

ALLEN COUNTY COUNCIL 2006 BUDGET HEARING MEETING MINUTES WEDNESDAY, AUGUST 17, 2005

The Allen County Council met in the County Council Chambers/Commissioners Courtroom on Wednesday, August 17, 2005. The purpose of the meeting was the 2006 Budget County Budget Hearing.

Present: Darren E. Vogt, President; Paula S. Hughes, Vice President, Michael W. Cunegin II, Calvert S. Miller, Paul G. Moss, Roy A. Buskirk and Paulette L. Kite.

Also Present: Lisa Blosser, Auditor; Tera Klutz, Chief Deputy Auditor; Jackie Scheuman, Financial Advisor, Linda K. Bloom, Marla Irving and F. Nelson Peters IV, County Commissioners.

President Vogt called the 2006 Budget Hearing meeting to order at 10:50 am.

2006 BUDGET SUMMARY

Lisa Blosser, Auditor: We have projected revenue for 2006 of \$77,392,059. If you decide to go with a cost of living increase of 3% that would be \$1.2 million, a holdback for one time expenditures of \$1.6 and we have 6 departments that have appealed their allocations and they are: Surveyor at \$533,102, the Allen County Assessor at \$27,146, there were two Trustee/Assessors: Pleasant and Lafayette at \$3,679, County Extension at \$4,115 and Emergency Management at \$12,328 and that is a total of \$580,370. The amount you would have to cut from the additional funding requests is \$562,666 and that would leave you with the amount to approve \$17,704.

Mike Cunegin: Has the outside gambling revenue been considered in this report?

Lisa Blosser: Yes it is under miscellaneous revenue.

Cal Miller: As we consider the appeals today of the budget allocations we need to keep in mind some of the goals we have set such as keeping the one time expenditures and the goal of perhaps an employee raise. We also need to remember that the Sheriff stated he will be coming forward and asking for money for the new building. Perhaps we should consider the Sheriff's request to come out of the set aside money.

Roy Buskirk: Since you mentioned the Sheriff; I would like to know where in the world we stand with the Sheriff Sale Fee. To my knowledge the Sheriff has not increased that fee, which could have taken effect July 1, 2005. The county is

losing better than \$3,000 a week in miscellaneous revenue until he gets the fee in place. It looks kind of ridiculous as we have two different requests today that one week of the Sheriff Sale increase would almost take care of what they are requesting. I am going to call the Sheriff as soon as this meeting is over to find out just where we stand with this situation. The Commissioners have to approve the fee increase by ordinance at one of their Legislative Sessions. The fee charged is to be paid by person filing the foreclosure not the taxpayers.

Darren Vogt: I would like to keep this on schedule and do like we did last year by hearing the appeal and then asking questions and make decisions after we have heard all of the appeals; we will not make them on an individual basis. This will keep us consistent with how we have operated in the past. We will move forward with the Surveyor.

Al Frisinger, Allen County Surveyor: I am appealing for 2006 two items that have been highlighted for adjustment. As in the past I am requesting that Council act in accordance with State Law, as you are sworn to do I believe as elected officials, and comply with the statutory requirements of pay for the County Surveyor. The second is the mandate for storm water quality issues under the NPDES permit that the County Drainage Board through the County Commissioners under my office has applied for. I estimated and gave you presentations that I estimate the cost for 2006 to be somewhere around \$500,000. That is for a variety of issues and any adjustment of that figure will come back under an ordinance that will require development to pay all the fees, all of the structures that are allocated under this particular assignment by IDEM through the EPA. That particular unfunded mandate is what I am here requesting funding for.

Paul Moss: Can you clarify that when you say; if it is not approved here what occurs?

Al Frisinger: The ordinance structure would basically put fees to everyone in the County for any type of activity they have relative to land surveying activity that would raise the cost of housing and development.

Paul Moss: Is it on the front end?

Al Frisinger: Yes it is on the front end. We are looking at fee structures right now in order to buffer the amount that comes out of the general fund. But if the amount is raised then we will have to look at a different fee structure. I can tell you that in other arenas; New Haven, Fort Wayne and other counties around the state their funding either all or a part of it is out of their general fund. When you hear about storm water fees being raised that is why. It may be an issue of

having storm water utility fees that are set aside for the whole county; that is just one way to do it.

Paul Moss: Are there other communities who have used that approach in terms of who shoulders the burden? I was not aware that there were options in terms of how we fund this.

Al Frisinger: It depends on how far you want to go with it. The county is required to comply so it becomes the county responsibility to fund that requirement. To supplement it you can always go back with ordinance issues that say there is a per acre fee for development, there is a per house fee for structure installation, there are pond ordinances; there are a lot of different things you can look at.

Paul Moss: But legislation is not clear that if this Council doesn't fund this out of the general fund what processes and steps take place to make the funding occur.

Al Frisinger: No it is your responsibility; you, I and the Commissioners responsibility to make sure this is implemented through IDEM back to the EPA. So the funding opportunities are only so many, everybody has looked at whether there would be federal or state money through grant applications that would be available. I have one software package that we are looking at for doing storm water assessments; for that package itself I can retrieve a \$5,000 grant from IDEM on a statewide purchase; so on one item I can lower the cost but those are very few and far between because there is not a big pool of money sitting out there waiting to be applied for.

Paul Moss: How long has this mandate been hanging out there in terms as needing to fund this?

Al Frisinger: The actual mandate came full circle as of November 2004 and that is when we had to file parts A, B & C and get the actual permit. We filed that back in March of this year to be in compliance. This has been going on through the Federal Register since 1999.

Paul Moss: Are there communities out there who are not in compliance and are getting fined?

Al Frisinger: Right now it is going through the procedures of getting permits and bringing your programs up and running. I can't answer whether there is anyone that is being fined. I met with the new Commissioner of IDEM last week on several issues and this was one of them; that you just move ahead.

Paul Moss: I am not particularly comfortable at this time in funding not knowing what other options are available. I would like a little more time to consider it.

Cal Miller: In your existing budget for 2006; the amount that requesting on your appeal is in excess of \$500,000; did you put the majority of that in your consulting services line item?

Al Frisinger: Yes

Cal Miller: You were in front of us before with your consultant that has helped you make these submittals to the state that you have discussed today. There were a number of questions about the budget that you submitted to us at that time. After specific requests were made by Councilwoman Hughes regarding concerns about some over lapping areas we asked you to go back and submit another budget. Yet, today, you have come before us first of all equally offending me by insinuating that I am not honoring my oath because you pay level isn't where you think it should be and I want to ask you some questions about that. Then you don't even follow up with the requested information that we asked for; you submit a budget that has \$500,000 for consulting services and then threaten us that we are somehow going to be getting this county fined. Are you going to give us the information we asked for some time ago?

Al Frisinger: Councilman Miller in no way did I threaten you.

Cal Miller: You told each of us that we took an oath to honor the state law and that we weren't paying you what you think you are worth and therefore you think we are violating the oath.

Darren Vogt asked if Mr. Frisinger knew how a salary ordinance is set in the State of Indiana for elected officials and he stated that yes he did know and that he also knows that County Council sets the salary ordinance. President Vogt then stated that last year County Council set a salary ordinance for a licensed professional.

Cal Miller: Mr. Frisinger are you basing his argument on an error the County made by over paying Mr. Sorg? What was Mr. Sorg paid Mr. Frisinger? If you are going to come in here and cast stones at us saying we are not honoring our oath following the state law; I want to hear why you think you ought to capitalize on an error that was made by this county by paying Mr. Sorg the same amount that the certified licensed Surveyor was making before he took office.

Al Frisinger: I am not saying it was your error Councilman Miller; I don't consider it an error I consider it an oversight by Council not moving the salary ordinance in the fashion it is required by state law.

Cal Miller: When you took office was the predecessor to Mr. Sorg a licensed Surveyor?

Al Frisinger: Whether Mr. Sweet or Mr. Macklin chose to pursue it, I don't know as they are both dead and I can't ask them why they didn't. But I can tell you that the baseline salary established for elected officials is moved ahead 1 1/2 times for Registered Professional Land Surveyor or Professional Engineers. If they chose not to pursue it, that was their choice.

Cal Miller: Was Mr. Sorg's predecessor a licensed Surveyor and was Mr. Sorg paid the same as his predecessor?

Al Frisinger: Yes he was so what do you want me to say?

Cal Miller: Why should you get 1 1/2 times what Mr. Sorg's predecessor was getting?

Al Frisinger: I am telling you what State Law says.

Cal Miller: No you came in here and you are telling us that we are not honoring the law and you can't provide an explanation as to why you ought to capitalize on an error this County made on paying Mr. Sorg the same thing that his predecessor, a licensed Surveyor, was paid. I want an answer to that Mr. Frisinger.

Al Frisinger: Why didn't the Council adjust the salary of the predecessor who was licensed to 1 1/2 times the baseline for all elected officials?

Cal Miller: Do you mean that the Council should go back and increase the predecessor salary 1 1/2 times what Mr. Sorg was getting?

Al Frisinger: No, the law has been in existence since 1969 why it was not adjusted for any of the predecessors is beyond me; I just don't know. I know that there is a reason it is in there, wouldn't you say the State Legislature passed it for a specific reason?

Darren Vogt: Let me interrupt because this is an argumentative situation. I will state again what I said to you earlier Mr. Frisinger; this Council sets the salary for a licensed registered professional and we did that last year. We set your salary as a licensed professional last year at, what was that salary?

Al Frisinger: What ever you set it at, but I don't agree with it.

Darren Vogt: It doesn't matter if you don't agree with it; we have set the salary ordinance.

Al Frisinger: I think it is better that this move on beyond this point. If your answer is a denial of my demand for compliance of State Law that is fine; just do it.

Cal Miller: You have been threatening this for as long as I have been sitting here; if you have a legitimate cause of action for an increased salary, Mr. Frisinger, I suggest you do something with it so we can get beyond this. The next time you come before us and tell us we are not honoring our oath to uphold the law; I caution you because that is deeply offensive. By continually dragging this on and sitting there perhaps waiting to bring a law suit after you leave office is cowardly. If you think you have legitimate cause of action then 'bring it on' then you can suffer the consequences. If you are wrong then the taxpayers will see what you are really after when you bring this up.

Mike Cunegin: I would like a little more information on the half million dollars you are requesting for consulting services.

Al Frisinger: If I correctly remember I was asked to get bids and I think my comment was 'where do I get those bids'. What I am giving you is an estimate for compliance with these programs for whatever those costs are going to be. Part of it falls within the control measures; we have 6 specific ways we have to operate to be in compliance with our NPDES permit. I gave each and everyone of you a power point presentation and a list of what our estimated cost would be for all of the line items. I am a little dismayed as to what I am suppose to go out and bid because it is a new program and we need to be in compliance with the mandate from EPA to IDEM to the County.

Mike Cunegin: I remember the power point presentation and a segment of it was that County Council used forethought and allocated \$100,000 for 3 employees to help implement this program. Where are you in this process, sir?

Al Frisinger: I have put out the advertisement for the new employees and had one hired last week to administer the program and that person backed out for reasons that I cannot say. Other than that no one has applied that even meets minimum criteria.

Paula Hughes: Is it an issue with the salary that was set?

Al Frisinger: Probably, it is hard to mandate the salary at that level or the position. It is hard to bring people in and take on that kind of responsibility.

Paula Hughes: I felt like Council made a good faith effort in addressing the situation; we understand the seriousness of it and we want to work with you on this. My understanding was that by getting the three people hired, as you move forward, you would have them in place to help further develop the plan. As we got the plan further developed then you would come to us and say that you have a handle on exactly what needs to be accomplished; here are the steps we are going to take and here is how much it is going to cost. The things that I have been uncomfortable with all along are the unknown nature of the request. Wasn't the request the last time a flat \$500,000?

Al Frisinger: Yes

Paula Hughes: We gave you a portion of that and you are still asking for \$500,000.

Al Frisinger: For next year.

Paula Hughes: Right but there is the funding for those 3 positions which is already in this so now you are asking for \$650,000 over what was approved last year.

Al Frisinger: Believe me I would like to have someone in there to take on the intricacies of this project other than me. It is another level of work that I have to do.

Paula Hughes: I know your office is very busy and by sitting on the Plan Commission I see the amount of development that is coming through this County. I feel that I kind of pushed to get those employees in place for you. We need to dig into that the problem and get people in those positions; I think that is the next best thing to do. I think everyone on this Council has expressed a desire to remedy this situation. You have so many tasks under your duties that you know you can't give this the full amount of attention so you come to us with what feels to us like a partial request; in that it is a request for an amount of money without the amount of detail we like to see when we give out that level of funding.

Al Frisinger: Would you be more comfortable if I gave you the breakdown again?

Paula Hughes: No the thing with the breakdown was that we had questions regarding the duplicate services within the breakdown. The answer at that time

was that when I get people hired to really look at this we will have more detail and understand better how this can operate. That is what we are waiting for; I understand that if you don't have the positions filled then you wouldn't have that information now.

Al Frisinger: Just as an aside, I really didn't want to bring in new people without having someone there because I want them to get their feet wet first.

Paula Hughes: We understand the difficulty when it comes to hiring someone from the private sector into the public sector position and I think we have shown a willingness with other departments to make that leap into what we know should be a better funded position as we did with the Sheriff's office. If that is a special situation that you need to approach us about; then you should do that.

Darren Vogt: Bring it to the Personnel Committee and we will discuss it there.

Paula Hughes: We do want to help you with this.

Roy Buskirk: I just want to echo what Councilwoman Hughes said. I have asked you periodically how you are coming in finding this person. It seems that this is one of the most important steps and we must get going. How long have you had this posted?

Al Frisinger: It has been posted for 8 weeks and I have had some applicants but none of them really qualify.

Roy Buskirk: I think there are other steps we can take such as hiring a head hunter to find this person as well as getting the other people on board.

Paula Hughes: We have put money in line items that are unfilled so maybe this Council could consider a transfer request to move some of the unspent salary dollars into a contract line to do the work needed until the position is filled.

Paul Moss: What was the range of pay on the salary ordinance that was approved?

Al Frisinger: The top salary was \$50,000.

Paul Moss: Is it your feeling that this project cannot move forward until there is someone in that position.

Al Frisinger: No, because I am moving it forward right now; we have some study action going on now for utility rate structures, we are developing our ordinance issues and basically I have been working to move forward. We are

trying to address the concerns of the builders and developers relative to the ordinance because it's going to cost them money regardless if develop a fee structure or not it will cost them more money to build buildings based on the new requirements. We want to make sure that everyone is comfortable with the ordinance. IDEM has called informing us that the DNR will no longer be involved beginning the end of this month and that means that we will have to do the entire on site inspections, the monthly reports and all of the other issues.

Paul Moss: I am still hesitant of boxing ourselves in the future by not approving that additional \$500,000 based on everything that has been stated. If we can get somebody in that position we can focus on the problem and get the direction and information that is needed for this project.

Roy Buskirk: Does Soil & Water Conservation doing any similar program?

Al Frisinger: Thanks for asking that question; SWCD is a partner. We have what is called Allen County Partnership for Water Quality which includes SWCD, Allen County, City of Fort Wayne and the City of New Haven. This is a partnership for educational purposes and is part of the first two minimum control measures that are required under this statute. SWCD has been great to work with and they are a partner in that attitude but they are not doing any inspection issues that are relative to other minimum control measures.

Roy Buskirk: I agree with Councilman Moss in that one thing we need to keep in mind is that there are other avenues as far as paying these fees and that is a user fee of which I would be in favor of.

Paula Hughes: We need to talk about how much those fees should be so we don't further exasperate the development community and I don't want to make it unaffordable for them.

Al Frisinger: These people have already come to me regarding this situation.

Darren Vogt: Are they ok with the ordinance as it is written?

Al Frisinger: I think that I have addressed that with them so that they have a better understanding of the ordinance.

Roy Buskirk: In order to move on here; I will make a commitment, as your liaison; that once a week we will stress getting someone on staff because I think this the solution to this whole thing.

Al Frisinger: I would like to apologize; I had no intention of questioning anyone's character.

Cal Miller: Your words suggested otherwise Mr. Frisinger.

Emergency Management:

Patt Kite, Liaison to Emergency Management: In 2004 when the county average cut was 12% Emergency Management took a 24% cut. One of the things they lost was a full time employee; this job has taken on additional duties and they are requesting that this be put back to a full time position at COMOT 2. This is 50% reimbursed by state Emergency Management for salary and benefits. It is my understanding that this was pending with the Personnel Committee when they met in June.

Lori Mayers, Assistant Director of Emergency Management: We met with the Personnel Committee in June to have this position re-evaluated because several years ago it was actually two positions; a secretary and a data entry person. We eliminated one position they took all of the duties and put them into one job so that person has been doing a job and a half and never got any additional pay. They reviewed the position and it was bumped up to a step 3 and they said tentatively they would go ahead and approve it depending on what came back from the consultant. Within a week the Personnel Committee had a meeting and said it would be on hold until the entire county was done.

COOPERATIVE EXTENSION:

Mike Talbot, Cooperative Extension Director: The reason I am before you today is to appeal a few line items that we felt, based on the allocation that you made in the first of July, end of June we needed additional funds for. Our original request was for \$25,600 and you allocated \$4,738 of that request. As we go through and make sure we have adequate funding and are not back here January 1st asking for additional funds there were a few line items that we feel we needed to fund. In doing that we had to take from several other areas such as mileage, reduce the hours of the program assistant, looking at reducing or eliminating our security alarm system, looking at potentially reducing extra deputy hire and eliminating the pay increase for her. The \$4,115 I am requesting establishes those line items up to the level our office feels we need to have in order to maintain the status quo.

Patt Kite stated that she feels that this is a very legitimate request that Mr. Talbot has made today.

Darren Vogt asked Mr. Talbot to explain why we have to pay rent to the University when the land was provided for the University.

Mike Talbot stated it is his understanding that historically, back in the early 60's, the land across from the Coliseum was given to the 4-H programs to build the fair grounds. At that time the extension office was part of the university where ever they were located. The arrangement was made and a deal was struck with the County that somehow in lieu of the gift to 4-H the County said they could do their fair at the Coliseum and IPFW could move on to that property but as such we would be a department of IPFW in terms of how our department would be administered and as such we are administered by the Lafayette campus. He stated that he is not really sure how this contract was set up.

Roy Buskirk: How was the Amish Business Directory handled as far as cost, fees, advertising, what kind of distribution is involved?

Mike Talbot: Our Ag/Natural Resources and Leadership for Community Development Educator put together. One of our missions is economic development; our Ag/Natural Resources and Leadership for Community Development Educator has done wonderful job at networking with the Amish population. He has done a couple of health/safety fairs; on a regular basis for the Amish farmers. Even if these people don't use the land a lot of them have to go through and be certified in using pesticides on their property. The fees from those pesticide certifications pay for the printing for that publication. We are now charging \$2.50 per copy which more than recoups the cost. The reason he did it was to educate not only himself but the general public as to what business the Amish are into. Stereotypically we think of Amish as farmers or carpenters; this document actually says that they are into a lot more and generating more business into the community then what we were giving them credit for. It also allowed him to figure out if he was giving that population enough agriculture work; do they deserve more time. He has done a follow up survey and found out that the majority of the Amish population is not farming; they are getting resources from other places off the farm. He has built a very good relationship with the Bishops in the Amish community and we want to keep that cooperation.

Darren Vogt: As a public official I struggled to find reason that we, as a publicly funded institution should be supporting businesses in this manner. I do not support that manual what so ever, nothing against the Amish population but I see it as a way to promote their business as business people and entrepreneurs because that is what they are. Those people are not farmers they are business people like myself and the others on this Council that are in business for themselves and the government should not play a role in that in my personal opinion. Take that for what it is worth, I would hope that the publication does not get printed again.

Mike Talbot stated that some times small businesses need some organization to help just plant a seed. That is what the resources of the university have done in this instance.

Cal Miller said that they serve the Amish people and you can teach them how to do certain things but he drew the line there and agreed with President Vogt that the actual publication isn't something he would feel comfortable using tax payer dollars for. But, the teaching on how you can become organized, better market yourself and how you can serve your community and others around it is something you are suited to and that you do a great job.

Mike Cunegin stated that if you 'teach somebody something they can take it and run with it'. I think that is what the extension office was trying to do. Sometimes you have to help people out a little bit and I think that is what government services are for.

Gary Grant, Lafayette Township Assessor was present to appeal an item in his budget that being his extra deputy hire. He is not proposing to raise the hourly rate he just needs more money in that line. Lafayette Township is growing very fast in terms of homes and businesses. He asked for Council consideration in increasing his allocation.

Pat Love, County Assessor was present requesting an increase in allocation in her general fund budget as she moved money from her general fund budget into the Reassessment fund and it was not funded.

Cal Miller: The original request was for \$27,146 and as time went on we never made it back to the general fund request only focusing on the Reassessment Fund. This is the reason for this request today to see how we were going to handle this situation.

Stacey Lopshire: It is for a salary that historically, for years, has been in the general fund budget. With all of the moving of the different budgets it got left out.

Paula Hughes: Originally you had proposed decreasing your general fund budget and transferring it to reassessment. Late last month we clarified that reassessment wouldn't support that big of a switch, you then put it back on the general fund but now you have an increase in excess of original allocation.

Randy Brown, General Manager Allen County War Memorial Coliseum and C.J. Steigmeyer, Manager of Finance & Administration: As usual I say that we do it the old fashioned way 'we don't spend it until we earn it'. This has been our history and our tradition and my pledge to you.

There are a couple of things that you might not be aware of and that is we were ranked 37th in the World in terms of activity for facilities of our size by Pulstar Magazine. A ranking that came out a few weeks ago and that we were not expecting by the Sports Business Journal which is pretty much the Wall Street Journal of sports was 7th in the Country. We were also recognized as a market that is on the up swing. Our track record is that most events do very well in Fort Wayne.

Darren Vogt: Would you please highlight for us any major increases or decreases in your 2006 budget.

CJ Steigmeyer: In the 200 series gasoline obviously will be quite a bit higher, landscaping needs to be done in the renovated areas also household cleaning. In the 300 series the largest increase will be in cleaning costs, utilities due to the cost of natural gas and general maintenance. The increase in the 100 series is for health insurance, workman's compensation and salary increases and step increases.

Dave Jenkins, Acting Director of Allen County Division Family & Children Services presented the budget for Family & Children Services.

Darren Vogt: Councilman Cunegin, Councilman Buskirk, Lisa Blosser, Tera Klutz and myself met with Family & Children Services a couple of weeks ago just to get a handle on their situation. At this time will you please give us a brief outline of the situation?

Dave Jenkins: Our total budget is \$31,671,300 for 2006 which is up \$7,000,000; there are some reasons for that and I will go over those in just a moment. Our net county cost didn't go up near as much because we pursue reimbursements. We are projecting that the net county cost for 2006 will be \$21,762,000 which is up 3 1/2 million from what it was for this year.

At the beginning we would like to start paying the Foster Parents \$25.00 per day right now Allen County pays \$23.00 where it doesn't seem like so much the additional \$2.00 per day, given the amount of work that takes place in Allen County, amounts to about \$3 or \$400,000 additional. The Foster Care program is probably our most expensive program and we don't see it lessening soon. Institutional Care went up about \$2,000,000 which is due to a couple of things and it is hard to control because there are so many factors involved. Independent Living for Wards is a relatively small account and is used for kids that age out of Foster Care, the increase is \$8,000. This is used for bedding and anything they need to get ready to live on their own. We increased the Family Preservation Account in the amount of \$1.3 million; this is due to starting two

new programs that will begin early next year they are: Intensive Family Preservation the other one is Intensive Family Re-Unification.

Mr. Jenkins went through some information that he gave Council regarding projections and reimbursements.

Mike Fitch, Executive Director of the Allen County and Martha Starnes, Controller presented their 2006 budget. Mike passed out some information: a summary of their budget changes and an update on the bridge bond issue to let Council know where they are with the bond issue.

They have 6 bridges under construction, 5 more that will be bid yet this year and 2 more that will be currently under advertisement for bids. The remaining projects on the list are in design and will be ready for bid by fall of 2006 and the projects have to be 100% constructed completed by the fall of 2007. So far 9 out of 10 have come in under our budget so they hope when they get to the end of the list that they will be able to add a few bridges to the bond issue. There is one change to the program and that is the Bostic Road Bridge it has a change in the design and it will most likely be removed from the bond issue as we have requested federal funds for that project. The decision has been made to replace the structure with a new two lane bridge with an estimated cost of about \$1,000,000. We have requested federal highway participation and if we don't receive federal highway funds we are prepared to use our Major Bridge Fund for that project as we have adequate funds to build that bridge but we are still hoping to get the federal funds.

He passed out a sheet showing the 2006 budget changes and most of them are just tweaking the budget to cover additional costs which are fairly obvious. The increases are as follows in the **main Highway budget:** Workman's Comp increase of \$55,000; Health Insurance increase of \$80,000; Liability Insurance increase of \$10,000; Gasoline/Oil an increase of \$57,500 which is based on the cost of a couple of months ago we don't know what the new price will be; Utilities decrease of \$10,000; Equipment decrease of \$105,000, last year they were asked to hold off in purchasing new equipment so we will have some carry over funds and with that they will have enough to buy what they need.

Surtax/Wheeltax Fund: Concrete increase of \$5,000; Utilities decrease of \$5,000; Rental Equipment decrease of \$25,000; a lot of this expenditure went for renting of signs for construction projects. This last year they purchased signs for traffic control this is the reason for the reduction in this line item.

Local Road & Street Fund: Roads Contracts & Concrete a decrease of \$300,000, with the annexation of the Aboite area a lot of the concrete contracts were there because of the concrete residential streets. With these projects

going away we could reduce this line item. With this reduction we created a line item for Guard Rail Repair & Maintenance which was paid out of Contractual. Tree Removal is also a new line item in order to track the cost better. They moved \$200,000 into Contractual. The change in this budget is zero they just moved the funds around.

Major Bridge Fund: In the past they have had just a contractual line item of \$1.5 million; this year they are trying to show where the money is spent so they have listed the projects. This budget increased by \$340,000; they have a good cash balance in the Major Bridge Fund most of it is due to putting funds away for the Maplecrest extension project. They also have some rather large bridge projects coming up in the next few years. Of all of their funds Major Bridge is the most helpful fund they have.

Darren Vogt: You have Bostic Road Bridge for \$100,000 what does this cover. What constitutes the 20% match?

Mike Fitch: That is for the engineering only which will be paid out of local funds in order to expedite the projects, which will not be done until 2007.

Roy Buskirk: What he is asking is; does the \$100,000 count as part of the 20% matching funds?

Mike Fitch: No that would be for engineering and matching is only the construction phase. There will be additional appropriations coming up this next year for Right of Way acquisitions so as contracts come on line additional funds will be requested out of Major Bridge.

CEDIT/Highway Fund: Bituminous; a decrease of \$15,000 and they have tweaked the other lines in that budget by moving the funds around. They have reduced the overall funds in the CEDIT/Highway Budget by \$125,000.

Mike Cunegin thanked Mike Fitch for the information that he provided; making it very user friendly.

Roy Buskirk: Several years ago in order to meet the budget the Cumulative Bridge Fund was eliminated and as such we have had to bond to be able to repair the bridges.

Linda K. Bloom, Commissioner: The Cumulative Bridge Fund was mainly used for maintenance on the bridges. The Commissioners used to bond about every 4-5 years but had not bonded for 9 years until this time.

Darren Vogt: Next is Cum Cap; please just give us a brief highlight of the major changes in this budget which totals \$5.6 million. The Space Study for \$100,000 is one that stands out.

Cumulative Capital Development Fund:

Judy Heck, Administrative Coordinator & Commissioner Linda K.

Bloom: Regarding the Space Study; we are contemplating whether the City is going to move out or not. Either way we would like to join with them and do a space study and we know it will cost at least \$100,000 whether we do it together or separate.

Linda K. Bloom: Nelson asked if we would put it in there in case it came to the point that we would do a joint study with the City.

Judy Heck: We looked back at what it cost us the last time we did a space study and just plugged in a figure that we thought was close.

Roy Buskirk: We did a space study recently was it in 2004 or 2005?

Judy Heck: It was mostly done in 2004 and cost about \$30 or 35,000 to do that particular study.

Paula Hughes: Help me understand what is happening with the Parking Garage lease.

Linda K. Bloom: It is over and paid for.

Judy Heck: I don't know exactly what the final payment will be at this time when we find out we will just move some money around. The old Jail lease will be completed at the end of this year.

Paula Hughes: Isn't Cum Cap intended for one time capital expenses? It seems like we are looking at about \$3.5 million in revenue in a budget of \$5.6 million. Isn't this just the ebb and flow of the budget?

Linda K. Bloom: Actually the Auditor's office made us reduce our budget by \$2,850,000.

Lisa Blosser: You are going to have to cut back on expenses because your revenue is not keeping up with the expenses.

Jackie Scheuman: The revenue with property tax and miscellaneous revenue is about \$3.9 million.

Judy Heck: We have \$1.3 unappropriated this year.

Linda Bloom: We were told to cut the \$2,850,000 and the money would be there and we could re-appropriate in January and if it isn't there we won't.

Darren Vogt: The long term health of the fund is the issue, if you are only bringing \$3.5 or \$3.9 million you can't continue to spend \$5.6 million.

Jackie Scheuman: There is a \$4.6 million balance right now and if that is not spent then that will be available to appropriate.

Linda K. Bloom: We understand that.

Darren Vogt: Is the increase in Right of Way due to the Maplecrest Road extension?

Linda K. Bloom: We have a lot of ROW that will have to come out of here. Phase 2 from Coldwater to Dupont, there are also about 12 bridge projects that we have not acquired ROW for and that adds up to approximately \$240,000; Carroll Road realignment \$65,000, Homestead Road curve, \$75,000, Leo/Mayhew \$50,000, Union Chapel #1 \$50-75,000, Auburn Road Phase 1 & 2 and there are still many more.

Paula Hughes: So basically this is a shift on the Commissioners part by funding ROW out of Cum Cap and not CEDIT. We are looking at the history of this and in 2004 you spent \$376,000 on ROW in Cum Cap and are on track in 2005 as you have spent nearly \$1,000,000 and will probably the entire \$1,500,000. Why did you start funding ROW out of Cum Cap?

Linda K. Bloom: Because there wasn't enough in CEDIT and because it was being utilized for economic development projects and we ran short.

Judy Heck: We had some reductions that were originally submitted and the reason that we reduced some of these or took them out was because of the priority the Sheriff's building took over some of these other things. We have a balance and if there is an emergency hopefully that will take care of things.

Paula Hughes: How are we going to fund Public Safety vehicles?

Judy Heck: We won't be sure until after the first of the year whether the money will be there or not.

Paula Hughes: If there is something available to be encumbered then you will probably do that.

Marla Irving, Commissioner: Part of it is that we know the urgency of the Sheriff's building; we talked to him about the vehicles and we don't want to give up buying new vehicles but if you balance that with getting them out of the Kidder Building they are willing to make a concession regarding the new vehicles for right now.

Roy Buskirk: Since you mentioned the Sheriff's department; have the Commissioners heard anything about an increase in the Sheriff Sale Fee? We need to get this started because we are losing over \$3,000 a week.

Linda K. Bloom: The Sheriff stated that he doesn't want to use a company to do this because it will be too expensive, he would like to charge around \$100.

Roy Buskirk: There is a private company that is saying that if you raise it to \$200 we will charge you \$200 that way you can justify the increase and we will give you a refund back.

Cal Miller: The Sheriff is understandably concerned about the legality of that.

Roy Buskirk: Yes and it means that it doesn't relieve the County of their responsibility.

Cal Miller: So your point is that if he can show \$100 worth of cost we ought to be charging that now?

Paula Hughes: Will somebody please tell the Sheriff.

Roy Buskirk: I worked with the late Bud Meeks for two years to get the fee raised from \$10 to \$100.

Darren Vogt: Councilwoman Kite will take this to the Sheriff.

Paul Moss: I want to make sure I am reading this correctly; on page 212 in the CEDIT budget the Economic Alliance and the Innovation Center; there is nothing budgeted for 2006 but there was for 2005.

Jackie Scheuman: We moved the line items and they are on page 216 now; they used to be under the Highways portion of CEDIT and we moved them under Commissioners/CEDIT.

Darren Vogt: This is another way that the Auditor's Office has become more efficient in helping us to understand the budget.

Paul Moss: You had \$1,000,000 in there for City County Building renovation; what were those renovations going to be?

Linda K. Bloom: It was to be used in this building and the Courthouse but because of the space study we haven't used any of it yet. I felt it was foolish to remodel until we know how much of the building we are going to occupy. We have done some in some of the outlying buildings such as Highway and some minor changes in the basement of this building. We have just approved the second floor for Superior Court CHIN's division. So we have done a few small projects.

Marla Irving: I would like to give an 'Atta Boy' to Bruce Little for the fine work he has done with getting us the best gasoline price that we are currently locked into for the rest of this year.

Paula Hughes: Mr. Little does an exceptional job by keeping the best interests of the County in mind.

Darren Vogt: Let's hope he can pass some of those savings along with our mail situation that he is attacking right now.

Cal Miller: I make a motion to officially give an 'Atta Boy' to Mr. Little. Seconded by Darren Vogt, Mr. Little has now officially been given an 'Atta Boy'.

Chuck Bodenhafer of Bodenhafer Insurance and Nelson Peters, County Commissioner were present to update Council on the health insurance for the County.

Chuck Bodenhafer: This is just to be informative to keep you apprised of something we have been working on for quite some time and has come to fruition now. Healthcare Savings Accounts have been available since January 1, 2004 and we have been working hard with Deb Hudson, the Commissioners and the Auditor's office to endeavor to offer a Healthcare Savings Account to all County employees. We have been successful in designing a plan that will be optional for County employees.

We have scheduled meetings with Department Heads, Elected Officials and also all of the employees will be able to attend meeting regarding this plan. This will lower the premium considerably but increase your deductible

Nelson Peters: In doing this we will make the employees better stewards of their healthcare dollars. They will have to watch the dollars that are paid out for healthcare.

Mr. Peters also explained how the plan would work in greater detail. He also stated that he is proud to be able to offer this to the County employees.

Paul Moss: Do you already have a bank that you are working with?

Chuck Bodenhafer: We selected Tower Bank because of their location to the City/County Building.

Paul Moss: I think it is a good thing but I am a little disappointed because you have two people on Council that have some knowledge of health insurance and this is the first I have heard of it.

Nelson Peters: This is our position and why we are here today; the thing hasn't hit the books and we are going to be tweaking it between now and the end of the year. Typically this Council would have heard about it January 1st or at open enrollment in October. Part of our intent of coming before you today is to do exactly what you are talking about. We are not so far along that things can't be changed and done differently and tweaked.

Chuck Bodenhafer: We would welcome any information that you have; we certainly don't intend to slight anyone. In the first meeting we had very, very good questions from employees and extreme interest. We want to give everyone plenty of time to study this and make up their mind prior to open enrollment. We did add wellness to both HSA and Plan 1 that we did not have before.

Cal Miller: Are the plans that are currently being offered in 2005 being offered in 2006?

Chuck Bodenhafer: They would be the same with the exception that Plan 1 did not have wellness and now all four plans have wellness added to them.

Roy Buskirk: I want to thank Chuck for putting out the summary that all employees get regarding the benefits that they are receiving. We have only had two meetings regarding the changes that are being proposed.

Mike Cunegin: As health care costs continue to rise I see this as a wonderful way of banking your healthcare dollars.

Nelson Peters: As a consumer over the past number of years of employee health insurance I have had to look at how to squeeze and understand what the agents go through. We as consumers have squeezed as much as we can with the self insurance plans. The Federal government has given us the opportunity to

get a little more creative in what we can offer our employees in the way of health care insurance plans.

Mike Cunegin: Allen County once again leads the way.

Paul Moss: Don't assume that my comments were meant in a negative fashion; I just think that we should be striving for opportunities as early as possible. The deductibles are not very high according to industry standards.

There was more discussion regarding this subject; the deductible, co-pay and the HSA plan. There will be meetings held to inform all of the new things that are being offered.

Lisa Blosser: The Airport and Library 2006 Budgets came in at under 5% so they don't appear before you.

Darren Vogt: We are at the point where Commissioner Irving would like 2 minutes to speak to us.

Marla Irving: Before you start I would like to make a plea for a raise for our County employees. Please look very hard at any kind of raises you can give our employees. Our employees are good dedicated and caring people; we have employees right now that are having a hard time financially due to the high cost of medication, gasoline etc. and are struggling more than ever.

Darren Vogt: I want to make sure that the county employees hear that this Council has been working very hard to tighten the belt so we can do what we can to help them on a regular basis. We are trying hard to reward the employees and I will go one step farther and try to get the merit raise for those who's performance is outstanding and get away from the flat percentage rate.

We will move to the items that were appealed by the different departments earlier today.

1. The Surveyor requested \$533,102 above his allocation.

Paul Moss made a motion to reject this request of \$533,102. Mike Cunegin seconded it stating that we are going to work with the Surveyor as they understand the situation and realize that the employees are needed.

Roy Buskirk: We approved \$133,481 for three employees.

Jackie Scheuman: He does have one employee hired it is the design project engineer, it is on page 13.

Darren Vogt: His comment was that he wanted to hire the main person first before he hired the other two. Is that consensus of opinion of the members?

All members said that is what they understood the Surveyor to say.

Paula Hughes: Was the design project engineer the main person? But regardless the Surveyor did not provide to us the additional details to the plan that we requested before we would approve additional funding. We set a benchmark for him to achieve and he has not been able to achieve that. I will support the motion of Mr. Moss.

Cal Miller: I will also support the motion, as well, but I want you to understand where I am coming from on this. It seems that we have some concessions from the Surveyor today that he did, in fact, hear Councilwoman Hughes clearly when he came forward with his consultant and spread sheet and heard our concerns about duplications of the expenditures. Also, we as a Council do not have a good feel for what his budget really was and how he intended to spend it. He was given a clear directive to come back and clean that up; we want a budget for this \$500,000. We can't just say put it in consulting services and be done with it, because of the liability that hangs over the county's head if we don't become compliant with the Clean Water Act and other things the Surveyor has to do. My support of this is going to be based on him following through and hiring the people he needs to get in position with a detailed budget that we can scrutinize and approve. Also, I am going to support this motion with the recognition that this \$500,000 is something we need to earmark and may be something that will come out of our one time expenditures. Also of the Surveyor gets his ducks in a row and follows up on what he said he would months and months ago and gets us a budget to move forward on the requirements that this County has. We have to be in a position to step up and fund it as we all said that we would.

I would like some discussion to see if we are in agreement that if and when the County Surveyor puts us in the position that he said he would to approve a budget we are all comfortable with and that it would come out of the one time expenditure even if it has to happen this year.

Roy Buskirk: I think what has been the understanding on this Council is the fact that we had money in reserve; that once he came up with a plan and was able to explain it we would support him on what he needed to do. We understand that it is a federal directive and has to be met so obviously we are going to have to fund it. I am his liaison and have tried and tried to emphasize to him that we need to get someone on board to start heading this up and to be

able to show us what the expenditures are going to be. I promise you that I am going to be contacting him every week and will bring back to Council any suggestions we can come up with to get this project up and running.

Paula Hughes: My thoughts are that yes we have been talking about earmarks but I will not support the entire \$500,000 because over a year ago he came out with \$500,000 we gave him nearly \$150,000 and now he is asking for another \$500,000 and that will be \$650,000. Hopefully when this budget comes together and when there is a plan in place that will be clarified.

Cal Miller: I am glad you brought that up; it would be what ever the amount is and what the plan entails and passes the scrutiny of this Council.

Paul Moss: I go back to before the power point presentation to the original presentation and I felt all along the numbers were just a shot in the dark. I am not comfortable supporting spending tax payer dollars in a manner that I honestly don't know what it is going for and what effect it is going to have.

I would also like the Surveyor to explore and give us a better idea of what sort of user fee options are out there. I don't want to throw additional expenses on developers but I can't say comfortably without knowing what sort of numbers we would be looking at and what kind of potential impact we would have.

Mike Cunegin: I am going back two or three years with a different council and remember asking the Surveyor questions regarding user fees and each year he has said that he is working on it. We want a plan that we can understand and a clarification of the \$500,000.

Cal Miller: There seems to be a consensus on this situation. I will try to be objective about this but The most frustrating thing that I find about this, considering my exchange with the Surveyor this morning, is a failure to recognize that we need to have a number that is based on reality because it impacts what we do. We don't want to find ourselves in a position where we will be short. We put money aside for one time expenditures, but if we don't have a good solid idea of what this is going to cost the County. How can we continue to budget and make decisions regarding employee raises and the new building for the Sheriff? We just seem to be hearing the liability we are going to be faced with.

I welcome the assistance of Roy Buskirk in getting him to commit to something we can fund. If we find it to be appropriate and we can eliminate the uncertainty of what amount of money is going to be needed going forward and we can plan accordingly with respect to what is left.

Mike Cunegin called for the question.

Darren Vogt: The question has been called for and I will make my comments after that. We have a motion to eliminate the \$533,102 from the Surveyor and a second. Motion passed 6-1 with Roy Buskirk voting nay.

Darren Vogt: The dollar amount of the salary is extremely alarming to me. We notified the Surveyor last year what the licensed, registered, professional Surveyor salary would be which is what he is and that is the dispute. We set a salary ordinance for that type of individual and for him to continue to come forward year after year is, in my opinion, appalling. Also the fact that he did in it a manner of challenging us; yes he apologized but this is not something new and I hope he understand that this is something we will not tolerate, it is unacceptable behavior. We have set the salary and in other meetings asked him to justify a raise other than the error in a calculation from past surveyors, but justify the raise in other areas and we will take care of that. We addressed those issues in our Personnel Committee by looking at the overall structure of our county employees. I am extremely disappointed in his actions and I want to make sure, for the record, that the salary ordinance has been set.

Roy Buskirk: The reason I voted against the motion was the dollar amount. What was his allocation? I am confused about the figure in the adjusted column.

Jackie Scheuman: You approved an allocation that added in the three new employees that was not in the original 2005 budget. The adjusted column contains any encumbrances that he would have had going into this year.

2. The Allen County Assessor requested \$27,146

Paula Hughes: In my mind this additional funding is not over the 2005 original budget it is over the original pre-allocation submission.

Jackie Scheuman: It is over the 2005 budget by \$6,000.

Cal Miller: Not if you adjust it down to \$21,146.

Cal Miller: I make a motion to approve the appeal of the County Assessor in the amount of \$21,146. Paul Moss seconded it. Motion passed 7-0.

3. Lisa Blosser: The Pleasant Township Assessor received his level 2 certification after the allocation deadline so he is asking for an additional \$976 for that designation.

Cal Miller made a motion to approve \$976 for the Pleasant Township Assessor to fully fund his level 2 certification designation. Paula Hughes seconded it. Motion passed 7-0

4. Lafayette Township Assessor requested \$2,703 above his allocation.

Cal Miller made a motion to approve the Lafayette Township Assessor for extra deputy hire out of the Reassessment Fund in the amount of \$2,703. Mike Cunegin seconded it. Motion passed 7-0.

This is the same way that Council handled the other extra deputy hire amounts in the other Township Assessor's budgets.

Darren Vogt: Jackie do you have a total at this time as to where we stand?

Jackie Scheuman: You still need to cut \$20,861.

5. Cooperative Extension Service requested \$4,115 above his allocation.

Darren Vogt: I had a meeting with Mike Talbot as I told you when he was here. I have a hard time since we are struggling find money to fund raises that we look at places where we need to cut and look at possible duplication of governmental services. It is my opinion that the Extension Service overlaps in a lot of areas where there are other 501C3's or Chamber of Commerce or things along those lines that should be funded elsewhere. Their areas of emphasis are in some areas, in my opinion, duplicated. Such as: Entrepreneurship, Planning and Vision, Community Based learning centers and Workforce Development, Leadership and Civic Engagement and Community and Public Engagement; those are five areas. I would like to see them focus more on the 4-H side of things in their development and what they do. We have a fine example today of their creation of an Amish Directory which, in my opinion, is not something the government should be doing. So when it comes to funding I look at the Reassessment and the General Fund and how we are struggling with that. It is my opinion that I would not support the funding of the \$4,115.

Paul Moss: I think you bring up a very valid point, but are we not contributing tens of thousands of dollars to the Chamber of Commerce? 4-H is a great program and I would not like to see it go away. I am not sure that tax dollars should support this; however there might be opportunities for them to establish some additional sponsorship opportunities or something along that line.

Paula Hughes: This is one of the areas where I struggle with the scope and scale of the issues we're asked to deal with at this Council table. Look at the burden on the County taxpayer such as the funding of Children's Services, abuse children and adequate for them, people in secure jails, reassessment process which is crucial etc. I have been barraged with pleas from extension supporters to support this increase request. None of their reasons were sufficient to override my sense of priority in what we need to fund. I think there is a lot of overlapping duplication and I don't think it is this Council's responsibility to fund things like this.

Mike Cunegin: I personally have no problem with the Cooperative Extension because he said that he raised funds from the Farm Bureau and other entities for the Amish Directory.

Darren Vogt: No, the Farm Bureau did not help with the printing of the directory.

Mike Cunegin: I misunderstood him, however you've got the smaller rural communities; New Haven, Hoagland, Monroeville and the Amish community and say we want you to deal with the Fort Wayne Chamber and the response will not be good.

Cal Miller: I think Mr. Talbot's pre allocation submission was very detailed and he has tried to explain to people the good things that they do. The \$4,115 he is asking for I'm convinced, based on his presentation today, is something that will make a difference in the smooth function of his organization. I thought he made a compelling reason for the appeal. I don't know anything about the overlaps to make a decision based on that. I just look at the importance of what these dollars can do for him.

Paula Hughes: I have not seen an effort to economize or become more efficient on their part. I can not support his request.

Cal Miller: Last year they took a sizable cut so now they are scratching their way back in small increments. I have to look at a couple of years ago when they ended up reducing a position when Roger Moll retired. **With that I will make a motion that we grant the general fund request for Cooperative Extension in the amount of \$4,115. Mike Cunegin seconded it. Motion passed 5-2 with Darren Vogt and Paula Hughes voting nay.**

6. Emergency Management requested \$12,328 above their allocation.

Darren Vogt: If you will recall \$10,000 of this is a salary line that the Commissioners have been paid out of the Hazardous Waste Tax Fund. There is approximately a \$3,000,000 balance in the Hazardous Waste Tax Fund. This will be reimbursed if it is paid out of Emergency Management.

Roy Buskirk: That fund is no longer growing.

Paula Hughes: Maybe the salary for the operations manager could be taken out of the Hazardous Waste Tax Fund.

Jackie Scheuman: This used to be paid out of the general fund and then when the budget was cut they moved it into the Hazardous Waste Tax Fund.

Paula Hughes made a motion to deny Emergency Managements request of \$12,328. Cal Miller seconded it. Motion passed 5-2 with Patt Kite and Mike Cunegin voting nay.

Cal Miller: I would like to add that we hope they continue to use the funding that they were using before. It is my understanding that those funds are going to be available to them in another fund.

Paul Moss: I want to start by saying that I have always respected and admired our Auditor tremendously and will continue to but I am a little frustrated and I know that Lisa feels very strongly about the 3% raises and I respect that. We had a conversation in the City Council chambers in June and there wasn't ever any unanimity, in my opinion, in terms of whether or not we were going to give a 3% raise. However, we find ourselves here today, in my opinion, putting the cart before the horse because we are working our way back to this number assuming that we are going to give a 3% raise. I also have a lot of respect for the Commissioners and Commissioner Irving having shared her opinion of the work that county employees do. I don't particularly enjoy being boxed into a corner and the inference that one does not believe that county employees are working hard or doing a good job. I am trying to look at it with blinders from a dollars and cents standpoint and I think it is important to do that. I also believe that we have been trained, at least I have, that there haven't been raises for years; come to find out there have been raises over the years and some of them pretty substantial. I think we should be hesitant about giving a 3% across the board raise for a lot of reasons one of which we are in the midst of looking at the RFP's we have and doing a real top down analysis of what people should be paid. If there are employees who are over paid by giving them an additional raise we dig ourselves a deeper hole. I have no doubt that there are some employees that deserve much more than 3% and there are probably some that positions dictate that they don't get paid as much as they currently do. There is a potential shift as a result of the work that the consultant will do. I hate to see

us throw \$1.2 million in the pot with those issues still hanging out there. That doesn't mean that I don't want to pay the employees as much as we possibly can but I think our first responsibility is to be prudent with the tax dollars. This is the way that I look at it as best as I can because obviously tax rate will be going up again. I think we need to look very hard before we do this; it feels good to give a 3% raise but there are other issues out there.

Patt Kite: I don't think anybody goes to work for County government thinking they are going to get rich and I don't think that is why they stay. I think they stay because they are dedicated to the cause and because they know they are working for the taxpayers. I don't have the sheet in front of me that says when there were raises but I know that it has been several years since there has been a raise.

Cal Miller: There was a 3% raise given last year.

Patt Kite: OK last year 3% but prior to that it was 2002 and then there was a one time supplemental pay that was given to all county employees that was taxed before the people got it in 2001. If we wait until there is a determination of whether people are being paid too much or paid too little; how long is that going to take to reward the people that should be receiving a raise? It comes across as a punishment to me.

Paul Moss: I think the RFP indicates 6 months so we should have results in 6 months.

Patt Kite: Will you get results in 6 months? Everybody knows that I am a county employee and I am probably going to retire in January; so it is a mute point that I am going to give myself a big fat raise come January. I am looking at the people who are coming up behind me, I know police officers whose kids qualify for free lunches at school. I look at people that we train, and I can only speak from the perspective that I see; we train a police officer and get him through the academy at that time we have a good, eager, young employee who cannot afford to stay with us so he transfers to another department.

Cal Miller: I go back to an issue I brought up at the beginning of this meeting when we were looking at the appeal process; we had this one time expenditure of \$1.6 million that we were almost were able to set aside but have cut into it by \$8,533. If this Council approves the Sheriff's plan to move into the new facility, I have heard from the Commissioners that because the Cum Cap dollars were only going to be supporting \$1.8 million of that expenditure; they are going to be looking to the Council, even with the Sheriff putting the firing range on hold because he is going to pay for it, for \$650-950,000. If the Surveyor does what we have asked him to do in 2006 and that liability pops up and we throw

\$400,000 in there we now have spent our one time expenditures of \$1,350,000 and we are looking at all of the uncertainties and contingencies that face this County in 2006 with a grand total of \$250,000; assuming again a 3% raise. There is also some roll over that we can count on but I don't know what the figure will be either. It is not a decision we can make in a vacuum or one we can make based on the articulate plea of Commissioner Irving. Because of the increased expenses we have some serious decisions that are going to be on the horizon that will dictate whether we can do that for the employees.

Darren Vogt: When it comes to the evaluation of jobs and positions what would the stance be on Council for those folks who possibly go backwards in pay from a job evaluation standpoint? That, to me, is a factor in this and I am willing to step out there and say if the job doesn't warrant the pay; you should not pay it. I think that is something that needs to be out there; if a job is evaluated at a \$25,000 and they are being paid \$30,000 we should not overpay that position by \$5,000. That is not fair to the person working next to him making \$30,000 in a job that is posted at \$30,000. That is an unfair situation, but if this Council isn't willing to make that commitment then I would have to re-evaluate my decision on the raise situation.

Paul Moss: I would agree with that and question why we would even go through the exercise if we are simply going to establish and basically codify inequities; I would have a real issue with that. The other unknown is how much this is going to cost us. We all seem to believe that there are a lot of people out there that are underpaid I don't think they are going to come back with any kind of a budget neutral number for us; we should expect that it is going to go up. I would feel a lot more comfortable going into that analysis and the outcome of it if we had that \$1.2 million (the 3%) sitting somewhere to be utilized for what that number ends up being.

Cal Miller: Are we contemplating making a mid year adjustment sometime in 2006 when the study is completed?

Paul Moss: I would think it will depend on the dollars.

Darren Vogt: Maybe we could phase it in over a time if the impact is \$800,000 and we don't have it we may have to phase in a certain percentage based on treating everyone equally. Another option is to pay it up front, another one would be to set the money aside and let the process take place for the evaluations and if we determine that there is not much shuffling and it all works out that the people are where they need to be then we can go back and retro fit a raise into January 1, 2006 we have the ability to do that.

Roy Buskirk: One thing that I would be concerned about is if they are being paid more now than they should be I am not sure that you can take it away.

Paul Moss: Sure you can, it happens every day.

Darren Vogt: That would have to be done in 2007 not 2006.

Paul Moss: For that component you would have a very long implementation.

Mike Cunegin: This body has worked extremely hard and very diligently to make us financially capable as we are presently. Not only have we worked hard but so have other elected officials, department heads and employees. A lot had been asked of the employees when the county, for the first time ever, had to lay off positions. The 400 series was also shelved for a couple of years. I believe we need to continue moving forward; I know some of the members think we are moving forward with the overall study. I for one believe that a 3% raise is needed and warranted by the county employees who continue to serve the citizens of Allen County.

Darren Vogt: Is it the consensus of this body that the result of this study will be an increase in salaries. Because if it is I am not sure what the delay will be in the paying of those salaries. If the study comes through that our employees are underpaid by whatever percentage that may be; our consultant KEL says that we are under market by 9-12%, we may never reach that. We may catch up to that but what cost do we incur by delaying? I don't see a cost I just see a keeping up to where we should be. If we see that most positions are going up all we are doing is delaying the pay. I see both sides where we get to the point where we let the study take place and I'm torn.

Cal Miller: Councilman Moss, if a decision were made by this Council that, depending on the outcome of the study, those people whose job descriptions don't warrant the pay given the analysis that was undertaken and adjusted upward or downward based on the results of that study; what is the downside in your thinking of moving forward with a pay raise.

Paul Moss: Number one you take away \$1.2 million and then we don't know what the number will be that they will come back with; so that is issue number one you are simply sitting the bar a little bit higher. The other issue is you make it a little bit more painful for those people that move backwards. Let's reverse this for a second; one of the things I have asked for from HR and have never gotten is a report that talks about turn over rates. We are sitting here making these decisions having really no credible, at least as far as I have seen, evidence other than the antidotal 'oh everybody is overpaid everybody does a great job

and we should pay them more'. I have yet to see any turnover rates by the departments or the County as a whole compared to the market or other areas. The question I have is; by throwing that 3% in there do you believe it will reduce the turnover rate and are you willing to look at it down the road and say ok maybe I was wrong it didn't really have an impact?

Cal Miller: This is what I am having difficulty reconciling because I am also concerned with the unknown cost to the county making upward and downward adjustments; what the net cost to the county is. We go through this study, now how do we fund it? The fiscal conservative I am says we hang on to as many dollars that we can now to fund it later. The part I am struggling is President Vogt's point that if you increase the pay now by 3% it will reduce the gap that we have to make up if we are concerned about implementing the results of the study.

Paul Moss: Some of these assumptions are based on, what I believe is a pretty substantial lack of information. We don't know what the turnover rate is, we don't know if there are other factors that keep people employed in terms of the number of hours they are expected to work on a weekly basis and if that is factor in as part of the pay package.

Darren Vogt: KEL management has said that our grid is 9-12% under market.

Paula Hughes: The last time we did a major over haul a 10% increase was realized that was done in 2000; 10% was an average number. That would mean a little over \$4,000,000.

Darren Vogt: You don't have to do it all at one time, we can phase it in as long as everyone is treated equally it doesn't matter how much you do or when you do it.

Cal Miller: In order to reconcile this problem, our concern about how much it is going to cost once it's implemented and the other point President Vogt is making is that 3% pay just closes the gap as to what the reconciliation will be assuming KEL Management is right. Can't we handle that by agreeing that we will make downward or upward adjustments? Does that make it more palatable to grant a raise now and make whatever adjustments the study dictates we should?

Paula Hughes: We need to have the numbers.

Mike Cunegin: I agree with Councilman Moss, to a certain degree, because we don't know what the turnover rate is going to be or what the numbers are going to say. When you look at government and I am speaking from the city side at least for law enforcement we will be getting a 3% for the next 4 years so that is

12% so if we are already down 9-12% if we give our employees a 3% we are moving in the right direction.

Roy Buskirk: I have a question for Jackie; the way I understand it is the maximum on the property taxes that you can increase revenue is 5% is that right?

Jackie Scheuman: It is 3.9% for next year.

Lisa Blosser: That is the lowest it has been in six years and is established by the State.

Roy Buskirk: We don't generate anywhere near the \$4,000,000 that it would take.

Patt Kite: I would like to mirror what President Vogt and Council Miller said; it is just going to put us further behind. I think there has been a lot of emotion in this because people are making pleas from a warm and fuzzy side. On the realistic side we have to look at the cost of living and what that impact has if people don't get a raise. The cost of living hasn't stopped, it was mentioned that some nurses are well paid and some are not. I happen to know that the Jail is using a temporary service for nurses because they can't get anyone hired to do that thankless job; by doing this they hope someone will like their job well enough to be hired.

Cal Miller: I would like to bring in Councilman Buskirk's point; the inflationary increase that we got this year resulted in a \$1.7 million increase in our available general funds, property taxes brought in times 3.9% which is about \$480,000 above what it cost to give a 3% raise to the employees. These are all great comments but how are we going to pay for this under the scenario you first discussed? Before we even contemplate; with the Sheriff's building and the Clean Water Act we are nearly out of any wiggle room whatsoever for 2006 setting aside the rollover. I personally don't want to go back to a year when we are banking on a roll over, that is not the kind of budgeting I want to do. If we are going to adhere to strict budgeting considering the Sheriff's maximum and the County Surveyor we are finding ourselves with \$250,000.

Darren Vogt: Not to mention the issues that Judge Sims has being under funded in 2007 by \$250,000.

Cal Miller: Then you look at the cost, can we afford to do it; it is not an issue of do they deserve it. We need to ask the question can we afford to do it based on what we currently know regarding the liabilities we are going to face very soon

with the Sheriff coming forward. I feel we need to work with him to get them out of that building.

Roy Buskirk: We really have to watch things because we are going to be facing annexation and I think some of us have looked at what constitutional wise the County has to provide. In a few years the County is going to be in the situation that we can only do the necessities. It is sad but we have to keep it in mind. I think that because of doing the re-evaluation which the Personnel Committee will meet to go over it and get started; I do think that we should make a partial payment at this time and hold some of the funds and see what the results will be in 6 months.

Paul Moss: We also have to pay for it, which will cost us \$100,000.

Mike Cunegin: There are several issues out here and we do need to know how much it is going to cost, this is never going to be easy. We need to get these fees increases such as the one that Councilman Buskirk has been discussing and that is the Sheriff's Sale Fee and I know that Councilwoman Kite has talked about an alarm fee; these are areas where we can generate funds. As we have discussed before the Justice portion of our budget is 70%. The State needs to address this issue because we all have a problem.

Roy Buskirk: I don't know why people don't understand that 20 years ago the County income was off of property taxes; when someone was annexed it didn't matter because the County still got the revenue. The way it is now with COIT and CEDIT, when someone is annexed that revenue stream goes with them. I am not even sure that everyone realizes that CEDIT is not restricted to economic development any longer it can be used the same as general fund money is used for.

Paul Moss: I take no pleasure, what so ever, in the role of Grinch I really don't I just believe that there are clearly inequities in how county employees are paid; I don't doubt that for a minute. I have a distinct feeling that we are going to spend \$100,000 or whatever it is to have the study done and then we are not going to be able to do a darn thing about it because we will not have the money so then we just continue like we have been by throwing the 3% at it.

Darren Vogt: I don't understand how that equates, from a financial standpoint, if we are in agreement, and maybe we are not, that the most of the salaries are going to go up. If we are already putting the 3% into those how is that not already help mitigate some of that problem, we all know that we have this problem.

Paul Moss: I already stated that to Councilman Miller. Somebody just make a motion and be done with it.

Mike Cunegin: I will make a motion for 2006 to give the County Employees a 3% raise. Patt Kite seconded it.

Darren Vogt: This is a priority issue for this Council and I would like further discussion.

Cal Miller: I go back to it; how are we going to pay for it? If we are going to give the Sheriff his building and we are going to finally get a budget submitted for the Clean Water Act, which we know we are going to have to approve at some point; how will we pay for it and leave ourselves with any dollars to deal with the contingencies that we know we will be faced with in 2006. I am concerned about that; in the scenario I outlined we have given ourselves \$250,000 to work with. I am not going to consider the roll over because every year we are getting closer to passing a budget that won't produce those kinds of roll overs the more we scrutinize the budgets. I still would like an answer as to how we are suppose to operate our roll in 2006 with what could amount to \$200-400,000?

Paula Hughes: I think the answer is that we fund the Sheriff's building out of the \$8,000,000 we have sitting in our fund right now. I would be delighted if the Surveyor came forward with a plan next year but I am not going to hold my breath since this is the second year running that we have asked him for a plan. Once we have done the study and documented the inequities we have the responsibilities to do something about it. I wonder if we can offer as a compromise that we delay the raise until we are done with the study but that whatever pay decisions we make them retroactive to the first of the year.

Darren Vogt: I don't see how because once a salary ordinance is passed you would have to go back and retro a salary ordinance higher or lower.

Jackie Scheuman: You cannot change a salary ordinance for an elected official during the year; other employees you can. Not that I would be against it but just a point; are you going to give me extra help to do that because it would be a huge task for payroll to retroactive pay 1,900 people. I would do it but it would be a lot of work.

Paula Hughes: I am just trying to find a middle ground because we have a very divided council right now.

Roy Buskirk: I think I can help and generate \$150,000 from the Sheriff's department in miscellaneous income.

Darren Vogt: Councilman Miller how do you anticipate funding the future changes that this study could potentially yield, being that it would be an increase?

Cal Miller: That is a fair question but I don't know if it ought to be directed to me. My questing is how are we going to operate in 2006 with between \$200-400,000 to deal with the contingencies, if we do this now based on what we know? Councilwoman Hughes came up with an idea that I understand where it is coming from but we have all been so good about not considering those dollars because we know it's a debt we know we are going to have to pay. I don't know if we should do that until we get the issue resolved with the State because we don't know what is going to happen there. I understand the desire to entertain those dollars but I don't want to do that yet. My question is how are we going to pay for the study when it is done and how can we even to do the 3% now?

Darren Vogt: There will be increase and this 3% gets us ahead of the increase and not further behind.

Cal Miller: It is my understanding that this study is going to be undertaken and we are going to have to make decisions whether we can fund what they recommend or we may find that we will not be in a position to fund 100% of what they think we ought to be doing. Maybe we will remain 5% behind the market as opposed to 9-11% so that will give us some flexibility at that time.

Darren Vogt: There is also the situation of, not necessarily the market but, say that a job goes from a COMOT 3 to a COMOT 4 based on the evaluation. That is the issue where we will be obligated to do something for all of those folks on an equal pay situation that is the problem. I don't think this \$1.2 million will have an impact either way it is going to keep us closer than going the other direction.

Cal Miller: It seems to me the question that ought to be answered first is; is this Council willing to operate on \$200-400,000 in 2006?

Paula Hughes: We have a difference of opinion about whether or not that is the figure.

Cal Miller: Councilwoman Hughes is the first one to mention that we ought to consider the \$8.4 million we have earmarked to pay the state debt to start funding other operations. That is a whole other discussion because that is a lot of money.

Paula Hughes: That remark was never made.

Cal Miller: My recollection is that we were not going to be spending that money pending the outcome of getting some resolution from the State about how we were going to repay the debt.

Mike Cunegin: That was not my understanding; maybe I misunderstood something, but I know we had a plan but not holding that back.

Cal Miller: So as far as you all are concerned that \$8.4 million is fair game to spend other places?

Paula Hughes: The balance is \$8,032,000 our outstanding debt as of June 30th is actually \$7.5 million because that does not include the \$992,000 which we have not appropriated.

Jackie Scheuman: The \$645,000 which is the current expense will also be paid.

Darren Vogt: So that brings it down to just under \$7,000,000. We have a motion and a second but I want to make sure we have had all of the conversation and any last comment before I call for the vote.

Paula Hughes: Is the motion to fully fund the 3% raise?

Darren Vogt: The motion is to fully fund \$1.2 million at a 3% raise for the year 2006 for all countywide employees.

Cal Miller: I am not going to support the motion until we answer how we are going to operate in 2006. With what we have on the horizon I am not satisfied that I can make a responsible decision to spend \$1.2 million, as much as I would like to, until we answer how we are going to get through 2006 leaving ourselves in a potential lurch. Whether we are going to be borrowing from the money we have set aside or how we are going to do that I am not comfortable making that decision. So I am not going to vote in favor of the motion for that reason

Paul Moss: The meeting with the Sheriff and the Commissioners regarding the building; I am highly confident that the number they gave us is just the beginning of the cost of doing what they want to do. There are lots of additional expenses that will pop up out of now where. The number of \$1.8 million or what ever it is I feel is an extremely low number.

Darren Vogt: Is it possible to grant a raise in the middle of the year going forward without any problem?

Jackie Scheuman: It is my understanding that you cannot change an elected official's salary during a budget year.

Darren Vogt: So that would be an impact if we decided to do that when this is all done. I would be willing to forego a raise on this position as this is not my full time job; there are others where this is their full time job however.

Roy Buskirk: Do you see yourself supporting a 2 ½% increase?

Cal Miller: If we have decided what we think we need to have for us to operate as a Council, and deal with contingencies that are going to pop up in 2006 then I think we would be in a position to decide what we can afford by way of a raise. I am not sure what that number is. I would like to have a discussion about what we think we really need to deal with contingencies in 2006.

Paula Hughes: How much have we appropriated into the general fund so far this year?

Jackie Scheuman: We have done \$1.3 million in additional appropriations so far this year.

Mike Cunegin: I understand the concern of having a little wiggle room next year it makes perfectly good sense. My concern is that I would much rather spend my money in Allen County then have the State Legislature give us additional unfunded mandates. We seem to be on the bottom of the totem pole all of the time. I am going to Indianapolis no matter what and continue to fight for the issues I believe in and I think our employees deserve a nice raise.

Paula Hughes: The number is not \$1.3 million; the additional is \$400,000 that we have appropriated this year.

Jackie Scheuman: I think you would at least have \$1,000,000 in roll over each year just simply because of turnover and that is money they can't spend anywhere else, which is a very conservative number.

Cal Miller: I appreciate that but I still don't think we ought to be passing a budget based on forecasted revenue. If pay study is as favorable as some think it will be, we won't have much roll over. I think relying on the roll over short term or long term for passing a budget is not a sound practice.

Paul Moss: The easiest thing to do is to go for the raise; there is no doubt about that but if we do that it is based on antidotal evidence and what feels good and I am just trying to be a little bit more prudent because we don't know what is going to come out of the woodwork as far as expenses. That coupled

with the fact that we are preparing to undertake what I hope is a pretty massive restructuring in terms of personnel, job descriptions and all of that. I just believe it would be prudent to hold off on this and let those things play out and get some additional information. If I had the information from the Human Resources department, which I have requested for a while, I might feel differently about this.

Paula Hughes: I think Councilman Buskirk and I are of the same mind; we are seeking compromise in this so Council can act in a thought toward compromise; subject of course to the vote on the 3% raise. Perhaps we can consider a 2% raise or less in the short term knowing that we are potentially facing an enormous adjustment next year to salaries. I think that some kind of a compromise recognizes the fact that we all support the effort of county employees and believe in the work they are doing. It also buffers the concerns that Councilman Miller expressed and that I share. I would just like to have more options.

Darren Vogt: We have discussed and debated in my opinion a Council should do of 7 individuals coming from different backgrounds but at this time in the interest of time we need to make this vote. So everyone is clear with this motion; Councilman Cunegin correct me if I'm wrong; for the increase of 3% \$1.3 million for county employees. I would like a hand vote on this motion.

The motion failed 2-5 with Cunegin & Kite voting yea and Vogt, Hughes, Buskirk, Moss and Miller voting nay.

Roy Buskirk: I would like to make a motion that we give a salary increase of 2%. Paula Hughes seconded it.

Darren Vogt: The 2% increase would cost approximately \$806,772 and this would give us \$400,000 of wiggle room.

Cal Miller: This does address my concern but I am torn concerning the needs of the county employees. But for the impact on the Cum Cap fund that was going to fully fund the Sheriff's much needed building I wouldn't be in this situation and we would have plenty of money to fund a 3% increase. This is a new development that has arisen since our discussions in June and based on the numbers we had we would have had plenty of money. I am concerned that we will not have the money we need to appropriately deal fiscally in 2006 and that is why at this point I am in full support of the 2%; I apologize for it not being more. I don't think I can do my job and address these other concerns.

Darren Vogt: We have a motion to give a 2% raise with a second. All of those in favor raise your hand. Motion passed 6-1 with Moss voting nay.

Darren Vogt: At this time before we pack up and go; we are still \$8,533 off our number. Do we take the \$8,533 out of our one time expenditures?

Paula Hughes made a motion to take the \$8,533 and the \$1.2 for raises out of the one time expenses. Cal Miller seconded it. Motion passed 7-0.

The next meeting is the Annual Meeting on September 15, 2005.

There being no further business the meeting was closed at 4:48 pm on a motion by Paula Hughes. Cal Miller seconded it. Motion passed 7-0.