting few
22 months here because having gone through this before,
23 even though this is definitely the right thing to do,
24 it is going to be a painful birth process. You know,
25 it's going to something where there's going to be a

0061

1 lot of push back, there's going to be a lot of people
2 that don't want this change because, you know, there
3 are different opinions on this. But medically,
4 there's no question, it's the right thing to do.
5 Legislatively, there's no question, it's the right
6 thing to do. And I'm just very proud of you for
7 taking this step. And anything we can do, City
8 Council or medical-wise to help you with, please--
9 please let me know.

10 PETERS: Thank you. Appreciate--

11 BLOOM: Thank you.

12 PETERS: --your comments.

13 IRVING: So in other words, if I call you for an
14 epidural, you'll have it?

15 CRAWFORD: Sure. You may need it.

16 IRVING: Well, hopefully, it won't be as--as painful
17 as I know it was for you the last 10 years. But
18 thank you very much. Do we have any other comments
19 from the public? We do have Kathie Fleck here. Did
20 you--did you want to say a couple of words from the
21 American Lung Association?

22 FLECK: Cancer Society.

23 IRVING: Cancer Society. Sorry.

24 BLOOM: Good morning.

25 FLECK: Good morning. Thank you. I, too, would like

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1 to commend the Commissioners for seeking public input
2 and taking the public input from your poll. It is a
3 necessary ordinance that you pass. And I think it is
4 indicative of your leadership that you would continue

5 to lead. Fort Wayne led in the city area when we did
6 our first ordinance, one of the first in the area,
7 certainly, one of the first in the country, if I'm
8 not mistaken, Dr. Crawford. And it is a point of
9 pride for me and my organization that Allen County
10 continues to lead and that you're stepping up to the
11 plate to make this a full county-wide ordinance. I,
12 too, will be speaking more in support at your public
13 hearing of--of the concept and--and talking about the
14 dangers to public health from--from--

15 IRVING: Great.

16 FLECK: --smoking, not only directly but the indirect
17 smoke. So, thank you very much on behalf of my
18 organization as well.

19 IRVING: Thank you very much--

20 PETERS: Thank you.

21 IRVING: --Kathy.

22 BLOOM: Thank you.

23 IRVING: Since we have no one else to speak, I just
24 would like to remind our public out here that to get
25 a copy of the Smoking Ordinance, you can call

0063

1 449-7555, you can fax us a request at 449-7568, you
2 can get a copy on our website that should be
3 available after 4:00 this afternoon at
4 [www.allencounty](http://www.allencounty.us), no spaces, .us [www.allencounty.us].

5 And I think the most important part is after you've
6 had a chance to read it and digest it, please join us
7 for an open hearing, and that will be September 11th
8 at 6:00 in the evening at Room 126 in the City-County
9 Building. Do we have anyone else that would like to
10 speak? Hearing none, could I have a motion for
11 adjournment?

12 PETERS: I make a motion to adjourn.

13 BLOOM: Second.

14 IRVING: It's been moved and seconded. All in favor,
15 say, "Aye."

16 PETERS: Aye.

17 BLOOM: Aye.

18 IRVING: Aye. Thank you very much.

19 (Adjourned at 11:04 a.m.)

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23
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1 STATE OF INDIANA)
) SS:
2 COUNTY OF ALLEN)

3
4 REPORTER'S CERTIFICATE

5 I, Kimberlee M. Adams, a Notary Public in and
6 for the State of Indiana, County of Allen, do hereby
7 certify that the above and foregoing is a true and
8 accurate transcript of the Board of Commissioners of
9 the County of Allen, Legislative Session, held before
10 me on August 30, 2006 in the Allen County
11 Commissioner's Courtroom, Room 200, City-County
12 Building, 1 East Main Street, Fort Wayne, Allen
13 County, Indiana; that I am not related to, employed
14 by or interested in any of the parties to this cause
15 of action.

16 IN WITNESS WHEREOF, I have hereto affixed my
17 hand and seal this 6th day of September, 2006.

18
19

Kimberlee M. Adams, Notary Public
Residing in Allen County, Indiana

20
21

My Commission Expires:
22 December 2, 2011