

**ALLEN COUNTY COUNCIL  
MEETING MINUTES  
AUGUST 12, 2008  
8:30 AM**

The Allen County Council met on Tuesday, August 12, 2008 at 8:30 am in the City Council Chambers. The purpose of the meeting was for additional appropriations, transfer of funds in excess of the current budget, grants and any other business to come before Council.

Attending: Paul G. Moss, President; Roy A. Buskirk, Vice President; Paula S. Hughes, Maye L. Johnson, Darren E. Vogt, Calvert S. Miller and Paulette Kite.

Also Attending: Lisa Blosser, Auditor; Tera Klutz, Chief Deputy; Jackie Scheuman, Finance Director; Nelson Peters, Commissioner, Linda Bloom, Commissioner; Bill Brown, Commissioner and Becky Butler, Administrative Assistant.

The meeting was called to order at 8:30 a.m. by President Paul Moss with the Pledge of Allegiance.

**APPROVAL OF MINUTES:**

**Cal Miller:** Move approval of the minutes of July 17, 2008.

**Paula Hughes:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.

**FINANCIAL REPORT:**

**Lisa Blosser:** The amount left in the General Fund for appropriation today is \$2,579,134. For your consideration, there are additional appropriation requests in the amount of \$339,935. The Miscellaneous Revenue Collections are at 59.4% of projections, at the end of July.

**Cal Miller:** Move for approval of the financial report.

**Darren Vogt:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0. We have consideration of the bond issuance and additional appropriation for the Maplecrest Road Project.

**Bill Fishering:** I am Bill Fishering, County Attorney. Ladies and gentlemen, before you is the consideration for approval of a bond for Maplecrest Road and the

## ALLEN COUNTY COUNCIL MEETING MINUTES

appropriation of the bond proceeds to that project. If you had a chance to read through the draft ordinance, you would see that it is a \$52 million plus project of which you are funding \$25 million through a bond issue. This form is the standard form that we use. Tera and Phil Gutman, who is our financial advisor, have been through the numbers to determine that everything appears to be appropriate. You are pledging, in this case, the Major Bridge Fund, the Surtax and Wheel Tax, to the payment of this bond. This bond does not involve any property taxes directly. For that reason, it is not a controlled project and will not require either the remonstrance process or the referendum process. The only thing that is unique in the ordinance before you is two debt service schedules. One starts six months later. You may or may not know, for federal arbitrage purposes, we are supposed to spend the majority of the money within three years. This is an extremely long project and is anticipated to take more than two years and as much as two-and-a-half years to complete. Therefore, we do not want to issue the bonds any sooner than we are ready for the money. That is why there is an optional bond payment schedule in there. With that, I would answer any questions and request that you approve the issuance of the bond and the appropriation of the money from the bond to the project.

**Paul Moss:** Are there any questions, from the Council, on this? If I am reading this correctly, taxpayers may appear before us.

**Bill Fishing:** This is a public hearing on the appropriation.

**Paul Moss:** Seeing no questions for Mr. Fishing, if there are any taxpayers present who would like to take the podium, they are certainly open to that. Please introduce yourself for the record.

**John Kalb:** I am John Kalb, citizen and property tax payer in Allen County. I live at 3720 Mulberry Road in Fort Wayne. I am getting ready to pay my spring payment of taxes and will be dropping it off, just so you know. I have been doing that for a number of years. I don't understand why the spring payment is at this time of year but that is the way things go. I am here to express my opinion which is in opposition to the proposed issuance of the \$25 million bond for the Maplecrest Road Project. This project is no longer needed and should not be funded with a long term, pay later, financing scheme because I attended the hearing last month where four of your august body questioned the necessity of this overpriced project. In the subsequent meeting, all but one, voted to go ahead with the project, in what was to me, a complete turnaround surprise. I have questioned some of you, and you know who they are, as to why the change in reasoning. I was told that basically the project was already started and Allen County would have to repay between \$4 to \$5 million dollars to someone, I assume Washington, D. C., if they didn't go ahead because engineering costs were already paid for. So this is the way that things get done in our county and the City of Fort Wayne. Our government goes out on a limb, spends dollars for land and other stuff, for an unapproved project and then it is fait accompli. The elected body that needs to approve the project was left with no choice but to go ahead. Can you read my lips, Harrison Square Ballpark? Council, you are

## ALLEN COUNTY COUNCIL MEETING MINUTES

not working for Do It Best, Walmart or bridge and roadway contractors. You have sought and were elected to your positions to represent the people who have chosen to live in Allen County, all of us and not just a few. Why can't you listen to your constituents? Contrary to what Mr. Fishing said earlier, due to revision in our State Code, by way of Public Law 136, passed by the General Assembly and signed into law by the Governor this spring, registered voters now have a method to express their opinion on bond issues, like this one, that exceeds \$12 million. That is by way of the ballot question. That question, in this case, would be "Shall Allen County issue bonds to finance, in this case, the Maplecrest Road Project?" This is accomplished for the public law by a petition requesting the local public question process per section 3.5 of Indiana Code 6-1.1-20. The political subdivision, in this case, you members of this august group, propose debt services approved in an election on a local public question held under this same section. If you, today or any time in the future, decide to issue said bonds, our group has the necessary legislation to file said type of petition which will require the question to be placed on the County ballot in the general or primary election. I have discussed this with the ranking minority representative on the Indiana House Ways and Means Committee and he is of the opinion that the bond, that you are considering today, falls in this category, contrary to what Mr. Fishing says. It is time to stop these local earmarks. We criticize our federal government, our representatives, for putting earmarked things into law basically to ensure that they get reelected and for no other reason. It is our tax money. We send it to Washington and then we try to get some of it back. It is time to stop the corporate welfare programs like the Maplecrest Road Project and Harrison Square. They net benefits to corporation entities like Do It Best, Walmart, building contractors, bond attorneys, et al. I have a brother-in-law who is a manager and one of the owners of a local building contractor firm. I have talked to him about this and he says, "John, you are taking bread off our table." I have answered him and said that I am trying to because there is enough of you, in government, that consider that we should spend excess funds for you to do public projects. In excess of what the normal rates are, as determined by bidding, for some strange reason so that a contractor will make more money on public projects than they do on other projects and strikes me as just nonsense. That takes the bread off the tables of the taxpayers of Allen County. You say, "Oh, it is a small amount." But it is a small amount over a whole bunch of people. That amounts to a large amount. In this case, it is \$25 million that we are going to borrow, pay off at twice that and I won't be paying it. My kids will be paying it, my grandkids will be paying it and maybe my great grandkids will be paying it. One of our Allen County Commissioners stated recently and this is quoting him, "I thought that one of my main jobs as a Commissioner was to seek the maximum dollar return for our federal tax money sent to Washington for projects in Allen County." This gentleman considers himself a fiscal conservative. I think that is nonsense. That is not fiscal conservatism in my standpoint. If everybody does it, is that okay? Nonsense. Somewhere it's got to stop. Later today, in your budget meeting, the Fort Wayne Allen County Airport Authority will be asking you to add, in excess of \$2 million, to our property taxes due to the loss of a bankrupt company that came and got approval to use public money to build them a facility and an extension to the runway out at the airport. They went broke. We did go down

## ALLEN COUNTY COUNCIL MEETING MINUTES

to the Department of Local Finance and asked them, "We know this project is going to work. We have such a great record here in Allen County. Everything works. We want you to let us back it with property tax and that is basically what we did. Now they are broke and we have bonds to pay off of over \$2 million. We go into the budget for next year and it has got to stop somewhere. I ran out of things to say. I honestly feel that you need to say no to this bond issue. I thank you for your time.

**Paul Moss:** I appreciate your comments, sir. Councilman Miller?

**Cal Miller:** Mr. Kalb, this is a great country that we live in. You have the opportunity to take the podium and as a resident, you have the opportunity to speak. It is a marvelous, marvelous country and we ought to feel fortunate to do that. With that said, I will take the opportunity to respond, in part, to your question. You used the word nonsense a few times, you cast aspersions me personally and the rest of the Council members about our thought process and motivations for passing this project. I am greatly offended by them. As offended as you are that this project is passed, I want you to know, Mr. Kalb, that my decision, with respect to the passage of this had nothing to do with Do It Best, it had nothing to do with the money that had been spent in seeing that this project could go forward. My decision was based on what you did not address in your comments. It was based on the economic impact and the ability to repay this bond with 25% of the projected, only 25% of the projected revenues coming from TIF and a small equalization of the Major Bridge Fund needed to subsidize until the TIF funds came up. So, while you can take that podium and cast aspersions, which I welcome you to do challenge government, I applaud that, I really do. At the same time, the characterization of the manner that we went about this is way off base and is as nonsensical as the nonsense that you have suggested that we have engaged in. From that, I take this opportunity to tell you that Do It Best had nothing to do with my decision, nothing at all. My decision was based on being elected as a County Council member to make a decision based on the analysis that was given to us. I questioned the analysis, if you were in that meeting, as hard as anybody. What I did not hear you address is the foundation of the decision. You skirted around that, you didn't address the economic impact, you didn't address the support for it and you didn't address, in any way, what we went through to see whether this was a project that could be paid for without dipping into the taxpayers' pockets. That needs to be exposed as much as you were calling the decision that we made nonsense. Again, I embrace this as being a beautiful country where people, that are elected officials, can tell you what we think as well as you can tell us what you think.

**Paul Moss:** Well, any other comments from Council? Are there other taxpayers that would like to come to the podium and comment on the Maplecrest Road bond issuance? My only comment was that I do believe that Council deliberated thoroughly on this and it was a difficult decision, no doubt about it. I do appreciate your comments. Hearing no other desire to speak, Mr. Fishing, do you have any other comments that you would like to make? Councilman Buskirk?

ALLEN COUNTY COUNCIL MEETING MINUTES

**Roy Buskirk:** In response to what Councilman Miller said, the one thing in my decision was the fact that the safety issue of crossing the railroad and the problems with that, also, being able to fund the project without additional taxpayers' money being spent on it and without any additional revenue stream from the property taxes. That was two of the things and I said all along that if they could show me the funding, I would support the project. I'll make a motion that we approve the \$25 million bond.

**Maye Johnson:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 6-1 (Vogt).

**Bill Fishering:** President Moss, would you typically waive the second reading at the end of the meeting?

**Paul Moss:** Yes.

**Bill Fishering:** It does need to have the second reading of the bond recorded.

**Paul Moss:** Yes, unless it is forgotten.

**Bill Fishering:** Please don't forget.

**Darren Vogt:** I will make sure it gets done.

**Paul Moss:** Okay, we will move right into the appropriations. Item one is Other Capital.

**Paula Hughes:** Items one and two go together. The Auditor's office is finally being remodeled. Hooray. A part of that project is the appropriation request for new office chairs. Any of you that have been in that office recently, a lot of the chairs are falling apart and I think it is long overdue. I would move for approval of a reduction in County General of \$3,280 and an appropriation in the General Fund for the matching \$3,280.

**Darren Vogt:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0. Information Systems is next.

**Ed Steenman:** Good morning, Counsel, I am Ed Steenman, IT Director. For about the last year, there has been a team of City and County people involved in the selection of a new vendor to replace our current vendor for our IT outsourcing contract. I would like to introduce those members that are here with me today. From the County, Therese Brown, Clerk of the Courts; Beth Dlug, Prosecutor's Office and

## ALLEN COUNTY COUNCIL MEETING MINUTES

Tim Miller, Circuit Court. From the City we have Clifford Clarke, City CTO; Jim Howard, Director of Purchasing; Kumar Menon and Jim Haley from City Utilities. So this team has been involved, as I said for almost a year, in a process to evaluate and select a vendor to go forward from January 1, 2009. As part of that process, we engaged an outside, independent consultant to help us through the process. It is a very big process and we knew there was a great deal of expense for both the City and the County for that new contract and we wanted to do it right. We engaged a consultant that has been through this many times with other local and state entities. They helped us put together a joint RFP, for the City and the County. We published that earlier this year and received eight responses. That is when the work really began. The team reviewed and discussed each of those proposals, did scoring for each proposal and we did that in three phases. We evaluated the written response. We invited half of the responders in for oral presentations. We further cut that down to two responders. We invited those two in for best and final offers and also did site visits. We think that we have done a very good job of vetting this process and evaluating each of the vendors that supplied a proposal to us and we have brought our selection down to one vendor. That vendor is Atos Origins IT Services out of Houston, Texas. The reason that we did this was to move Allen County and the City of Fort Wayne from a full-time equivalent based IT outsourcing contract to a service level agreement based contract. We are not paying for individual bodies to provide the service. We are paying for performance to provide the service. That is the logical next step and is the common practice for IT services today. We are moving the contract, which was initiated in 1987 when IT was a really small part of the City and County government, to a contract that is consistent with the technology and the importance of technology in City and County government today. We are making a rather large leap in that effort. This contract, as I said, is based on performance. We incent the vendor to provide that performance and we impose penalties if he doesn't. Each service that they will provide is clearly delineated to them, exactly what performance metrics that they have to meet, how they will be measured and what their cost penalty will be if they fail to meet those requirements. This also provides for them to bring us additional cost savings benefits that they may identify because of their experience that they have had in other places. They can bring that experience to us and help us identify items that can be money savers. Atos Origins is the vendor that we have selected through the committee. The whole process placed a large amount of importance on the technical quality that they are able to provide. Through the three rounds of scoring that the team did through the process, Atos Origins was first place, in scoring, each time. That speaks volumes for their capability, diligence and preparation not only in their responding to our request but being prepared to deliver services to Allen County and the City of Fort Wayne. We feel that they are the best position to deliver and we feel that their depth and experience was shown to be better than anybody else that proposed. They have a track record of providing good service to the places that they are currently working. We have had reference calls and visits to one of the sites that they are currently working in, in Lee County, Florida. We had positive feedback from the elected officials and department heads that we met with. Lee County, Florida is of similar size, approximately 2,600 employees. Between the City and County, we have about 3,000. Atos has expressed

## ALLEN COUNTY COUNCIL MEETING MINUTES

a sincere desire to retain as many current ACS employees as are interested in continuing to serve Allen County and Fort Wayne. This was one of the important things that the team felt needed to be part of the consideration. Not necessarily as part of the selection but it was something that we kept in front of all of vendors right from the publishing of the RFP. Because we have good people that service us today, we want them to remain in place, if they so desire.

**Paul Moss:** Ed, I am going to interrupt here for just a minute. Is it safe to assume that most, if not all of Council, had an opportunity to meet with Ed and go through all of these issues? I know I did and it was a really good presentation. I am not sure that it is necessary to go through and summarize this again or not unless there are individuals, on Council, who feel they need that. My personal opinion is that you did a wonderful job, or the committee did a wonderful job with the RFP process and the vetting process.

**Roy Buskirk:** I have some questions on some numbers. When you did the presentation with me, I questioned some of the numbers, if you remember. What is the current cost of the ACS contract?

**Ed Steenman:** In the handout that I gave you, on the last page it shows that our estimated expenditure, with ACS, this year is \$2,074,500. By comparison, the contract with Atos Origins, for 2009, the County's half is \$2,140,872. That is roughly a \$70,000 increase.

**Roy Buskirk:** Okay. And basically the same number of personnel?

**Ed Steenman:** Roughly, although with the performance based contract, we are not paying for X number of people. We are paying for performance. Whether they do that with two people or two hundred people doesn't really matter to us as long as they perform to the levels that we have laid out. In realistic terms, it should be roughly the same number of people.

**Roy Buskirk:** This is a five year contract?

**Ed Steenman:** Yes.

**Roy Buskirk:** Basically the same number per year?

**Ed Steenman:** There is a growth in the numbers that you have in the handout. In the contract, it allows for an adjustment in the consumer price index. That is capped at 2% so if CPI is less than 2%, we gain from that. If the CPI goes up to 4%, we benefit because it will be capped at 2%.

**Roy Buskirk:** Okay.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** Ed and the team put together a wonderful presentation. I would like Ed to at least give us the abbreviated version of his presentation for the benefit of the folks that we represent and are watching this so that they know what we spent the money on. To the extent that he has already done that, I feel comfortable with the information from having the one-on-one presentation.

**Paula Hughes:** I would actually like to talk about what is on the agenda today which is the appropriation for the transition and milestone expenses. Ed, if you could skip forward to that. I could summarize my impression and understanding is that one, we are transitioning away from a vendor that we have had for twenty years, there is definitely going to be the need for some overlap and transitioning between those two operations. We want to make it as smooth as possible by having the new team on the ground this fall. That is what the transition expenses are for?

**Ed Steenman:** Yes. Transition will start, Atos wants to mobilize as soon as the contract is signed but that transition period allows them to learn what ACS has been doing. There is a lot of documentation that might be missing and will have to be created during that transition time. Part of what Atos Origins brings to us is processes and procedures that are very tight and very clear. In preparation for that, all of the documentation has to be in place that identifies what the people do to accomplish their functions. That is a large part of what that transition team will do. There will be a team of Atos Origins folks that come in for three months and help the existing ACS folks put that together.

**Paula Hughes:** The second part of this is the milestones. I will let you explain that. I understand it for the most part but I will let you talk about it.

**Ed Steenman:** The milestones are objectives that the City and County have set out plans that have to be created. Plans as how best to do the transition and how best to maintain the asset inventory, just to list a couple of examples. Those are one-time costs. They are plans that Atos Origins will create and will deliver to the City and County. Rather than paying for them over the period of the five year contract and the carrying and finance charges that goes with that. They are better paid at the time of the delivery. We are only paying for the service and not any finance charges. By the way, those milestones are deliverables that start occurring during transition and the first one occurs within three months of the contract signing. The latest one is three months or six months after the contract starts, which is January 1. The milestones are paid between October 15 and July 1 of next year.

**Darren Vogt:** One other quick question. I haven't seen the Commissioners' agenda. Have they already approved the contract or where are we?

**Ed Steenman:** That is a very good question, where we are at on contract signature. The City Council will introduce this contract next Tuesday, or I am sorry, tonight. They will discuss it next Tuesday. August 22<sup>nd</sup>, the Commissioners' legislative meeting is where the contract will be presented to the Commissioners for signature.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** So we are on the front end of appropriating the money until the signatures are signed.

**Ed Steenman:** Yes and this is just the upfront startup costs.

**Paul Moss:** Are there any other questions? Do you feel that you provided an adequate summary, at this point, for Council and the public?

**Ed Steenman:** There was very little else that I was going to say. I was trying to be brief.

**Paul Moss:** I thought you were getting close to the end there. Of course you are certainly willing and able to discuss this in more detail with any member of the public that might want to inquire.

**Ed Steenman:** Sure.

**Paula Hughes:** Move for approval of \$339,935 for contractual in Information Systems.

**Patt Kite:** Second.

**Paul Moss:** **We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.** Thank you very much. Next are transfers. Good morning.

**Janette Jacquay:** Good morning, I am Janette Jacquay from the HR Department for the County. I am speaking on behalf of Brian Dumford today as he is not in the office. We are requesting a transfer of funds from three appropriation lines to another due to some additional expenses that we had in the department. Also, we have had an HR position reclassified and need to make sure that we have the funding for that through 2008. The other thing, also, was the purchase of an Acrobat license for the software program that we are using in HR.

**Paul Moss:** Council, any questions? I am going to confess that I don't know if I discussed this with Mr. Dumford or not.

**Paula Hughes:** Move for approval of items four through nine, transfer of \$1,859.

**Darren Vogt:** Second.

**Paul Moss:** **We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.** We have a couple of other issues. One is not on the agenda and there is a grant request.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Rex McFarren:** Good morning, Rex McFarren, Director of the CASA program. We have an opportunity to apply for federal funds through the Child Abuse, Prevention and Treatment Act through our State Supreme Court. It is from \$2,000 to \$50,000. Your numbers are off by \$200. I have a graphic design cost but the total cost that we are asking for is \$44,362. We will use it all for a nine month advertising campaign for recruitment volunteers. There is no matching money and it goes directly to the court. We will use it as budgeted. We are doing a four or five prong media attack. It will be in neighborhood newspapers at least once a week. We will be doing four months of billboards. We have two different billboard designs that we are going to be using so that people don't get bored and start not paying attention to the billboards when they pass them. We are going to be doing two segments of radio PSA's that are thirty seconds apiece. They will be for a five week period, one in the spring and one in the summer. We are doing two segments of television sixty second PSA's, one in the spring and one in the summer. This year, we will be doing three training sessions for volunteers. The information, in front of you, shows that at the beginning of the year, from January to June, our recruitment of volunteers consisted of public speaking engagements, letters to the editor and a couple of appearances on local television. We had eighty-six inquiries that we actually sent out applications. Through two training sessions, we have trained twenty volunteers. It is pretty consistent over years that out of all of the applications that we send out, we average about 25% of people who actually finish the training sessions. With the money that you appropriated in July, for a small media campaign, we have had five weeks of the newspaper ads and five weeks of radio and we have sent out 28 inquiries in thirty days. We are hoping that that rate will translate next year in a media campaign throughout the course of the year which would signify, if it happens, we should be able to reach an active volunteer base of 100 volunteers. Right now we are operating at 78. That is our request and how we intend to use the money. We have always asked for money for grants but we have never received the entire amount that we have asked for and we have never been able to evaluate which way is the most efficient and effective method of media for recruitment because we have never been able to do an entire campaign at the same time. If we get this money, it would be the first time that we have ever been able to compare apples to apples. That is our request and the reason behind our request.

**Paul Moss:** Council, any questions?

**Paula Hughes:** Move for approval of the CASA request to apply for the CAPTA grant.

**Darren Vogt:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.

**Rex McFarren:** Thank you and you have a nice day now.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** Council, Councilwoman Hughes had mentioned, prior to the meeting, a desire to be placed on the agenda. Since I was out of town last week, I was unable to respond to her and have that put on the agenda. It appears that we can discuss the space planning issue at this point in time. I will turn it over to Councilwoman Hughes.

**Paula Hughes:** Thank you, President Moss. All of you should have received the email with an electronic copy of the scope of service from Design Collaborative for a collaborative City-County office relocation study. As you all know, I have been a part of a committee that has met to discuss co-locating the City of Fort Wayne Police Department and the Allen County Sheriff's Police Department. I think this is a good next step, as I have indicated to all of you individually. The study calls for interviews and evaluations with all County departments. I requested that it expand beyond what is listed in this proposal to include court offices that are located in the Annex on Berry St. I have heard some concern about that office space as well. At the end of this study, we would have budget, diagrammed floor plans, phasing and schedule as well as cost estimates that identified any capital improvements for movement of these offices and renovation expenses if a new building is purchased and renovations to the existing building, moving expenses and annual operations costs for the building. It's pretty comprehensive and the firm has committed to completing this work within a seven week time period. We are operating under a deadline of September 30<sup>th</sup> to informally make a decision on whether or not we are going to go forward with co-locating those two police departments. I think this is vital information for making that decision. There would be a shared cost of not-to-exceed \$45,000. The County's half would be not-to-exceed \$22,500. I would like to request that we consider that and appropriate it from the Contractual Services line which has an excess of \$2.9 million in it right now. That line is 100-4201-413.31-06.

**Paul Moss:** Just for confirmation purposes we are able, since this was not on the agenda, to make that appropriation.

**Lisa Blosser:** It has already been appropriated in your budget.

**Paul Moss:** What other entities, if any, have approved moving forward with this or not approved moving forward? Where is the City at?

**Paula Hughes:** The Mayor approved it and they had existing budget. The Mayor, I believe, signed the contract last week. On the County side, typically you would see the Commissioners both approving the contract and finding the appropriation money. In this instance, the Commissioners, for varying reasons, were not willing to find the funds to do this study. I suggested that County Council could find the money and requested that if we did, the Commissioners approve the contract. Individually, they have agreed that they would approve the contract, if we funded it.

**Paul Moss:** Council, are there any questions specific to this issue? Anyone willing to make a motion?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** Move for approval of the spending of the funds out of the line item mentioned by Councilwoman Hughes in the amount of \$22,500 which is half the cost of moving forward with the space study and Design Collaborative.

**Roy Buskirk:** I would say maximum of \$22,500.

**Paula Hughes:** Not to exceed \$22,500.

**Cal Miller:** I will amend that to not to exceed \$22,500.

**Patt Kite:** Second.

**Paul Moss: We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.** Fishing has been waiting patiently for the second reading.

**Darren Vogt:** Move to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of August 12, 2008.

**Paula Hughes:** Second.

**Paul Moss: We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.**

**Cal Miller:** Move to adjourn the County Council meeting session in advance of our budget appeal meeting.

**Darren Vogt:** Second.

**Paul Moss: We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.** The next meeting will be held on September 18, 2008 at 8:30 am.

There being no further business the meeting was adjourned at 9:18 a.m.

### **BUDGET HEARINGS:**

**Paul Moss:** I would like to welcome everybody to the Allen County Budget Hearings for Tuesday, August 12, 2008. We will dispense with another Pledge of Allegiance and moment of silence. Auditor Blosser, would you like to start us off with a little bit of a budget overview?

**Lisa Blosser:** I have a suggestion to make. We have three component units that we include in our financial statements. They are the Airport, the Library and the Southwest Fire District. The Airport is proposing an increase in their 2009 budget

## ALLEN COUNTY COUNCIL MEETING MINUTES

that exceeds the allowable growth factor of 4%. As a result, their budget must be approved by you, the Allen County Council. My suggestion is that we take them first and then we can go into our County General budget. They are here and we don't want to hold them up. We can take the two component units and then move into the County budget.

**Paul Moss:** That would be fine. You already have them placed in order here and the first one is the Airport Authority. We have some representatives from the Airport Authority here.

**Tory Richardson:** We have a few copies of some handouts that we would like to go through as we get started here. I will make some introductions and wait for all of you to get that before we start. My name is Tory Richardson and I am the Executive Director of Airports for the Fort Wayne Allen County Airport Authority. Also in the audience, I would like to make a couple of quick introductions, my immediate Supervisor and Board President, Mike Gouloff, next to him is Ron Portis, Controller and Treasurer, Scott Hyndeman, Director of Operations and Craig Williams is our Director of Administration and Finance. They are all here to answer the hard questions and I am just here to make the presentation. We appreciate the opportunity to come down here and present the budget to you and present some of the issues that are facing us. I think it is very important that you guys make some tough decisions over the next day and a half or so as you go through your budget process and understand where we are at and what our priorities are. First of all, it is a little bit easier to see some of the numbers rather than just hear them. I have provided a copy for all of you to take a look at. What I hope to do is just go over this handout and certainly have some time for questions. If you have questions or need clarification on anything, please just holler and we can stop and go through it there. I also have some copies out here for media and others since it is a bit difficult to just hear the numbers. You can see, on slide number three, our mission statement is to provide the highest level of service to all customers and provide safe, financially sound air transportation facilities that actively contribute to the overall economic vitality of the surrounding communities. That is what we think and breathe as we go through any of our endeavors. Obviously the budget process is no different. Some of the quick facts, as a high level overview for you, you can see that we manage 3,800 acres at two airports, Smith Field and Fort Wayne International. We are major source of jobs for our community with 950 full-time jobs and 1,300 part-time jobs out there. I will talk a little more about where those come from, in a moment. Annual Economic Impact, which is a study done by the Aviation Association in Indiana and done on all of the airports in Indiana and is a consistent study. You can see that Fort Wayne International contributes about \$437 million on an annual basis and Smith Field around \$5 million. The graph below that, on the same sheet, is passengers and cargo and gives you some idea of the trends. You can see passengers were kind of up and down and cargo, we will talk about this a little more in just a bit, is on a downward trend. Both of them are kind of cyclical but certainly not immune to the current economic conditions that we face. Slide number five gives you an idea of the employers at Fort Wayne International. The critical part of this is that we provide a

## ALLEN COUNTY COUNCIL MEETING MINUTES

place for others to do business. We don't typically get into a lot of these functions and I won't go through the entire list but you can see from rental cars to fixed base operators to maintenance to many of our corporate citizens in the community, all have facilities out there. We provide the infrastructure and needs for the others to do business. That gives you a good idea of what goes on out there as I talk about the 1,300 part-time and 950 full-time positions. Slide six is the scope of disciplines and I won't go into a lot of detail, but you can see the breadth and scope of the operations and organization. I am going to go through this at somewhat of a quick pace so that we can get to some of the meatier discussion, if you don't mind. Slide seven is the Community Enrichment and some of the things that we are doing out there. There is Customer Service Agents Program. We provide complimentary shuttle service to and from the parking lot, for our passengers. We also have wheelchair assistance and the complimentary skycaps at the curb. Online booking engine, one of the things that we are investing in, right now, is trying to come up with a more user friendly version of the internet and are doing that right now with the new website which will be available in about thirty days. Some of the other things that we are doing is if you don't want to do the shuttle, you can get complimentary umbrellas, assistance with directions and of course, we are known for our free cookies. That is something that we are known nationwide for and something that we take pride in. We are trying to make sure that we are as productive as possible and making sure that our customers are as productive as possible by providing free wireless internet. Many airports in the industry may provide it but for a charge and we are trying to provide it as a service. This is the front door to the community and this is how we want you to remember our community. Some of the awards are Advertising and Marketing, Building and Paving and Financial Reporting. These are things that we don't say we are good at but others have demonstrated through awards and various recognitions in saying that we do a great job and take a lot of pride in that. Again, being the front door to our community, we want to make sure that we are doing what we need to be doing and should be doing for our community. Slide number eight gives an overview of the basic segments that we represent out there. You can see that we have passenger air service, commercial cargo, military and general aviation. All of those are critically important in our environment and represents a very balanced approach to the way we conduct our airport operations. In terms of passengers, about 600,000 passengers utilized the facility last year. One of the things that I always get a kick out of when I go and do speaking engagements is that when I ask how many people use the airport on a monthly basis, I get a few hands up. When I ask weekly and daily, I hardly get any hands up. If you note under Cargo Air Service, that also includes mail and so I quickly remind people that if you are shipping something on FedEx or UPS or sending mail, about 24 million pounds goes through that facility every year. Chances are, either you or a business that you rely on is using the airport. It is just not in the traditional way that most people think of. The military operations have been very successful over the last few years with the base realignment and closing commission that came out a couple of years ago. We were actually on the receiving end of good news, during that process. We are actually, what they call, bussing up. We will be getting a couple of additional aircraft in addition to replacing the existing aircraft out there. They will also be bringing in about 160 new jobs. That will start happening

## ALLEN COUNTY COUNCIL MEETING MINUTES

this fall and have started seeing the transition and the Brack implementation plan coming forward. We are extremely pleased with that. If you carved out military in the overall economic impact, they are about \$50 million. The Guard is a critical piece of that component out there. General Aviation, despite the rising fuel costs, is up. Corporate flying is doing well and again, as I said, these four pillars are very critical to have so that they are all balanced and operating efficiently and well. We think we are doing a great job in providing that service. Slide number nine gives you a general idea of our catchment area. Catchment area, in our terms, is basically the market that we draw from, in terms of passengers. The reason that I show this is that if you take a look at it, you can see Allen County right in the center and there are a lot of counties, including other states when you look to the north and the east. It is a very large region that we serve. The ring represents a one-hour drive but if you were to break that down by zip code and area code, we can see exactly where that line fits and you can see that it goes further into Michigan and Ohio that what this one does. The point is that we serve a region much broader than just Allen County. Now to get into the meatier subject of the 2009 Budget Overview, conservative projections for passengers and passenger-based revenue, when we look at our rates and charges and how we come up with our budget, we have to look at the forecast and work with the airlines to figure out what is this next year going to bring us? Keep in mind that we are doing this at least twelve years out. I will talk more about the budget process and what that means, in just a moment. Obviously we have to meet multiple regulatory agency requirements. It may be the Department of Homeland Security, Department of Transportation, FAA or numerous others. We are very heavily regulated and need to make sure that we are in compliance with all of those. To continue our focus on air service, it is a critical piece for us in terms of our operations at the airport and also in terms of our community. Maintain safe, clean and reliable facilities. We get comments all the time about that but we have to make sure that is one of the top priorities of things that we do. We will talk about some of those things a little more when we talk about some of the cuts that we have had to make. Fund ongoing capital needs, continue rehabilitation of the airfield at Fort Wayne International which is an ongoing process when we have over eighty miles of road. We are constantly doing some sort of maintenance on that pavement. In addition to that, we have a number of either build or vehicle procurement processes that we are trying to do at the same time. We also need to continue our capital improvements at Smith Field. We are going to be working pretty heavily up there over the next few years. Maintain modern fleet and equipment and we will talk about that in just a moment. We are talking about snow removal equipment, fire and rescue equipment and we have to make sure that the fleet is up and ready to go. We pride ourselves in having a pretty modern fleet. Now to talk a little bit about the budget process on slide eleven, you can see that we have identified an internal and external process. Sometimes there is confusion or questions about how we do our budget process. I think it is good to see and get a feel for it. We begin our process, internally, back in February when we send out the budget forms to all of our departments. In April, the Directors and Managers meet to go over those. Usually we are doing adjustments at that point and those adjustments are not upward but downward and making cuts that we feel are appropriate. In May, we meet with the Controller and Treasurer along with the

## ALLEN COUNTY COUNCIL MEETING MINUTES

Directors to make our additional rounds of cuts. To give you some idea, in this process, we have cut over \$2 million in capital in the first two rounds this year. When you look at our budget and our process, keep in mind that today when you are going through the appeals process, our budgets have been heard by others both internally and externally a number of times. This is kind of a repeat of those and we have already hashed out some of the trimming or cost cutting measures that we have to implement. In June, we prepare for Airline Negotiations and develop rates and charges. In July, we publish for the public hearing. That kind of pushes us over to the right side and into the external process. In February we are sending out our Capital Improvement Program to the airlines. The CIP goes to the FAA and the DOT. In July, the Airline Negotiations take place. We advertise for the public hearings and have our workshop with the Department of Local Government Finance. In August, we have public hearings and board adoption. Hopefully that will happen at our August 18<sup>th</sup> meeting. September, we are submitting the budget to the Auditor and the Department of Local Government Finance. We are submitting our CIP again back to the FAA and the DOT. Because that program continually changes, we are doing that at least two times a year and will probably increase as we see some of the inactivity in Congress and doing a reauthorization bill for us. We think our budget is a very inclusive process when you look at it from the internal and external process that we go through. You can see that there are a number of people that are involved in it and making sure that we are not gold plating the door handles and things like that. The next slide gives you an idea of what the landed weight is. The reason I bring this up is Ron, our Controller, literally has to work very hard in trying to figure out what is going to be landed weight and passenger enplanement so that we can forecast and base our projections on that information. A lot of it is talking with the airlines and trying to figure out the industry trends and see where things are going. As I have shared with some of you, we saw in 2007 the slowdown coming and we started to make adjustments to the 2008 budget before it was actually approved. We started making the cuts and withholding some of the projects and deferring some of the projects. We carried that stuff over to the 2009 budget, as well, but the problem is that if we do this now and anticipating what it is going to be twelve months or eighteen months from now and so we constantly have to go back and readjust these numbers. Landed weight has gone down and the reason this is critical for us is when you look at the rates and charges, we will talk about Kitty Hawk in just a moment, the cargo operations becomes a critical piece of the rate making methodology for our use in lease agreements with the airlines. That sets the rates and charges for all of the airlines that operate in and out of Fort Wayne International. The next slide is kind of the flip side of that. When you are looking at enplanements, which is a passenger getting on the plane at our airport, not total number of passengers but one person getting on the plane. The reason that we look at enplanements is that we have to do a lot of projections based on passengers that are going to go through our facility in the next twelve to eighteen months. Everything from parking lot to concessions, gift shop and retail sales, car rental concessions and our AIP, Airport Improvement Program and passenger facility charges are based on that. All of that stuff is passenger based revenue. We have to look at how much money we get on a passenger going through our facility and try to project that going forward. That is

## ALLEN COUNTY COUNCIL MEETING MINUTES

why cargo and enplanements are such a critical piece of our budget and forecast. Slide number fourteen is a graphical representation of the budget revenues for 2009. You can see taxes at 35%, terminal rent at 11% and the component to that are the landing fees at 8%. Those two added together are the primary rates and charges for the airlines. You can also see that we have commissions and leases both at 5%. Passenger facility charge is 5%. The Airport Improvement Program is at 17%. Interest is 2% and parking at 12%. The reason I show this, and we will talk a little bit more about it, is that we are revenue generating outside of just the taxes. It is critical that you look at the revenues and expenditures and that you are looking at both sides of it. Slide number fifteen is the 2009 Budget Expenditures. Personal Services at 30%, Capital Outlay at 25%, Debt Service at 21%, Other Services and Charges at 18% and Materials and Supplies at 6% and keep in mind the volatility of our industry and some of the things that we use. At our last Board meeting, on the 4<sup>th</sup>, we were looking for approval for an emergency acquisition because of our sand and de-ice materials, the things we use to control snow and ice, have almost tripled in the last year alone. We are dealing with this in the 2008 budget and this is something that just came up in 2008 and we are trying to project out into 2009 of what that might be. Obviously we are a heavy consumer of that type of material, fuel, electricity, natural gas, concrete, asphalt and steel. We are a major consumer of all of that. You all know what the prices of those things have done in the last year. They have certainly outpaced inflation. One of the other things I would also like to comment on this slide again is when we look at our budget and look at some of the line items, we have to be very cautious at looking at revenues and expenditures because they are related. We are revenue generating outside of just the taxes. In some cases we are spending money to make money, whether it would be parking lot operations or selling of fuel or things like that. There is a cost that goes in to bring out revenue on the other side. We can't look at one item and say that we should take that expense out. That expense may very well have been doubling revenue on the other end of the equation. It is critical to take a look at both and see how they are related. Slide sixteen gives you the historical tax rate trend. We are very proud of it and you can see down there that it is just under two and a half cents per one hundred of assessed value, you can see that trend line has been a downward trend. Unfortunately something has changed and it will make this graph look a little bit different going forward. That is literally the reason that we are down here seeking your approval on our 2009 budget. Slide seventeen, this is the heart of the matter. This is why we are here. You take a look at the property tax levies for 2009, the Operating levy at \$3,296,897, Cumulative Building at \$549,218 and you can see that those two are existing levies. When you get to the last item, Debt Service, estimated for 2009, we have \$2,781,033. That is the big ticket item and the change that we encountered as a result of Kitty Hawk going bankrupt and the loss of lease revenue on the cargo-sort facility. This is the response to the Auditor's number one question in terms of what is the 2009 property tax levy look like relative to 2008? Obviously it is a large increase when you look at it on a percentage basis and we don't want to discount that at all. But on the next slide, we would like you to also take a look at again that we are proud of being a small piece of that. When you look at the Comparison of Total Property Tax Levies over time, looking at 2005 going to 2009, you can see that we

## ALLEN COUNTY COUNCIL MEETING MINUTES

have been on a downward trend. 2005 was at .81% and in 2008 we were at .78% of the total tax levies countywide. Slide number nineteen gives you some of the highlights and the capital outlays that we are going to be doing. This speaks to the Auditor's question to what capital projects are coming about, in the next few years and would impact the tax levy. We are proud to say that there are none that we can see of right now. All of the stuff that we are planning to do will be funded through airport revenues generated out there through the airport improvement program. When you see these lists of items and you see AIP behind that, if you go to the next slide number twenty, you can see the major source of funding for those projects. 95% comes from the FAA, 2.5% is the State and so we are putting in 2.5%. Those are projects that we don't want to pull off the budget or remove those line items. The other thing I would like to highlight is the fact that when we talked about Allen County in the center of a very large region that we serve, these are user fees that are paid by people that utilize the facility. These are ticket taxes from passengers, cargo shipments that pay weigh bills and things like that. Those are fees generated at the airport to be reinvested back into the airport and it is critical that we do that to maintain our infrastructure and invest it back into our airport versus putting them back to the federal government to be used somewhere else. This money has been generated locally and we want to make sure that it stays local. Slide twenty-one is the heart of the matter. I want to talk, just a moment about Kitty Hawk, to make sure that everybody kind of understands where we are at and what led us to this situation. When you look at slide twenty-one, you can see that building rent is about \$2 million. You can see the various items adding up to about a \$3.5 million impact to our budget. Just to give you a quick overview, Kitty Hawk filed for Chapter 11 in October of 2007. They ceased operations in December and in January they liquidated their assets. We got the facility back in March of this year and we are still in bankruptcy and litigation. We have an amended proof of claim that both sides have agreed to and it is up to the bankruptcy court to finalize that process and move forward. We are still in litigation and it is not definitive what we will get of the \$5.9 million claim but we will get a very small portion of it. The thing that I want to speak to on this is also make sure that when we take a look at this and ask if Kitty Hawk was a good thing for the airport and our community, I really think it is. Some of the things that we need to share with you is the fact that over the nine years that they were here, they basically through various landing fees, apron fees, land rent and things like that, provided the airport with about \$27 million. That money was going to pay for the operation and maintenance of the airfield and facilities that nobody else had to come up with. In addition to that, a lot of people like to focus on 400 people without jobs. I like to turn that equation around a little bit and say that for nine years, 400 people in our community did have jobs and were paid around \$46 million in wages over that time. They were decent jobs with fairly decent benefits. It is something that we are going to miss going forward but again, we have to look at the fact that over the last nine years, we had a number of our citizens employed out there. We talked a little bit about the Airport Improvement Program and another component of that is that Kitty Hawk brought in about \$4.5 million for FAA eligible airfield improvements. Runways, taxiways, airfield lighting systems and things like that are eligible with the FAA to use cargo entitlements on. Because Kitty Hawk was

## ALLEN COUNTY COUNCIL MEETING MINUTES

out there and they had so much operation and landed weight, that qualified us for another \$4.5 million of federal grant money to reinvest in the airport. We have to add all of those things up and ask if, at the end of the day, was it good for the community? Yes, we have a \$17 million outstanding principle on the facility but they essentially paid for half of that. It is a state of the art facility, it stays here and is ours. But when you add those things up, it is about \$73 million of benefit that they provided us in the nine years that they were here. From our perspective and anybody from the public would have to look back at that and say that it was a good investment of money. Absolutely all of us would have liked to see that continue and move forward. We are going to do everything that we possibly can to market that and try to attract someone else as a replacement. At the end of the day, we have to go back and look at that and say that the numbers add up and it was actually something positive for us. In addition to that, they also provided some additional intangible benefits in providing business for the U.S. Customs and Border Patrol, in terms of inspecting packages. Also, operations at night for the traffic and counts for the FAA when they take a look at staffing towers and the hours of operation, it counts for that, as well as some additional intangible benefits. That kind of brings me to the end of this and I know I ran just about up to our thirty minutes here but I certainly want to be available to answer any questions, comments or concerns.

**Paul Moss:** Appreciate the presentation. I have some questions but will defer to Council. Councilman Miller?

**Cal Miller:** A couple of questions. I know I met with you yesterday to get a preview of this but the thought process that Kitty Hawk's presence here was actually a benefit over the last nine years and if you are looking at the obligation to have to pay \$2 million for the building rent, you can look backward and realize that we may have been ahead of the game as taxpayers. Do you think it is fair to say that the airport's tax rate would have been higher if Kitty Hawk hadn't been there for the nine years of its operation?

**Tory Richardson:** I think it is safe to assume that it is a possibility. Every time that we go through our budget process, we have to take a look at that and try to define a very fine balance between what should be supported by the community and what should be supported by the operations. We typically cost share in many of those things. In an indirect response to that, we probably would have seen additional taxes as well as additional rates and charges to the other users of the facility which makes it more difficult for them to operate viably at our facility.

**Cal Miller:** I don't know if this analysis has been undertaken but this debt is to be retired in 2020, what are your thoughts, overall, when you look at what the taxpayers are going to be required to pay if Kitty Hawk hadn't been here from the beginning and until 2020, do you think the taxpayers would have had to pay a higher rate that would have been in excess of what we are going to be paying off from now to 2020?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tory Richardson:** It is certainly possible but I can't go back, in hindsight, and say that this is what we would have done. We have a whole bunch of other information available to us today that may have caused those decisions to be different.

**Cal Miller:** We talked about this yesterday and I don't think you really answered that yet but if you are able to get another Kitty Hawk or someone to come into that facility, and the County Council approves the debt service levy, what happens to the levy? Is that something that we can retract and eliminate at that time?

**Tory Richardson:** Basically what would happen would be that when we go through our budget process, we would be putting that information in the budget forms and I think initially it would go into Budget Form 2. Budget Form 2 and 4 would identify, in your situation, if we had additional miscellaneous revenue that would come off the facility. That would be put on that form and it is my understanding that the Department of Local Government Finance would offset the levy by the amount shown for revenue. They are going to adjust our revenue as they do every year and they are going to have that number in front of them and they will know that we are only going to get X amount to cover that lease payment. If we have miscellaneous revenue in there, they are going to offset it by that amount. In theory, while that process goes through 2020 on a scheduled basis, when we get to the end of that point, it will either be paid off or if we get a replacement tenant, we will identify miscellaneous revenue that will come off the levy.

**Cal Miller:** The rate would be adjusted downward every year of that miscellaneous revenue that would exist from another tenant?

**Tory Richardson:** Correct.

**Paula Hughes:** One of the things that we talked about is the fact that you have been able to cover rent payments for 2008 because you had a reserve in place. We don't want you to have to come back in front of us again, on this type of issue. When I had a conversation with you, I encouraged you to build up that reserve as well. That is to make sure that if there is an unintended shortfall, at some point, that you have a little bit extra in there. That is a safe way to budget.

**Tory Richardson:** Absolutely and we appreciate you recognizing that. As many of us have had the chance to talk about it, the last thing we want to do is cut in the primary areas of our disciplines, safety, security and service. If we have to cash flow those things for any length of time, those are the things that we have to look to. Unfortunately we are at bare bones right now and if we do any more cutting, we are into those three areas and we don't want to be in that situation.

**Paula Hughes:** Another issue that I don't think I heard you touch on is that even though County Council needs to vote on this in one way or another, the decision for this is pretty much out of our hands. The bond, what do you call them?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tory Richardson:** The bond trustee, which is something that we don't like to speak about, but the bond trustee is of the opinion that we are in default because the lease revenues are no longer there. Their opinion of us being in default, they have indicated that they are going to go to the building corporation and have threatened to sue us over that process, of which case I am assuming the Airport Authority and the County since we are involved with you guys, to force that into a debt service levy. Obviously the financial industry is in a bit of a pickle as well and they are looking for the most secure investment and that comes from the debt service levy and not general airport revenues.

**Paula Hughes:** I had a conversation with the Auditor earlier this morning and that would, in turn, impact the County's bond rating. We are all tied in this together. Even though it is not something that I am happy to do, it is something that we need to do.

**Paul Moss:** Councilman Buskirk?

**Roy Buskirk:** On Councilman Miller's question, as far as the tax levy, unless Indianapolis changes things, we have to review your budget annually, correct?

**Tory Richardson:** First of all, we always have an inclusive budget process and everybody is invited to take a look at it and be a part of that process. Annually, you have the option to do that and if we ever tried to increase it over the growth trend, you have to approve it and that is why we are here today.

**Roy Buskirk:** Since House Bill 1001, we have to make recommendations on your budget annually. The other thing, and I received a couple of phone calls since this appeared in the paper, is concerning the Smith Field. I noticed on the revenues and expenses, you don't have a breakdown between Smith Field and Fort Wayne International Airport. The fact that Smith Field is in a negative of about \$2 million is that the cost to keep it open?

**Tory Richardson:** No, that is not exactly right. It depends on what we do, in a specific year, with capital improvements. When you look at the operations of it, it is probably around \$150,000. We have had to invest infrastructure there, over a number of years and will continue to do so as we try to improve that facility. Some of that money also comes back from some assistance from the FAA and State DOT. When you take a look at it, you need to look at both of those aspects. What money is coming in to pay for some of that capital stuff? We are the Airport Authority and we operate both of those facilities but the \$2 million, we may have a heavy capital outlay year but we need to go back and see how much money is coming back from the FAA and State.

**Roy Buskirk:** Right, right. It actually isn't an outlay if you are being federal and state funded. The other thing, the traffic at Smith Field is decreasing, over the last couple of years?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tory Richardson:** Actually we have a State report that would contradict that. They do a traffic count out there and it shows the operations increasing. I think that is probably more correct than going the other direction. The based airplanes have remained relatively flat at about fifty to fifty-four. That number goes up and down as people sell airplanes but it has been relatively constant. The actual takeoffs and landings up there have actually increased. We try to do that from our own judgment basis but the actual counts come from DOT. They put a strip, kind of like we do with the County roads, and actually measure the traffic going over the rubber strip. They also do it with noise counters and things like that. I am going to trust the State's numbers versus somebody else's.

**Roy Buskirk:** Okay, thank you.

**Paul Moss:** Councilman Vogt?

**Darren Vogt:** One other quick question. On the claim that we have that is in the bankruptcy court, when will that be determined and how will that money be sent back to you, if we do get a settlement?

**Tory Richardson:** Good questions. Unfortunately in the airline and airport business, we have to deal with this from time to time. There have been some cases where we have gotten pennies on the dollar and there have been some cases where we have gotten pretty much what we had out there, in terms of our claim. Our best guess, at this point, is that we are going to get pennies on the dollar and we don't know when we will get it. We might get an initial settlement early on and not get the rest of it until much later in the process. In terms of what that means in timing, we don't know. If I had to speculate, I think it would be in the neighborhood of \$400,000. We probably won't see that for a couple of years.

**Paul Moss:** As far as the bankruptcy court is concerned and in terms of your place in the line, you are probably up towards the front of the line, I presume.

**Tory Richardson:** We are an unsecured creditor so that doesn't put us in a real good position. But in the terms of the unsecured creditors, we rank fairly high in that arena. Keep in mind that the secured creditors are going to get their money first and that is what the bankruptcy court is trying to go through and sort out.

**Paul Moss:** Okay, I have a couple of other questions. One of the things that I noticed in here and you mentioned was the 950 employees. Is it safe to assume that what you are essentially doing is counting all of those on slide five, all of the different entities that you have listed here?

**Tory Richardson:** Correct.

**Paul Moss:** How many Airport Authority, in terms of operations, how many jobs do you have out there?

ALLEN COUNTY COUNCIL MEETING MINUTES

**Tory Richardson:** The Airport Authority employs about seventy personnel in full-time and part-time positions. The others are made up of other tenants.

**Paul Moss:** Okay. In the debt service, I think you are projecting 21% for 2009, what percentage has that traditionally been? I may be missing it or it is just not in here.

**Tory Richardson:** In terms of the tax portion or just the debt service?

**Paul Moss:** A percentage of your budget.

**Tory Richardson:** I look to Mr. Portis on that.

**Ron Portis:** About fifteen percent.

**Paul Moss:** Fifteen percent, traditionally? What do you believe is an appropriate percentage? Where would you become really concerned about that percentage?

**Tory Richardson:** We are concerned about it now from the standpoint that we don't want to be too leveraged. We have to take a look at it and Mr. Portis will be talking with Fitch later this week about this specific item and rating of those bonds. We have to be very careful in terms of the bond rating and how much money we've got set aside or be able to pledge to back any of our bonding opportunities. Right now we are at a point where we are not going to be able to go to a bond market because we don't have a financially strengthful balance sheet right now. We are concerned with it right now and don't want to see that number increase.

**Paul Moss:** That is why I bring it up. That number jumps out at being fairly high. Just a kind of clarification on a couple of items here, I guess. You mentioned that Kitty Hawk was basically generating \$3 million a year for the nine years, what was it that they generated?

**Tory Richardson:** Basically the fees that they paid to the airport for renting of the land, apron fees, landing fees which is basically is a weight based formula, that is the way that the airlines pay for the operation and maintenance of the facility. Those fees, added together, equaled about \$27 million.

**Paul Moss:** But your budget has been around \$3 million a year, correct?

**Tory Richardson:** Pardon?

**Paul Moss:** Your operating budget has been around \$3 million a year, hasn't it?

**Tory Richardson:** No. Our budget is about \$18 million and with the debt service levy added on there, it will be about \$20 to \$21 million.

**Paul Moss:** Oh, I'm sorry I was looking at the levy here.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tory Richardson:** We did need to make an adjustment and that may be one of the numbers that is out there and confusing. We made about a \$3 million adjustment just based on knowing what was happening with Kitty Hawk.

**Paul Moss:** Is there a slide that shows your overall \$18 million budget?

**Tory Richardson:** Not an actual slide. It was provided in our actual budget forms.

**Paul Moss:** The AIP, the Airport Improvement Program, you have that as a revenue stream. Where is that coming from again?

**Tory Richardson:** The Airport Improvement Program is a program where the aviation trust fund collects ticket taxes, weigh bills and other fees and charges from users of the aviation system. It goes into the trust fund which is a collecting pot of that money and it is then redistributed back out to airports, on a formula basis, based on the number of passengers and cargo entitlements. We get a certain portion of that money back for eligible projects. Those projects can't be maintenance and operations, they have to be capital projects. The FAA and State review those projects and determine the eligibility of it and then we submit reimbursement requests for the projects that we are doing and are eligible for that and we get that money back from the Airport Improvement Program.

**Paul Moss:** Thank you for the clarification. My last question was related to Smith Field and Councilman Buskirk brought that up and generated another question. You talked about aviation segments being the primary components, passenger service, cargo service, military operations and general aviation. What, of those four segments, primarily utilized at Smith Field?

**Tory Richardson:** We have some cargo operations out there and primarily general aviation. Keep in mind that it is two different audiences or markets that we are providing service to. The folks at Smith Field do not want to be in the mix of heavy cargo planes, passenger planes and high speed military aircraft. They want to be in an environment that is more conducive to training and more laid back so that it is not high paced, high pressure and lots of communication and activity. People will tend to go to that facility for a whole different set of uses.

**Paul Moss:** On a percentage basis, can you take a stab at how much of that is general aviation? I assume that you are talking about privately owned planes out there.

**Tory Richardson:** They could be corporate, they could be local corporations in our community that have a company plane and fly for business. I don't want to speak to which ones they are but in terms of percentage, it is probably 99% of that facility is general aviation.

**Paul Moss:** Councilman Miller?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** I have one over-arching question. In the year that we are all getting property tax relief, unfortunately you are coming forward to add back to that, you have presented a very strong case. I am not suggesting otherwise. It is unfortunate that we lost Kitty Hawk but I want to give you an opportunity for those people that don't think that we ought to do this and raise the property tax. Why would it be short-sighted of this Council to deny the request for the debt service levy, short-sighted in the short term and in the long term with respect to the function of the Airport Authority and its importance to this community and the surrounding communities?

**Tory Richardson:** Thanks, Mr. Miller. This is an opportunity to highlight that. It really affects all of us, the County and us. I am going to have to speculate but if the body of the County Council does not approve it, I suspect we will all be in a lawsuit over this situation, probably ultimately to have it overturned and go in that direction anyways. If we have to cash flow this for some period of time, while litigation all plays out and we find out what has to happen, we are in to cutting safety, security and services. We pay for things out there, right now, that we don't necessarily use but they are a benefit to us as a community. They are for us to be able to provide the place for others to do business and for improving efficiency for others to do business. For instance, Customs, we pay on an annual basis for that service and the airport never uses it. It benefits many of the companies in our community. To see that go away, we are just making it harder for people and businesses in our community to do business. We certainly don't want to do that. Again, in answering about making the cuts, we would have to take a serious look at what sort of safety and security things we would have to cut. I can tell you that through a number of budget rounds and cuts that have gone on, if we cut additional, it will be in those areas. It is something that we don't want to go at and we have talked with out board and they are very concerned about it. They certainly don't want to be held liable for having to do some of those things that they know is not in the best interest of public safety and welfare.

**Paul Moss:** Are there any further questions from Council? Thank you very much for that presentation.

**Tory Richardson:** Thank you. If there are any other questions, please get hold of us.

**Cal Miller:** At what point in time is there a decision made about this request?

**Lisa Blosser:** At the September Council meeting.

**Paul Moss:** Okay, Southwest Allen County Fire District. We are about two minutes behind schedule.

**Ellis McFadden:** I am Ellis McFadden, President of the Board of Trustees of the Southwest Allen County Fire District and the Fiscal Officer.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Roy Buskirk:** Do you want to move that mike a little closer? I am having trouble hearing very good.

**Ellis McFadden:** My main occupation is a farmer in southwest Pleasant Township in Allen County. This cover is from the annual report that you get in March. The first page, I wanted tell who we are and where we operate. The professional red arrow is where our administrative office is on Indianapolis Road. To the right and up a little bit, is the station in Waynedale and that is what we call Station One. At the upper portion, is the South Bend Drive Station Two. Four, down there, is the piece of property that we purchased a little bit over a year ago for Station Four. That is primarily because a year ago we were successful in going to the Commissioners for money from the Cumulative Fund in order to finance that. The next sheet, I was hoping would be an Excel form that would show the whole budget. That didn't happen. This tells what the percentage is and in talking with Tera, she said that she doubted you would use that but it does show the percentage of what the budget is. The next page, I use this a lot, this is what we base our paid staff on. There is a lot of information on here and it takes quite a while to digest it. For the 2009 budget, this includes a 3% base pay of the paid staff and those numbers are clear to the right-hand side. They are not all identical because the longevity pay, in the center, is a little bit different to the left of that. You can see, in the years of service, the third one down has twenty-eight years of service. We have several that are hovering around the nineteen and twenty years and the rookie has been there for seven years. This is what I use to calculate the budget for the paid staff. One of the things that I look at is the percent between the paid staff and the budget. Back in the days of when the fire district was created, Wayne Township's budget was about one dollar and they had four paid people at that time and that was the reason that the fire district was created. They were trying to spread that cost a little more. The next page is, in 2006 we ordered two new engines. We chose the route of lease arrangement and the total cost was \$818,000. Number five is the payment that we just made on the first of August. The next page is the letter we sent to the County Commissioners in 2006 when we tried to create the Cumulative Fire Fund. It gives quite a bit of information. The areas that we cover are in the unincorporated portion of Wayne Township. That is as of December of 1986. That is the date that the fire district was created. In 1987, we didn't have a budget but 1988 was the first budget. The I.C. code that creates the fire district, it says that we shall go to the County fiscal body. I am the only one of the original trustees. We went a couple of years where the Chairman of the County Council told me that they didn't know what we were doing here and not to come back. The one thing that the second page is the primary purpose of creating the Cum Fund is because the TIF Financing was really draining our budget. I went to the Commissioners, on several occasions, for instance, the Vera Bradley, the Shovel Ready on Silverado Drive and the latest of the GM improvements, a lot of those things that had TIF financing, we lost a lot of that money. Last October, when we went to the Tax Adjustment Board, they asked why we were losing so much. In January, when I started to fill out an application for Indiana Bond Bank to operate this year, they asked the question, "If your gross certified levy is less than 98%, why?" I didn't have the answer and I contacted Tera. She found the answer. What it

## ALLEN COUNTY COUNCIL MEETING MINUTES

is is that the TIF financing and also an I.C. code that the fire districts are exempt from that. It is ironic that we were in the process of going to get a loan to operate and make payroll this year. On June 16<sup>th</sup>, I was requested to appear before the County Commissioners, lo and behold, Tera walked in that morning with a check for \$161,000. When I saw this headline on Sunday morning, we felt better than that because it baled the fire district out of having to get a loan. That really told the story for us also.

**Paul Moss:** Thank you for pointing that out.

**Cal Miller:** I didn't see that article. May I see it?

**Paula Hughes:** In Sunday's paper.

**Paul Moss:** The headline and great picture of the Auditor and Deputy Auditor. I was going to mention it earlier but there have been so many accolades lately.

**Ellis McFadden:** I will say that my association with Tera has been great. I think it was in May, my main occupation is a farmer, that there was a two-hour period along with ten or fifteen emails with Tera and this was resolved. I can't say enough about the people on that end of the courtroom. The Commissioners approved a five-year and that gets us past paying for these engines. We estimated, at the time, that a new station would cost about \$1 million. The Cum Fund should generate, somewhere in the neighborhood of \$250,000. A little over a year ago, we found out that as long as the TIF finances were being drained away, the homeowners were paying for the fire district. Chief Don Patnoudé got a letter from a homeowner who had called about her homeowner's insurance and with the I.C. code and equipment, her homeowner's insurance dropped more than the increase in her tax. I think, with this new station, it is a no-brainer because if we can lower the homeowner's insurance, the increase in the Cum Fund and in our budget will be gotten back. One of the things, if you refer to that map, that originally I had made contact with the powers to be at the corner of Homestead and Indianapolis Road for a site. I felt that it was too expensive. We found where the #4 is it has five acres and we can come from both ways. If Prairie Center develops similar to Coventry, Station 3 would converge on area from both ways. The other thing that I felt was necessary, the White Moon Addition, is a little over a year ago when I was putting together the information for the Commissioners, that is kind of an upscale home division and they are wells and septic tanks. I felt that those people needed a little bit better protection. That is the reason that this sets against the chain link fence on the backside of GM. It gives another access to GM plus I think the area to the west of Prairie Center Elementary School has a lot of potential for development. With that, getting into the budget forms, I have created a spreadsheet that does all of the budget compared to last year. What I have here are the required forms and I can go through this. I have the sheet that has the payroll and is slightly more than the 3% increase because that sheet creates the fringe benefits. That figure, for the total of personal services, went up about 3% from last year.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** I am sorry can you get a little bit closer to the microphone? When your head goes down, you aren't amplifying.

**Ellis McFadden:** I am trying to keep the budget, as near as possible, without an increase. The computer supplies, I lowered that by \$2,000. The big operating expenses, fuel and gasoline, we know what has happened there and I increased that by \$10,000 from last year. The annual testing, I took a little away from that, is testing the aerial ladder and equipment. On membership, what that amounts to are members into the Indiana Volunteer Firefighters Association. They chose to raise that but we have all of the volunteers are members of that. There is a lot of training provided around the State and if they are a member of the IBFW, they get a discount on the training. We think it is a good project to have everyone to be a member of that. The next page, under Professional Fees, I lowered that by \$4,000 in order to pick up some cuts to get the budget back to where it was. The hepatitis shots and physical exams, I raised that by \$2,000, and the reason for that was that there is a health plan that was sent to one of the paid staff and it's similar to what the Fort Wayne Fire Department does in the way of health. We have several of the items on there that we are already doing in-house. We put in the budget to have this for all of the paid staff. We also chose to add PSA's and mammograms. We are trying to keep the paid staff healthy. The liability insurance was raised by about \$5,000. I raised the electric by \$1,500 and raised NIPSCO by about \$2,000. The equipment was lowered by \$3,000 by thinking that the new engines would not take much repair. We found out that one of the units' mechanism to tilt the cab wasn't exactly right but the two trucks weren't alike and so we have a truck that is parked in a building with the cab up and we can't move it. The backup is good timing for that. The one that we needed to put equipment on, we didn't have the money. That truck sits without equipment on it. These are all budget constraints that we have been through. The lease-purchase stays the same. It is just a matter of switching interest and principle. I don't want to overlook the one above it because the two stations, Waynedale and Time Corners, is leased from Wayne Township for a dollar a year. Although we have spent a lot of money on those, it has continued to be that way. This has been a benefit to the fire district because of their location.

**Paul Moss:** Mr. McFadden, in the interest of time and in order to have time for some questions, is there any significant changes that you would like to point out?

**Ellis McFadden:** Those items were the highlights.

**Paul Moss:** Okay, I just wanted to make sure that we have some time for questions.

**Ellis McFadden:** The next page is the sixteen line items and one of the things that I mentioned to try to get the computerized forms and someone emailed them to me and it makes it much easier for us. The next page is the legal ad. The next page is the typical form and then the form one. The only thing on that is for the buildings and that is \$285,000. When they reallocate the miscellaneous funds that shows on there.

## ALLEN COUNTY COUNCIL MEETING MINUTES

The last page is when they met with the Department of Local Government Finance, those are the numbers that went in to that. With that, I will open it up for questions.

**Paul Moss:** Appreciate that overview. I have a couple of questions but am happy to defer to Council.

**Cal Miller:** I will follow you.

**Paul Moss:** Okay. Mine is really not related specifically to your budget. Firefighting, historically, has always been interesting. A hundred and fifty years ago, you had different entities fighting over the opportunity to fight fires. We fast forward to today and, in a sense, that is still occurring. With the multiple annexations, over the years, and the affect that it has had on entities such as yourselves and those that do not have full-time firefighters, one of the things that we try to do is understand what is the most efficient way to deliver services? Having said that, I have some philosophical questions and monetary questions that I would like to toss out there. You have, essentially, three stations with twelve full-time firefighters. Is that correct? And they are supplemented by volunteers. From an operational perspective, can you give us a general idea on a station basis, one station, what the average operational expenses are to keep that station running? How much is it, annually, for a station?

**Ellis McFadden:** We don't break it down by stations. Years ago, Wayne Township did that but it was competition between two stations. We quit that. There is a page, in the report that I sent to you in March or April, that you will see there is a \$32,000 figure for run money. This is in the I.C. code that the volunteers should pay. Previously, we had \$32,000 in that and in 2007 we cut that off October 1<sup>st</sup>. We don't want to cut it off December 1 and have forty-five checks go over the first of the year. That gives us time to get the money ready and the checks so that the volunteers get the checks about the first of December. They like that because it supplements Christmas. Last year, the highest person got a check for \$3,000 just for showing up. We created something in 2007, on the volunteer run money, we budgeted a number. In 2007, it was \$6.84 a run. In 2007, we created an EMS fund and we found out that when it is ten below zero with thirty mile an hour winds, it is awfully easy to stay in bed. But when we started paying \$10 for the run, this was something that we thought was successful.

**Paul Moss:** Maybe I should rephrase my question. Maybe the Fire Chief can answer this right off the top of his head. Since you have the three stations and the twelve full-time firefighters, you are looking at \$1.8 million for three stations, what does it cost to run a City fire station, on an annual basis?

**Don Patnoudé:** I couldn't tell you on Fort Wayne but on ours, when you look at the expenses on the stations, you are primarily looking at utilities. All of the buildings are paid for. Our utilities are relatively low and so you are probably looking at \$5,000 to \$6,000 per station. That is not factoring in, when you get into the equipment that

## ALLEN COUNTY COUNCIL MEETING MINUTES

is in there because that is a totally different subject. As far as operating the station, it is not that much money.

**Paul Moss:** I am talking about the personnel as well. I know there are differences, in terms of policy, to the number of personnel required to man a station and things of that nature. There have been numbers thrown out there that putting up a City fire station is about \$2 million a year. Is that relatively close in your mind?

**Don Patnoudé:** That gets into staffing levels...

**Paul Moss:** That is exactly what I am getting at and I promise I am going to get there very soon.

**Don Patnoudé:** With our full-time staff, what we are doing is, we operate EMS transport. We do something that Fort Wayne doesn't do. We provide fire and EMS. EMS accounts for about eighty to eighty-five percent of what we do. We run from 500 to 700 EMS calls a year. The stations that are staffed, they primarily staff the ambulance but they will go on fire calls. The staffing level during the daytime is seven people on duty and it drops down to three at night. The one station in Waynedale has one person and is augmented by volunteers. If they have an ambulance run in that area, they wait on a volunteer to get there and then they run the ambulance. Station Two, the one at Time Corner, is fully volunteer so there is no paid staff at that location. Station Three, on Indianapolis Road, has the bulk of the full-time people. It has six full-time people plus a forty-hour person during the week.

**Paul Moss:** I appreciate that but what I am getting at is, do you believe that from a homeowner's insurance standpoint, is there a difference from the rating that you get than if you were in the City and covered by them? Is there a significant difference or any difference between you and the City protection? If you are in the City and you are getting the protection, is your insurance lower because that is considered better or the same?

**Don Patnoudé:** The fire pressure rating schedule, which is ISO, comes in and grades the department. A lot of the grading items that are applied to us, we have no control over. A lot of that is just the infrastructure on the water, the number of hydrants and the spacing. One of the reasons on the new station is, the primary thing with that are I69 and I469, we have a lot of cutoff roads. The grading for insurance is based on road miles from the station. Then they factor in hydrants. Most of our area, in the rural areas it is mostly non-hydrant and the City areas are hydrants. The areas with hydrants actually get the lower rating or the better rating, I should say. That is a six. The non-hydrant is a nine because we have to truck the water in. You get beyond five road miles from a fire station and it usually goes to a ten. That is one of the reasons that we want to build that other station. Those people would see the most significant drop in their insurance, as far as fire protection. I believe that Fort Wayne is either a three or a four. Once you get below five, I don't believe there is a

## ALLEN COUNTY COUNCIL MEETING MINUTES

significant drop in your premium but I could be mistaken on that. Six is pretty respectful for a combination department.

**Paul Moss:** So, much of that is based on distance and not necessarily based on the quality of the service provided.

**Don Patnoudé:** The interesting part about that is that they don't look at your staffing or volunteers. What they look at is the water, your ability to move water whether through a hydrant or tankers and your distance from the department.

**Paul Moss:** I apologize for digressing a little bit but my point, that I am finally getting to here, is that as we go through this budget hearing and we hear from a variety of people about the difficulty that they are having and the decreased revenue that everyone is having to deal with, hindsight is a wonderful thing but one of the things that is particular to this is that I believe it is a fact that we have had some difficulty establishing that right now. That is probably because my questions aren't as pointed as they should be. You have been and there are other entities, volunteer fire departments that have provided very good service and are incredibly efficient, in my opinion, and due to annexation, territories have been taken over by the City and have put in fire stations which, some could argue, are not quite as efficient. That is simply something that we need to keep in mind, hopefully prospectively, as we do our jobs and the folks within the City do their jobs. Again, that was a very roundabout way but I wanted to bring that to everybody's attention. That is probably not the same question that Councilman Miller had.

**Cal Miller:** I can't recall what mine was but I enjoyed it because I didn't know about the insurance ratings and that it was based on hydrants and distance. I do have a follow-up to that question. With the annexation of Aboite and the two new fire stations that they built, what impact does that have on you all, in terms of your geography. Why do you need the same level of staffing if we have Fort Wayne Fire in those locations?

**Don Patnoudé:** That is a good question because a lot of people assume, by the name of our department, that we are Aboite Township. We are not. The one thing you have to understand about our fire district is that when we were formed in 1986, the law changed in 1987 and what that means is that they grandfathered the established fire districts. We are similar to a school district. As annexation takes place, we still retain that area. Right now, Fort Wayne has chosen to dual respond with us to most areas and the biggest area is going to be the 14/69 Automall area. Jurisdictionally, it is still our responsibility. Aboite is a totally different situation. They lose that area and that tax base. They still operate their stations because they have a fairly large area to the west, especially along Illinois Road. It affects them a lot more than it does us.

**Cal Miller:** What does that mean that it affects them more than us? Is that from a revenue standpoint?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Don Patnoudé:** Yes. It affects their budget because they are no longer able to bring that money in for their department. It affects the cumulative fund, I know that. Their run volume had started going down but is now going back up but that is associated to the nursing homes that are going in out there.

**Cal Miller:** So, because your presence was established some time ago, they do not have a funding stream from that geography overlap that they would otherwise have if you were not there?

**Tera Klutz:** Not in Aboite.

**Roy Buskirk:** I think the difference is that you are a district and they are a township.

**Don Patnoudé:** Correct. We are Wayne, Lafayette and Pleasant Township and Aboite is just Aboite Township.

**Cal Miller:** I see there was my disconnect. What are we deciding with respect to this particular budget presentation? Is it because it is an increase over and above a certain amount?

**Lisa Blosser:** Their budget must be approved by the Allen County Council. In September, you will do the same thing...

**Cal Miller:** Since this is not an appeal, right, would next year be better to go through the pre-allocation process? Or is that we just have to approve their budget?

**Paul Moss:** That is the way we did it last year.

**Cal Miller:** And what authority does the County Council have, and I am not suggesting anything by this question but am trying to understand our role in your budget and you alluded at the beginning that you thought we should always be doing it, and do they have the authority to reduce the budget?

**Lisa Blosser:** Absolutely.

**Ellis McFadden:** One thing I might add is even the Department of Local Government Finance, some of the paperwork that we get back, says Southwest Territory. We are not a territory. There is a Northeast Territory which is Harlan, Pine Valley and Hometown. There is a big difference between a fire territory and a fire district. A lot of people don't understand that.

**Cal Miller:** Believe me, I am not suggesting anything by my questions. I just want to understand our role in your budget.

**Lisa Blosser:** The County did establish the fire district and that is why they come before you.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** Has the Cum Fund, that you have requested, been approved, the one that you had to go before the Commissioners for in 2006?

**Ellis McFadden:** Yep.

**Paul Moss:** With all of the township fire protection and the district, it kind of overlaps that to a certain extent. It is a complicated situation.

**Roy Buskirk:** They have different guidelines.

**Paul Moss:** I apologize for getting us beyond our schedule. We do appreciate the overview of your budget. Does Council have any additional questions?

**Ellis McFadden:** Since this was the first time, I really didn't know how to present it.

**Paul Moss:** You did very well. We will move on with the agenda.

**Lisa Blosser:** I can do a summary, if you would like that.

**Paul Moss:** Yes, we will go back to that, I apologize.

**Lisa Blosser:** I will present a brief summary of the 2009 General Fund budget and revenue. Our target budget for 2009 is \$80,915,838. Included in that amount will be the 27th-pay which was allocated from 2008 available cash and is \$1,945,333. The Circuit Breaker amount that was set aside was 50% of the projected 2010 Circuit Breaker reduction and is \$1,822,940. That will give a total 2009 revenue allocated to the departments and Circuit Breaker of \$87,168,679. Our 2009 projected revenue is at \$85,646,433. This was the really good news, on July 18<sup>th</sup> we received an official memo from the DLGF which gave a different interpretation than what they had given us earlier. Our projected Department of Correction Juvenile cost levy reduction will not be required. We thought we were going to have to lower our levy by \$1 million and when we originally prepared our revenue projections that was included so we will be adding another million to the projections. That was really good news. The cost of the twenty-seventh pay from 2008 cash is \$1,968,951. The total 2009 revenue available is \$88,615,384. The total 2009 revenue available for allocation is \$1,446,705.

**Paula Hughes:** I have a question. Why is the 27-pay amount allocated in the expenses different? It is a difference of \$23,618.

**Jackie Scheuman:** It is different because the number down here is the original number that was set aside. Then, when I did the calculations...

**Paula Hughes:** We only need the \$19,045,323 but we set aside \$19,068,951.

**Jackie Scheuman:** That \$22,000, you can choose to do with what you want.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** Which number is correct?

**Paula Hughes:** The top one?

**Jackie Scheuman:** The top one is after I did all of the calculations and went through all of the departments and is what is actually needed.

**Lisa Blosser:** We have seven departments that have appealed their allocation amount. The net appeal amount is \$436,710.

**Paula Hughes:** As I looked through this and thought about it, one of my thoughts was given that this year we were trying to get halfway to what we knew was the inevitable Circuit Breaker amount would be for the 2010 budget, I have to wonder if we shouldn't consider, if we have \$1,446,705 available, if we shouldn't move that into paying for the 27-pay. We can put the cash reserves back into an unappropriated amount because that would give us then a lot of room to figure out the 2010 budget. Even though it is a one-time amount, if the budget is indeed reduced for 2010, we would be that much closer. You're not following me? We cut 1.8 this year because we thought that was half of what we would need for 2010. If we had another 1.8 for 2009 and 2010, if we put the 1.4 in instead of taking it out of cash reserves, if we make it a part of the operational budget...

**Lisa Blosser:** It would just go into this year's budget, the 2008 funds available to appropriate.

**Paula Hughes:** If we figure things for next year, that amount won't be needed for that next year.

**Cal Miller:** So you are saying that we get closer to the 90% Circuit Breaker dollars that are needed.

**Paula Hughes:** Yes.

**Paul Moss:** If we end up approving some of those, where would that money...

**Paula Hughes:** That would come out of the cash reserves for this year. It is a mindset and how we think about the availability of those funds. This is the best way to present it, so that we understand it. We know that we are facing a big hurdle in 2010.

**Paul Moss:** This also does not take into account the never-ending discussion about external equities and things of that nature.

**Roy Buskirk:** So that is what would be set up as a reserve to address those issues as they come up.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Tera Klutz:** The easiest way that I can see, for setting aside extra increase, is to just increase the Circuit Breaker allocation budget amount.

**Lisa Blosser:** That is one of the suggestions that we made.

**Cal Miller:** So you all are saying the same thing.

**Lisa Blosser:** Ye, I believe we are.

**Cal Miller:** So should we deal with the appeals and see what is left and then decide how to attribute those dollars, either to the Circuit Breaker or some of the others?

**Paul Moss:** I think we are in general agreement on that.

**Roy Buskirk:** Are your numbers taking into consideration a raise?

**Lisa Blosser:** Yes, a 3% cost of living increase. You voted on it at the pre-allocation meeting.

**Jackie Scheuman:** That is what we were instructed to give the departments.

**Cal Miller:** Is there any way that we can take a quick five minute break?

**Paul Moss:** Why don't we just be back in here by 11:00?

Break

**Paul Moss:** Okay, I think we have everybody here. Are we ready to go? Mr. Talbott, how are you?

**Mike Talbott:** I am fine, thank you. For the record, I am Mike Talbott, Director for the Cooperative Extension office in Allen County. Also, in the audience, are three of the board members, Mike Schirey, Dick Conklin and Joan Lagrant. They serve of the Extension Advisory Board and they are the ones who really finalize the budget proposals that we put forth. They are also the evaluators for programs that we deliver and of the staff that we have in our office. The basis of my appeal, I am going to put in two phases. The original allotment was \$323,856 and what I am asking for is an increase of the 100, 200 and 300 series of \$8,674. In addition, and I will talk more about this later, there is a 400 series capital improvement asked of \$10,800 for equipment. It should be noted that, of our budget, 81% of the budget is for salaries and benefits for the three full-time secretarial staff, two part-time individuals and five educators. The 300 series that I referred to earlier, the contractual line item for the five educators, which are full-time employees of Purdue University and working under contract here primarily working in natural resources, youth development, families, horticulture and community leadership. When you allotted the three percent increase for the County employees, which is in the 100 series. Purdue is

## ALLEN COUNTY COUNCIL MEETING MINUTES

asking for a three percent increase in that contractual line item. That equates to \$4,335. That is essentially half of my appeal, to be able to have the three percent increase. In order to meet your initial requirement of the \$323,856, reductions were taken in several locations that will impact our program effectiveness. One of those is that we reduced the Program Assistant by about 170 hours a year. That is about three and a half hours a week.

**Roy Buskirk:** Mike, do you have a handout or anything, of these numbers that you are going over?

**Mike Talbott:** No, I don't. I thought you would have the budget.

**Paul Moss:** There is no appeal letter that I found.

**Darren Vogt:** The long form is in the book and that is all we got.

**Cal Miller:** We can all stop looking for your letter now.

**Mike Talbott:** I'm sorry. I am just going to try to summarize it.

**Jackie Scheuman:** His budget is on page 36.

**Cal Miller:** Mr. Talbott, if next year you find yourself in the unfortunate situation of having to appeal, just give us a letter explaining the appeal.

**Mike Talbott:** The Program Assistant, which is in the 100 series, was reduced from \$14,280 to \$12,000. That is about a three and a half hour a week cut. The main cut was the Extra Deputy Hire, for \$7,550. In the initial budget that was turned in to you, it was eliminated. In doing so, we also eliminated a phone line and a computer that she would be utilizing. We are down to micromanaging some of the essential features that we have in the office but if I don't have a staff person there, I don't need a phone and a computer. Supplies, in the 200 series, we have taken a cut of \$1,500. The gas, for the building, was reduced by \$1,605. As we looked at previous years' usage and the fact that a new boiler was put in recently, we were able to readjust that down. We think that we will be able to live with that. The phone lines, which are through IPFW, cost us \$18 a month. By cutting out, initially, three phone lines, that was going to reduce that down by about \$700. Our computers and network are part of the Purdue network and not part of the County network. This year is the year that we were to renegotiate and get new computers for 2009. Their costs are coming in lower than they were for the previous three years. We are eliminating one workstation with the Extra Deputy Hire and are hoping, through the appeal, to get the money back for. The mileage reimbursement is an area that I am concerned about. We are probably going to have to not do as many miles out because of the increase. We average around 2,000 miles a month for the five educators. That was adjusted after the budget was turned in. We are looking to see how we are going to make that budget line item work. We are probably going to be short around \$2,500

## ALLEN COUNTY COUNCIL MEETING MINUTES

to \$3,000. We are probably, as employers, going to have to eat those miles through the year. The appeal is essentially based on the fact that 3% for the contractual line item to recoup the cost that we had to take out elsewhere. We are looking to, essentially what we really took out that we would like to get back in, is the Extra Deputy Hire for \$7,500. We would like to put a phone line in for that individual at \$200 and also get them the computer workstation which is about \$400. That is the basis of the appeal on the 100, 200 and 300 series.

**Paul Moss:** Council is there any questions, at this point?

**Cal Miller:** Just so you understand, County Council didn't cut any dollars for the 3% increase for contractual employees, right?

**Mike Talbott:** Technically, no.

**Cal Miller:** You were given an allocation of which you could have funded that.

**Mike Talbott:** We have funded it in the initial budget. Purdue is going to get the three percent. But in order to have those funds available, we had to cut elsewhere and that we would like to recoup.

**Cal Miller:** I wanted to make sure that there was no misunderstanding that someone was telling you how to utilize the dollars that you were allocated.

**Paul Moss:** So, let's reverse that for a minute. Maybe I am confused but could a department head say that he doesn't want to give 3% raises and I want to put that money somewhere else?

**Cal Miller:** This was contractual.

**Paula Hughes:** So Purdue mandated a 3% increase for employees that are paid from their half of the budget?

**Mike Talbott:** Correct. Actually the County, on those five educators, is paying approximately 40% and Purdue is paying 60%, in terms of total salary and benefits.

**Paula Hughes:** How have we handled this in the past? We gave 2.5% last year and how was it handled then?

**Mike Talbott:** We were within the guidelines and I figured it out of the budget. The additional item was for the equipment, the 400 series. There were three items that had initially been turned in, one was a folding machine, one was a collator and a typewriter. The folding machine, I have worked through the Purchasing Department and gotten some prices on that. I have discovered that there is a folding machine, sitting in a box in the ACS area. It is not being used because it does not meet their specifications so they are looking to find somebody to basically take it off their

## ALLEN COUNTY COUNCIL MEETING MINUTES

hands. In working with them, the cost on the folding machine is \$2,941.17. The recommendation, from my liaison, was to go ahead and put those capital line items in and we may be able to get those out of 2008 dollars. The folding machine would be used to fold our newsletters, publications and other materials that we have. The existing machine has had repairs on it and is about twenty years old. It was used when we got it from a church. We would like to replace it with a more modern piece of equipment. The collator is a ten-bin collator and we have had repair costs on the one we have already this year of \$105. As we use the collator to put together our newsletters, when you are collating ten pages at a time, it is crucial to make sure that all of the pages are coming out all of the time. What we are finding is that there are misfeeds and the sensors are not working. That is what we have had repairs for. The electric typewriter is simply there as a capital line item because it was purchased back in 1996. It still works but is one that on any given day may or may not work.

**Cal Miller:** If I could interrupt for a second. How are we handling the 400 series? Haven't we, for the last couple of years, said that if you have a need to come forward with that need and we addressed it in the present and not in terms of the budget for the following year?

**Paula Hughes:** We haven't made that decision for this year. In the past, we have said that we would pull out all of the 400 series requests but we haven't had that conversation.

**Cal Miller:** I liked the process last year, based on the information that the budget makers have given us for the last couple of years, about the capital needs. We had set aside dollars for capital items. Then those requests were to come up when those capital needs were present.

**Roy Buskirk:** The one reason for that was because the capital items were outside of their working budget and the working budget is what we normally tell them they have to decrease.

**Mike Talbott:** You have also requested, in the past when I came for equipment and been granted that, it needed to be listed initially on the budget. That is the reason it is added here.

**Cal Miller:** You are right. The problem that I have with making decisions today is that we go into a little more detail and we can't deal with the level of scrutiny that we need on these machines in this setting. I appreciate you giving us the heads up that you will be coming to us to get those items, I don't feel comfortable doing carte blanche approvals of capital items until you have submitted the data and all other things that we have to go through to do our jobs. From my standpoint, I would like you to do those as the need arises. If you have a need in 2008, come before us. If you have a need in 2009, come before us then.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Mike Talbott:** But also because it was part of my budget and since I am appealing the budget, I felt that I needed to explain why it was on there.

**Cal Miller:** Your explanation is welcomed. I was just talking about how we might deal with it.

**Darren Vogt:** I agree that I don't think we should deviate from the plan we've done for the past couple of years.

**Paul Moss:** I thought we had discussed that, actually.

**Cal Miller:** We will get Becky's notes out on the minutes.

**Roy Buskirk:** Do you want him to come forward next month with the capital request?

**Cal Miller:** If someone has a capital need, I think they should come forward and ask.

**Darren Vogt:** Yes, at the time that the expenditure is needed.

**Cal Miller:** I would like to carry forward with that policy. If you have a present need, let's hear your case, not today, based on all of the information and justification for those things. Today, we don't have that detail. As much as we don't want to deal with the details, that is a part of our job. I think we should continue the process that we had last year and that we review those requests. If you have capital needs now, make them in 2008. If you have them in 2009, make them in 2009. At the same time, I would encourage you to continue to include them in your budget so that people are at least aware and you will be coming forward.

**Mike Talbott:** That is kind of what I have done.

**Cal Miller:** Okay, so with respect to the County Extension, we are really looking at a request for \$8,674. Half of that is the 3% increase for the contractual folks.

**Mike Talbott:** It would essentially allow us to maintain the Extra Deputy Hire at no increase in pay. There would be a little reduction in her hours plus allow us to have the phone line and computer workstation that she would need.

**Cal Miller:** If the County Council doesn't grant the request for \$8,674, what is your budget going to look like for 2009?

**Mike Talbott:** I have outlined that in the initial budget and we would not have that person as an employee.

**Cal Miller:** All right.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Mike Talbott:** We would have to restructure and reevaluate and shift some of the duties that the Extra Deputy Hire does. What her position is that she works four days a week, primarily 10:00 to 2:30. She is there to cover the lunch hour time to make sure that we have adequate staff. She will answer the phone and interact with clientele and she is also responsible for publications to make sure we have adequate number of publications on the shelf for when people come in and request them. She is our webmaster and we utilize the County web server and maintain the web pages that we have. She goes in and makes sure that the links are still live and the information is current. When we post something new, she is the one responsible for posting that information. She also is responsible for maintaining our Master Gardener Volunteers. We have about 250 to 300 volunteers that have gone through the Master Gardener training. In order to keep that status, they have to submit X number of hours a year. The more hours they submit the higher level they are listed as.

**Cal Miller:** While we recognize going through the budget allocation process, that we have to prepare for the Circuit Breaker, everyone had a reduction except for the Sheriff. These functions sound like they are important functions to be a smooth operation in what you do but do you have a plan to adjust those responsibilities if the allocation isn't granted.

**Mike Talbott:** Correct. We have not had those discussions in detail but there is a rough sketch of how those job responsibilities would be reallocated back out to the three full-time and one part-time individual.

**Paul Moss:** Councilman Buskirk?

**Roy Buskirk:** Switching to the income side, have there been any increases in fees for membership in the different clubs like Master Gardener?

**Mike Talbott:** There are fees for some of the expenses for publications and those activities but there have not been any increases in those fees.

**Roy Buskirk:** But you don't charge a membership fee?

**Mike Talbott:** 4H Clubs, Inc. charges a membership fee that goes to the corporation. It does not come into the Extension office.

**Roy Buskirk:** Master Gardener comes through your program.

**Mike Talbott:** And that is probably where we are going to be able to survive the cut of \$1,500 in supplies. We will find a way to use their user fees to offset the \$1,500.

**Paula Hughes:** I have some budget specific questions. I am looking at you budget at the gas line and it is zeroed out in the 2009 submitted budget. I also have questions about the security system budgeted at \$4,555. Is that just the wrong line?

ALLEN COUNTY COUNCIL MEETING MINUTES

**Mike Talbott:** What is the gas line?

**Paula Hughes:** The gas line is 3502 and it is budgeted at zero.

**Mike Talbott:** Do you have a 3505?

**Paula Hughes:** 3505 is budgeted at \$4,555.

**Mike Talbott:** That is the NIPSCO gas bill.

**Paula Hughes:** So security systems should be at zero and the gas at \$4,555.

**Mike Talbott:** What is 3507?

**Paula Hughes:** 3507 is \$275.

**Mike Talbott:** That is the security system.

**Paula Hughes:** There is 05 and 07 for security systems. I am just trying to figure out if it is a technical error.

**Mike Talbott:** I show 3501 for electricity, 3505 gas and 3507 with \$275.

**Jackie Scheuman:** We will get it cleared up.

**Paula Hughes:** I know that in this last year, there was a change to the budget because of the renegotiation of the rent. That resulted in \$9,500 decrease in the budget.

**Mike Talbott:** Actually that was calculated and you took it off initially and made the adjustment thereafter.

**Paula Hughes:** Okay, I am going back to the contractual. The contractual line is purely the educators that are Purdue employees.

**Mike Talbott:** Yes.

**Paula Hughes:** So we should pay 40% of their 3% increase?

**Mike Talbott:** It is not 40% of the 3% increase. It is just 3% increase of the 40%.

**Paula Hughes:** Okay, that cleared it up quite a bit.

**Mike Talbott:** In the past years, if Purdue asked for an increase that was not similar to what you were doing with other County employees, we adjusted that out of the budget somewhere.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Paula Hughes:** Okay.

**Paul Moss:** Councilman Vogt?

**Darren Vogt:** How many full-time educators do you have, five?

**Mike Talbott:** Five.

**Darren Vogt:** And then staff-wise, you have three full-time, we'll call them bookkeepers/secretaries and the Program Assistant.

**Mike Talbott:** The Program Assistant is part-time.

**Darren Vogt:** Okay, so three full-time and one part-time. Then you have yourself somewhere in there.

**Mike Talbott:** I am one of the five. It is also worth noting that Purdue has a formulation that they use based upon the number of farms and land mass, population and some other factors as to how many educators that they would support in a contractual match. Allen County is actually allocated for six. Back in 2003, we reduced that down to five.

**Paul Moss:** Council, are there any more questions? Appreciate your time. The Surveyor is next.

**Roy Buskirk:** I don't see the Surveyor.

**Al Frisinger:** Good morning, good thing I didn't leave. It is interesting to be on this side after sitting out there.

**Paul Moss:** Is there an appeal letter in here from you?

**Al Frisinger:** I don't think so. I just submitted the budget.

**Jackie Scheuman:** The main part of his is on page 14 under Stormwater.

**Paul Moss:** Can you introduce yourself for the record?

**Al Frisinger:** My name is Allan Frisinger, Allen County Surveyor. I am here today on appeal relative to the 2009 budget proposal. As in the past, I have had the Stormwater issue for water quality that comes for the NPDES proposal. The proposal that you see before you has been pared down considerably to establish a budget for operations in 2009. I did bring a packet of information. I think there is enough there for all of the Council members. What you will find is the revenue that we have generated over the last ten years from our fees that have been returned to the

## ALLEN COUNTY COUNCIL MEETING MINUTES

General Fund, our new fee structure with the adoption of an ordinance for fees for the water quality issue and I think we are going to be able to cut back on General Fund expenditures. What we will have is a return of dollars back to make the program operational. The Commissioners signed the permit this spring and initiated the fee schedule that you see in front of you. We generated \$1.7 million in the last ten years and has all been returned to the General Fund. With the new fee schedule, that will be enhanced substantially.

**Paul Moss:** Council, are there any questions?

**Paula Hughes:** What are your projections on how much...

**Al Frisinger:** If you will notice on the third sheet, there is a five year plan of expenditures. It highlights the programs that are required, under our permit, and what we believe those costs will look like. Again, I think the way to do this is to look at revenue generation that will go back to the General Fund and then we go through the allocation procedure.

**Paula Hughes:** So, if I understand this correctly, what you are presenting is a further description of the budget amount. What I was asking about was any projection on what the fees would generate.

**Al Frisinger:** It is really hard to do at this point because of where the economy has gone. With the building industry, a lot of the fees are generated from the development community and builders, for review and erosion control plan and various permits that are required. As you well know, we are pretty far down from where we were two years ago. I would be taking a shot in the dark as to a number for next year.

**Paula Hughes:** Are the fees based on things that have been fee-based in the past, have the fees increased or is it just totally new fees?

**Al Frisinger:** Both. We have new fees for certain practices and we have enhanced fees on items that we did before. Plan review, engineering inspections and those types of elements along with fees for various issues like pond construction or permits for erosion control plan and subsequent reviews of activities that are post-construction, those are new fees. Those were set up under the NPDES permit that we have. We had talked before about utility structure and setting up a stormwater utility that would fund all of the elements of water quality but at this point in time it seems very cumbersome and costly to do that. What you are getting right now is an attitude that we will do exactly what we have to do, under the permit, and try to recoup our dollars with the fee structure. If, in the future, we have to set up a utility for activities that are demonstratively different than what we are doing, then we can look at that.

**Paul Moss:** Councilman Vogt?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** The handout with the five-year projections on it, I am trying to equate the total cost for the NPDES budget cost of \$210,000 and some change but then I go into the budget book and I only have \$150,000. I am just trying to correlate...

**Al Frisinger:** What did you come up with on the year one?

**Darren Vogt:** On year one, the sheet says \$210,000 and the budget book says \$150,000.

**Al Frisinger:** We pared that down.

**Jackie Scheuman:** Do you have salaries in there?

**Al Frisinger:** No. The salaries are on the regular budget.

**Darren Vogt:** And salaries aren't on this, correct?

**Al Frisinger:** There is something here that is not and obviously our amount is less. I am asking for the \$60,000 less. I would have to look through here.

**Paula Hughes:** As I looked through this, the only staffing I saw was \$15,000, on page three, for interns. And there was \$25,000 for outside consulting.

**Al Frisinger:** Those may be it. I am sorry for the discrepancy there.

**Paula Hughes:** That is all right because this document was \$60,000 more than that one.

**Cal Miller:** Are you comfortable that your appeal is for \$150,000 for this particular project?

**Al Frisinger:** Very comfortable. The program, itself, I am very comfortable with at this juncture and I think we can make it happen. Again, I need to stress that we can recoup that money in fees. It depends on how the economy goes.

**Cal Miller:** In years past, did we set aside dollars for stormwater and for 2009?

**Darren Vogt:** Not this year but 563 last year.

**Cal Miller:** Is this the detail that we have been looking for?

**Darren Vogt:** Some of it is. We are back to the same concept we had before and I haven't gotten to the question yet. You have outside consulting assistance at \$25,000. You have some other activities at \$15,000 and you have some big ticket, so to speak, items when you look at the percentages. You have consulting services at \$20,000,

## ALLEN COUNTY COUNCIL MEETING MINUTES

schools and seminars of \$18,000 and I would like to hear a little more specifically about what those are. That is the part that is missing for me.

**Al Frisinger:** When we go through consulting services, there are specific activities are required for us to provide the community and are best served by having someone who offers up specific programs on a daily basis. Training for developers and contractors, awareness programs to the community, that is where I would see those dollars being spent. It is not a fixed number that is exactly what we are going to spend but how we are going to develop those programs and offer them out to the public under each one of the minimum control measures. There are certain things that we do that just have to be done. I am trying to pare them down to the point that we are doing exactly what we have to do, to meet the minimums for our permit.

**Paul Moss:** Council, are there any other questions on this? Appreciate your time.

**Al Frisinger:** Please contact me or come up to the office if you have any other concerns or questions. Thank you.

**Paul Moss:** Okay, we are down to Parks and Rec.

**Roy Buskirk:** Wait a minute, Al. You mentioned some capital items.

**Al Frisinger:** Yes, I mentioned that there are some capital items that we will need in the near future. I have a vehicle, it is the crew vehicle for field work, and it has 170,000 plus miles on it. We are spending dollars to keep that thing going. It is a Suburban and is eight or nine years old now. Additionally, the GPS equipment that we use for surveying work is nine years old and has seen its better day. It would be best served to offer that up as trade-in and get something that is much more efficient. There are some handheld GPS receivers that we would like to get for our mapping entities. They map the stormwater facilities throughout the County. There is a difference between handheld GPS and survey grade GPS. The handheld is used to develop maps for all of the stormwater facilities in the County, whether they are inlets or manholes, but that all goes right back into the geographic information system. Those are some of the capital issues that I was looking for along with some simple items, computer stuff. Those are the big ticket items that I am looking for some funding on, in the near future. I do have some money in my budget, this year, that if it would be possible to come back to Council and move into a different line item, to purchase 400 series items.

**Cal Miller:** If you have some 400 series needs that are present this year, feel free to come forward this year to make the request, and to the extent that you have available funds to transfer, that is welcome news to all of us. If you have those needs, come forward and make your case.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Al Frisinger:** Thank you. A 170,000 miles doesn't necessarily mean that it is a bad vehicle but when you are hauling around a ton of iron and survey equipment for nine or ten years. It puts some pretty good wear on it. Thank you very much.

**Paul Moss:** Okay, we will try Parks and Rec again.

**Jackie Scheuman:** Page 82.

**Jeff Baxter:** Jeff Baxter, Superintendent of Parks. My apologies, I didn't give you a letter or a power point presentation. The end of this month will be my one year here so I won't have any excuses for next year.

**Paul Moss:** Avoid the appeal process next year.

**Jeff Baxter:** I appreciate you giving me the time to make my appeal. We can survive with the allocated amount that you gave us. We would need to reduce the services and the amount of hours and days that we are open. I spent the last year trying to figure out how we were going to be open seven days a week with the 2006 and 2007 budget that was only for six days a week. We managed to make great strides at that by moving the receptionist down to the gatehouse. I didn't include any capital because we figured out a way to do that for much cheaper. My appeal is based on an additional \$15,582 and that is mostly in the Extra Deputy Hire line. That would get me a gatekeeper, a receptionist and maintenance people so that we could maintain at least six to nine months of the year and being open seven days a week. If we go to the allocated amount, we will have to go to six days a week. It is hard to figure out which is our least attended day. We used to be closed on Mondays but Monday seems to be the most popular day now. Wednesday or Thursday seems to be the day we could shut down but is a little odd for people to get used to. That is basically all I have to appeal.

**Paul Moss:** I recall that we had some significant discussion at our pre-allocation meeting and I am having trouble recalling what the general philosophy was.

**Cal Miller:** My recollection is that it was mostly with the capital request items. He says that he has dealt with that in some other fashion.

**Paul Moss:** Yeah, there was some vehicle or something.

**Jeff Baxter:** We have made do with the vehicles that we have and then you were kind enough to appropriate the money so that we could get the tractors that we needed. That has helped considerably on the mileage.

**Cal Miller:** Mr. Baxter, I want to give you the opportunity to flesh out a little bit more. This Council has to make a decision as to whether we are going to fund the appeal at \$15,500 and some change. Are you telling us that that will turn in the

## ALLEN COUNTY COUNCIL MEETING MINUTES

availability of the parks to the people in the community to be reduced without those funds?

**Jeff Baxter:** Yes. There are certain portions of the year that we can save some money just by not being open seven days a week because we are not attended that well. But, if we do have the additional \$15,500 and change, we can add the hours to the Extra Deputy Hire and have them to come in and manage the gates, phones and reception area for the additional day.

**Cal Miller:** I want a little more information because I think it is important to know that, if what you are saying is if you don't get this request, which parks will be reduced to six days and for nine months of the year?

**Jeff Baxter:** Fox Island and Metea are the only two parks that we have any kind of staff at. Baden and Cooks Landing have a pay post and we do collect some money but the honor system doesn't seem to work as well there. At Fox Island and Metea, that is where we have the nature centers and education staff.

**Cal Miller:** So most weeks, during the nine months of the year when you are the busiest, you will have to go from six to seven because of this \$15,000.

**Jeff Baxter:** Yes sir.

**Roy Buskirk:** At both parks or just one of them?

**Jeff Baxter:** At both parks.

**Cal Miller:** I think it is important for us to understand what the consequences are.

**Jeff Baxter:** And that only being because Metea is twenty miles from Fox Island and we are trying to service two different communities. A lot of times we get crossed but it is because they both have a nature center.

**Roy Buskirk:** So, by being closed that one day, that would affect your revenue also, correct?

**Jeff Baxter:** Yes sir.

**Darren Vogt:** Instead of going six days from seven days, is there a timeframe in the winter where you can increase the days that you are closed because you are not used as much? I am just asking that question because I don't know.

**Jeff Baxter:** Yes there are. To meet the allocated amount, there are all kinds of different methods that I am going to try to use. Some days, the nature center won't be opened as long. Right now, to do what we are doing, this year to meet that, we are moving receptionists to the gatehouse. That leaves the nature center wide open

## ALLEN COUNTY COUNCIL MEETING MINUTES

unless me or one of the education staff fills in. I go up and run the gift shop if someone needs to run the gift shop. That is one of the wonderful things about working for the County. There are no grievances filed against me for that. There are things that we can do but it does come down, eventually, to do we need to close down a day in order to make up the amount of dollars we need.

**Darren Vogt:** That is what I am suggesting. In the winter time, for argument's sake, when the parks aren't used as much, maybe you could be closed two days or three days a week and make the allocation work if the attendance is minimal. Wouldn't that make a little more sense than going the other direction?

**Jeff Baxter:** That is possible until you get into our winter activities which may end up being more popular because we have the weather to support it.

**Paul Moss:** You have the cross country ski trails.

**Darren Vogt:** Sure, there are trade-offs, obviously.

**Jeff Baxter:** It is hard to get the word out to people, once you have said that you are closed Wednesday and Thursday and now we are open then. It has to be a combination of everything in order to provide the best amount of service. I fully understand the predicament that we are in with the budget and that we are going to be in next year. I am looking forward to next year and trying to put in some of the stop gaps in for the Parks and Rec so that I don't have to come and appeal next year.

**Paul Moss:** Well, okay, are there any other questions? Appreciate your time and the additional clarification.

**Cal Miller:** Councilman Moss, before we break, what is the goal for today? Are we going to be voting on the individual appeals at the end of this day?

**Paul Moss:** Yes. We are back on track. We are going to break, at this point, and we should be back here at 1:00.

Lunch break.

**Paul Moss:** Welcome back to the second half of the Allen County budget hearings. We are going to start off with the Public Defenders office.

**Charles Leonard:** Charles Leonard, Chief Public Defender.

**Jackie Scheuman:** Page 80.

**Cal Miller:** There is also a letter that has been attached.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Charles Leonard:** We have filed an appeal to our assessment, for the lack of a better way to call it.

**Cal Miller:** We refer to them as allocations.

**Charles Leonard:** As are you are aware, the Public Defenders office receives a reimbursement from the State Public Defenders Commission which we apply for each quarter. We came into compliance with their caseload standards in 2003 and have been receiving a 40% reimbursement of our General Fund budget each year. So far, since 2003, we have received about \$4.2 million. What we have asked Council to consider that based upon our 2008/2009 budget of \$2,123,000, with the 40% reimbursement from the Public Defenders Commission, our actual General Fund budget amounts to \$1,274,000. If you applied the 3.7% to that number, that would give us \$47,142 to reduce our budget by as opposed to \$85,000. What I am suggesting is, if in fact what we are looking at is a reduction in funds that the Public Defenders office receives from the County General Fund, the amount would be \$1,274,000 as opposed to \$2,123,000. I don't know if I am making myself clear.

**Cal Miller:** Sure you are. You are essentially saying that the decrease in the Circuit Breaker should not be applied to the money that is returned?

**Charles Leonard:** That is correct. Otherwise, what we would actually be paying 6.5% to 7% of what we truly received out of the General Fund.

**Roy Buskirk:** You want your number based on your net budget amount and not the gross.

**Charles Leonard:** That's correct.

**Cal Miller:** Sixty percent of the gross, right?

**Charles Leonard:** Yes.

**Paul Moss:** Councilman Vogt?

**Darren Vogt:** This is not a question towards you but the rest of the Council members. If we did that, wouldn't that be the same for anyone else who generates revenue that comes in to us? Miscellaneous revenues that we use and not necessarily offset their decrease, wouldn't that open a can of worms for everyone else? They could come in and say that they bring in this amount of revenue and I want my net budget and not my gross budget.

**Roy Buskirk:** Correct, a very good point.

**Cal Miller:** What do you say to that?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Charles Leonard:** I guess I would say to that I don't know what view the Public Defenders Commission in Indianapolis would take, with regard to that. The monies are returned to the General Fund to ease the County's burden for supporting the Public Defenders Office. I understand your thought process on that but I don't know what kind of view that the funding authority would take on it.

**Cal Miller:** What are your concerns about the view that they would take as it relates to the reimbursement process?

**Charles Leonard:** Well, We get approximately a million dollars a year to help support the Public Defenders office. If our County authority is not willing to recognize that contribution to ease the County burden but rather impose an additional burden on the Public Defender to come up with 6.7% of our actual General Fund budget as opposed to 3.7%. I can't state for certain, what their view would be. They may frown on that.

**Cal Miller:** If they frown on that, what action are you anticipating? If they are unhappy with us, that's one thing. If it is going to impact us financially, that's another thing.

**Charles Leonard:** It could.

**Cal Miller:** I know you don't know but what are some of the scenarios where it could financially impact the reimbursements?

**Charles Leonard:** Obviously this is not just happening in Allen County but across the State. I know there are a lot of emails between the funding authorities in Indianapolis and some of the other locations throughout the State. Lake County has some serious problems. As to the certainty of what they would do, I don't know.

**Cal Miller:** I am not asking for certainties, Mr. Leonard, I am just asking what you believe some of the repercussions would be with a little more fine point to it and you don't know how well it would be received. We are trying to make a decision based on what some of your concerns are and I just wanted to know, from a financial standpoint, what are some of the possibilities that you would see that could spring from a six percent decrease versus the 3.7%. I know you don't know what they are going to do but what are some of the things you think they might do?

**Charles Leonard:** They could withhold funding. That is a possibility.

**Cal Miller:** The basis of that would be what?

**Roy Buskirk:** I think the one thing is what are the requirements to receive that reimbursement? If I remember correctly, it was primarily that the wages be increased for the public defenders.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Paula Hughes:** They had to be staffed at certain levels.

**Roy Buskirk:** Yeah and the number of cases.

**Charles Leonard:** Correct.

**Cal Miller:** That is even better. If you take Mr. Buskirk's position, how is the decrease going to jeopardize the formula by which the funding for reimbursement is established?

**Charles Leonard:** Absent a change to the statute, it probably wouldn't.

**Cal Miller:** But you believe this sort of potential...

**Charles Leonard:** There is a potential downside to this and I am just expressing that.

**Cal Miller:** We want to know a little more about what you think it is.

**Charles Leonard:** That is what I am trying to say. Councilman Buskirk is correct. The way that the requirements that the Allen County Public Defender must meet, for reimbursement, we are presently meeting. The issue that we are facing now has never been addressed before. Absent some change to the statute, we would qualify for reimbursement as we are. What I am suggesting is that we have never faced this situation before. I don't know what the legislative authorities would do, and this is all speculation on my part, but I can't do anything more than that.

**Cal Miller:** I was just asking for you to share a little more detail about your concern and I know that is what you are doing. We can't make informed decisions without having a better understanding what your concerns, albeit speculation, are. That is all I was trying to flush out.

**Charles Leonard:** I guess my concern would be that there would be enough upset in Indianapolis that the million dollars that the Public Defender gets no consideration for that at all. I am not sure how much money other departments bring in, to offset their General Fund, but I think that what we bring in is pretty significant. It is almost a million dollars a year. I keep saying that I am not sure because that is the truth of it. As it stands now, absent any legislative change to the qualifying process, what we are doing here today would not have any affect.

**Cal Miller:** We are putting ourselves into a position where greater scrutiny may upset the applecart in Indianapolis.

**Charles Leonard:** Absolutely and that is my concern.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** Is it possible that one of the other options would be for them to be happy because they have less money to spend in Allen County and more money to reimburse other counties, at a higher percentage?

**Charles Leonard:** Sure. That is a possibility but that is not their philosophy. Their philosophy is that they want to induce as many counties as possible and I think there are 55 counties participating throughout the State.

**Darren Vogt:** But as you said right now, the cuts that we originally gave you would not put us in jeopardy of losing the qualifications for what we do right now.

**Charles Leonard:** Correct.

**Cal Miller:** I really appreciate knowing the downside potential. We all do. It is helpful information.

**Charles Leonard:** If I might address what you said there, with regard to opening a can of worms. Isn't what we are doing here, today, aren't we trying to reduce our pull against the General Fund? It seems to me that if that is what we are doing, then our net budget is 40% less than what the gross budget is. It just seems that the 3.7% should be applied to what we are taking out of the General Fund.

**Darren Vogt:** I don't disagree with you that is one way to look at it. This Council did not make that determination with anyone else that has revenues that they bring into the County. We didn't make that blanket statement. If we had made that blanket statement, then I would agree with you but at this point, that is something for us to discuss. The Building Department, for argument's sake, and everybody else that brings in revenue, we didn't take that into account for them.

**Paula Hughes:** NIRCC is 75% reimbursement.

**Tera Klutz:** You are probably looking at about the same cut, by the time you did that because the pot would be so much smaller on which to allocate it.

**Cal Miller:** Could you develop that a little further?

**Tera Klutz:** If you backed out everybody's revenue that they take from their budget, let's say the whole budget is \$200,000 and we bring in \$100,000 miscellaneous revenue and \$100,000 in property tax, which is close to 50%. His budget is only \$100 but he wants to be allocated \$60, but then another department brings in \$120 but their budget is only \$100 and so they don't have to make any cut. Another department is funded at \$80 and at the time, I am saying that you are still going to have to cut your desired amount of \$50 but we will only allocate your percentage of 60 and someone else's is zero. I am saying that the cut that you would make is probably close to the same.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** The percentage would be higher.

**Tera Klutz:** The percentage would be higher but the amount would be the same.

**Roy Buskirk:** Just for your information, the Building Department just made revenue to come into the General Fund of \$1.6 million.

**Paula Hughes:** What, their annual budget?

**Cal Miller:** If we could take one more look at this, there were certain budget makers that had other funds available to them. Because they had other funds available to them, we decreased their General Fund revenue, right?

**Roy Buskirk:** In years past.

**Cal Miller:** Is this any different? They essentially have 40% of their budget available to them in other funds so how did we handle that? When we gave less dollars, let's say to Superior Court, because they had other funds available to subsidize what they otherwise get from the General Fund, did we also apply a 3.7% to their other funds and to the General Fund dollars?

**Paula Hughes:** No, we took gross amounts and actually it works in opposite. This does not work for you, the scenario that he is building.

**Cal Miller:** I was not trying to build a case against you but I just wanted to see how that worked out.

**Tera Klutz:** The Public Defender was one of the eight departments that we adjusted for other funds. We reduced their allocation by \$5,000 before we the 3.7% was backed into it. We were at a target budget for 2009. That percentage was a moving target depending on what our bottom line that we still needed to cut after making all of the other cuts. I think I can help a little bit. In May, they got a \$23,000 additional appropriation for office lease. That is nowhere in these numbers because when our projections had been made, that hadn't been done yet. Also, they were reduced from the 2008 by \$5,000 for another fund. Maybe you should just explain why you need the \$13,000. I think that might be the safest way to get the money.

**Paula Hughes:** Tell us what you are going to do with the \$13,000.

**Cal Miller:** I think the additional consideration is how these dollars are going to hamper your efforts in the absence of those dollars.

**Charles Leonard:** We would have to eliminate two people. The way that our office is configured, one of those is likely to be a receptionist. We have an upstairs office and a downstairs office and we have folks milling around downstairs. Sometimes these people need to be looked after. We have a receptionist that keeps a handle on

## ALLEN COUNTY COUNCIL MEETING MINUTES

where those people are going. She does other things as well, obviously. Then we would be eliminating an investigator, one of our key people. According to the Public Defender Commission, we are understaffed on our investigative and support staff. It doesn't make us not qualify for reimbursement but I am suggesting that we are understaffed. If we have to lose two people, that will be hurtful. Quite frankly, we don't have a lot of fluff in the budget. Maybe that isn't the proper term to use but that is the truth of it. For us to eliminate \$85,000, we have to go to personnel, as most of the other departments do as well. We have a small department personnel-wise. We have a lot of lawyers.

**Cal Miller:** On the General Fund allocation appeals summary sheet, it indicated that you were appealing \$13,479.

**Charles Leonard:** Right now, you are asking us to the budget by \$85,366. If we were to get the concession on the 40% reimbursement issue, then it would be about \$37,000.

**Cal Miller:** I am just trying to reconcile, Mr. Leonard, could someone help me out here, the appeal amount that we have is \$13,479.

**Jackie Scheuman:** I have a feeling that the appeal amount is what they would need if you adjusted their cut.

**Cal Miller:** So does that need to be grossed up by 40%? Where did this \$13,479 come from?

**Jackie Scheuman:** It came from the paperwork that they turned in. But I think it took into account that they would win the argument.

**Tera Klutz:** The budget they turned in was only \$13,479 more than their allocation. I don't think we have a letter. Maybe you guys can help us out.

**Jackie Scheuman:** Yes, there was a letter.

**Cal Miller:** So the budget they submitted is lower than what they are asking for, in the letter.

**Charles Leonard:** The budget that we submitted was \$2,123,516. 3.7% of that gross budget is \$85,366. If we are then given the 40% concession that we are asking for, then our net budget is \$1,274,000 and 3.7% of that is \$47,142.

**Cal Miller:** I follow your math. I am just trying to figure out why one sheet says that your appeal amount is \$13,479 and your letter says that you really want reinstated...

**Darren Vogt:** The difference in budget is on page 81. It is approximately, in round numbers, \$80,000 and change.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** Your actual appeal amount is what, \$47,000 and something?

**Charles Leonard:** Yes.

**Cal Miller:** So the \$47,142 is the amount that you are requesting in the appeal. Those are additional General Fund dollars that you want under your argument that you should have the 3.7% applied to the 40% reimbursement.

**Charles Leonard:** I think that the concession that we are asking for is \$38,224.

**Cal Miller:** And how did you arrive at that? That is the third number that we have interjected.

**Charles Leonard:** One of the numbers that you are looking at is not one of my numbers.

**Cal Miller:** I hadn't seen the \$38,224. Is that another calculation that we have to do, based on the letter?

**Charles Leonard:** On the letter that you have, it shows the 2008-2009 budget of \$2,123,516. Forty percent of that is \$849,406. The net budget would then be \$1,274,109. If you apply the 3.7%, the number is \$47,142. The difference between what you are asking us to do is \$38,224.

**Cal Miller:** Can we get it the same way by multiplying the 40% reimbursement by 3.7%? Okay, so \$38,224 is what the appeal amount is?

**Charles Leonard:** Yes.

**Paula Hughes:** That is different from the amount that is officially submitted as budget, correct? Did your office submit the budget as you would like it to be?

**Charles Leonard:** Yes, we submitted two budgets. One with the appeal and one with what you were asking for.

**Cal Miller:** What is the difference between those two?

**Lisa Blosser:** Jackie, you had a couple of conversations with Eric regarding their budget paperwork, right?

**Jackie Scheuman:** Yes. I would have to go back and look at the actual forms.

**Paul Moss:** We could split the difference between the \$47,000 and the \$13,000.

**Tera Klutz:** I could go and grab the forms real quick so that we know what number we are trying to get to.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Lisa Blosser:** Right.

**Paul Moss:** While she is getting that, are there other questions?

**Darren Vogt:** I think we have his explanation but I think we need to have a discussion as Council as to whether or not we have a bigger issue.

**Paul Moss:** We have an over-arching issue. Okay, we will get the number from her and I think we are good. I think we will move into the IT appeal.

**Cal Miller:** So all we are going to do is reconcile a budget number?

**Paul Moss:** Yes, she is going to get the paperwork.

**Roy Buskirk:** I have a question for Mr. Leonard. On the Public Defenders, are they full-time County employees?

**Charles Leonard:** Yes. They are considered full-time as far as benefits and the like.

**Paul Moss:** They have private practice on the outside though.

**Charles Leonard:** Correct.

**Roy Buskirk:** For benefit purposes, I understand that. But I mean the number of hours worked do they punch a time clock?

**Charles Leonard:** No.

**Roy Buskirk:** The reimbursement for the first quarter of this year, totally floored me because even with the reimbursement, the taxpayers of this County were paying over \$7,200 a day for public defenders. That number kind of shocked me that it was that high.

**Cal Miller:** How does the funding work? Do they get paid an hourly rate?

**Charles Leonard:** It is a salary.

**Cal Miller:** But their productivity is based on the formula for reimbursement, correct?

**Charles Leonard:** That is correct.

**Paul Moss:** Would you care to take a guess at what that hourly rate would be? We have a pretty good idea of what the hourly rate is with the County Attorney.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Charles Leonard:** I would have to sit down and figure that out. Obviously it varies. On the Rios case, for example, the time that the attorneys put in was extraordinary but that is not every day. It is difficult. The time that they put in depends on the type of cases that they tend to and the number of cases that they have and if the client is expecting a jury trial that could last five days. It is difficult to say.

**Cal Miller:** As part of your job, being the person who is running this, to make sure the workload is distributed equally so that everyone is working as relatively has hard as the other person?

**Charles Leonard:** The way it is done is when the Prosecutor's Office files cases and the client is found by the court to be eligible for Public Defender services, that notice goes to our office and is assigned according to the division that the attorney works in. It is on a rotating basis except on those where we are involved with the death penalty. Then the two attorneys that are representing the client on the death penalty can only have a small number of cases. The cases that they would have gotten would be distributed to the other attorneys.

**Cal Miller:** Is that based on some set guideline, that if you have a death penalty case, that you can only have so many cases?

**Charles Leonard:** Yes and that is for purposes of reimbursement.

**Roy Buskirk:** So, in other words, one of the requirements is the number of caseloads they carry. So each different type of case is assigned a number, as far as the State is concerned, and how much time that case should take? Things like that would make a lot of difference.

**Charles Leonard:** One would think so but in their wisdom, it is all about the number of cases you have and not how long it takes you. If you can have 100 felony cases a year that is the upper end of the caseload standard. You have 95 guilty pleas and five trials as opposed to the next lawyer in the D-felony division who has 95 trials and five guilty pleas. Then someone is working a lot harder than the other. It is just the luck of the draw.

**Paul Moss:** Are you suggesting, Councilman Buskirk, that they are paid on a contract hourly rate or something? Is that what you are getting at?

**Roy Buskirk:** Yeah but I am not going to be able to change the State's mind very easily.

**Darren Vogt:** One of the questions that you may be trying to get at is what is the accountability for the \$40,000 that the attorneys are providing for us.

**Roy Buskirk:** Exactly.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Charles Leonard:** Because I know how many cases they are being assigned and how it is done.

**Cal Miller:** Doesn't it work that way when the eligibility requirements say that each lawyer has to carry X-number of cases? The formula is sort of set and that is how the accountability works. We don't get reimbursed if they have too low or too many, I suppose.

**Charles Leonard:** That is correct. We wouldn't get a penny if they have too many.

**Cal Miller:** Somebody has already gone through that process and that is the whole formula, caseload distribution and caseload count that form the basis of reimbursement. That is how it is monitored and enforced. Whether that is correct or not, if it is too light or too many, who is involved in setting those?

**Charles Leonard:** The Indiana Public Defender Commission.

**Roy Buskirk:** So, basically you could have a case for drunk driving and a case for murder. That is just two cases.

**Charles Leonard:** That is correct.

**Cal Miller:** What do you mean you could have it?

**Roy Buskirk:** As far as an attorney to defend somebody for drunk driving or defend somebody in a murder case.

**Cal Miller:** Do you mean the whole caseload would consist of two cases?

**Roy Buskirk:** No just that the State looks at those as two cases. It is not more points for the drunk driving or more for the murder case.

**Cal Miller:** Not necessarily. As Mr. Leonard said, if you are given a death penalty case or a higher felony, doesn't that mandate that you have fewer other cases?

**Charles Leonard:** Yes.

**Cal Miller:** So whoever is setting this recognizes that.

**Roy Buskirk:** For the attorney but I am looking at the State looking at the number of cases that they have.

**Paul Moss:** It sounds like it might be adjusted somehow.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** Is the decreasing of the caseload based on the severity of the charge? For instance, if someone is just handling misdemeanors can someone handle more than someone who is handling felonies?

**Charles Leonard:** Yes.

**Cal Miller:** And that is all set by the Commission?

**Charles Leonard:** It is.

**Darren Vogt:** Maybe that is what Councilman Buskirk was looking for was some rationale on how that is set up. Maybe you could get that info to him.

**Charles Leonard:** Sure.

**Paul Moss:** We are digressing a little bit although that is a reasonable discussion. Jackie, do you have additional information?

**Jackie Scheuman:** I am not sure. With both submissions, you are still making a cut, correct? Are you asking to have the full cut reinstated?

**Charles Leonard:** No, just part of it.

**Cal Miller:** They don't want the 3.7% applied to the 40%. They are willing to accept the cut on the 60% of the General Fund revenues at 3.7%. That is the cut that you recognize that you have to absorb, right?

**Charles Leonard:** That is right.

**Jackie Scheuman:** The difference between the two submissions was cutting two employees and cutting one employee.

**Cal Miller:** What is the total dollar figure?

**Jackie Scheuman:** What is in here is the total with one employee cut.

**Cal Miller:** What is the difference between the submitted and the desired?

**Jackie Scheuman:** \$13,479.

**Cal Miller:** That leaves us wondering if you submitted a budget what you wanted if you were successful in appeal which is \$13,479 above...

**Eric Ortiz:** My name is Eric Ortiz and I am the Executive Director. The lease was after the budget was submitted. I think that is where the discrepancy is.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** So, if we added the lease amount to the \$13,479, are we up to the \$38,000?

**Jackie Scheuman:** No, it is reduced from it. The \$13,479 is what you need to meet the one employee cut budget.

**Eric Ortiz:** Okay.

**Jackie Scheuman:** And that is what you are asking for is the one employee cut?

**Eric Ortiz:** Yes.

**Roy Buskirk:** If you take the lease amount and add it to the \$13,479, you come up to about the \$38,000.

**Jackie Scheuman:** Yes.

**Eric Ortiz:** One of the positions, the salary is paid out of our 258. The other is out of the County General.

**Cal Miller:** So the 258 is still available to pay an employee.

**Jackie Scheuman:** Yes. In the budget, they are splitting a salary.

**Cal Miller:** So, is there any last word if the appeal amount is \$38,000 or \$13,479?

**Jackie Scheuman:** I think it is a problem in my spreadsheet.

**Cal Miller:** Because the \$23,000 is unaccounted for?

**Jackie Scheuman:** Yes.

**Cal Miller:** If we add the \$23,000, we are almost up to the \$38,000. We'll get her spreadsheet figured out and then go from there.

**Paul Moss:** Council, are there any additional questions on this? Thank you. Okay, we are ready for IT.

**Paula Hughes:** I can help speak to this. As Council members we approved the Accela software program, which is the Consolidated Enforcement Platform, in 2007. At the time, we thought that the software maintenance fees, the annual ongoing expense, could be covered entirely by increased fees that the departments would charge. Most of these departments charge fees in some form or another. After crunching through it, the departments have realized and also because we have had a downturn in the permit activity, that it is not always going to be the case that the fees would cover the software maintenance. I suggested to Ed that they make the

## ALLEN COUNTY COUNCIL MEETING MINUTES

software maintenance a part of their annual budget and, any money that all of the departments that are involved in this are increasing their fees, to defer to help offset the cost of the software maintenance. We want to make sure that we always have the money in place to cover it. If there would be an offset in the General Fund by fees that are generated, since this is the first year and it is a down year, we can't predict how much that will be.

**Ed Steenman:** Those fees that have been increased or added, we have no track record of how much that is going to be. We have an estimate of \$50,000 to \$80,000 a year but we don't have any track record. So, rather than coming back to you for an additional appropriation, this is a more streamlined way.

**Paula Hughes:** All of the excess revenue is being generated directly into the General Fund. The Auditor will track how much comes in this year.

**Paul Moss:** Council, are there any additional questions? Thank you. Are you here to talk about the Commissioners' budget?

**Nelson Peters:** As I recall back to the days, this is one of the most fun parts of the job. I appreciate your patience to deal with us while we plod through our budget. We have successfully decreased our General Fund budget each of the last four years. This year, we have come back to you with a request to increase by \$92,244 the allocation that you deemed appropriate during the initial discussions. The things we looked at, as we progressed through our budget, because of some of the personnel that we had cut in the past didn't really allow us to go back and look at any additional people. We looked at our primary mission which was helping to fund the operations and looked at some of the things that we didn't see as specifically core to the operations and really zeroed in on them. It is with that thought in mind that we have invited some of those individuals to provide information on their own behalf and they would do a better job than we can. We looked at things like 4-H, Soil and Water Conservation, Memorial Day expenses and a few things like that and were probably more appropriate in somebody else's budget or cut from ours all together. One of the other things that we are going to be requesting from you today, and I will ask Judy to address it a little more, is more of an organizational front in moving things out of our budget and to budgets that we deem more appropriate. For instance, we have contractual services in our budget for the Auditor, for Maximus, and it goes specifically to pay that bill. I am not sure why it is in our budget. We have institutional expenses that are typically paid and are basically rendered through decisions that the judges would make. That part of our budget would be more appropriate in the Superior Court budget. There are few other things like that. I believe we have some people from 4-H here today. I am not sure that I saw anyone else. Greg Lake, from Soil and Water Conservation, is here. If you would indulge us and them briefly, to talk about some of the things that we focused in on our budget and eliminated and are appealing to get reinstated, I would appreciate that. Then I would like Judy to spend a minute or two talking about the reorganization portion.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** That's fine. Who would you like to have up first?

**Nelson Peters:** Why don't we start out with 4-H.

**Mark Munsinger:** I am Mark Munsinger, Vice President of the Allen County 4-H Board. While we are handing out the budget, I will tell you a little about 4-H. This is the operating budget for October 1<sup>st</sup> to September 30<sup>th</sup> of the current year. The left column is the County money that we are utilizing right now and the amount is \$10,500. That figure, we have used pretty consistently for the last eleven years without asking for an increase. The current proposal is \$10,003 and request that it be reinstated to the \$10,500. We have approximately 1,000 young people in Allen County and Fort Wayne that have participated in the 4-H program. We have agriculture as well as non-agriculture programs and projects that they do throughout the year culminating with the Allen County Fair. The ones that become champions at the Allen County Fair go on to the State Fair. The young people that we have have been very successful. We have people that have come back to Fort Wayne or stayed in Fort Wayne after college and have their own businesses. We have, a year ago, the top two young people that came out of Purdue agricultural school came from Allen County and participated in the 4-H program. We have young people that are very interested in utilizing programs for baking and cooking, woodworking and these are all good skills that these young people are learning and could benefit Fort Wayne and Allen County in the years to come. I have a body shop and I know it is tough to find people that want to work with their hands anymore. These projects are very good at doing this. These young people benefit from it and I think Fort Wayne and Allen County will benefit from it down the road as these young people come back or stay in Fort Wayne and maybe take over businesses that are here now. For Allen County to put back into the budget the \$500 that was taken down, is a small request for possibility of these young people staying and operating businesses to become taxpayers in Allen County.

**Cal Miller:** What is the request?

**Paul Moss:** This is part of the Commissioners.

**Mark Munsinger:** The request is that we are not asking for an increase, we are just asking to not end up with the decrease.

**Paul Moss:** But it flows through the Commissioners.

**Darren Vogt:** The Commissioners decided that this is something that they were going to cut from their budget.

**Cal Miller:** I saw that and for a minute there, I thought there was a \$10,000...

**Darren Vogt:** It is a \$10,500 total reinstatement.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** The Commissioners, with the \$92,244, have prioritized cuts and want us to look at those individually and part them out.

**Cal Miller:** I appreciate that but, and I think you cleared this up Mr. Munsinger, is the appeal for \$10,500?

**Paula Hughes:** No, \$497.

**Cal Miller:** Okay, that is what I thought.

**Paul Moss:** All right, thank you for that information. It is helpful. Did you say that someone is here from Soil and Water? If you could just give us a pretty clear idea of what the \$20,213 impact is going to have.

**Dick Krell:** I am Dick Krell, the Chairman of the Board of Supervisors for Soil and Water and this is Greg Lake. I will let him explain because he is more of the nuts and bolts of what is going on here.

**Greg Lake:** I want to thank you for the opportunity to come and discuss the concern that we have about the proposed cut of \$20,213 which is the base administrative cost that we have been receiving from the County and through the Commissioners. The question that was put before us by the Commissioners, and restated by you, is what impact would it have on our operation. I have provided two graphs that would illustrate the point that being with the base funding that we have received through the County, it creates opportunities for us to go out and leverage those dollars against State and Federal programs. Most specifically there are some programs, that come to the District are only available through Soil and Water Conservation Districts. They come from Indiana State Department of Ag. With the local dollars that we provide, we are able to receive Federal dollars from the Clean Water Act. They all require local match. We recognize your concern about budget shortfalls and I think that we illustrate in our graph that we have recognized that for several years. We have been reaching out to find other resources such as direct income programs, sales and charging services for fees. We are asking for reconsideration of reinstating that \$20,213.

**Paul Moss:** Councilman Miller?

**Cal Miller:** Mr. Lake, this is just an observation. This is my sixth year of sitting here and I think that in the majority of years, you have been sitting in the same position every year. What I find interesting about that is that when the Commissioners are asked to cut their budget, you are always out there as they are cutting the dollars that you are asking to be reinstated. I am not sure what that means in terms of the Commissioners' prioritization of their budget. Have you noticed that same trend?

**Greg Lake:** Yeah.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** All right, thank you very much.

**Nelson Peters:** I don't know if there is anyone from the Maumee River Basin Commission. There was \$2,139 that we had suggested cutting from that budget as well. Memorial Day expenses of \$407 are flags on the graves and those types of things. Before we did that, we talked to the Allen County Council of Veterans and they didn't have a problem with that being cut. There is \$57,163 that just to make the budget, was cut from the contract that you now will be asked to approve, with the new IT provider.

**Paula Hughes:** Is that to take into consideration the \$70,000 increase or is that over and above the \$57,000?

**Nelson Peters:** That is over and above.

**Paula Hughes:** So really you are going to be asking for an additional \$127,000.

**Nelson Peters:** Yes. There are some reorganization issues, as I mentioned before. There is \$9,576 in the consulting federal reimbursement. That is what goes to pay the Maximus contract and we can continue to do that. I don't really care but if you were looking for more accounting of where the dollars are actually going, we would have suggested shipping it from our budget to the Auditor's budget.

**Cal Miller:** I want to comment on that. I think that your desire to do that is a product of the mechanism that we use to decrease budgets. If you have the money in the right budget, and I don't argue that point, that means that the 3.7% doesn't get cut from your budget.

**Nelson Peters:** I agree. When I suggested those cuts, up to this point, not including the consulting reimbursement, would reach the 3.7% that you are talking about. As we began to look at our budget lines, we thought that we have a whole lot of stuff in here that has absolutely no benefit to the Commissioners Office, whatsoever. So all I am suggesting at this point is that, as a part of rearranging some of our budget, Judge Sims, we talked to him briefly, there's \$160,000 that comes out of our budget to pay for institutional expenses. We were wondering why that was even in the Commissioners' budget. But that is separate from the 3.7% that we have already covered.

**Cal Miller:** I see but I think it is a good process to go through to see that they are in the appropriate budget.

**Nelson Peters:** That is all we are trying to do.

**Cal Miller:** I can see the incentive to do it as well.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Nelson Peters:** If I could get away with it, I'd love to try it as part of our reduction but I figured I was not going to get away with it.

**Cal Miller:** But next year, if there is a similar cut, there will be less cutting out of your budget because there won't be a 3.7% for the things that you had gotten out.

**Nelson Peters:** It is all relative. We will have less from which we could cut from too.

**Cal Miller:** It is just a by-product of the process but the right thing to do.

**Nelson Peters:** Yes, that is separate. So, we have the federal consulting reimbursement, the medical testing that HR uses, we typically pay for that. The thinking was that it should come out of the HR budget. I would be happy to let Judge Sims address the institutional expenses because I think we are talking about moving \$160,000 over. My understanding is that the \$160,000, if moved into Judge Sims' budget, won't even cover institutional expenses. I suspect, without speaking for him, that we may be making a joint appeal for additional dollars to cover what his 2009 institutional expenses are.

**Cal Miller:** So when is that appeal going to be made?

**Nelson Peters:** I am doing it as I stand here. Have I characterized that correctly, your Honor?

**Steve Sims:** Partially.

**Nelson Peters:** I am happy to yield.

**Steve Sims:** For the record, I am Judge Sims. The County Commissioners, through Judy Heck, informed us late last week that it was the desire of the Commissioners to transfer a line item into the Superior Court budget, in the Allen County Juvenile Center or the Superior Court's main budget. First of all, we appreciate the heads up that this was going to be raised and as soon as I knew it, we began an analysis as to what that meant. As part of the course, we want to cooperate with County Council and with the Commissioners. As soon as we did that analysis, I got the written response to Judy Heck so that she could meet with the Commissioners and they could have an informal discussion as to what that meant. I also met with Jerry Noble, Chandra and Joseph. I think this is a pretty important document and gives a pretty good summary. We emailed Darren yesterday. I apologize for the lateness but appreciate the courtesy of the Commissioners saying that they wanted to do this. The line item that they want to transfer is 100-4001-411.31-08. From there are two things that are fundamentally paid. People that are mentally ill and need assistance receive certain payments and the Commissioners have paid out, year-to-date, \$5,228. Also, we try to avoid institutionalizing children. If we are going to institutionalize a child, regardless the State, Supreme Court or the County, we are paying for it. It is generally about \$300 a day. The remainder of the fund, which is shown in 1.1, deals

## ALLEN COUNTY COUNCIL MEETING MINUTES

with sex offenders primarily. Unless we get some serious intervention, there is a danger to the community and the problem is going to be chronic. So the Commissioners, for the past fourteen years, have paid some for juveniles and some for mental health. The budget for 2008 was \$200,000 and they asked for \$175,000 to be funded for the 2009 budget. If I understand Judy, and I think I do, they want to continue to pay for certain mental health expenses and to retain \$15,000 in their line item. What their suggestion was to transfer \$160,000 to the juvenile court, I discussed it with my colleagues and it was decided that it would be the Allen County Juvenile Center budget. I will direct you to number three. In our analysis, you authorized for 2008, \$200,000. If the Commissioners strictly follow your budget reduction, that would reduce the amount by \$7,500 and there would be \$192,500. They didn't put in for that. They put in for \$175,000. The excess is \$17,500 which is about 12.5%. Currently, if spending stays the same for these two programs, you are going to have a \$22,000 shortfall anyway. Item 4.4 gives my response to the Commissioners and it appeared that the Commissioners complied with the Council directive to cut their budget by 3.7%. That is true if they keep the line item. On the other hand, what they are really doing is that they are setting up a line item in my budget and are cutting an additional \$17,500 beyond that. So they aren't planning their budget, they are planning my budget. Transferring the line item is logical and appropriate providing that the Commissioners make up the \$17,500 cuts to their own budget and transfer the \$192,500. I want to cooperate with the Commissioners. I don't have a dog in this fight. I am here to answer any questions and I am not asking for anything but to say look, if in fact County Council approves the unilateral transfer, then another branch of government would be cutting my 2009 budget by \$17,500. Philosophically, I commend the Commissioners. I think, for the benefit of the taxpayers, it makes sense to transfer that line item to the Allen County Juvenile Center because we are providing services and it will be something that we are going to be able to watch more closely. If the bills are going to the Commissioners, as they have for the past fourteen years, some of them we see and some we don't. If they are coming in to Joseph Brita, I will see them more on a daily basis. From a philosophical viewpoint, I do agree with the Commissioners. I also recognize, as Councilman Miller said, it is a wise thing that if you cut by 3.7% next year, the cut will come to juvenile court and that is fine. I am here to support, philosophically, the Commissioners' position but I am here to answer questions for the Council and to say that I want to cooperate. I haven't asked for this but I think there is an artificial cut of \$17,500 to our budget for this line item, if they do that. I don't think that is appropriate but if that is your decision, we'll live with it. There will ultimately be about a \$40,000 shortage.

**Darren Vogt:** The total expenditure, this year, is expected to be about \$220,000.

**Steve Sims:** That is true. I agree that at some point it makes sense to the Council and the Commissioners that this would be a line item that they could get out of their budget and it makes sense. It is good for the taxpayers however, they are artificially cutting my budget and are not in compliance with your directive. But, if I was Commissioner, I would do that too.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** I did want to hear the Commissioners' thoughts on that. Just a couple of observations on where that really leaves us as it relates to this kind of item in terms of this being an isolated transfer that doesn't have the opportunity to be prioritized in the overall budget making process. If this had happened before budget allocations, obviously, then the Juvenile Center would have had an opportunity to look at this item in the context of all of their dollars that were available and make priority decisions about funding levels. What do you say about that, Commissioner, in terms of did your 3.7% advantage you in some way by moving that out?

**Nelson Peters:** It did not include the \$17,000. The judge is absolutely right. Now, the reason that we budgeted the \$160,000 that we budgeted initially was because we looked at expenditures that have never, up to this point, exceeded \$156,702. That was the high number back in 2000. We've got an eight year history here now. The judge is absolutely right in that 2008 is somewhat of an anomaly and they are on track to spend \$212,680 out of that line item. We believe that the \$160,000, based on an eight year history, would be appropriate to budget for. We did that because of seeing that it had not exceeded \$156,702 before.

**Steve Sims:** There are apples and oranges. There is a \$22,000 shortfall this year and we are running at a historical high. I think that the court needs to address that. Let's see if the court can tough it out with regard to that. What I am saying is that it would be my problem to deal with next year. However, the true amount isn't \$160,000. The right amount to transfer, if the Commissioners are making the 3.7% cut, is \$177,500. That is the correct amount to transfer, where they have met your directive and comes in. That doesn't have anything to do with the excess spending. Is the excess spending a problem? Yes. Do we need to deal with it? Yes. We are going to have to get tough with that in 2009. That is why this writing is put together and goes through that. They really, in essence, submitted my 2009 budget. If you take 200 G's and say that you have to cut it by 3.7%, we would do that but that doesn't come down to \$160,000, it comes to \$175,000. I am saying to let me make my own cuts, as guided by you. If you want to transfer this line item, great, but otherwise what they are doing is cutting an additional 12.5% already knowing that there is a deficit. If, in your judgment, you think you need to do that, we will work with you. Do I think that it is letting one branch of government cut another branch's? Yes but we are all friends and we will work with it.

**Darren Vogt:** Judge, can you explain the increase from \$160,000, on average, to this year where it is over \$200,000?

**Steve Sims:** We have a larger load. The fundamental amount has been held for fourteen years and we have held the cost steady. We have had an influx of sex offenders who are chronic and they are a danger to the community. We are working with a larger number.

**Darren Vogt:** Larger number of what?

ALLEN COUNTY COUNCIL MEETING MINUTES

**Steve Sims:** Offenders that are under court supervision. I ask, if you make the line item transfer, that you make it at \$175,000.

**Cal Miller:** I really don't mean to beat a dead horse, Commissioner, maybe you already made this concession, but do you agree with the position that if they don't get the \$177,500 then the Commissioners' budget hasn't been cut by the 3.7%?

**Nelson Peters:** No, I don't. That is simply because we budgeted for what we have seen the norm typically to be. We will keep it at \$160,000 this year, if it stays in our budget. I don't have any way to predict what is going to happen in 2009.

**Cal Miller:** I understand that but if you take this money out of the equation, are all of the other cuts going to come up to 3.7%?

**Nelson Peters:** Yes.

**Steve Sims:** No. I will turn to the independent experts and ask them the same question.

**Cal Miller:** I thought we were hearing two different things. To me, it is important to know but how do we go about determining which of you is right? It seems to me that there would be some unfairness if you are not making the 3.7%.

**Nelson Peters:** I think, isn't it really a matter of what is anticipated. The judge has some history and has a better perspective of what is anticipated in terms of need for 2009. I have the dollars sitting right in front of me and all that we have done is run the mathematical equations to tell me that we are right.

**Cal Miller:** I am not talking about the projected history. I am just saying, if you lose this fund to ACJC, will the remaining budget, that you submitted, have resulted in a 3.7% decrease?

**Nelson Peters:** I am going to say yes.

**Steve Sims:** No.

**Cal Miller:** So, why are you saying no, Judge?

**Steve Sims:** In the analysis here, Lisa, I am going to put you on the spot because you are the pro, the answer is no, isn't it?

**Lisa Blosser:** What is the question? Sorry, you lost me.

**Steve Sims:** The bottom line is that this Council, appropriately so and anticipating wisely a really big hit in 2010, said that ACJC should do a cut and the Commissioners should do a cut of 3.7%. They had a line item of \$200,000 and they

## ALLEN COUNTY COUNCIL MEETING MINUTES

didn't cut it by 3.7%. That would have taken it to \$192,000. The bottom line is that they took an additional \$17,500 worth of cuts. That brings them into compliance with what you directed. The cut isn't for this year, it is for 2009. I am catching a cut of \$17,500 that doesn't come from anywhere else but my 2009 budget. I am in absolute agreement with Nelson that it makes sense, at some particular time, to do it but the bottom line is that the Commissioners cut my 2009 budget way beyond the 3.7%. They cut it by 12.5% knowing that we already have a historical deficit this year. We will deal with the \$22,000 deficit because it is something for the court to struggle with and try to bring down in 2009. But in addition, don't cut me another \$17,500. The deficit is \$40,000, in this account, with the transfer.

**Cal Miller:** You are saying that it is mathematically impossible for them to have hit 3.7% if they are shifting a fund to you that represents a 12.5% cut.

**Steve Sims:** I am saying that if they were counting on this \$17,500, which you have given them credit for, Lisa?

**Lisa Blosser:** That's true.

**Steve Sims:** That is true.

**Cal Miller:** Okay.

**Steve Sims:** I rest my case.

**Nelson Peters:** Let me respond to that and just say that we have cut whatever that line was to \$160,000 to get us to where we need to be with respect to what you have said. We believe, that line, at \$160,000 to be the appropriate number. The judge is suggesting that it is not the appropriate number and therein lies the issue.

**Cal Miller:** Here is what I think the solution is. The line item stays with the Commissioners. They have said that the historical data supports the expenditure and if there is a request for an increase, we can remind you that you looked at an eight year history and decided that it was going to be \$160,000 and you will have to live with that.

**Nelson Peters:** I will tell you that it is running at about \$212,000 right now. Whether this is an anomaly or is what the future is going to look like, I don't know.

**Darren Vogt:** You can't have it both ways.

**Cal Miller:** This is exactly the problem that I have is that we, as a Council, have asked the budget makers to give us their best estimation based on the historical data that we have. We are seeing an anomaly right now and you are setting it on the eight year history.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Nelson Peters:** Right.

**Cal Miller:** By transferring this fund now, we have totally lost the accountability with respect to the projection.

**Nelson Peters:** That's fair.

**Cal Miller:** I am not being critical. I am just saying that I want to get away from what happens next year if the judge gets up here saying that he told us we were wrong. You all made the projection based on the history and you all should be the ones held accountable with the overall budget moving around next year and before the budget hearings next year, let's get this thing moved.

**Nelson Peters:** Okay, that is fair.

**Darren Vogt:** I respectfully disagree with that because the judge has said that he would be willing to do the \$177,500 and be over and done with it.

**Steve Sims:** Yes sir, the \$177,500 but if they want to keep it at \$160,000, please keep it in their budget. However, Nelson is a good friend and pro and I would be glad to sit down with the Commissioners on a monthly basis or whatever to look at it and come back to you with a consensus in 2009.

**Darren Vogt:** To get it to where we need to be is in the Judge's budget. If it is to the \$177,500, he said he will try to work within that parameter. Then we ask the Commissioners to cut another \$17,500 out of their budget. That makes the most sense, from my perspective.

**Nelson Peters:** That is the problem. I don't think that we have another \$17,500. You asked us to prioritize, based on what we had and we did. This is what we've got.

**Paul Moss:** Councilwoman Hughes, do you still have a question or not?

**Paula Hughes:** I do.

**Paul Moss:** I kind of let the free for all go on a little too long.

**Paula Hughes:** There are several things that I want to point out and one, with all due respect Judge Sims, is your foundational logic is flawed. The Council did not issue a directive that each department cut 3.7% of each line item. We gave lump sum allocations to departments and told them to budget appropriately.

**Steve Sims:** Absolutely.

**Paula Hughes:** I have a problem with your whole premise. I am not amused by what I view as shenanigans between two departments bickering about how something is

## ALLEN COUNTY COUNCIL MEETING MINUTES

going to be funded or not funded, in this auditorium. It needs to be funded appropriately and one of the fundamental premises of our allocation process is that no budgeter shall knowingly underfund a line item and so I tend to agree with Councilman Miller that it should stay in the Commissioners' budget for this year. If they have knowingly underfunded it, they can suffer the consequences of that. I agree that it should be moved next year, with forewarning, and at the flat amount. This is crazy that we have been listening to this for twenty minutes now.

**Steve Sims:** I appreciate your guidance, Councilwoman.

**Paul Moss:** Interesting discussion.

**Roy Buskirk:** Right and my comment would be that it is an item that is going to be funded, no matter what the expenses are, correct?

**Steve Sims:** Unless you want to institutionalize kids, we certainly want to keep the cost down. We use this versus institutionalizing kids at \$300 a day.

**Paul Moss:** Are there any other questions on this component of the Commissioners' appeal?

**Nelson Peters:** We do have one more representative from the Maumee River Basin Commission.

**Paul Moss:** Just to reiterate, what we are asking for is what impact the reduction would have on your efforts to provide services.

**Rod Renkenberger:** I am Rod Renkenberger and I am the Executive Director of the Maumee River Basin Commission. For those of you that aren't aware of our agency, we are a quasi-State, local government entity established by the Indiana General Assembly in 1986. We have been, up until last Thursday night, comprised of five Indiana counties, Adams, Allen, DeKalb, Noble and Steuben. Last Thursday night, we added Wells County. Each of these counties has agreed to fund the administration of the Maumee River Basin Commission. That has been in place since 1988. Prior to that, the administration was funded through interest funds from the Commissions' investments. It is my understanding, in communicating with Judy, that you have asked for a cut and I am here to ask you, at a very minimum, to hold the 2008 level. We are funded by the six counties and the way that we are funded is broken up by area and percent of watershed. To be fair to the other counties, I need to be able to go back to them, if we are to receive a 3% reduction in Allen County, it is going to have to be a 3% reduction in the other counties as well.

**Cal Miller:** Why is that, Mr. Renkenberger?

**Rod Renkenberger:** The board established the administrative budget based on 100% of the watershed, and as example Allen County has 41%. Traditionally, Allen

## ALLEN COUNTY COUNCIL MEETING MINUTES

County has paid 41% of the administrative budget. We have tried to keep the proportion based on the overall budget.

**Cal Miller:** Is that a foregone conclusion that that is what would happen that there would be a reduction in the other counties?

**Rod Renkenberger:** I am a believer in fairness. If the policy is that we take the overall budget and it is split up based on the geographical percentage, then it needs to be applied uniformly.

**Paul Moss:** I think you can intuitively assume that the other partners are going to want to stick to that formula.

**Cal Miller:** I just want to understand the thought process.

**Rod Renkenberger:** That is just the policy of the board.

**Paul Moss:** Councilman Buskirk?

**Roy Buskirk:** With now, instead of having five counties paying your budget and now Wells has joined, wouldn't that change the numbers some?

**Rod Renkenberger:** It will slightly but Wells County has one percent of the overall watershed. I came to the MRBC in 1996 and prior to that I was a three-term elected official as County Surveyor in Noble County and I have served on the Board of the Commission. I have an intimate familiarity as well as history with the agency. Since I have been director, the agency has brought in over \$10 million in matching funds, if that means anything.

**Paul Moss:** It does. It is probably important to reiterate a couple of things. It sounds like your basic argument is that if there is the \$2,100 reduction, the formula for funding will be altered a little bit by us and through no fault of your own. As a result, your entire budget will be reduced further that that to keep that formula in place. Is that an accurate statement?

**Rod Renkenberger:** Yes.

**Paul Moss:** Thank you for clarifying that. I just want to clarify that you made the comment early on that we had asked you to reduce your budget by 3.7% and that is not really the way that I look at it. What we asked is that the Commissioners take a look at their budget and to prioritize things, which they have done. The next question, at least in my mind, comes to the Commissioners to ask how did you prioritize things. I had a discussion with the Commissioners a long time ago about their budget and I understand that they are faced with some dilemmas but I think we need to have some additional discussions about the prioritization and why these are at the top of the list. You are one of the entities that is at the top of the list. Having

## ALLEN COUNTY COUNCIL MEETING MINUTES

said that, I don't really have any other questions for you, does anyone else on Council? Councilman Buskirk?

**Roy Buskirk:** I just have one more question. What is the total budget that you receive from the five counties?

**Rod Renkenberger:** Approximately \$110,000.

**Roy Buskirk:** You have a very small budget to start with.

**Rod Renkenberger:** That is correct. In fact, we had flat-lined our budget for eight continuous years. Three years ago was the first time that we had asked for an increase and it amounted to less than one percent over the previous eight years. It was recommended by a number of our board members that we ask for one percent increase instead of flat-lining again. It is important that we not take the decrease because the budget has been supplemented by the interest on our investments. As we continue to implement projects, our overall capital has been decreasing, our return on investments has been decreasing as well. You all are aware of the fact that five percent on CD's is gone and we are down to two to three percent.

**Roy Buskirk:** Where did this money, that you have invested, come from?

**Rod Renkenberger:** It came from the late eighties, most of you remember the Maumee River Widening Project and it was an \$8.9 million project. The river was to be widened out east of the Coliseum Bypass. There was \$1.3 million left over. The Allen County Commissioners lobbied the Indiana Legislature and that money was moved over to the Maumee River Basin Commission. Only the interest money, on the \$1.3 million could be used on administration. In the first ten or so years of the Commission, the administration was fully funded with the interest. As we have continued to implement projects, the capital has been decreasing and therefore we can't earn that much interest.

**Roy Buskirk:** The \$1.3 million is decreasing.

**Rod Renkenberger:** Correct.

**Paul Moss:** What is it now?

**Rod Renkenberger:** Approximately \$240,000.

**Roy Buskirk:** There is no other staff but yourself?

**Rod Renkenberger:** I am the director and the janitor. We have an attorney and during the summer, I have a part-time secretary. Beyond that, it is me.

**Paul Moss:** Thank you for the information. Councilman Vogt?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** To your point, I would like to have a discussion with the Commissioners regarding what their priorities were and how they came up with these priorities to cut.

**Paul Moss:** This is probably the opportune time for it.

**Darren Vogt:** I think that before we get into the CEDIT and the other things, Commissioners?

**Nelson Peters:** I would be happy to. If I could, real quick, just address a couple of things. If you look at our budget, we started out four years ago as a nine person office. We have eight people now. As I mentioned, at the outset, we have cut our budget each of those four years. We have been making the cuts that you guys are looking for. As you go through, past the 100 series, you are looking at a general supply line item of \$2,821. Gas, oil and lube have been dropped to zero. Garage and motor is up to \$2,000. Institutional expenses, we just had the discussion on that. That doesn't do anything for the Commissioners office. Contractual is for D & M Communication and consulting which is for the security for the building. Can we take from that? It depends on how much security you want for the City County Building and the Courthouse. These are things, in the 200 and 300 series, that really don't impact the Commissioners office specifically. The biggest thing is in the County liability fund. We went, earlier in the budget process, and asked to maintain \$250,000 in that fund. I would be happy if you took all of that money. Unfortunately, if you do that, we have no way to pay for the lawsuits and that type of thing. Frankly, if you look at the priorities, we looked at the things that kept us operational on a day-to-day basis and unfortunately to the detriment of some of the other people that you have heard from today. We looked at some of the big ticket items that are in our budget to target for cuts.

**Paul Moss:** The consulting...

**Nelson Peters:** I was afraid you would go back to that because I don't remember what that one is.

**Paul Moss:** The roughly \$1.2, consulting services data.

**Nelson Peters:** That was for the ACS contract and next year for whatever may happen.

**Darren Vogt:** I agree that the County Liability Fund should come under a General Fund and not under them.

**Nelson Peters:** Take it. It is that kind of observation that got us to the point of saying that it is not doing anything for us. What I think would make sense is to apportion it to the departments based on utilization of whatever it is.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** Under that same scenario, you cut things that weren't necessarily in you budget that you said didn't benefit you from a Commissioner standpoint.

**Nelson Peters:** Just about everything in our budget is outside our budget. In other words, just about everything that we have in here doesn't benefit us. All of the line items are related to departments or entities and have no day-to-day operational utilizations.

**Paula Hughes:** We have kind of danced around this conversation before. There are a lot of line items, in the Commissioners' budget, that are beyond their control or are countywide expenses. As we have gone through, we have pulled out some over the years and don't include it in our consideration. Health insurance is not included in the consideration and you are not docked for that. I think that if the Commissioners don't want to have any ability to influence those lines, then maybe they should be grouped into an individual General Fund. I am not sure what the mechanism would be for that but it seems fair and appropriate. I do have some questions about cuts for the Soil and Water Conservation and the Maumee River Basin. The message that I get from that is that the Commissioners don't think that Allen County government needs to value those things.

**Nelson Peters:** No, I think you are taking the message wrong. It is a matter of survival, at this point. In the grand scheme of our ability to operate, those are the things that if not cut, will allow us to operate on a day-to-day basis.

**Darren Vogt:** Can I expand on that?

**Paula Hughes:** If you give it back to me when you are done.

**Darren Vogt:** I will. So you are putting security in this building at a higher priority than the Maumee River Basin.

**Nelson Peters:** We could argue that.

**Paula Hughes:** There is also a big cut to the telephone system. I am trying to find the line item. I am interested in what is going on with that. It is line item 32-04. The 2007 actual expense was \$423,000 and some change. The adjusted budget in 2008 was \$534,000 and the year-to-date is \$197,000. How can you budget that at \$250,000 again?

**Judy Heck:** It is a revolving fund. It comes in and goes out. The \$250,000 should keep us going as it comes back in.

**Nelson Peters:** There are some departments that pay back into that fund.

**Paula Hughes:** Is that separate from the cut of \$11,825 phone line?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Judy Heck:** No we cut it there because we couldn't make a bottom line total. So we had to cut that out as a portion because that was the only thing that we had left to cut.

**Paula Hughes:** And the same with the IT contract. That is knowingly cutting an area that can't be cut.

**Nelson Peters:** We had no idea what the cost was at the time. Just like with the earlier discussion with Superior Court. Nothing was knowingly cut. We again budgeted on the figures that we had.

**Paul Moss:** Following along with Councilwoman Hughes' thinking, the same thing could be said with the Group Health Insurance. It appears that if you look at actual as of June 30<sup>th</sup>, you are between a million and a million and a half short on the submitted budget. I know that the health plans are running high, this year.

**Nelson Peters:** That is not ours.

**Cal Miller:** We corrected that in the last meeting, didn't we?

**Paul Moss:** Okay but we are still looking a little short.

**Jackie Scheuman:** What you did in the last meeting is not included in that number.

**Cal Miller:** That appropriation hasn't been included.

**Jackie Scheuman:** It hasn't been approved by the State.

**Paula Hughes:** How do we get to a truer budget for the Commissioners?

**Nelson Peters:** I think you are looking at a true budget.

**Paula Hughes:** No we are not because the IT contract is underfunded and the phone line is knowingly underfunded. That can't be true because it is going in the other direction. You can't operate without the \$57,000 for the IT contract.

**Nelson Peters:** As far as funds, you apportion those costs to the individual departments.

**Paula Hughes:** That was my question for Council and not necessarily for the Commissioners.

**Nelson Peters:** Sorry.

**Paula Hughes:** I think we need to get to a point where...

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** Didn't the process start by asking the Commissioners to start by, with us, identifying which funds should not be under the Commissioners? The County Council can set those every year, like they do the other ones, and therefore the Commissioners won't be in the position of having to worry about those. Furthermore, they won't have to make a 3.7% work in a manner that isn't consistent with how we would like to see it work if those aren't funds that are directly impacting the operation of their office. Let's take those out and leave those line items and leave in the ones that they agree are going to impact their ability to do their job as Commissioners. Take those other ones out and make those County Council decisions.

**Darren Vogt:** Agree. How hard is that from the Auditor's perspective?

**Lisa Blosser:** Not hard at all.

**Darren Vogt:** They just have to identify which ones.

**Tera Klutz:** Right. We will just create the Maumee River Basin Commission and they will come and when we hand out cuts on a percentage basis and you are going to want to hear just like you are hearing now why you shouldn't cut them.

**Cal Miller:** I agree. If I was a Commissioner, I would do the same thing and have these people come forward. We have to do our prioritization and this is what we are losing out on and it is a helpful exercise. By taking those items out of the Commissioners' budget, it leaves a heck of a lot less wiggle room to deal with. All of the budget makers, the ones that I am liaison with and met with, there is tweaking done. There will be a lot less ability to tweak if all of those things are done and you are just looking at the line items that you will need to carry out the operations of the office. That is all well and good and I am in support of that but know that there is going to be a lot less wiggle room in the future. Some of the budget makers welcome the wiggle room to make those tweaks because they have more in their control.

**Darren Vogt:** Do we do that now or tomorrow, to get the true number of where they come in on the 3.7%?

**Paula Hughes:** The 3.7% was based on a different amount. Then it would be a different amount for all of County government.

**Lisa Blosser:** I think you need a subcommittee because it is going to take a little bit of time.

**Paula Hughes:** I don't think we can do it this week and I am not sure that we can do it for this budget year.

**Darren Vogt:** Then it is hard to get to a true number for them.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paula Hughes:** I agree.

**Paul Moss:** I need to clarify. You made a comment about tomorrow. I don't have anything on my calendar about tomorrow.

**Darren Vogt:** I had it on my calendar in case we ran over.

**Paula Hughes:** If I could suggest and just pull us back a little bit, one of the things that I truly despise about the budget process is that it puts us in an adversarial role with each other and that is certainly not what this is about. We have all been dealt a hand of cards by the taxpayers who the Governor and the State Legislature interpreted their demands as cutting local property taxes. We are dealing with property tax cuts and Council is trying to do the best we can and how to divvy that across all of the departments. We need to more actively partner in that process. It is not that Council has joy in scrutinizing these budgets. I think we have to figure out how to get past this.

**Roy Buskirk:** Don't talk to me about property tax cuts because I just paid them at noon and three of the properties that I take care of, one went up 25%, one went up 33% and one went up 41% from last year.

**Paul Moss:** What do you want to do here in terms of pulling some of these items out? I am not sure that we can address that today.

**Tera Klutz:** Why don't we work with them and a member of Council, who volunteers, to see what we can do?

**Paula Hughes:** I think Cal volunteered for that.

**Cal Miller:** Count me in.

**Paul Moss:** Do we feel like the question has been answered appropriately in terms of prioritization process with the Commissioners? Is everybody comfortable with that? Are there any other questions for Commissioner Peters? I have one last question which would be pretty simple. If my memory serves me correctly, we had discussions in the Personnel Committee of adding a part-time Veterans Affairs Officer. Where is that at?

**Nelson Peters:** We will be meeting with Wayne Township later this afternoon to discuss that.

**Paul Moss:** Given their struggles, do you still think they are going to be able to fund that?

**Nelson Peters:** No, I don't think that they are but we are going to go over and see what they are capable of doing.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** That could be something that we need to be aware of.

**Roy Buskirk:** I have a question. What is Fire Service Huntertown?

**Nelson Peters:** Byron Health Center.

**Roy Buskirk:** That is for providing fire service to the Byron Health Center?

**Nelson Peters:** Yes.

**Paul Moss:** So it is like contract payment to Huntertown Fire Department.

**Nelson Peters:** Right.

**Paul Moss:** Are there any other questions? Thank you very much.

**Nelson Peters:** Thank you.

**Paul Moss:** I think that went fairly well, don't you?

**Nelson Peters:** Are you moving on to Highway?

**Paul Moss:** Yes.

**Nelson Peters:** I had so much fun that I think I will stick around for another minute or two.

**Paul Moss:** I am assuming that most of Council is aware of some of the efforts that they have undertaken with the Planning Department to give us a better idea of how they prioritize the various projects that they have. I am hoping that some of that has been shared with you. I have had an opportunity to take a look at it and it has been a very useful exercise.

**Nelson Peters:** Let me just make a couple of remarks and then we will turn this over to a couple of other folks. As we get this Power Point demonstration set up, Bill is handing out information to you but isn't going to be a lot different from what you have recently seen. It is perhaps a little bit more displayable fashion. I want to thank Mark Royse, Lara Dorsett, Dan Avery, Bill Hartman, Jerry Foust and Ashley Steenman. I hope that I didn't forget anybody for the work that they put into this. We have heard what this Council has said in the past and have attempted to put the 2009 Highway budget in a more meaningful way, more understandable way and a way that prioritizes the projects. I think that what this really has directed us towards a more process driven budget deliberation rather than something based on intuition and experience and that type of thing. Criteria has been developed with this process that looks at things like proximity on a road project, a bridge project, resurfacing, new construction to safety. How safe is the thoroughfare, how many crashes are

## ALLEN COUNTY COUNCIL MEETING MINUTES

occurring there? The timing of the project and where is it in the pipeline right now, with respect to right-of-way acquisition and to engineering and that type of thing, and average daily traffic and potential growth in the area. There are a few others that I will let the others talk about. We learned, as we met with individual Council members, that by putting all of the projects on a priority list, it better helped us understand what made sense as a community moving forward with the available dollars that we had. We were able to look at bridges, resurfacing and new construction and put them on a list that you should have in front of you. What you will see today from Jerry and Ashley will be that hopefully they can walk you through some of the pages, not all, of the books that you have in front of you to give you a better sense of what the real need of this community is. We have information that further looks at projects by cost with respect to material, labor, bituminous, aggregate and all of those specific things for the projects. Then you can see the line item that shows up in the budget and clearly matches what you have in front of you. The projects have also been delineated by CUM CAP funding and by CEDIT funding so that you will get a pretty good perspective in somewhat of an organized fashion. Let me just close with this, and then turn it over to Jerry. We have moved the conversion projects, which I know has caused some problems with Council members in the past in terms of where the funding was coming from, from CEDIT to Local Road and Street. Because there is not a lot of Local Road and Street dollars right now, we come to you looking for ways to help fund those conversion projects. We have about fifty on the books right now and we need to find ways to get these things done to create a level of comfort among the citizens of Allen County that may not exist at this point. What you will see are projects that far outnumber the dollars to handle these projects right now. They are driven on a priority basis and with that, I will turn it over to Jerry Foust.

**Jerry Foust:** The summary matrix is on pages three and four and what I would like to do, real quickly, is go through some of the changes as we have met. This is an evolving project. The first page is the summary of the definitions and none of those have significantly changed. As the Commissioner stated, what we are trying to do or accomplish here is to look at the most important facets here of the transportation project, whether it is a bridge, resurfacing or a new construction project. The summary of definitions is all of the components that the group looked at. Nothing was changed or added. Everything was defined on page one. On page two, the point system, as it was defined, has been provided. There were two additional, as far as safety goes. Bridge replacements and bridge rehabilitations were added to the matrix. Replacements were assigned a safety component valued on the improvement type. When a bridge is reconstructed, there are certain components that increase the safety of that which is a benefit to any roadway project. Rehabilitation was also assigned a smaller value. Crash index cost was the same, traffic volume was the same, future projections were the same and basically all the way through the list to number thirteen and fourteen. Those two were specifically added. Something that may be confusing on the matrix is that items thirteen and fourteen are summarized individually, based on project type. Fifteen only applies to bridges. The sufficiency rating is specific to what is deemed appropriate for a bridge. The other projects on

## ALLEN COUNTY COUNCIL MEETING MINUTES

the listing will not have any criteria points based on the sufficiency rating. Item thirteen, roadway condition, is specific to the resurfacing projects and conditions of the roads. There are no points assigned to that for bridges. In summary, the listing and matrix on pages three and four, is the priorities based on all of the criteria. These are sorted from highest to lowest with pure objective criteria. The subjective portion of this has not been encompassed in this slide here or the following slides. What you are seeing are pure objective evaluations of all of the roadway projects, whether it is a bridge, resurfacing or a new construction. With that said, this is sort of the front side of how we got to where we are at and I will have Ashley speak to the funding side.

**Ashley Steenman:** In your packet is the full spreadsheet, detailing all of the points, breakdowns and cost. Each project, as you know, goes through three different stages, engineering, purchase of right-of-way and final construction. This list includes all of the projects that are on radar, by the Highway Department, through 2010. The process for evaluating this has been tweaked and will continue to be tweaked and we welcome your suggestions to tweak it further for next year so that we can hopefully use this from now on to better prioritize the Highway projects. The main purpose for this was to use hard facts to support what the Highway engineers know based on their experience and knowing all of the different roads in the County. This takes into account the objective criteria but also we have not looked at subjective or other factors that may come into play. The two funds that we are talking about today are CEDIT and CUM CAP Development. This is part of the proposed CEDIT budget for 2009 and 2010 with the actuals for 2008. One of the major differences, as Commissioner Peters pointed out, is the exclusion of aggregate and bituminous. Those were mainly the resealing and conversion projects. Questions were raised last year about whether those types of projects were appropriate to be funded out of CEDIT. In its place is the hot-mat asphalt resurfacing projects. These all correspond with the matrix and I will quickly go through them. These road projects, major road reconstruction projects and intersection projects are outlined in blue. The HMA resurfacing projects, there are only four scheduled for 2009 and they have been prioritized. The ones for 2010 have not been prioritized yet and they will be in the future. Historically, road bridge projects have been funded by CEDIT. These types of projects are necessary to keep the roads from deteriorating due to storm water and other factors. They are not prioritized because the criteria does not necessarily apply. The other side of this is the CUM CAP Development Fund. For 2009, there will be road reconstruction and intersection reconstruction. For 2010, those have not been delineated yet. We also have bridge projects that are included in here and, it is from my understanding that they will not be funded from CEDIT and CUM CAP but we wanted to include those in the rest of the projects just to show how they stacked up. In 2008, some funding was cut for the conversion projects and this is just to demonstrate that these projects have a need for the funding. We hope that this provides some structure to the process of deciding which projects come next and to also give enough background info into making your decision. Jerry and I can answer any questions, about the process, that you may have.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** I don't know how many of you had an opportunity to review this but it is very useful. Are there any questions on this?

**Cal Miller:** I want to thank the Commissioners and the rest of the team. I think this is exactly what Council was looking for to help us do our job in helping you do yours. It is a very useful tool and I look forward to seeing it continue to be tweaked. I have one comment about the conversion projects. From my standpoint, the whole discussion about conversion last year, for me it wasn't should CEDIT be used to do those or not. Are there any other economic development projects that would be more worthy than a conversion project? I am not averse to using CEDIT dollars for conversion unless there is some other more worthy project that falls in the priority that would have better utilization for the dollars.

**Nelson Peters:** I may have overstated the concern and I appreciate that. Recognizing exactly what you just said, we went back and decided to categorize conversion projects away from CEDIT, recognizing that there probably were other projects suited for CEDIT dollars.

**Paul Moss:** It can't be overstated that it is always easier to shoot from the weeds when we are up here. I certainly appreciate what went into this because it answered a lot of questions.

**Paula Hughes:** I have some questions about the budgeting in CUM CAP. I was trying to reconcile what I see in the budget spreadsheet and I can't reconcile it. Is that because of the matching funds that are coming in that throws off the amount?

**Nelson Peters:** I may actually have to have Bill Hartman answer that question because I can't.

**Paula Hughes:** I have one specific question and I don't know if Mr. Hartman can answer it or not. In 36-01, page 176 in our budget book, building repairs has been boosted to \$917,000 but structure repair and maintenance and right-of-way acquisition have been decreased significantly. I am just wondering how that all ties in with this or if it does.

**Bill Hartman:** Traditionally, we were given half a million dollars in CUM CAP each year for structure repair. This year, it was decided that next year we would only receive \$100,000 because of priorities of building repairs that needed to be done throughout the system. What we are proposing though is that there is some CUM CAP money that is unappropriated that we would like to come to you, in another month, and appropriate this year so that we do fund that at the half million dollar level next year and carry that money over. As just a stop gap this year and then we will have to see what happens in 2010.

**Cal Miller:** What was the answer again? You all were having a sidebar and you had a consensus as to what the answer to her question was but I didn't get it.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Nelson Peters:** My understanding is that we did not give as much CUM CAP to the Highway Department as we have in the past.

**Darren Vogt:** And it went into building repair?

**Bill Hartman:** Yes.

**Paula Hughes:** I am just curious, at a million dollars, what are your plans?

**Judy Heck:** It is in the book. I gave you the paperwork that goes with that.

**Roy Buskirk:** Is that what all of the remodeling and stuff is?

**Judy Heck:** Yes. That is all of the building repairs that are listed in the back.

**Paula Hughes:** That is what ties out to that number?

**Judy Heck:** Yes. We have more repairs that need to be done than we have money for. We are trying to catch up with all of those repairs next year. The jail is in really bad shape right now. We had to try to budget that stuff and it is part of the priorities.

**Nelson Peters:** Councilwoman Hughes, you should find in that section, Dan Freck has highlighted each of the projects by cost and he has a short explanation for each one of those.

**Paula Hughes:** Okay.

**Darren Vogt:** One question that I had again on CUM CAP is the miscellaneous services and miscellaneous expenses. You had \$50,000 in there and now they are zeroed out for 2009. What were those used for in the past and why are you not putting any money in there at all?

**Judy Heck:** We zeroed those out and actually moved that money around so that we could prioritize everything. Before, we had that in there just for an emergency. We don't have any emergencies to come before us again. We are not going to be able to take any more emergencies because we have all of these repairs to be done and we considered that to be the emergency.

**Paul Moss:** I don't see any other additional questions.

**Nelson Peters:** Thanks for your time today.

**Paul Moss:** Thank you.

**Cal Miller:** Thank you, Commissioners.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** We are going to move into NIRCC.

**Dan Avery:** I am Dan Avery, Executive Director of the Northeast Indiana Regional Coordinating Council. I was a little reluctant to even put in an appeal but I felt that I should at least provide some information and explain my position on how I see this budget cut affecting my department. The bottom line of my budget was essentially a cut of about \$25,500. Because of the structure of my budget, there are only about two areas that have any money built in. One would be for staff and the other would be for the Air Quality program that we have built up over the last two or three years. Because I think my staff resources are the most important resource that I have in the budget, I was reluctant to make any kind of cut in that. So, that left the Air Quality program. As you know, my budget is such that I get reimbursed by federal money eighty cents on the dollar. In essence, I wanted to make sure that everyone understood that when I cut the budget from the General Fund for \$25,500, it is essentially a \$5,000 cut. I can bring back \$20,000 out of that money. If I don't utilize those funds, they are left for others to spend. I also wanted to point out that we are in the second full year of the Air Quality program. We have been working on awareness and education and some additional projects. We are in the process of transitioning away from the education and awareness and into some smaller projects and using the money to do that. Some of those projects include the kick-off of the No Island program that we were piloting with the schools in collaboration with the Allen County Board of Health and some voluntary participation with some of the school systems. We are also working on some projects with the City of Fort Wayne. When we engage in those projects, we ask them to participate and cover the 20%. In some cases, the \$25,500 cut could be recouping more than that because we can use other folks to help with the match. I should also mention that with the revised standards that the EPA has issued on ozone, while we are currently considered an attainment area, with the revision of the lowering of the standard, we still don't know how that will pan out for us in 2010 when they make those designations. It is important for the community to continue in efforts of educating the public to reduce the emissions in our area.

**Paul Moss:** I recall, a while back, when we had the discussion about the promotional efforts and I philosophically have some difficulty with that but certainly appreciate you coming here and reinforcing your desire to continue to have that in your program. Councilman Buskirk?

**Roy Buskirk:** This is kind of what we had earlier this afternoon, I think. The 3.7% is on the gross budget and not on the net, correct? The 80% reimbursement that you are receiving...

**Dan Avery:** Correct.

**Paul Moss:** Thank you very much.

**Darren Vogt:** Can we take a five minute recess?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paula Hughes:** At least.

**Paul Moss:** We will do a ten minute recess.

Break

**Paul Moss:** I believe that we are going to have the Auditor supply us with a budget summary. I want to make one comment, I was a little surprised as I looked through the appeals. Back to the pre-allocation and the discussions that we had, I voted against a portion of that related to raises and also the reduction of the Sheriff's request. The reason that I bring that up is because I am surprised and I had a conversation with the Sheriff today and told him I was surprised that he was not appealing this. He indicated that the suggestion was made that it probably wouldn't help. The reason that I bring this up again is because it concerns me greatly that we went through a pretty significant discussion of the Council level, over the past year, in regards in trying to create some equity to reduce the turnover and some of the issues that they had at the jail. I think we did a good job of that and with the sworn officers, we made some headway there. Given the fairly recent vote by the officers, in regards to the unionization and not supporting that move, it heightened the awareness for me and the concern that we did not fund that. What I am asking is, what did we expect the Sheriff to do with those dollars that he had earmarked for those raises?

**Cal Miller:** I am glad you brought that up because I believe that it was recorded and Deputy Galdieux's comment is that there was some suggestion that this Council wasn't honoring its prior commitment to fund the increased salaries. When I read that this is the way that Council's decision was being interpreted, with respect to the 2009 budget of the Sheriff, it left me scratching my head about whether I attended the same meeting where the decision was made. I clearly recall that the decision was made that we decided not to apply the Circuit Breaker decrease to the Sheriff's budget for 2009 because we wanted to have the funds that we agreed to provide, available to him. Every single budget maker in the County applied the 3.7% Circuit Breaker decrease except for the Sheriff. My thought process was that while the Sheriff has a \$23 or \$24 million budget, when you combine all facets of what is under his control, that there would be some reprioritizing of that \$23 million that represents at least a third if not more, of the overall General Fund, to find the money to do the raises. We did not fail to honor our commitment. To honor our commitment, we merely decided that they wouldn't get the Circuit Breaker decrease application. The manner that the decision was portrayed or interpreted isn't in keeping with the discussion that we had. I think we have done what we said we were going to do by not making them have a 3.7% decrease to prepare for the Circuit Breaker. That is the biggest budget in the County. Grant you, it is an exceedingly important job and I am glad that we have the people doing it. I don't believe that we shortchanged the Sheriff's budget in any fashion. We gave him a nearly \$600,000 break when you look at his budget that didn't have the Circuit Breaker decrease applied.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** That is exactly the type of clarification that we need. I am not sure if that was well communicated. I don't recall that piece that we had not applied the 3.7%. That is significant and if my calculations are correct, that is significant.

**Cal Miller:** The Sheriff asked for \$600,000 above the 2008 budget. We did not grant any increases on any budget. What we did was take the 2008 budget, held everyone to those and then applied a 3.7% decrease. The Sheriff's budget did not have to absorb the 3.7% decrease. The single solitary budget in this County, \$23 million, I think a reprioritization of that budget should be able to come out with the ability to fully fund the increased raises that this Council had approved in the form of salary ordinances. We funded that by not decreasing their budget by 3.7%.

**Paul Moss:** That was a very circuitous conversation. Was that everybody's recollection of that?

**Patt Kite:** That is exactly how I remember it.

**Maye Johnson:** Exactly.

**Roy Buskirk:** I'm with you. That amounts to \$850,000.

**Cal Miller:** The 3.7%?

**Roy Buskirk:** Yes.

**Cal Miller:** So he was actually given additional money.

**Paul Moss:** Did the Sheriff understand that?

**Dave Gladieux:** Dave Gladieux, Chief Deputy with the Sheriff's Department. I understand what you are saying, you didn't decrease but you also didn't increase. Last year, I walked out of here after you and I went back and forth for a while. I walked out of last year's budget meetings, giving up a dollar-a-year insurance, asking for the raises that you granted and we appreciated and we agreed that we would cover it in 2008 with the understanding that it would be covered in 2009. Then a month or so ago, you voted to, I understand how Paul explained it to me that we really didn't decrease the budget but we didn't increase the budget. It is a wash. It is not really a wash when we are fully staffed and don't have that anticipated \$800,000 to \$1 million that we come back and give to you every year. We don't anticipate that happening any more. I think that Jill can explain that we are fully staffed and will not be able to give that money back. We are not going to be able to cover \$600,000. The Sheriff's question is where do we cut? Do we cut services? Do we lay off employees?

**Roy Buskirk:** All of the above.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Cal Miller:** Do you know what has changed, Chief? We have had a House Bill 1001, imposed upon us that resulted in us needing to make preparations for a significant decrease in revenues. The best accommodation that this County Council can make, without jeopardizing more seriously the other operations of the County, was to not impose a 3.7% cut on the Sheriff's Department. Now, if you want to ask where you can cut, a \$23 million budget, represents the largest budget that the County has, I bet you could find six or seven eager people to tell you what they would do while at the same time increasing the salaries that were so well articulated, argued for and granted.

**Dave Gladieux:** Right. That worked. It obviously worked because we are fully staffed and don't have people leaving left and right like we did the year before. That was great and it worked out fine. We aren't going to have the extra surplus, if you will. We are not going to be able to hand that back to you. We used to be able to rob Peter to pay Paul and that kind of thing. If we came up short in the gas budget, we found that money and took care of it without having to come to you. I don't know that we are going to have that luxury, here on out. There are also other purchases, and I don't know if you are aware of it or not, the laws have changed as far as the commissary account. It is dwindling, as we speak. We are not allowed, by law, to take the same amount of profit as we have in the past. We have paid for vehicles in the past and we have paid for light bars, sirens, guns, ammunition, bulletproof vests and all of that stuff was paid for out of commissary. That is a great service to the taxpayers because we haven't asked them for the money. I guess what I am saying is that we are going to have to come to you now, for all of that stuff. I guess the reason I am explaining it to you is because you are telling me that times have changed and things have happened. Those things have happened as well. It will be kind of a wash that way, if you know what I am saying.

**Paul Moss:** Well, I took us out of order, so I apologize for that. It was as much of a need for clarification because that was a lengthy convoluted conversation and there were some conflicting messages out there. I appreciate the clarification and I understand what the direction was. Everybody is faced with similar circumstances and there is no question about it. Cal raised very good points, in that regard. I think that what you are going to have to do, and this is the type of conversation that we could have had if there had been an appeal, and I am surprised that you didn't appeal...

**Dave Gladieux:** Sir, no one is more surprised than I am.

**Paul Moss:** Again, I am sorry that is the case. I think, at this point, you are going to have to work with your liaison to work through those issues.

**Paula Hughes:** I advised the Sheriff's Department not to appeal. I explained the process that we went through in not cutting their budget. I will say that during the pre-allocation hearings, I felt that I had to work pretty hard to keep them from getting cut. Not having the Sheriff's Department endure that cut, you got away much

## ALLEN COUNTY COUNCIL MEETING MINUTES

cleaner than every other department did. If we had cut your budget like every other budget, instead of the \$606,000 that you were asking to have replaced, and I knew that going into it and wasn't talking about it a lot because I thought it was doing your department a favor. I thought that since it was public safety, it wasn't ill-placed. I have always tried to do my job as liaison, in that way.

**Dave Gladieux:** I understand that.

**Paula Hughes:** While you are here though, I wanted to bring up that I had a conversation with you or the Sheriff but I know that in the past, the Commissioners have purchased cars. It has been out of CUM CAP and I can't find where, in the budget, it came from. I know there was a conversation between the Commissioners and the Sheriff's Office and the Commissioners said they were not buying cars anymore. I want to make sure that Council is aware of that. I have to say that after reading through the budget book, I don't know where it was coming from. There is not a line item, in CUM CAP that says Sheriff's cars.

**Dave Gladieux:** I have no idea except that it has been a long-standing agreement that they have purchased our vehicles. I wish I had an answer for you.

**Paula Hughes:** I want full Council to be aware of that. There will be items where the Sheriff is going to have to come before us. Council has put a lot of pressure on the Commissioners to rein in and better define how they spend CUM CAP and CEDIT dollars. I understand one of the results of that. We are going to have to figure out how to make that work in the General Fund then.

**Darren Vogt:** Maybe that is a priority that we set in CUM CAP. In looking at what the Commissioners put as a priority in CUM CAP and we feel that an updated fleet of police cars makes sense...it was \$300,000 that they funded on a regular basis.

**Judy Heck:** Judy Heck, County Commissioners Financial Coordinator. The Commissioners, for 2009, decided to prioritize the repairs of the buildings versus squad cars for next year. They said that the way cars are built, this day and age, they felt that they should be able to get one more year out of the fleet. Then in 2010, they would reinstate the \$300,000 again.

**Dave Gladieux:** The Sheriff said that?

**Judy Heck:** No, no, the Commissioners. The Commissioners told me that they were going to say something to the Sheriff.

**Darren Vogt:** What information did the Commissioners use to justify that statement?

**Judy Heck:** Commissioner Brown said that he had all of the stats that the cars are built that they could last longer.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** My point is, I guess, that if he has statistical data from our own fleet, I don't want this anecdotal stuff.

**Judy Heck:** I don't know that.

**Dave Gladieux:** I would like to debate that with him.

**Judy Heck:** We do have a lot of repairs that the jail is in need of and it probably exceeds the \$300,000 that the squad cars would cost. That is where we came up with that analysis.

**Paul Moss:** I appreciate the clarification.

**Paula Hughes:** I am going to stand corrected. I was looking at the Commissioners' submitted budget and not in the budget book. Jackie pointed out that if you look on page 176, 46-07 says public safety vehicles.

**Dave Gladieux:** We try to replace a third of the fleet every year. We run them until they are dead. 125,000 to 150,000 miles on a squad car is beat to death. In the job and performance that they are asked to do, I don't think that is too out of line. If you don't, then you are replacing engines and transmissions. It comes to a point does it make sense to keep doing this?

**Paul Moss:** That is kind of an ancillary issue to the overall one that I regretfully brought up. It is something that needs to be out there and frankly it needs to be out there for a lot of reasons. The viewing public needs to understand that this is not a clean process. Once we go through what we are going to try to go through today, there are still looming issues out there, the healthcare fund and the claims being so high, we may have to address that somewhere down the road. We have the employee compensation issue that is still out there and is kind of similar to this. We have kind of committed to doing some things, in terms of external equities, that is not reflected in the budget yet. That is a commitment that we haven't funded yet but we have to deal with. There is the executive compensation component that we have out there. There are a variety of issues.

**Roy Buskirk:** There was a new one last week with the retirement fund insurance.

**Paul Moss:** I appreciate you coming up and clarifying your position. It is not resolved, in your mind but you are going to have to work with your liaison.

**Dave Gladieux:** The last thing that you brought up about the vehicles. What am I to report to the Sheriff?

**Paul Moss:** That is a Commissioner issue. You got it right from their finance person.

**Darren Vogt:** Unless we choose to look at their CUM CAP.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** Would we all agree that it would be a separate discussion from what we are trying to do today?

**Darren Vogt:** We have to set it at some point in time.

**Paul Moss:** I mean the priority piece within the CUM CAP fund.

**Darren Vogt:** We would have to do it before we set the budget in September. That is the only time we can do it.

**Paul Moss:** I am not making myself clear. My point is that I believe setting priorities for potential expenditures in the CUM CAP fund, might take some time. It might take a separate meeting. Does that seem reasonable?

**Cal Miller:** Yes. Before we go, what did the Sheriff's Department do to meet the budget for 2009 with the allocation that you were granted?

**Jill Werling:** Jill Werling, Comptroller for the Allen County Sheriff's Department. We went through and figured out the history and moved money around. We have worked extremely hard to keep our costs down. I think that we will be awfully close this year. With moving within series and between series, we have not had a total 100% salary but it has been very close. We just put in next year with our high hopes and it is the best we can do. If we have to come before you, we hope that you will understand.

**Cal Miller:** Thank you, Jill. I would ask that the raises that were authorized by County Council were fully funded for 2009, in the submitted budget, weren't they?

**Jill Werling:** The raises, yes they are.

**Darren Vogt:** To take that one step further, what areas did you cut in order to make those things happen? Or, did you just shift priorities around?

**Jill Werling:** Shifted some of the priorities around and some of the expenses that we had before, we looked at the history. I have always done that. I hope you understand that, and I know that this is not the way it is to be, but I kind of take it personally. I do work so hard on the budget in trying to make it balance and trying to get it to what you want it to be. Also, still try to do the things that the Sheriff's Department, by law, has to do. That is all I can tell you that I switched some things around, reprioritized and hope for the best. We really appreciate the raise that you gave us but when you increase the pay, it increases the hourly rate which affects the overtime, shift differential and the longevity pay. It is not just raises but also all of the other things that are included.

**Cal Miller:** I think that you will find that we fully appreciate all of the other things that make the job complicated. We are doing this for your budget and everyone

## ALLEN COUNTY COUNCIL MEETING MINUTES

else's. We are aligned with the understanding of the difficulties and challenges associated with making it all work because that is what we do. I applaud you for making it work and I hope it does work and we will see how it all sorts out next year.

**Paul Moss:** Well, like I said, I am glad I brought that up. Thank you for your time and we will try to move along. Auditor Blosser, did you want to make an attempt at summarizing?

**Lisa Blosser:** Yes. The net appeal amount, after everything that we heard today, has actually increased. The new number is \$450,525. That included taking the capital expenses out of County Extension.

**Paula Hughes:** So what is the new net appeal amount?

**Lisa Blosser:** \$450,525. Total 2009 revenue available for allocation is \$1,446,705. We talked about putting additional revenues aside in the Circuit Breaker allocation. That is where you are.

**Paula Hughes:** I want to follow in on the reclassification efforts. We do still have encumbered, in our budget Countywide Compensation line 19-92 and back from 2007, \$842,433.

**Cal Miller:** That was supposed to be for the external equity piece?

**Paula Hughes:** Yes.

**Jackie Scheuman:** And the executives.

**Paula Hughes:** Speaking as a member of the Personnel Committee, I think that we are very close. I hesitate to say that I am pleased with the results but I have greater confidence with the results than I have ever had, for both the evaluation of the executive pay and for revisions to elected officials and chief deputies. I have enough confidence that I think we should be able to get that done this year.

**Cal Miller:** How do we want to proceed from here? Do we want to talk big picture items or do we want to deal with the individual appeals?

**Darren Vogt:** I think that we have to have a conversation of if we are going to go gross or net on some of those budgets. A couple of the appeals are based on the fact that money gets reimbursed to the County General.

**Paul Moss:** If we do make that adjustment, isn't that going to require a pretty significant recalculation?

**Paula Hughes:** I don't think that we should do gross because, Councilman Buskirk's example of the Building Department bringing in \$1.6 million in fees and their budget

## ALLEN COUNTY COUNCIL MEETING MINUTES

is only \$1.4 million. I think there are a lot of complicated factors in that. To this point, I think it has worked pretty well.

**Darren Vogt:** If we have consensus, I agree with you.

**Roy Buskirk:** If that is the case, do we give the Building Department a raise?

**Paul Moss:** What is the pleasure of Council?

**Paula Hughes:** Let's take them one by one.

**Paul Moss:** Okay, let's start off with the Surveyor. Are there any comments? He wants \$150,210.

**Darren Vogt:** I will make some initial comments. When this originally came out four years ago, one of the biggest issues that we had was the fact that major portions of the money was put into contractual line items and nothing was broken down. At this point in time, nothing is different. Over \$88,000, if I did the math right, is still in contractual lump sum items and I have no understanding of what they are doing with those funds. I still want to get a better handle on what we are spending the money on. We went from \$500,000 or \$600,000 a few years ago to \$150,000 with adding two staff. I am still confused about it but it is better than it has been.

**Roy Buskirk:** Didn't he add one to his staff?

**Darren Vogt:** Two.

**Jackie Scheuman:** There is actually three that he added for stormwater. He has only filled two.

**Paula Hughes:** A lot of the proposal that he submitted today was for 400 series of things. I guess that it is project startup expenses but as I looked at it, he had the same expenses going year after year and I am not sure. I think he is getting closer but I am still not ultimately comfortable with it.

**Paul Moss:** There are certainly lingering questions. There is no question about it. If I recall correctly, it was his hope to address those questions a little more adequately with the staff. Are there any other comments?

**Cal Miller:** I make a motion to appropriate the \$150,210 into the County Council's budget for next year with the idea that the Surveyor can come back and answer any lingering questions before the dollars are released to him in 2009.

**Paula Hughes:** Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss: We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.**

**Jackie Scheuman:** Can I clarify? You are approving the appeal but putting it in your budget.

**Paul Moss:** Yes. The County Extension is for \$19,474.

**Cal Miller:** I would like to start there, if I may. Mr. Talbott does a wonderful job. Every year he is here until the bitter end and presents the case exceedingly well. He is a remarkable advocate for the County Extension. I mean that sincerely. With that said, this is the year that the Circuit Breaker impact is taking place. What I heard from Mr. Talbott and is most convincing to me is that even though it will be a big royal pain in the wazoo to spread around some of the other duties, they have a plan in place to spread those duties around. This is the year that is going to hurt, given the decrease in money that Council has set aside for Circuit Breaker that he can fund the 3% increase by eliminating a position or reducing the position that he had before. We told him he could come back and get 400 series items consideration at a later date. With that, Mr. Talbott, I'm sorry but I am not in support of the increase given that this is the year that it is going to be difficult. I am willing to have anyone else talk about what their thoughts are.

**Darren Vogt:** Is that a motion?

**Cal Miller:** I think it just died for a lack of a second.

**Darren Vogt:** No, I just wasn't sure if that was a motion.

**Cal Miller:** Okay, the motion is to not approve the appeal.

**Darren Vogt:** Second.

**Paul Moss: There is a motion to not approve the \$19,474 and a second. Is there any additional discussion?**

**Roy Buskirk:** Before we vote on that, I would highly suggest that you come before the Council, even next month, with your 400 series requests and we will address them individually.

**Paul Moss:** That is an important clarification. What was the total on that?

**Roy Buskirk:** The folding machine is \$2,900 instead of \$3,600.

**Cal Miller:** \$10,800 for the equipment.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paula Hughes:** As part of the discussion, I was intrigued by Councilman Buskirk's proposal that the Extension Office should more seriously evaluate fees for service. We see that in a lot of County departments and that is how they are making it work. This Council has circled round and round again about whether or not the services that the County Extension office provides are necessary to the basic functioning of county government. I think that point can be argued. I think fees for service is a natural progression.

**Paul Moss:** That is a good point. I have always been a supporter of 4-H, as you all know and have had some active participation in that. It is a great program but it is also a philosophical question as far as what the scope and reach of government be. **Having said that and there being no desire for further discussion, all in favor please signify by saying aye. All opposed same sign. The motion carries 5-2 (Buskirk and Kite).** Now we move on to the Commissioners and \$92,244. Is that number still accurate?

**Roy Buskirk:** If we are taking the Soil and Water out of their budget, taking the Maumee River Basin Commission.

**Lisa Blosser:** Not yet. We were going to have a sub-committee make a decision on that.

**Paul Moss:** What are the Auditor's Office thoughts on that and the best way to proceed right now? How do we deal with the immediate issue of the \$92,244? Do we go ahead and appropriate that?

**Lisa Blosser:** I would approve their appeal and then we will work out the details in the committee. I think what we want to do is get a true office budget for them. Everything else is some type of countywide expense or specialty expense. Then you can decide how to prioritize those. I think you want a true Commissioner Office budget. Don't you think? Then they can cut like the rest of the departments. We have all had to cut employees, in the past.

**Paula Hughes:** What was their cut amount? I was curious about the difference between how much they cut, over and above, their allocation appeal.

**Lisa Blosser:** \$138,263.

**Cal Miller:** You have to include...

**Paula Hughes:** What was it?

**Lisa Blosser:** \$138,263.

**Cal Miller:** This is a very interesting thought process here because you have to add \$15,000 for the \$175,000 that went to \$160,000.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paula Hughes:** No, because they budgeted \$175,000 and wanted to keep \$15,000.

**Cal Miller:** So, 90% of the Commissioners 3.7% increase came from what is viewed as the countywide expenses.

**Darren Vogt:** Right, they didn't make their cut from anything that they controlled.

**Tera Klutz:** They cut supplies...

**Cal Miller:** But the total dollar amount is a small amount of the overall percentage. When you add all of the things that they cut, that aren't part of this appeal, plus the reduction of the juvenile fund, isn't it that about 90% of their cuts came from these items?

**Lisa Blosser:** The Commissioners have the IT contract...

**Tera Klutz:** 90% of the budget is those things.

**Darren Vogt:** Let me add this. To get to the 3.7% number, we included all of those to get there. I agree with your thought process but I am not sure we can flesh it out without backing them out.

**Paula Hughes:** The net number, to my question, was \$46,019 over and above the allocation amount. The total cut amount was \$138,263. The variance between that and the \$92,244 is \$46,019. They had to have cut in their budget, somewhere.

**Cal Miller:** I agree that they did. That was my whole point. If these things are taken away for next year, they are going to have to make some really tough choices about their office functions. People that have all of these other budgets have significant wiggle room to things that doesn't necessarily impact the operation of their office. That is not a criticism of the Commissioners. It is just how their budget is set up. I think that with respect to these items that are on here and the folks that came before us, the question is, how would we react to those individual appeals?

**Paul Moss:** What you are essentially suggesting is to deny the appeal but somehow figure out a way to not necessarily affect the entities that they want to affect. Is that essentially what you are saying?

**Cal Miller:** I wasn't but that is an interesting thought process.

**Paul Moss:** What you are trying to do is force the Commissioners to feel the same pain.

**Cal Miller:** Eventually, whether it is this year or next. Yes, that is exactly what I am suggesting is that they have been insulated by having these items to offer up

## ALLEN COUNTY COUNCIL MEETING MINUTES

sacrificially as the items that would get them to their budget cut. We have seen Mr. Lake here before and we have seen this offered up before.

**Roy Buskirk:** Maybe what we should do is put the \$92,244 in our budget and wait until the committee gets done on how we are going to reassign these departments. That would move it on, today.

**Darren Vogt:** If you recall, I asked the question of the Commissioner, did he see a priority of funding the Soil and Water District over security of this building and he said that security of this building is a bigger priority. I am not sure that I agree with that priority and that is where our role is to come in and talk about it.

**Cal Miller:** Then I like Councilman Buskirk's solution. Why don't we get through the process of stripping the Commissioners' budget and then asking them to submit a budget with a 3.7% decrease while we look for a 3.7% decrease that is consistent with our goal for the Circuit Breaker, from the things that we are taking out of the budget. That way, the Commissioners are asked to make the same sacrifices as the others. They are putting this right in our lap and I commend them for that. They want to see what our priorities are. I think we can set up a system that cuts them off from being able to do that.

**Roy Buskirk:** For instance, on Soil and Water, I think the total budget is \$29,000. You can see that the Commissioners are cutting the \$29,000. The one thing that they use that money for is for matching funds. It is nine times the money that they receive on their funding and programs. There are a lot of things that Soil and Water does that people in the general public don't understand that they do. One of the big things that they do to help the taxpayers out is they inspect the landfills.

**Cal Miller:** The best way for us to suggest to them on what we feel their importance is to take out of the Commissioners budget what we think and every line item gets a 3.7% decrease, like the rest of the County, we stay on track with respect to our goal of decreasing for the Circuit Breaker and then we go back to the Commissioners and say that they should submit a budget that is 3.7% decreased.

**Darren Vogt:** I don't think that you mean every line. Some of those lines are expenses that we have to fund fully, no matter what. I think you mean where we can.

**Cal Miller:** Where it is responsible to do so. With that said, let's place the \$92,244 into the County Council's line item pending the reevaluation of the Commissioners' budget as to what items should and should not be in there. Then we can go back to the Commissioners and ask them to provide a budget that has the 3.7% decrease which is consistent with what we asked everyone else to do. Then we can evaluate the things that we pulled out to see if it is appropriate to make the same adjustments on them.

**Darren Vogt:** Second.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** We have a motion and a second. Hopefully everyone understood the motion thoroughly. That was a long one and well stated though.

**Cal Miller:** Thank you.

**Paul Moss:** All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0. Moving right along to IT for \$121,000. Are there any thoughts on that?

**Paula Hughes:** I don't know how we can not fund it. It is the maintenance for the Acela software program that we approved a year ago.

**Darren Vogt:** Is it an increase?

**Paula Hughes:** No, we approved, if you recall, the Building Department and Health Department, Mindy and Dave could you come up please? Remind us what the Acela software is all about.

**Dave Fuller:** The program is a consolidated program that puts everybody, that is involved in it, on the same database. Right now, Mindy has five databases, we have one, Planning has two and that doesn't include the City's portion. Everybody will be able to work with each other on the same database. They can share information. We will be able to see what Mindy is doing and she can see what Tony is doing in working with either complaints or permits or projects in general. We will all be looking at the same information.

**Mindy Waldron:** For instance, we do a lot of dual inspections that we don't mean to do. We get customers that call us and call them to get everybody out there. We don't always know that and get out there and the Building Department is already there. We feel that there will be a lot of efficiencies because when a complaint comes in, we will derive who gets the complaint and in what order. Currently what happens is that I will get a complaint and I will have to call five people in my department, which takes me a day to find out the data that we have on any given address. That does not account for the other departments. What this will do is create internal and external efficiencies. There will also be a phase where customers will be able to go online and do complaints and be able to track it. We are kind of excited about sharing.

**Dave Fuller:** When a planning permit is applied for and issued, that will all be transferred to the Building Department electronically. As it is right now, they bring the paper over and then we re-enter all of that data into our system. In this case, all of that will be populated automatically. We would then only have to put in the Building portion.

**Darren Vogt:** And this is the maintenance agreement?

**Paula Hughes:** Yes, the annual maintenance on this.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** We didn't just include it the first time for some reason?

**Paula Hughes:** It is annual, ongoing. We did a budget amount too to create the software.

**Mindy Waldron:** We all looked at the increases, within, to account for that each year but what happened in the first year was to go through the process of getting ordinances amended to get all of that started. We are too shortly into it to have enough from the fees to account for it this year. We don't know that we will be able to account for the whole amount each year but will have a good portion of it.

**Dave Fuller:** That full fee is due January 1, 2009.

**Darren Vogt:** So this should be in our budget so that it doesn't go into someone's budget so in case the fees don't come up to enough to pay for it?

**Dave Fuller:** Yes, for instance, our board approved adding a five dollar per permit fee increase. That will be tracked to go directly into the General Fund and earmarked towards the maintenance.

**Darren Vogt:** Okay, so this should go into our budget as a one-time expense and then we may have to adjust it on a regular basis versus putting it in someone else's budget.

**Lisa Blosser:** No, it is an IT expense and we want to keep those all together. It will be included in miscellaneous revenue and we will be making those adjustments.

**Darren Vogt:** Okay, but where are we going to track the miscellaneous revenues coming in?

**Lisa Blosser:** We want the fees to come into the General Fund. You know how we categorize on you the financial reports we give you each month.

**Darren Vogt:** So it will be one of the funds in here. That's fine.

**Mindy Waldron:** We are going to make direct deposits to it versus going into the General Fund. We will make a yearly deposit, whatever that is determined to be.

**Roy Buskirk:** Will there be other departments? With the Building Department, I always think of the County Assessor?

**Dave Fuller:** Ultimately, any department that wants to buy into it, and they will have to buy their licenses and go through the setup process for their record keeping, will be able to get in. The same thing with the City, we already have Neighborhood Code, Right-of-Way is looking into it and will probably go with it and other

## ALLEN COUNTY COUNCIL MEETING MINUTES

departments will eventually join. The ultimate goal is that the City and the County will be on one database.

**Mindy Waldron:** Those that do enforcement. Right now, we have five and then we will do Neighborhood Code. There is an agreement as to how the money will be paid out for the maintenance.

**Roy Buskirk:** It wouldn't have to be an enforcement department.

**Mindy Waldron:** Yes, if you want to see what is going on.

**Dave Fuller:** With regard to the Assessor's Office, they can have read only access and any department could. They just wouldn't be able to change any of the information.

**Darren Vogt:** One more thing. I was further fleshing out my point with Auditor Blosser and that is that eventually this will be an increase in miscellaneous revenue to offset the long term increase. That is where I was trying to go with that and wasn't making my point very clearly.

**Cal Miller:** There is just one more thing I would like to clarify. So this is something that was not reduced during the pre-allocation?

**Paula Hughes:** No because they weren't far enough along in their process to know what this amount was going to be.

**Cal Miller:** I make a motion to approve the \$121,000 for Information Systems.

**Maye Johnson:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0. NIRCC at \$25,500, are there any discussions?

**Roy Buskirk:** We need to keep in mind that this is 80% reimbursed. In his budget, the whole thing is 80% reimbursed and the 3.7% was on his gross. That is the reason that he has had to come up with so much here. He doesn't have that much net budget to be able to cut from.

**Cal Miller:** What are the Council's thoughts about the wisdom of the program that he cut or the value of the program that would be cut if it funded? I would like to talk about that part of it. The 80% match is one thing but is it something that the tax dollars should be spent on?

**Roy Buskirk:** I think there is a real economic impact on \$25,500 for promotional for the Clean Air. This county is right on the borderline as far as being restricted. We

## ALLEN COUNTY COUNCIL MEETING MINUTES

were for a couple of years and having to go through additional permit process. I can name a couple of businesses that we lost because of the Clean Air problem that we were having. The bio-diesel plant that is in Kosciusko County was supposed to be east of New Haven but because of our Clean Air problem, they went there. I think it should be approved.

**Paul Moss:** Is it your opinion that we have problems with Clean Air because of a lack of advertising?

**Roy Buskirk:** It would have helped.

**Darren Vogt:** You are saying that the program is effective.

**Roy Buskirk:** Well, we are able to pass the Clean Air now.

**Darren Vogt:** You are equating that dollar amount directly to that only.

**Roy Buskirk:** Part of the promotions of it. There were some programs that NIRCC did such as giving out gas cans that are better designed so that you don't have the fumes going into the environment.

**Darren Vogt:** So, then should we fund more Highway dollars somehow because they are 80/20 or 90/10? That can be a little bit of a slippery slope when we used the fact that we have matching dollars to go back and say to not worry about putting any cuts into this place. The same can be said about Highway as well and the same thing about Public Defender. I am not sure that those are things that I am prepared to say that since we get 80%, let's not worry about it.

**Cal Miller:** That is why the conversation should be geared towards the Council's thoughts about the value of the program itself.

**Roy Buskirk:** I think there is a benefit to the 80% because of the fact of the Clean Air Act and in cleaning the air up. Then we can do economic development projects.

**Paul Moss:** I don't think anyone is disputing the fact that Clean Air is a good thing. The issue is whether the promotional campaign is effective.

**Cal Miller:** That wasn't fleshed out very much because this probably wasn't the platform to do that. If you have some data that could give us an idea that this is a wise investment of tax dollars, some measurement of success of the program as it relates to our ability to continue to qualify with the Clean Air Act.

**Dan Avery:** Because we are into the second full year of the program, we used a portion of the money in the fall of last year to do a survey. That was done through a professional survey company so that we could get the information of how many people were doing some of the air quality emission reduction techniques that we

## ALLEN COUNTY COUNCIL MEETING MINUTES

have been promoting, to find out how many folks know about the Clean Air Force and some of their activities. We were anticipating waiting until the fall of next year to do that survey again and then we would have that measure of knowing how well the marketing campaign was working. In addition, we have ramped down a little on the marketing and what we are promoting more of the programs like the no idling. We think that will have a health benefit but also some air quality benefits. I am looking at purchasing some bike racks and bike lockers and things like that with the money. That will encourage other modes of transportation. Some of the things are not so much on the promotional side but more on the capital in order to encourage and facilitate other modes of travel.

**Cal Miller:** If you were to do this in a second year, you think that the comparison would give us an idea of what the survey suggests?

**Dan Avery:** Yes.

**Paul Moss:** Does anyone want to offer further comment or a motion?

**Patt Kite:** I will make a motion to approve the appeal request for \$25,500.

**Roy Buskirk:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 4-3 (Vogt, Johnson and Moss). Okay, Public Defender is next and is the one that seems to have been adjusted a few times.

**Jackie Scheuman:** \$38,224.

**Darren Vogt:** I will make the comment that I asked the question and several others asked the question would services be affected and would we lose our 40% reimbursement? The answer was not at this particular time. The answer was that we were not in jeopardy and his defense to Councilman Miller's point is that he doesn't know if they would be concerned. I asked the question another way around, do you think they might be happy that they don't have as much money that they have to give to Allen County? I am not sure that we have any history built up at this point.

**Roy Buskirk:** Your last comment, I believe they approve so much legislation funding and then it depends on how many counties apply for it.

**Darren Vogt:** Not all counties receive 40% reimbursement.

**Roy Buskirk:** There are some that don't even apply for it. Wells County doesn't apply.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** Right but some that apply aren't even getting 40%. We had a graph, at one time, regarding the percentages.

**Roy Buskirk:** They don't always approve all that you apply for.

**Darren Vogt:** Right.

**Cal Miller:** I have a comment on this as well. I am glad the Council probed a little deeper as to what the basis of his concerns was about how our decisions were not being received well in Indianapolis. It is purely speculation. I do take issue with a little bit of throwing that out there as some sort of tactic to persuade us from making a decision. I am glad that we peeled the layers back and realized that there was no basis for it at all. I think the Council ought to be consistent with respect to our handling of the Public Defender's request as we were with County Extension. What the Public Defender said was that he was going to miss out on some of the benefits of having the clerical staff and it sounds like they will make do. It sounds like we will be in compliance with the formula that would put us in the position to get reimbursement and with that, I make the motion to deny this appeal request.

**Darren Vogt:** Second.

**Paul Moss:** We have a motion and a second.

**Roy Buskirk:** The \$38,224, is that based on the 3.7% on their gross or on the net? Never mind, I answered my own question.

**Patt Kite:** If there was concern that they would no longer be compliant, I would be inclined to not agree with Councilman Miller.

**Paul Moss:** You will have that opportunity here momentarily. **All in favor please signify by saying aye. All opposed same sign. The motion carries 6-1 (Johnson).** Parks and Recreation is \$15,582.

**Cal Miller:** For me, this is a very tangible request and one that we can all feel and hear with respect to keeping it open six days a week or seven days a week and nine months out of the year. My personal opinion and I will vote in favor of this, is that for \$15,582, I think having the parks open seven days a week for nine months, and is money that would be expected for us to spend.

**Roy Buskirk:** The other thing is that I asked is that if they close for one day, it will affect the revenue stream too. Have they looked at the gate fees?

**Paula Hughes:** I know they have. We only fund a part of their budget from the General Fund. The rest of their budget is funded through the fees that come in. I have had conversations throughout the year and they have implemented some things to make themselves more efficient.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Paul Moss:** Was that in the form of a motion?

**Cal Miller:** I did put a motion on the table.

**Paula Hughes:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0. So what is our new number?

**Jackie Scheuman:** The amount that you have left to direct us to do with is \$1,042,269.

**Roy Buskirk:** Previously that was \$1,446,000.

**Paula Hughes:** I would move that we use the left over funds to increase the Circuit Breaker allocation.

**Darren Vogt:** Second.

**Roy Buskirk:** Does that go into the Rainy Day Fund?

**Darren Vogt:** It just goes into the County budget.

**Lisa Blosser:** It has a separate budget line.

**Roy Buskirk:** Unappropriated.

**Tera Klutz:** It actually is appropriated. It is in your capital line.

**Cal Miller:** So percentage-wise, if this motion passes, how far along are we in terms of our goal in preparing for the Circuit Breaker impact?

**Roy Buskirk:** It depends on what the State Legislature does to it this year.

**Cal Miller:** Based on what we know today, what percentage are we?

**Tera Klutz:** About 80%.

**Roy Buskirk:** Straighten me out, Paula, but we do have the funds set aside for the merit and execs.

**Paula Hughes:** If you look at page 46, we have \$842,433 in Countywide Compensation carried over from 2007.

**Paul Moss:** We don't have a number attached to the external.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Paula Hughes:** No but we are chipping away at that with the numbers that we have for executives and elected officials.

**Darren Vogt:** We are closer than we think.

**Paula Hughes:** I think we are.

**Darren Vogt:** The question that we have to keep in mind though is that is a one-time lump sum. We are going down in revenues but an increase long term in dollars going out.

**Jackie Scheuman:** It is not a one-time, we have rolled it over every year.

**Darren Vogt:** Good.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0. Auditor Blosser, is there anything that we are missing?

**Lisa Blosser:** No. Do you want us to get the results out to the departments?

**Darren Vogt:** That would be great.

**Paula Hughes:** Move to adjourn.

**Cal Miller:** Second.

**Paul Moss:** We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 7-0.