

**ALLEN COUNTY COUNCIL
MEETING MINUTES
NOVEMBER 10, 2008
8:30 AM**

The Allen County Council met on Thursday, November 10, 2008 at 8:35 am in the City Council Courtroom. 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, Cal Miller and Darren E. Vogt.

Also Attending: Lisa Blosser, Auditor; Tera Klutz, Chief Deputy; Nelson Peters, Commissioner; Bill Brown, Commissioner and Becky Butler, Administrative Assistant.

The meeting was called to order at 8:35 a.m. by President Paul Moss with the Pledge of Allegiance.

APPROVAL OF MINUTES:

Darren Vogt: Move approval of the minutes of October 16, 2008.

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 5-0(Kite absent)-1(Miller abstained). First off, on the agenda, is the review of additional budgets. We have the City of New Haven and Adams Township. I don't believe there are any others.

Paula Hughes: We have Grabill town too.

Paul Moss: We might as well forge ahead with the City of New Haven, first. I don't know if there is anyone here.

Greg Guerrettaz: My name is Greg Guerrettaz and I am the President of Financial Solutions Group. We have acted as the advisor to the City of New Haven for well over fifteen to twenty years. Brenda Adams was going to be here, I even talked to her at eight o'clock and she was on her way. So barring a little accident or something, she should have been here or walking in at any moment.

Paul Moss: We will certainly hope that she is okay. I assume you are familiar with the budget review tax form and have looked at it and helped fill that out.

Greg Guerrettaz: That is correct.

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Paul Moss: I assume that everyone here has had an opportunity to look at that as well. If there aren't any particular questions at this time from Council, if there are any highlights on here that you would like to point out.

Greg Guerrettaz: The only comments are the same comments that I made at the Council meeting before was that we had built in a small increase in payroll, I believe 2%. Our biggest challenge is meeting group health insurance. Beyond that, that is about it. We kept everything else pretty stable. We are under the same crunch everyone else is.

Paul Moss: Council, are there any questions or comments?

Paula Hughes: I have a question, the obvious one. The percent change or increase from the 2008 certified levy to the 2009 unit proposed levy is an increase of 9.78%. Generally we have seen that 4% is the appropriate number for that. Am I to presume, as in other cases, is this just the case of the City advertising a maximum amount?

Greg Guerrettaz: It is advertising high.

Paul Moss: Councilman Vogt?

Darren Vogt: I noticed that on capital expenses, the pool and recreational facilities. Is that a bond that will come before Council, based on the dollar amount or not?

Greg Guerrettaz: That has come before Council and is coming back to Council but at this point, it is unknown.

Darren Vogt: What is the amount of that?

Greg Guerrettaz: I received an email over the weekend that there may be a new design that would bring the cost down over one million. It could be anywhere from three to four million.

Paul Moss: Jury Pool, I assume?

Darren Vogt: That is an additional pool, am I correct?

Greg Guerrettaz: No, that is rehabilitation of the closed pool. They have closed it officially, at this point. And that is not due to weather but to the condition. At this point, they are trying to rehabilitate that. They are also looking at the potential new but still in a similar location. I doubt that we will enter into that before December 31.

Darren Vogt: When you say new, and that is where I am confused, it would replace the old pool and be a new facility or be a rehab of the other facility.

Greg Guerrettaz: That is correct.

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Darren Vogt: Okay, thank you.

Paul Moss: Does the City of New Haven have a Controller or not?

Greg Guerrettaz: It has a Clerk/Treasurer, not a City Controller.

Paul Moss: Any other questions, Auditor or Deputy Auditor, any comments?

Lisa Blosser: No.

Paul Moss: As you all know, we need to make a recommendation.

Paula Hughes: I recommend approval limited to the 4% growth quotient.

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 6-0 (Kite absent).** Thank you for joining us today and participating. Next is Adams Township.

Greg Guerrettaz: That is actually me also. My name is Greg Guerrettaz and I am the President of Financial Solutions Group. I actually put together the Adams Township budget. Brian Yoh could not be here this morning. I would be happy to answer any questions that you may have.

Paul Moss: Councilman Miller?

Cal Miller: The question that I would have is the answers to the questions asked, questions one through three, by our Auditor's Office. These were asked of each of the bodies submitting the budgets.

Greg Guerrettaz: I can answer those. I know them pretty well, off the top of my head. Are there any major capital? Do you anticipate your 2009 property tax levy to be more than 4%? No and we are not filing any excess levy appeal. I know that for a fact. I don't think that we even advertised one. Number two is what capital projects do you plan to undertake in the next three years that would require additional property tax dollars? There are none in the plans, at all. Has your unit experienced unique financial issues, positive or negative? Yeah, I have seen a rise in the poor relief. I see that happening this year and that will be the only constraint that we will have going forward. That and fire protection. Fire protection is a large part of our budget but given that this entity, Adams Township, has a very good contract with the City of New Haven and with the governing body, it's worked out pretty well. They continue to control costs and I don't foresee anything unusual at this point in time.

Paul Moss: Councilman Vogt?

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Darren Vogt: You say the poor relief was up but you only added an additional thousand dollars to the budget.

Greg Guerrettaz: Yes, I am saying that actual, for 2008, in the last couple of months, there has been a trend upward. That is all that we could build in here into 2009 and I am hoping that it satisfies the need. I think you see that across the state and in all counties.

Roy Buskirk: The one thing is that you have a pretty good balance in you township assessment, as of June 30th, compared to what you budgeted. Your balance, on June 30th, was \$264,000 and you only budgeted for your certified levy, for 2008, was \$2,012 and so you have a year's carryover.

Greg Guerrettaz: I understand that, sir, and the key there is that some have been saving up and that is what the township has done every since Barry Gehring. They have not overspent. They have saved up for hard times which is what we are at.

Paula Hughes: Do you know if Trustee Yoh has considered forming a Rainy Day Fund?

Greg Guerrettaz: Yeah, we have talked about it but at this point in time, you can accomplish the same thing by keeping it in the General Fund. At this point in time, we have not transferred from the General to the Rainy Day because you can achieve the same thing by keeping it in the General. And you can use it for the general good.

Paula Hughes: I agree, generally, but we have seen some townships come through here that have been penalized because of buildup in their General Fund rather than transferring it into the Rainy Day Fund. It is something that you may want to think about. We know that we have excess funds that we are going to need for the budget but it is important, for the future, to keep that cushion.

Greg Guerrettaz: It makes sense.

Paul Moss: You have your own company and you do consulting work, I assume?

Greg Guerrettaz: Yes sir, across the State of Indiana.

Paul Moss: Take no offense to this because there is none meant. Am I the only one that finds this interesting and kind of odd that we don't have an elected official here representing these entities and that they have a hired gun up here?

Cal Miller: I join you in that.

Greg Guerrettaz: Brenda is here now but I got confused by the notice because I thought it was the City of New Haven and Adams Township, which are joint on the fire protection and not just Adams Township.

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Paul Moss: What I am trying to do is to understand how the process works for New Haven and Adams Township. What you have indicated is that they hire you as a consultant to basically do their budgets. Is that fairly accurate?

Greg Guerrettaz: No, what we have done for fifteen years is that we have worked as a team. Brenda and I have worked very closely. She does it on a local level and I do it on a State level. This is not unheard of. As a matter of fact, a lot of DLGF representatives recommend it so that they have a sounding board and so that they know what is going on from a State level. We act, as a team, in both cases. It is not that unusual, in a lot of other counties.

Paul Moss: I don't want to belabor this point but my expectation, when I think about the City of Fort Wayne and the City of New Haven, is that they would have someone internally that would be performing these types of functions.

Greg Guerrettaz: Again, Brenda Adams is here.

Paul Moss: That is no problem. Councilman Buskirk?

Roy Buskirk: Do you also lobby for them?

Greg Guerrettaz: No sir, I am not a registered lobbyist. I consult with the DLGF and that is it.

Paul Moss: Do you have any comments that you would like to make?

Roy Buskirk: We already passed hers.

Paul Moss: I understand that.

Brenda Adams: I have to apologize. I was here, in the parking lot, way ahead of time and I went to get my paperwork in the back seat and it wasn't there. I flew back to New Haven to get it and I am sorry, Greg, I didn't mean to do that to you. We have worked very hard on our budget and I think that you can see, by our cash balances that we have been very frugal and it is because of the ups and downs that we never know what is going to happen. We have been holding off on spending some things that we really needed to do. Greg is right in that we do work as a team. We start with the department heads, with the budget. They put it together and then I go into it. We bring Terry in and Greg in and we work as a team to get the best budget that we can. Probably four years ago, we had money that was kind of a cushion but now it is getting to the point that we can't. I don't know what else to say. I appreciate you looking at it. If you have any question, I will try to answer them.

Paul Moss: I don't think that we have any additional questions, at this point. We certainly appreciate the effort and sorry you had to run back. Are there any other

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questions on Adams Township? I don't believe that we have had a motion on this one.

Roy Buskirk: I will make a motion that we recommend the 4% increase, not to exceed.

Maye Johnson: Seconded.

Paul Moss: We have a motion and a second.

Cal Miller: I would like to interject that they are only looking at 2.4%.

Paul Moss: Where do you see 2.4%?

Paula Hughes: We are still on Adams Township.

Cal Miller: I'm sorry, I withdraw my comments.

Paul Moss: All in favor please signify by saying aye. All opposed same sign. The motion carries 6-0 (Kite absent). Thank you for coming. These are simply just recommendations but I will also add that the DLGF does seem to pay attention to what our recommendations are. That is comforting for us. Now for the Town of Grabill.

Cindy Barhydt: Cynthia Barhydt, Clerk Treasurer of Grabill.

Paul Moss: You have obviously sat through some of these conversations that we have had already and I don't know if you would like to make any comments. I see that the three questions were unanswered on this sheet.

Cindy Barhydt: I worked with O. W. Crone in helping me do the budget. I just took over as Clerk/Treasurer at the end of August. The Clerk/Treasurer had resigned and we have worked very hard to try to balance the books. They were not balanced so this is what we came up with. Since I am really new at this, I am still learning.

Paul Moss: Are there any particular items that you would like to point out? It is fairly interesting that you are right at 5%.

Cindy Barhydt: We did the 5% increase just for advertising. We are expecting 4%. As far as capital projects, I know that they are going to do David Drive and they are looking at doing some renovations downtown but they are looking at a lot of it to be grant money.

Paul Moss: Council, are there any comments or questions for the Town of Grabill? Auditor Blosser, are there any comments given what you said about the turnover there?

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Lisa Blosser: No.

Paula Hughes: I guess that I would say, and I saw you speaking earlier with the Deputy Auditor Tera Klutz, I would encourage you, if you have any questions, concerns or need someone to help you walk through things, our Auditor's Office has been tremendous.

Cindy Barhydt: I will take all of the help that I can get.

Paula Hughes: Don't hesitate to call.

Cindy Barhydt: Okay.

Roy Buskirk: After all, they are number one in the State.

Paul Moss: Are there any additional comments or questions?

Paula Hughes: Move for approval of Grabill Civil Town property tax budget with a levy increase limited to 4%.

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 6-0 (Kite absent).** Thanks for taking the time to come down here. Councilman Buskirk, would you like to provide us with a Personnel Committee update?

Roy Buskirk: Because of the change of the Council meeting, we have not met since the last Council meeting. We will be meeting next week.

FINANCIAL REPORT:

Lisa Blosser: The amount left for appropriation in the General Fund is 2,087,463. For your consideration today, there are additional appropriation requests in the amount of \$3,119,827. We are now over 100% of our Miscellaneous Revenue projections for 2008. That is always good news.

Paul Moss: Are there any questions for Auditor Blosser?

Cal Miller: Move for approval of the financial report.

Roy Buskirk: Second.

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Paul Moss: We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 6-0 (Kite absent). Transfer within the Surveyor's Office, items one through seven.

Roy Buskirk: This is what Mr. Frisinger brought last month but he has reworked the information for us.

Al Frisinger: Thank you, Allen Frisinger, Allen County Surveyor, any questions? Whether than me going on into a long diatribe about anything, with the information that I have supplied, I will answer any questions that you have. Mr. Greer and I were talking about the vehicle issue. I know that Councilman Buskirk had raised some issue about the numbers that I had but they were the only ones available at that point. I guess that Mr. Greer has received a new set of bids from the City of Fort Wayne, on vehicles, very recently. I think that they are probably reflective of what we've got. I can't just go out and get a bid from anybody.

Paul Moss: Councilman Buskirk?

Roy Buskirk: I think it was brought up last month when the Purchasing Department came before us that all items, to be purchased, should be run through the Purchasing Department or to at least have a letter from the Purchasing Department saying that if they get it on their own, that it was the best avenue for acquiring the item in question. That is the one concern that I had because there is less than 50% of the purchases in this county has gone through the previous administration of the Purchasing Department. I think that we really need to work with that. I appreciate that you had worked with the Planning Department to get the handhelds. I am assuming, since Mr. Greer is here, that you went through him on verifying these prices. You made the comment that you can't go out and obtain a bid but he is the one, for the County, that can go out and obtain bids. They would be better bids than the individual departments could obtain.

Al Frisinger: We ran our information through Mr. Greer's department. Some of the things that you see there are general types of items that would be beneficial to have bid through the Purchasing Department and I agree with that. Some of them are very specific in nature and relative to the type of work that I do. When we begin to look at that, it is somewhat of a reeducation process to go back to Mr. Greer and try to ask him to get bids. I believe that Mr. Greer will probably reiterate that in saying that the specific nature, such as GPS which is something that falls under my professional perusal and should come from my arena to him if he wanted to do the purchasing.

Roy Buskirk: I understand that but I mean that if all departments go through him, then he might know of another department that is also looking for the same equipment. It could be the Highway Department that is looking for something that normally, with a larger quantity, it is a more economical price. I think that is something that we need to stress.

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Al Frisinger: I agree and we took that into account and had him give us numbers that would reflect a greater purchasing power if we went from two to four to six to eight and that kind of a level so that when we do get those breaks, and those were four, those are...

Roy Buskirk: So now, on the items that you want to purchase, you went through the Purchasing Department and those are the numbers that you have been able to arrive at?

Bill Greer: We are now working on the proposals for the automobiles for a cooperative agreement between the City and the County. We are in the process of evaluating those proposals for the vehicles.

Paul Moss: Can you state your name, for the record?

Bill Greer: Bill Greer, Purchasing Director.

Roy Buskirk: One thing that I mentioned to Al was that several times we have gone through the GM facility in our County and every time they have mentioned to us to be sure and contact them to get a very favorable price for any of the vehicles that we need. I don't know if you have had those communications with them.

Bill Greer: What we normally have been doing is that we can look at One Indiana as a cooperative. We can be looking at U.S. Communities. There are a number of contracts that the State already has but that doesn't mean that it is always the best price. We have to search around besides the standard places that people have been going to in the past. That is why the City and the County have gone together on a cooperative agreement and put the specifications out on the vehicles that we are looking for. We haven't finished the evaluation of those that we have received.

Al Frisinger: Councilman Buskirk, I understand what you are saying but I am not sure that Mr. Greer follows. Are you thinking that we would go right to the GM plant with someone?

Roy Buskirk: I would suggest that the Purchasing Department contact the Commissioners. I don't have the people's names in my mind but they could give you the contacts and you can call the GM plant to see what can be done. It is something that they always say.

Paul Moss: They only make trucks out there, right?

Roy Buskirk: Right.

Al Frisinger: That is what I am looking for, a Silverado. I think it is a good opportunity to spend our money locally and probably for the best price for the best vehicle.

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Darren Vogt: Speaking of locally, I was curious, CDWG on the monitors, is that a local branch of that company? The sales quote is from a company in Vernon Hills, Illinois. Any reason why we didn't attempt to get those locally? The price is good.

Al Frisinger: I can't answer that. I suspect that that is who we use.

Darren Vogt: I guess, in consideration, when the economy is the way it is, we have to sometimes make sure that the local vendors are looked at and that the pricing, when all is said and done, isn't that much different then maybe we use the local vendor and keep our local economy strong.

Paula Hughes: I think that is a mixed message though. I think we either need to say follow the bid and go with the best price or we say to shop local first. Those can be two very different issues.

Darren Vogt: They are but they also need to be analyzed when we are talking five dollars or ten dollars difference per unit, then I think we need to look at the local option versus an out-of-state option. That would be my opinion.

Roy Buskirk: Especially when it comes to service.

Paul Moss: Well, thank you for prefacing your comments with the desire to keep this discussion brief.

Paula Hughes: I actually have another question. My question is about the transfers. What is going on with the three positions? I know a couple of these are fairly newly funded. Are you just having a hard time trying to fill them?

Al Frisinger: The one engineer position has had no one apply for it that met any of the qualifications. It is a sign of salary versus qualifications. I think that is evident. With the downturn in the economy, I have had a few people come forward but they haven't applied for the job. They say that they are thinking about being interested. I don't know what that exactly means.

Paula Hughes: I think that you should approach the Personnel Committee with those issues. I know other departments have not hesitated to come to us when they had a hard time filling their positions. Council funded positions within your budget because they thought it was important but we need to know what is happening if you can't find anyone to apply for the position because of the salary.

Al Frisinger: I think that I did bring that up at one point in time. These are professional positions and there is a large disparity in wages between the professional engineer position with Highway and in my office, there are completely different dollars that are looked at. I don't understand it and I did bring it up at one point in time.

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Paul Moss: How long ago was that? I don't recall that discussion.

Al Frisinger: I would say last year.

Paul Moss: Was it? Well, bring it up again. I don't recall a discussion about an engineer.

Paula Hughes: And whether or not this would be an appropriate position for the merit system that we have got going.

Roy Buskirk: All three of these positions...

Al Frisinger: No, I was just addressing the one. I have had retirements that vacated a couple of them. It would be appropriate to garner that money together to make the capital improvements that we need to get the equipment to make my department more efficient and replace aged equipment. I would then fill the positions after the first of the year. It made the most sense to me. I try to do the most with the dollars that are available.

Cal Miller: Back to the point about the Hydrologist, isn't that position required or isn't that one of the tools that you were going to use to fulfill the obligations under the Clean Water Act?

Al Frisinger: I did fill the one and then I had another guy retire. The gentleman that I brought in and does the NPDS permitting is in place but then I had a professional engineer retire. He was doing plan review and design work.

Cal Miller: Is there a desire to fill the position?

Al Frisinger: Oh, yes. I have been able to utilize consultants for part of that work and then fill in other ways. Again, we have had a bit of a downturn that has helped us, believe it or not.

Cal Miller: Help you catch up?

Al Frisinger: Yes. Right now we are doing a lot of catch up on in-house type of work.

Paul Moss: Council, are there any other questions or comments?

Paula Hughes: Move for approval of items one through eleven.

Paul Moss: Is there a second to that motion?

Roy Buskirk: I'll second it.

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Paul Moss: We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 6-0 (Kite absent). Thank you. Items twelve through fourteen are for the Purchasing Department and then we will get Mr. Fuller up here shortly.

Bill Greer: My name is Bill Greer, County Purchasing Director. The first one that I wanted to talk about was the gasoline. Last year, the decision was made not to lock in the prices on our fuel contract with a fixed price but rather float with the open market. As you know, last year we saw volatile swings in crude prices. As the crude prices went up, the gasoline and diesel prices also changed. An idea of how drastic that swing has been, our spot market purchases have swung from a low of \$2.36 a gallon to \$3.81 a gallon. That is \$1.45 per gallon of which, when you are buying a transport of 8,000 gallons, that could be as much as \$12,000 difference on one delivery of fuel. While the prices do appear to drop, as we speak, we can not anticipate what those future prices are going to be. The big swings, I do not believe, could have been anticipated when my predecessor put the contract together. As recently as October 18th, we were paying \$2.37. Again, it continues to swing. I believe that if the prices were to remain steady throughout the remainder of the year, and our usage remains the same, then I think that perhaps we could get by with an increase of only \$38,690 instead of the \$55,000 that I have there. The \$55,000 was based on the higher price that we had at the time I gathered my data.

Darren Vogt: Can you give us that number again, please?

Bill Greer: \$38,690. We are looking at a cooperative agreement with the City for the purchase of fuel and I think we are very close on that. We have been working more, as I mentioned a few minutes ago, with the City to do intergovernmental agreements or interlocal agreements, whichever term one chooses to use. Postage appropriation, the postage rates went up last year. I don't know if that could have been anticipated or not but one of the things about the postage and the way it works is that we don't have total control, obviously, in the Purchasing Department. What I have done is reviewed all of the anticipated purchases and open blanket orders that we have at this time. What I am trying to find out, by going through there, is there any surplus funds that we could move over to the postal or fuel allocation. I have not been able to find those funds. Without these two appropriations, we will have a difficult time having County vehicles on the road and postage being sent out. I don't know if I need to say anything else on the Buyer appropriation. I thought we had talked about that at the last meeting.

Paul Moss: That went through the Personnel Committee and was approved.

Bill Greer: What I can tell you, on the Buyer, is that we have completed our interviewing and have tentatively offered that position to an individual that is going to come in and see me at 1:00. One of the things that I like about this particular applicant is that he is a Certified Purchasing Manager with the National Institute of Government Procurement. That is pretty good credentials for him to have.

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Paul Moss: Councilman Buskirk?

Roy Buskirk: I was going to comment that it was brought before the Personnel Committee and what you want to do is reorganize the office and instead of being a Buyer's Assistant...

Bill Greer: The Buyer's Assistant position has been converted to a full Buyer. As I said there, just like this time, a CPM would not apply for a Buyer's Assistant position.

Roy Buskirk: I have a question, in reference to the postage. I am a little confused on that because I thought the individual departments paid the postage.

Bill Greer: They do. I am still learning some things, obviously being new to this county, but I thought that was a revolving account.

Lisa Blosser: It is one of the internal service funds where it is in the department budget.

Roy Buskirk: I still don't understand. Each department has their own budget for postage so you are paying the postage first and then charging the departments?

Bill Greer: Yes.

Roy Buskirk: Well, then why does he need more money?

Lisa Blosser: We are going through a private company, Postmasters, and they are billing him and there is just a little bit of a lag in the funding.

Paul Moss: It is also possible that the two budgets wouldn't match up, correct, if all of those departments had additional mailing costs or something along that line.

Lisa Blosser: That is true.

Bill Greer: The contract with Postmasters, the mail goes to the Print Shop and then Postmasters comes and picks it up. The individuals in the Print Shop keep track of what the different departments have sent through and then it is billed back.

Lisa Blosser: It is the smaller departments that do that. It is not every department.

Roy Buskirk: I guess I am still lost as to why you need it. Is it a cash flow problem?

Bill Greer: On which again, please?

Roy Buskirk: The \$4,600. Is it a cash flow problem from the time that Postmasters bills you and until you collect that money from the departments?

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Bill Greer: There is a turnaround period of about two or three weeks, as I understand it. The last time that I looked at that budget line, there is like thirty-one cents in there. There is an invoice sitting there, from Postmasters, waiting to be paid.

Roy Buskirk: How many invoices do you have of receivables, from the different departments?

Bill Greer: I am trying to get hold of that because there is more than one contract with Postmasters. There are a couple of departments that have their own contract. I would like to be able to roll that all into one contract for the County. I don't have that information for you, as we speak.

Roy Buskirk: But your contract, with Postmasters, sir with all due respect, would have nothing to do with what is receivable from the departments to you.

Paul Moss: Are you expecting that his receivables, from interdepartmental transfers, are always going to balance with Postmasters?

Bill Greer: That would have been my expectation but it is not what happens.

Paul Moss: From a budgeting standpoint, it seems to me that it would not true up throughout the year.

Bill Greer: It is a different methodology than what I am used to from my previous county. Each department had their own postal line and it wasn't the movement of money between departments to cover it.

Roy Buskirk: That is one of the reasons that I am asking these questions. Maybe we should take all of the postage lines out of the departments and just put it in the Purchasing Department.

Bill Greer: That would be another way to do it.

Darren Vogt: Then the responsibility lies on him and not the individual departments.

Bill Greer: The only downfall to that, if I may, is when I am budgeting, there are certain mail outs that the Treasurer has or other departments have that I couldn't anticipate. They would be in a far better position to determine what their postage is going to be. It's pretty much the same thing with gasoline.

Darren Vogt: The concern that I have is that we were going to Postmasters to save money on postage. As I recall, that was one of our budget conversations and it appears that we are going just the opposite. I haven't heard anyone coming out and saying that they are doing more mailing.

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Paula Hughes: Mail has gone up twice in the last two years.

Darren Vogt: That should have been anticipated in each department's budget. That is where I am confused if that should all wash out in the end or not.

Paula Hughes: Maybe it was the individual departments but I don't recall increasing the Purchasing Department's budget.

Roy Buskirk: But this \$4,600 isn't for the Purchasing Department's postage.

Bill Greer: That is a postal line in 3901. We are looking to have the \$4,600 go into the Purchasing Department's postal line.

Roy Buskirk: Because you are mailing more? The Purchasing Department is mailing more?

Bill Greer: I don't have that history. I have been here too short of time to know for certain. That is one thing that I was definitely trying to find out before I came up here. Why do we have a shortage of money here? I haven't been able to determine that and I wasn't able to find the money anywhere else, in any other line.

Paul Moss: It is either volume or unit cost.

Bill Greer: The unit cost hasn't been that much.

Paul Moss: The unit cost has gone up.

Bill Greer: The cost savings, if I understand it right, is the fact that there is one less person involved. I thought the temporary person is the one that was handling the mail.

Roy Buskirk: The savings is because we were mailing it presorted instead of paying first class mail.

Paula Hughes: But this is a pass through line just like printing is and so maybe the problem is that there is a lag in the billing time from departments coming back in. Is that right? It replenishes the Purchasing Department's postage line.

Bill Greer: Right.

Paula Hughes: Councilman Vogt, you are the one who asked about getting receivables and I think that is the real issue. Do we think that there are a handful of departments who have been pushing their postage through the Purchasing Department but then not paying what they owe? Or maybe there hasn't been a good enough tracking in which departments owe what.

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Bill Greer: Your first one was my thought too. I don't really know. I couldn't even find a copy of the purchase order with Postmasters. It has taken a little while to figure out exactly where we are. Postmasters provided me a copy and have provided me a list of the other departments that have a contract with them. My interest would be to roll it all in to one contract and manage it maybe centrally from Purchasing again although I am not sure that it is the best solution.

Paula Hughes: Either way, it sounds like your new Purchasing person should focus on the Postmasters contract.

Bill Greer: Yes, he will have a few things to concentrate on.

Paul Moss: Council, are there any other questions or comments on this? I would certainly appreciate a motion.

Darren Vogt: Move for approval of item twelve in the amount of \$3,300, item thirteen in the amount of \$4,600 and item fourteen in the amount of \$38,690 for a total of \$46,590.

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 6-0 (Kite absent).** Thank you. We are going to adjust right now to have items twenty-four to item twenty-six. Mr. Fuller has a prior commitment.

Dave Fuller: I appreciate you moving me up. Dave Fuller, Allen County Building Commissioner. I won't go over all of the same things that Mr. Greer just said about gas but basically our prices were not fixed. I gave you a chart that has the comparison of the last three years and our fuel usage has gone down about 2,000 gallons this year. The price has gone up about \$8,000. We were not able to anticipate the increase. We are asking for a transfer of \$7,500 from other line items to cover the cost for the rest of the year.

Paul Moss: Councilman Buskirk?

Roy Buskirk: When the County purchases gas, it does not include the State or Federal gasoline tax? There are some taxes that are eliminated when the government agency purchases gas.

Bill Greer: I believe it is the Federal portion of the taxes that we do not pay. We still pay the State excise tax on that. I will have to check on that and get back with you.

Roy Buskirk: I was just curious because of the current price that we have. It's not what the pump price is that the County pays. There are some taxes and I forget

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which ones. I make a motion to approve items twenty-four, twenty-five and twenty-six.

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 6-0 (Kite absent).

Darren Vogt: Can we have a conversation about the gas and fixed price or not fixed price? Should an analysis be done as to the difference in a fixed cost contract versus the variable? I think that we have alternated a couple of years back and forth.

Paul Moss: I would hope and assume that Mr. Greer is undergoing that type of analysis. He is obviously new in this position but that is certainly one of the things that would be at the top of his agenda. Is that an accurate statement?

Bill Greer: We are looking at that.

Paul Moss: What sort of timeline would you be able to make some comments on this issue?

Bill Greer: I can talk with the City Purchasing Director. We are working with the Fort Worth Cooperative. That is the school districts, airport and a number of other organizations that are involved in that. We have been having meetings about every three weeks or so. I will have to find out when our next meeting is scheduled. We have brought a number of people in to talk to us about how to set this contract up.

Paul Moss: Can you give us a general idea of when you would be able to provide an update to Council on what direction you believe is the best?

Bill Greer: When is your next meeting?

Paul Moss: December 18th. That is something that we can put on the agenda as a discussion item. We are going to move back to items fifteen through seventeen, for the Highway Department.

Darren Vogt: This discussion might take a little longer. Do you want to move the Sheriff's Department?

Paul Moss: Can the Sheriff's Department get through theirs very quickly? We also have a Commissioner and several Highway people sitting here.

Dave Gladieux: Good morning, Dave Gladieux with the Sheriff's Department. I am going to sound like a broken record up here but we are short of fuel as well. We are requesting to transfer funds to meet those needs. We are going to take out of

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computer hardware and contractual to cover gasoline, oil and lube and longevity due to the raises that we received. We are not asking for any additional funds.

Paula Hughes: I will comment that in my discussion with the Sheriff's Department, he initially thought he was going to come to us for a request for an additional \$78,000 and after working through the numbers, they were able to transfer within funds. Move for approval of items twenty, twenty-one, twenty-two and twenty-three.

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 6-0 (Kite absent).

Dave Gladioux: I noticed on the schedule that we are also here for a request to apply for a grant. It is the yearly grant that we do for Vice and Narcotics. I didn't know that it was in there until I opened the file this morning.

Paul Moss: The \$32,000?

Dave Gladioux: Yes. It is the yearly grant that we apply for the Vice and Narcotics location. It is a 50% match which is covered by in-kind.

Roy Buskirk: Who is administrating that grant for you?

Dave Gladioux: I am looking at an old form here.

Lisa Blosser: Kelly Sickafoose is handling that.

Roy Buskirk: Is she within the Sheriff's Department?

Lisa Blosser: Yes.

Roy Buskirk: I asked that because there had been stuff in the paper about if we would be able to still apply for grants. I just want to assure the public that we are being able to handle that. I make a motion for the approval of the Drug Task Force grant application.

Paula Hughes: Second.

Paul Moss: We have a motion and a second. Any further questions?

Darren Vogt: At one point in time, there were concerns that this grant would go away. Is this the one?

Dave Gladioux: This is the one that is decreasing every year. With the Presidential election, we can't really tell what is going to happen. We might have to bite the

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bullet, so to speak, and move them into our quarters which would make a lot of sense but you do what you got to do.

Darren Vogt: I just wanted Council to be aware that this may be the situation.

Paul Moss: All in favor please signify by saying aye. All opposed same sign. The motion carries 6-0 (Kite absent). I apologize to the Highway Department and the Commissioner for that. We are going to look at items fifteen through seventeen.

Nelson Peters: Good morning, Nelson Peters, Allen County Commissioner. Of course I was going to defer to the man with the gun.

Paula Hughes: Real quick, before you get started, Commissioner Peters, I have seven copies of the 2009 proposed bridge projects. Does everybody have a copy of this?

Cal Miller: Yes, we all got seven copies.

Nelson Peters: I also have seven copies of the cash flow statement on the Woodburn Webster project.

Paula Hughes: Is it in the booklet or where?

Paul Moss: Well, these are some high dollar items here so it should be some good discussion. Would you like to make some summary remarks right off the bat?

Nelson Peters: Yes, I would, please. What you have, on your agenda, for items fifteen and sixteen are bridge construction costs and some repairs that we need to do. We presented a number of these to you during the budget hearings. Ashley Steenman and Mark Royse were instrumental in helping us build some strategy for our approach to projects within the Highway Department. This is merely an extension of those projects and what was presented to you. This should be nothing new to you. If you look at the sheet that shows Allen County Highway Department 2009 Proposed Bridge Projects, you will see four bridge projects with a total of \$2,700,000. These are the next bridges that were in line to be done in the unincorporated areas of Allen County. If you go back to the information that was provided in the budget book and the bridge book, you will see those that are next in line is not a City of Fort Wayne bridge project or something else that had an infusion of federal funds. They are, as I mentioned before, just the next logical extension of those bridges that needed to be done in Allen County.

Paul Moss: Council, any questions on that?

Paula Hughes: I meant to bring my bridge book with me and I forgot to grab it this morning. What does the Highway Department think there is going to be in the way of additional expenses in upcoming years? These two requests take the entire amount that the Council had earmarked for the next three to five years and it is all going in

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the first year. I know, from working with the Bridge Task Force, that we have a front loaded problem and have a lot of bridges that need to be repaired. Some of them should have been addressed in the \$8 million bond that we did but because of increased expenses, we couldn't get to all of them. For future years, can you give us any kind of projection?

Nelson Peters: Let me take a shot at that. There was, initially, \$30 million worth of bridges that needed to be done over a ten-year period. It was, as you alluded to, front end loaded and there were about \$16 million worth of bridges that we believe needed to be done based on a report that was done by Clark Deetz in the first three years of that period. Keep in mind that the split was about \$16 million worth of bridges in the City of Fort Wayne and \$14 million worth of bridges in the unincorporated areas of New Haven, Monroeville and other areas. You could take that kind of percentage, I think, to get to where it is that you want to get to. If you are looking right now, we are looking at about \$14 million worth of bridges in the unincorporated areas that need to be done. I think that the \$2,700,000 would equate to the front end loaded portion of the two, City of Fort Wayne and outside the City of Fort Wayne scenarios that we needed to accomplish under the \$30 million projection that had been made initially. Have we followed any of that?

Paula Hughes: I am trying.

Cal Miller: Can I ask for clarification? You are saying that the \$3 million that the Commissioners are asking for would address the front end load needs for both the \$16 million and \$14 million?

Nelson Peters: No, just the \$14 million.

Cal Miller: That is what I thought you meant to say.

Nelson Peters: That is what I was trying to say.

Paula Hughes: So we can anticipate \$11 million in expenses over the next ten years?

Nelson Peters: Yes ma'am.

Paula Hughes: So a million a year or a little over a million a year.

Paul Moss: Can you apply that same percentage and come up with a dollar figure for those bridges that are in the incorporated areas in terms of identifying what sort of expenditures those municipalities might have?

Nelson Peters: On a front end loaded basis, you would have probably been looking at about four to five million dollars.

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Roy Buskirk: The other thing you have is, that was pointed out at the Bridge Task Force meeting, that Woodburn just received notification that concrete was going up \$14 a yard. The cost has still gone up tremendously. It will increase more the longer we put it off. I am a little concerned with legislation that could possibly happen in January on the wheel tax/surtax. One question that I do have is, and after we had our meeting Thursday, there was originally six bridges listed on October 22nd for \$2.7 million. Now it has been cut to four bridges that equal \$2.7 million. Three of the bridges that are on this list was on this list but now there is a new one. I guess it is coming up to what is our bridge inspection numbers on these bridges, as far as priority?

Nelson Peters: The reason for the difference in the list is that there was another bridge listed, the Ellison Road Bridge, had been omitted. That was simply an oversight, at that time. If you go down the list of the bridge inspection report, you will see that the Ellison Road Bridge should have been there. There were some other bridges, on the back end, could have waited, based on the inspection report.

Roy Buskirk: Is this matrix number from the bridge inspection column?

Nelson Peters: Yes.

Roy Buskirk: Okay. These are just the top four bridges.

Nelson Peters: The top four bridges based on that report and based on what was provided to you during the budget hearings.

Roy Buskirk: It is a miracle, they both come out to \$2.7 million.

Paul Moss: I want to get back to the \$5 million in the incorporated area. That assumes, to make it as simple as possible, bridges that are in a similar state of needs as these, correct? Has that information, in terms of the needs and also the cost, been shared with the municipalities? What I am kind of getting at here is that I don't recall any of the municipalities, in terms of the budgets that we have reviewed, anybody bringing up any comment that this is specific to the bridge repair issue that we have. In other words, they are not thinking ahead that they may have to assume that responsibility. I am just trying to clarify that.

Nelson Peters: That information was shared with them as early as September of 2007. It has been reiterated at every Bridge Task Force meeting that we have had and there have been at least half a dozen of those meetings.

Paul Moss: Is my recollection fairly accurate on that? I don't recall anybody saying that this money is related to the bridges.

Roy Buskirk: Leo-Cedarville, right?

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Nelson Peters: Leo-Cedarville just began a CUM Bridge Fund of their own. They will be taking care of some of these. Councilman, to your point, many of the other entities are looking for some legislative solution or the Bridge Task Force to reach some accord. I don't think you will have found any of them to have presented bridge outlooks.

Paul Moss: My point was to more clearly identify the current statuses. Did you have something, Councilwoman Hughes?

Paula Hughes: I guess that I was looking at the multiple versions of the proposed bridge projects. We are to pay attention to the list dated November 5th and not the one dated October 22nd, in terms of which bridges that the \$2.7 million is to be used for?

Nelson Peters: Correct.

Darren Vogt: Commissioner Peters, can you explain going forward how the bridges are going to be going through a similar matrix system that we did with the road projects and conversions? Can you talk a little bit about that because I think it is important for us to know, as a Council?

Nelson Peters: The best that I can explain is that I think the inspections and so forth and the rankings have been subcontracted out in the past. In 2006, there was a company called Farr Garvey, who has since changed names to Clark Deetz, who did a study and they came back and looked at the maintenance. They said that based on our inspections and what was seen, they ranked them as such. As Councilman Buskirk pointed out, there is indeed a matrix that they share and a number that they apply to the need for each of those bridges. It is my understanding that there may be or has been a new study in 2008, that will be gracing our presence fairly soon. My suspicion is that it is not going to change much the rankings of the 2006 study but will simply add more bridges that they have identified as needing some sort of repair or maintenance.

Roy Buskirk: It could possibly change their numbers as far as the ranking, correct?

Nelson Peters: I am not a bridge guy but my suspicions are, looking from the outside in, that it probably wouldn't change them appreciably. It may say that you really need to do some maintenance on this one now or we didn't even address these bridges back in 2006 and you better add them to the inventory for maintenance and repair.

Roy Buskirk: On the engineering estimates, is there any participation on that by State or Federal funding?

Nelson Peters: No.

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Roy Buskirk: How high does the number have to go before we get State or Federal funding? Or, are these just strictly repair jobs and there is no additional funding?

Nelson Peters: I think we are on our own, with these.

Bill Hartman: This is a separate issue. The matrix number is a different evaluation than what the bridge inventory is. In the bridge inventory, the federal sufficiency rating, anything below a seventy can be rehabilitated with Federal funds and anything below a fifty can be reconstructed. The Federal aid bridges are not within this list. We have about half a dozen, right now, that are under Federal aid but we have already put funding in place for those. Three out of four of these are leftover bridges from the last bond issue. Ellison Road that came to the top was not but it was one that we put under design in case we had additional money on the bond issue, as we had in previous years, so we would have another bridge designed and ready to go. Unfortunately, this time, everything reversed on us and we didn't have enough money to complete all of the bridges on the bond.

Roy Buskirk: But why don't these bridges qualify for Federal participation?

Bill Hartman: Everything that we can apply for, every call for bridges that has been made available, we have applied for and they are currently in the system. I work with Dan Avery, on a monthly basis, and everything that I can get in Federal aid for bridges, we have gotten.

Roy Buskirk: So, in essence, we have maxed out what Federal funds are available and we would have to wait another year?

Bill Hartman: To apply again, yes sir.

Roy Buskirk: Is there any reason that these bridges are unsafe for use?

Bill Hartman: They are in a deteriorated state and it is time to rehabilitate these bridges. They need widening because they are narrower than they should be. At current standards, we try to have a thirty-six foot wide bridge. In the case of West Hamilton Bridge, there is a considerable amount of development out there. It is just immediately south of 14 and that intersection is about to be rehabilitated. It is a basic two-lane bridge right now and is going to have to be expanded to three-lanes plus shoulders. There are varying reasons.

Nelson Peters: Council, bear in mind that this is a report that came from 2006. This consultant company had recognized, two years ago, that these bridges were in such a state that we should begin looking at doing something with them.

Roy Buskirk: Recognize that if we went another year, instead of that being \$2.7 million, only 20% of that figure would be County cost and 80% would be Federal bridge money.

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Bill Hartman: We would never get to rehabilitate and replace all of our bridges with Federal aid. There just isn't that much available for bridges. We apply at every opportunity that we get.

Roy Buskirk: What I am looking at is maybe two bridge projects that we should do out of total local funds and move two of them onto another year for participation.

Nelson Peters: I understand that we have and will continue to max out Federal dollars, to the extent that we can, every year. Whether this is a 20% deal, if we don't get the 20% on say, West Hamilton Road, that 20% will be applied to the bridges that we will do in 2010. That money is not going away. We will recapture it.

Roy Buskirk: Right, but the higher the matrix number the better chance you have on getting Federal participation.

Bill Hartman: Lower.

Paula Hughes: So, in essence, these bridges are in too good of shape to participate in the Federal aid fund.

Roy Buskirk: There is no money available.

Paula Hughes: I have heard both.

Bill Hartman: I couldn't answer that, exactly, at this point. I don't have the sufficiency ratings listed here.

Nelson Peters: We do have bridges, right now, that for one reason or another are ahead of these four bridges. They are either a City bridge or they are bridges that have already received the Federal funding. At this point, we have maxed out everything for 2009 and will have to go back after 2010.

Paula Hughes: I understand what Councilman Buskirk is trying to get at is that if we wait a year or two, would they be at a sufficiency rating that would allow us to apply and receive Federal aid?

Nelson Peters: The answer is probably so but then there are other bridges that will be coming into the inventory to be done and for which we won't receive Federal funding at that time. It is a wash either way. We will get the money for that or on the bridges to come.

Darren Vogt: The easier way to say it is if we are maxing out the money that we can get, we are maxing out the money that we can get.

Nelson Peters: Right.

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Darren Vogt: We will apply for the bridges that are there and move forward.

Roy Buskirk: If you have other bridges that are going to jump in the number system so they would qualify, that's the thing.

Paul Moss: Are there any other questions or comments? Would anybody care to offer a motion?

Darren Vogt: Move for approval of items fifteen and sixteen for a total of \$3 million.

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 6-0 (Kite absent). Item seventeen.

Nelson Peters: Item seventeen...

Lisa Blosser: First we have to take care of some bookkeeping. You earmarked \$3 million for bridges but we still have to unappropriate and then appropriate the additional funds. You will need to unappropriate \$1,015,549 from a County Council budget line item. What I am suggesting is that you would probably want to unappropriate from the County Council contractual line. Right now you have a balance of \$2.9. We are actually, for the first time...

Paula Hughes: We don't have available for appropriation, that much money.

Cal Miller: Can we do that today?

Lisa Blosser: Yes, it has been advertised.

Cal Miller: What was the figure again?

Lisa Blosser: \$1,015,549.

Cal Miller: And that would be a transfer?

Paula Hughes: It is an unappropriation of an amount.

Darren Vogt: If everybody is comfortable, I will make the motion that we unappropriate \$1,015,549 from the County Council contractual line in the General Fund.

Cal Miller: Second.

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Paul Moss: We have a motion and a second. All in favor please signify by saying aye. All opposed same sign. The motion carries 6-0 (Kite absent). Now we will move on to item seventeen, Woodburn Webster intersection.

Nelson Peters: Thank you. The Woodburn Webster intersection is a request for \$800,000 of CEDIT revenue. This is a request that will help us complete a project to pave about eleven miles worth of road, straighten out a part of the road and rehab one of the bridges. The total project cost is \$5,600,000. We have provided a cash flow summary for you on a sheet that at the top says Allen County Highway. It is a memo from Mr. Hartman to Mr. Royse. In it, you will see that the State is giving us \$4,800,000 in the next three year period in what they call a relinquishment agreement. We are relinquishing parts of Highway 24. Because the cash flow is currently \$800,000 short, your approval of these dollars will not only help to seed this project but will allow us to close the gap at the end of the project. It is our hope to actually recoup the \$800,000 through development of a TIF area for Midwest Tile. With that, we would be happy to entertain any questions.

Paul Moss: Where is Midwest Tile on the map?

Nelson Peters: Midwest Tile is right there.

Paul Moss: What sort of property taxes are they generating at the present time?

Nelson Peters: I don't know, I can't answer that.

Roy Buskirk: But they are talking about an expansion?

Nelson Peters: Yes.

Roy Buskirk: And that is what would be picked up on the TIF?

Nelson Peters: Right.

Paul Moss: So, just the expansion part would be the TIF?

Nelson Peters: Right.

Darren Vogt: Are you going to run the TIF district down to the interchange at 24?

Nelson Peters: I would have to ask Mark or Ashley. It would just be contiguous with Midwest Tile.

Darren Vogt: Is there any reason why we don't extend that all of the way down to the intersection?

Roy Buskirk: Of what?

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Darren Vogt: Twenty-four and Webster.

Roy Buskirk: It is 24 and Webster.

Darren Vogt: Not when it is vacated. The new road.

Roy Buskirk: The new 24?

Mark Royse: First of all, the philosophy of the Redevelopment Commission in establishing TIF districts is to keep them as concentrated as possible so that the revenue coming off of those is applied to a specific purpose. Secondly, changes in State statute require that the district is abutting the improvement. It used to be interserving but now it is abutting.

Darren Vogt: That is what I was looking for.

Paul Moss: Mark, before you go, it is assumed and agreed to I assume, that there will be no tax abatement request?

Mark Royse: There hasn't been, at this time but there could be.

Paul Moss: If they ask for an abatement for the expansion and is going to be utilized in a TIF, what happens?

Mark Royse: You just backend it. There are several loans between the Commissioners and the Redevelopment Commission where the Commissioners have loaned their CEDIT dollars and are paid from Redevelopment with TIF dollars, as they become available. If there is a tax abatement involved, obviously you are going to have a longer period of payback. Those districts are allowed to be out there for twenty-five to thirty years. Over time, they can get the payback.

Paul Moss: So, a very convoluted process, it seems like. It is the chicken and egg kind of thing with the abatement and the TIF component. I'm not sure how you get around that.

Mark Royse: The TIF portion of it is just a way of reimbursing the CEDIT money that is used upfront. You could do this project with just the CEDIT money upfront and without a TIF. The TIF is just a way of keeping that CEDIT money moving forward.

Paul Moss: Right. I think that it is important for everyone to understand that it is not an additional tax burden.

Mark Royse: Right.

Paul Moss: Are there any additional questions from Council, on this?

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Roy Buskirk: As far as the TIF area itself, Mark, can you outline it on this aerial?

Ashley Steenman: This is Midwest Tile, right here. It will probably be, like Commissioner Peters said, contiguous with their property. As Mark said, we like to keep them as concise as possible.

Roy Buskirk: Their parking is even east of Webster now, right?

Mark Royse: Right.

Roy Buskirk: The area that you just outlined is west of Webster. They even own ground on the east side.

Ashley Steenman: Wherever they are doing their improvements, we will definitely be grabbing that because that is where the TIF will be coming from. If they have parking lots across the street and have any intention of expanding across Webster Road, then we will grab that too.

Roy Buskirk: I don't understand why you don't go a quarter of a mile around that whole area there. If that improvement is going to come at a later date because of the improvement of the intersection, I don't think that it is stealing money.

Mark Royse: Again, it goes back to the change in State law that the improvement has to abut the district.

Roy Buskirk: Isn't the improvement that little red line there? Why can't it abut the red line?

Mark Royse: I thought you were talking about going all the way...

Darren Vogt: I was.

Roy Buskirk: Why limit yourself to such a small area when you can go just a little bit bigger. Who knows, there might be improvements on the Woodburn Road?

Mark Royse: Again, when we designate a TIF district, we want to know there is money. There is no water or sewer or any other issues with Midwest. We designate that and the TIF revenue reimburses for that intersection improvement. You have adjacent development that may need water or sewer extension or some other type of improvement. Based on the way that the TIF works, you couldn't take the money from the Midwest and put it there. We want to keep those as compartmentalized as possible so that we know what each district is paying for. That is a lot of what the State Legislature had a problem with, the three-mile TIF districts and those kinds of things. If you want us to, we will do it but you want to keep it as simple as possible.

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Roy Buskirk: You wouldn't be able to take the money that is generated from this new TIF district to provide water and sewer to anything that is built in the TIF area, is that what you are saying?

Mark Royse: What I am saying is that the TIF district has to abut the improvement. If you want to expand the district to extend water and sewer, because that is the purpose, then you can do that. But if the purpose is to reimburse yourself for the Webster/Woodburn intersection, then I would keep it just as Midwest Tile.

Roy Buskirk: Okay.

Mark Royse: If water and sewer needs to be extended, then that district is established and will cover the cost of extending that water and sewer.

Roy Buskirk: But you wouldn't be able to use any money generated from this TIF district for the extension of the water and sewer.

Mark Royse: You could if you extend it and it is abutting the improvements. The only purpose of the district, that we were requested to pursue is the reimbursement for this intersection.

Roy Buskirk: Okay.

Paul Moss: Council, are there any other questions or comments? Anyone care to make a motion?

Darren Vogt: Move for approval of item 17 in the amount of \$800,000 for the Woodburn/Webster intersection.

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 6-0 (Kite absent).

Nelson Peters: Thank you. Councilman Moss, at the risk of pressing my luck, is there a chance that you would indulge me for one more minute?

Paul Moss: Sure.

Nelson Peters: We have a request coming before you in December to transfer some dollars from the Council's CEDIT fund to the Highway's CEDIT fund for a number of chip and seal road conversion projects. You will find them listed on a sheet that is titled 2008/2009 Conversion Projects Criteria for Evaluation.

Paula Hughes: It is in the packet that you just handed us.

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Nelson Peters: Correct. There are about eight projects that were started under the current road conversion project where the right-of-way was received, utilities were moved and signoffs were provided from a number of the residents. These projects total \$506,000 and are really leftovers, as I alluded to, from the old conversion program. As you will see, with the help of Ashley and Mark, we have extended the criteria that will be used to evaluate future projects. As you look to the right-hand columns, dwelling density was the primary mover for previous conversion projects. To that, we are going to add the donated right-of-way, the average daily travel, school bus route, connections to arterials, dead ends, potential for development and maintenance. These will be weighted in such a way as to provide a true ranking of conversion projects. I know that one of the things that Councilman Vogt has continually expressed is where do conversion projects fit in the grand scheme of all of the projects. That is a good question that we are still continuing to sort through and hopefully, by the time we approach you in December, we will be able to provide that answer. But what we are finding, just to begin the process, is that it may be that chip and seal projects are every bit as inexpensive as maintaining gravel roads as they are right now. It is currently costing \$80,000 for one mile, to convert a road. Those roads are good for about eight years. If you take just the dust control that the County has provided previously, at one dollar a foot, you look at about \$5,000 a year for one mile or during that eight year period, \$40,000. So already you have closed that gap in half. On top of that, you've got labor to go out and regravels the road and regrade the road and those types of things. There is a cost to doing that which we are in the process of determining right now. On top of that, you have drainage issues. You don't have on a current gravel road, any of the drainage that would accompany a chip and seal road. You also have quality of life issues. It is easier to drive on a chip and seal road than it is on a gravel road. When you talk about quality of life, one of the areas that continue to come to mind is Mariner's Ridge and Kinnerk Road. A lot of times you say that you choose to live on a gravel road but the fact is that the residents of Mariner's Ridge don't actually live on Kinnerk Road. Because of the travel down Kinnerk Road and the prevailing winds, they end up with dust in the pools, their cars and their homes. We've received a number of calls from them to come out and chip and seal that road. There are all of those issues at hand. But again, I just really wanted to plant the seed right now. We will be back to you in December with the request to transfer the \$506,000 for the completion of those eight projects. Thanks and I would be happy to answer any questions.

Paul Moss: Council, are there any questions?

Roy Buskirk: Can I interrupt you, which I already did, Bill Hartman was recognized and I can't even tell you the award that you got, Bill. He was recognized at the last road construction function and I just wanted to congratulate him here, publicly. I am sorry, but what is the award that you received?

Bill Hartman: It is a Master Builder's award and LTAP has a series of classes that they give and they add up a total of twelve classes plus your experience and once you get to a certain point, you receive that award. Ben Ridenour and Randy Knach

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already received it and I had fallen behind one class a couple of years ago and took it this summer.

Roy Buskirk: Congratulations.

Paul Moss: Congratulations, Bill. I am at items eighteen and nineteen and they have not been withdrawn?

Darren Vogt: No they haven't. I had a conversation with Chris Dunn and his intention is to never underfund budgets but what I asked him to do, in the future, is a better job of budgeting for the Youth Services 737 Fund. They use it quite a bit when they are not able to use General Fund dollars. He does a good job of that but he hasn't budgeted and so he has to come before us. I asked him to try for 2010 to shore that up a little bit and he assured me that he would work his best to do that. He has utilities that were under budgeted and they thought they would make it through but they won't. He had planned on using the 737 Placement Fund. I will move for approval of items eighteen and nineteen in the amount of \$9,730.

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 6-0 (Kite absent). Okay, moving on to Discussion and Other Business, we want to talk a little bit about tax abatements and some of the other things that were discussed over the course of the last few months with regards to the many issues related to tax abatements and a general philosophy that we have.

Paula Hughes: I chaired that committee and I will share with the rest of the Council. I know several members dropped in for some of the meetings. The Tax Abatement Sub Committee met four or five times over the summer. One of the main things, you are getting a copy of the policy and is there a copy of the points in here too?

Ashley Steenman: There is a little Power Point slide deal to compare them all.

Paula Hughes: Okay. I will hold some of my comments for that.

Roy Buskirk: Excuse me, is that the one you emailed to us?

Ashley Steenman: Yes.

Paula Hughes: A couple of the big things that we talked about first, in my mind, was that we created a Super Abatement. One of the issues that we dealt with from an economic development perspective is that we frequently have perspective companies that approach Allen County, normally through the Alliance, and it has been a real struggle for staff to determine what an appropriate abatement would be. These prospects, most of the time they do not pan out but one of things that they used to

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eliminate for consideration is they measure County support partially and how much abatement they would be eligible for. We created what we are calling a Super Abatement and if my notes are correct, we allowed for three types of Super Abatements. In the policy, which section is it, Ashley?

Ashley Steenman: Section three.

Paula Hughes: Section three is at the bottom of page three in the abatement policy. It has to be a competitive project which means that they have to be looking at locations outside of Allen County. It has to have an investment of either \$10 million and 100 jobs or \$40 million and 200 new jobs. What we are saying is that with the approval of this, our staff, the County's Economic Development staff, would give a preliminary approval of a ten-year full tax abatement to these prospects which of course has to go through Council approval. It is a very preliminary thing but this is done routinely in other communities. It is something that the Economic Development Alliance told us and the staff said it would be a good tool for them to not have to go through all of the machinations of crunching through an application to see how many jobs they are creating and total investment. This lets them give us some very rough numbers and we can come up with a quick way to say yes or no. I thought that it was important that it eases the staff burden and we are not skipping any steps. If the project does come to Allen County, it will have to go through the full tax abatement process anyway. It lets us bypass some of the headaches on the front end.

Ashley Steenman: The criteria that we used were based on the RFP's that we received from the State and the Alliance. There were about ten different ones over the past year to take an average and get what kind of projects that we do see.

Paula Hughes: We all received this via email. The bolded parts of the printout are the parts that are different. There was some conflict in tax policy for vacant buildings if they are abated vacant buildings. I know this just changed. The owner of a vacant building could apply for reduction of taxes of 50%?

Ashley Steenman: Yes, after six months.

Paula Hughes: Six months of vacancy so they still could receive an abatement and have the reduced property taxes. That is kind of nullifying. They wouldn't be generating as much as they were getting abated. We just wanted to clean that up a little bit. That is what Section C is about. Moving forward to number three, Section 2A, that is just more language on that of vacant and underutilized land. In Section B, on our consideration of Statement of Benefits, added some language for the Waiver of Noncompliance. That was just a cleanup, right?

Ashley Steenman: Previously in the old policy, if you want to call it that, it gave no way to actually grant a Waiver of Noncompliance. Since that has been done on many different occasions, we just wrote that in there.

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Paula Hughes: We legitimized our own actions. We did a lot of discussion in Section 2C, talking about which businesses or types of businesses are applicable or appropriate for tax abatements. The committee spent a lot of time on them and I am not going to read through them. There have been some changes there. We had a lot of discussion about the different types of businesses. Do we want to abate a business that is a medical office that is servicing clientele in Allen County only and then moving across the street? Is that an appropriate abatement? There was general consensus, within the committee, that it was not necessarily an appropriate abatement. If it is a company that is doing business outside of Allen County and they are employing over 100 people and moving a major corporate office to different places in the County, then we did think that was an appropriate abatement. It went to where their customer base was and do they have to be located in the County.

Cal Miller: On that particular score, would that fall under the Super Abatement exception?

Paula Hughes: No.

Cal Miller: If you are looking at Section 2C, the County Council shall not consider an application for service industry that falls within these categories and we include ambulatory health care services, if the ambulatory health care service was coming into the County could it be considered under the Super Abatement if it weren't considered here?

Paula Hughes: If they were considering locations other than Allen County and they met the other two criteria, they probably could.

Cal Miller: We might want to make some note of that.

Paula Hughes: That is not the intent.

Cal Miller: I don't think that we would want to exclude them either if they are bringing a number of jobs and is not a transfer within the County. We may want to address that in some manner in the Super Abatement section that this would supersede other sections that may otherwise prohibit a tax abatement. The other question that I have and I do appreciate all of the work that the committee did on this. I think it will send a very clear message to folks coming before us and have some uniformity in the way we treat these tax abatements. If this were in affect when Fort Wayne Oncology and Hematology had come forward, would they not have been eligible?

Roy Buskirk: The one thing that you have to keep in mind is that their clientele, part of it, is from outside Allen County.

Cal Miller: Where, in this exclusion under C, does it give us that exception? I am reading this and I am thinking that there is no wiggle room. Maybe we don't want

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any and if we do, let's put it in. It seems to me that Fort Wayne Hematology and Oncology would not have gotten a tax abatement if this had been adopted. They certainly wouldn't have qualified for a Super Abatement.

Ashley Steenman: That was our initial intention but then we did get into some discussion at the last meeting about that is going to be a philosophical question of how important are those types of businesses? Do we send an abatement to them and kind of basically looked at this list and said we should include these people and shouldn't include these people.

Paul Moss: I think the intent of that, from a philosophical standpoint, was not to abate any entity from picking up in one spot and moving to another.

Ashley Steenman: In our discussion, we were having a hard time trying to justify that and come up with criteria that said one person can do it but another can't. It turned into one of our main discussions.

Paul Moss: That is very difficult. I only sat in on a portion of one of those so I hate to shoot from the weeds but I am not sure that I am comfortable with identifying by service sector to address that issue. I am not sure if that is the way to approach it or if there is a different way to approach it.

Cal Miller: I will try to tie some of this together and my overarching concern is that while there may be some further discussion about the service sector, I don't think we want to be so restrictive that we can't do a Super Abatement for these folks if they are coming from outside the community and they meet the other criteria. We don't want to put ourselves in any situation where we are not as competitive.

Maye Johnson: I agree.

Cal Miller: We are talking about new jobs and new investment in the community and not a transfer from one location to the next.

Paula Hughes: Right. Some of that is address in the changes that we made to the point system. We can get into that as we walk through it but I think, if I understand correctly, we are looking at number 15 621, NAICS code 621, on the top of page 3, ambulatory health care services as being the type of service industry that would be excluded from abatement. Again, the conversation that we had in the subcommittee was where is their client population and who are they serving? So, yes, a couple of the abatements that we passed recently would not apply.

Cal Miller: I am not taking issue with that. I think that you all have thought it through and I think the policy reason behind abating someone who is moving from one end of town to the next is problematic but let's at least create the exception for the Super Abatement if people are coming from outside of the County investing new

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jobs and new infrastructure that isn't merely a transfer. I would be satisfied that we are limiting ourselves unnecessarily.

Ashley Steenman: In item F, just before you get to the end of Section 2, it says that Council reserves the right to accept and approve applications based on certain...

Cal Miller: I appreciate that and always like to have the wiggle room as a Councilman and a lawyer, but I think in this instance, we need to be a little more explicit so that we are not accused of utilizing a vague statement.

Darren Vogt: Should we change that "shall" to a "may" then, in the beginning of C?

Cal Miller: I don't know about that.

Darren Vogt: If you are talking about wiggle room.

Paula Hughes: We talked about that.

Cal Miller: I don't think so. Personally I don't think so. I like the "shall", if we have gone through this process and talked about an open Council and you all talked about it in your session, these are the types of industries that we appreciate having in Allen County aren't worthy of having a tax abatement. I like the "shall" because then what teeth does this have? What guidance does it lend to people that are trying to determine if they get an abatement or not? From that standpoint, I would rather that it says "shall".

Paul Moss: Will that prevent them from even attempting? If we are going to have flexibility on the backend of this, for lack of a better term, and I was looking at this or talking to Ashley as an entity that was interested in trying to get an abatement and grow my business, I might probably not want to spend the time, effort and resources on going forward if I see that "we shall not consider the application".

Cal Miller: I think that there would be a clear message that there would not be a tax abatement.

Paula Hughes: Unless there are extenuating circumstances.

Darren Vogt: That is my point. If they call the office and ask what the tax abatement policy is, they get a copy of this and they look at these NAICS codes and see that they are on there and don't read through to see that they qualify under some other scenario that gets our point system involved...

Paula Hughes: Does that stop them from expanding in Allen County? Would a lack of abatement have stopped those recent approvals from expanding in Allen County? I think it would not have. I think it would have changed the composition of their building somewhat but would not have stopped them from locating in Allen County.

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Cal Miller: I couldn't agree more. That is why we are having this discussion about how willing we want to be to grant abatements. Looking at the last instance with Fort Wayne Oncology and Hematology, they had already pulled the permits, done all of these things and done their planning beforehand and they could not look us in the eye and say, this is not a criticism of them because we are happy to have their specialty here in town, that they would have done this project if they didn't get the abatement. Ultimately, if that is what we want then we need some expression from them and I think that if that is the case, I think we have gone a step further by requiring them that they pull the land use permit or the building permit only after they have come forward and initiated the abatement paperwork. Isn't that part of the change too that they...

Darren Vogt: We still have the Waiver of Noncompliance.

Ashley Steenman: We still have the Waiver of Noncompliance.

Cal Miller: I understand that and it will be County Council's enforceability of that.

Roy Buskirk: The other thing that you have to keep in mind is that part of this was to give the staff guidance because there is a fee when the company makes the application. To go through all of the process and they pay the fee and then come to Council and we say no.

Cal Miller: Doesn't the "shall" language take care of that for you?

Roy Buskirk: But you are saying that because it is listed under the "shall", there is another way to get around it.

Cal Miller: That is not what I am saying at all, Councilman Buskirk. I am saying that the "shall" shuts the door and that we ought to send a message, loud and clear, that although we have a Waiver of Noncompliance, we don't intend to use it liberally. We intend to use it very sparingly because that will undo a lot of what we are setting forth in this policy. I say the "shall" closes the door and sends a very firm and consistent message that these type of abatements will not be entertained by the Council unless there a Super Abatement because they are bringing X number of jobs and are competing with other counties and falls into one of these categories. That is not what I am saying at all.

Paul Moss: I am not so sure that I want to shut the door because I think the Super Abatement is clearly aimed at, as I would describe, large employers. Our employment base is not just large employers. I want to be able to encourage a small employer as well for abatements and I think that I don't want to shut that door. Fort Wayne Oncology and Hematology was a unique circumstance that we are all expressing some concern about. There option, too, was simply to fall under a not for profit status, which they could have easily done, and they would be paying no taxes. I can also see a situation where another health care system, that does pay taxes,

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might decide to open up an ambulatory or out-patient surgery center or something to that affect, a satellite that I can easily see happening in the future and desiring to have some sort of tax abatement as a part of that. Frankly, they might want to look right across the border to Whitley. It is not that far. I would hate to put us into the situation where that would occur.

Cal Miller: It is a tough question, no doubt about it. At the same time, what are we actually achieving in this document if we don't draw some boundaries?

Paul Moss: All I am asking for is a little flexibility. I like Councilman Vogt's idea of the "may". I am not an attorney and I understand that.

Cal Miller: If this Council wants to be flexible, I am just saying what do we gain, what do we possibly gain, in terms of clarification, in terms of going forward and identifying what a tax abatement is going to be used for if we throw the word "may" in there? We can essentially do what we were doing before which is fine if that is what the Council wants to do. Why have these limiting classifications in here in the first place? I thought the whole idea was to have a discussion about, and to use a word that you use quite a lot, Councilman Moss, a philosophical discussion about who is going to be entitled to tax abatements? If we don't firm up this particular section of it, we are just right back to where we were before without any meaningful changes or any meaningful guidance for the Department of Planning Services or the folks that may be interested in applying for abatements.

Paula Hughes: This issue is one of a couple of issues that kept the subcommittee from formally approving this policy because of amongst the people that were present, we could not come to consensus on these issues. They wanted to take it to full Council. It is a deep discussion and there are some real personal differences at the table.

Cal Miller: Can we get around this by saying that we take the Waiver of Noncompliance away from Council as a means of policing this so that we see that those folks that truly are interested and those folks that would not do this project but for an abatement, would actually go through this process or initiate this process before they pull a building permit. Then we can have the policing of itself.

Paula Hughes: Or the assurance that they really need it?

Cal Miller: Or if the Waiver of Noncompliance would be one that just relates to the Super Abatement so that we leave ourselves some flexibility. Unless we have done something, whether it is taking away the Waiver of Noncompliance or making this "shall" stick, we are essentially where we were before and just at the will of Council and can do essentially what it wants depending on the situation and not applying a rule uniformly that impacts all taxpayers as we know when abatements are granted, at least before the Circuit Breaker that we knew that everybody else was paying a little bit more.

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Roy Buskirk: But not anymore.

Paula Hughes: That is part of the issue as well, we don't have full clarity on the impact of abatements on the tax levies.

Cal Miller: Can we flesh that out a little bit more? Why doesn't it matter anymore? Why can't we stand up and say could you explain that?

Paula Hughes: Could the Auditor's Office take a stab at fleshing that out?

Tera Klutz: I understand that we are going to still get more property tax revenue when property tax abatements are granted because it is going to increase the assessed value. Whereas an abatement might not mean as much in certain situations where the assessed value of the current parcel is \$1,000 but your taxes are \$1,500 so you have a \$500 Circuit Breaker credit. When you come to expand your building, let's say that we double it, now your grossed assessed value is going to be \$2,000. We are going to grant your tax abatement for ten years and on the first year you will have zero taxes on the new portion but the taxes on the old building are \$1,500 and your gross assessed value is \$2,000, we are going to collect \$1,500 from you in the first year. We are actually getting the full tax on the old when you increase the assessed value. That is the way the Circuit Breaker works and it is very confusing but when you grant abatements, you still get money. It is still a good economic development tool. You don't lose it when you grant abatements. I know that has been said a few times, that you won't get it anymore but it will still increase the revenue.

Roy Buskirk: But the thing of it is that always before, is that your budget was limited to how much growth it was allowed. Then you divided that budget by the assessed valuation and that became your tax rate.

Tera Klutz: That was the net assessed value. The net assessed value won't include the extra \$1,000 that was abated.

Roy Buskirk: Right.

Tera Klutz: We are still going to get \$500 more, thanks to the abatement, than we would have gotten had it not been granted.

Roy Buskirk: Because of the credit being applied to the gross amount.

Tera Klutz: Yes.

Roy Buskirk: With the abated improvements.

Tera Klutz: The tax rate is calculated on the net but the Circuit Breaker is calculated on the gross.

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Roy Buskirk: Thank you.

Cal Miller: Is this Council interested in abating projects where there is a decision by, if ideally we could peel this away and a person coming before us and we knew we were getting a genuine answer was that if we didn't get this tax abatement we wouldn't do the project. We want to capture those. We don't necessarily want to abate the other ones. Ideally, that is where we would be. Is there a tool out there that we can develop or change a word or two in the existing document that puts us closer to that reality than where we currently are? I think it is Waiver of Noncompliance or that it is a requirement that the process be initiated before the building permits are pulled. That puts us a lot closer to the ideal. That is education. If they pull those permits and they know that in Allen County that unless you have initiated the process before you pulled the permit, you are not going to get an audience. I would feel a lot more comfortable turning that "shall" to a "may" to address the concern of Council, and I share some of those. We haven't done much to advance the clarity of and get us closer to the ideal of granting a tax abatement unless we address it on the front end with the Waiver of Noncompliance and that the process be initiated first before pulling a permit or we turn the "may" and leave it as a "shall". One of those two things, in my opinion, needs to happen to get us closer to the ideal that I believe, seeing the nods of the heads, would like to strive for.

Darren Vogt: Let me ask this question, when we see the folks that have gone through and asked for the Waiver of Noncompliance, what typical reasoning is there for doing that, saying that they have already pulled the permits?

Ashley Steenman: A lot of times you have two different entities. You have the corporate office and the local office. The corporate office is saying that we need to get this tax abatement and the local office is saying that we need to get started on this building. There are a lot of miscommunications and that is what it generally boils down to. You have two different entities that aren't talking and something gets started without the other. They need to get their building done because that is priority number one for them. Paperwork is secondary to that.

Cal Miller: Under that scenario, Ashley, the answer is to whether they would go forward with the project even if they didn't have the tax abatement, is in that scenario. It would.

Ashley Steenman: Sometimes but they also automatically think that we need to get this abatement done and it gets logged up in...

Cal Miller: But. I'm sorry, go ahead.

Ashley Steenman: No, go ahead.

Cal Miller: But that is where the education comes in. I would feel a lot more comfortable if we had that kind of process in place. That scenario just screams that

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they were going to do the project anyway and that the tax abatement, although perhaps not an afterthought, isn't a deal breaker. If we do a good job, and I know all of you do, of letting folks know that this needs to happen first. This needs to be initiated as an expression, to this Council or this County, of your need to rely on the tax abatement to make this happen.

Paula Hughes: I have some hesitation that this is the true ideal. I understand the perspective but I think that it might be stronger than this Council has ever been in terms of what we consider appropriate for abatement.

Cal Miller: Even if we turn the "shall" to a "may" and make the Waiver of Noncompliance not possible except for Super Abatements?

Paula Hughes: I am uncomfortable with removing the Waiver of Noncompliance. One of the things we added, Section D at the bottom of page five, Section 5, D, 3C, for all of them actually, all of the Waivers of Noncompliance now have a fine of \$500 attached to them which they previously did not. That is to emphasize that it should not be business as normal. I have been, I guess annoyed is the best word, by the local accounting communities presumption that County Council will approve every abatement that comes across our desk and would like to clean that up.

Cal Miller: That is interesting. I think that is a nice step. If you are not comfortable with that and we are talking about ideas, what about any Waiver of Noncompliance will come along with a mandatory contribution to whatever that fund is to contribute 10% to 20% to? That will get people's attention too.

Darren Vogt: That was another huge discussion.

Roy Buskirk: Thank you, Cal.

Paula Hughes: Let's get through this one first and then talk about that one. That might actually push me over to the other side and we could have agreement on that issue. I am afraid if we go away from the "may" or "shall" on this, we are going to lose the point. Can we take a straw poll on page 2, Section 2C?

Paul Moss: The "may" and the "shall"?

Paula Hughes: Yes. I would propose that we leave it as "shall" but also leave in the language that allows Council the right to change their mind on this, due to extenuating circumstances, which is F.

Roy Buskirk: I'll second that.

Cal Miller: For a little discussion, I would like to say that I personally would much prefer to see less flexibility on the Waiver of Noncompliance than I would on this "may" and "shall". I would like to have no flexibility on the Waiver of

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Noncompliance except for Super Abatements and a “may” and that will get us closer to having people who make this tax abatement thought process, they think it is going to be a deal breaker for them, come forward and get it. By not making this change from a “shall” to a “may” without also dealing with the Waiver of Noncompliance, we don’t make this the document that it could be. I respect your position on wanting to change that and give it the kind of flexibility but I think it goes a little too far unless it is handled together.

Darren Vogt: Ashley, are most of the companies that come before you, coming with assistance from some sort of CPA firm or are they typically coming from me looking to expand my business and calling the office? How is that coming?

Ashley Steenman: It’s a mixed bag. We have people coming through like the Baden Tax Management, we have people coming from the Alliance and we do have people who just walk in and say that they are expanding their business and they want to know more about it.

Darren Vogt: I am not concerned about the Alliance or the tax accountants because we can get them on the front end, to get to Councilman Miller’s point of eliminating the Waiver of Noncompliance. The people that are in business and coming to you, do you see those folks generally pulling permits or are they at the beginning stages of trying to figure it all out?

Ashley Steenman: It really depends on where they heard about getting a tax abatement. If they talked to someone who says “Oh, you’re expanding your business, did you get a tax abatement?” It really just depends. Sometimes they come to us first and sometimes it is an afterthought.

Paula Hughes: That goes to Councilman Miller’s premise that they don’t really need the abatement to do the expansion.

Ashley Steenman: Right.

Cal Miller: Or that they would have done it otherwise without the abatement.

Darren Vogt: I lean towards what Councilman Miller is saying, if we clear up the Waiver of Noncompliance other than a Super Abatement, we may eliminate a lot of “yeah, this is great and it helps our business.” I am leaning towards doing that but I also see the fact that we want to encourage business growth. I don’t want to come off as a community or Council that is anti-business by any stretch of the imagination. The small businesses are what really make a community work and not the large businesses. Yes, they do a great job but you also have to look at every twenty and thirty employee business that looks to expand and is also helping out the economy.

Paula Hughes: Those entities are the ones that are most likely, I believe, to need the Waiver of Noncompliance. They are most likely to misstep in the process.

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Maye Johnson: Right.

Darren Vogt: Right.

Paula Hughes: I think, by removing the Waiver of Noncompliance, we are penalizing those who probably need it the most.

Ashley Steenman: We should also not just think about real property but personal property and that process which is a lot quicker. That could be a thirty day time period where they decide whether or not they are going to purchase their equipment or not. Whether they have the abatement or not, they have to get the equipment in place to get their production going.

Cal Miller: Once again, going back to the point that isn't that a suggestion that they would do it anyway? I agree with Councilwoman Hughes that those are the people who probably need it the most but that isn't the question. It isn't whether they need it the most. The question in my mind, and I don't know if it is universally shared, would they do it if they didn't have the abatement? That is the question, not whether they need it but would they do it anyway if they didn't have the abatement? If that is not the standard that everyone else wants to follow, then vote for Councilwoman Hughes' motion.

Paula Hughes: There are two philosophical things here, on the table, as I see it. There is one, are we being the best stewards possible of the tax dollars by being extremely conservative in the way we apply tax abatements, meaning that we only allow tax abatements for those businesses that really truly need them and prove that by coming to us first? I frankly think that putting that in there gives more importance to County Council than there usually is in the process of determining whether or not they are going to do an expansion. We think of County Council a lot because we are here but for most people, it is just one cog in the wheel. It is one of many parts of the process of figuring out whether or not you are going to do a project. I hate to remove that flexibility. The one philosophical question is do they really need it? To Councilman Miller's ideal that they would only get the abatement if they would not do the project without the abatement. The other is, which might be somewhat contradictory, how business friendly do we want to appear to be in Allen County? Going to Councilman Vogt's point that we want to appear to be a very business friendly community because that is going to help us grow jobs and prosperity in this community and there is a balance between those two. Where do we want to fall out in that?

Cal Miller: I'm not sure. We could break it down further that if you have purchased the equipment or have put a shovel in the ground, then there is not going to be a Waiver of Noncompliance. You can back it up so that at a point in time you give yourself a little more flexibility but I just go back to my point before that this document, that although there are some good changes, doesn't advance the ball in terms of letting us be uniform in the manner in which we do these things.

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Paul Moss: We have a desire for a straw poll here, if I recall correctly. That was to address...

Paula Hughes: To leave the policy as written.

Paul Moss: ...leaving the “shall” in Section 2C...

Paula Hughes: And F.

Paul Moss: ...and the Waiver of Noncompliance. The question that I have is that, from your reading of this document, does the Waiver of Noncompliance give us enough flexibility with regards to 2C or not?

Paula Hughes: It is a different issue.

Ashley Steenman: It is a different issue. The Waiver of Noncompliance goes towards whether they pulled building permits, have already started...

Paul Moss: That is the answer to the question.

Ashley Steenman: Also, the Waiver of Noncompliance, this hasn't come before Council yet but it may happen within the next year, if happens in the springtime when companies have to file their deduction paperwork with the Auditor's Office and the Assessor's Office. If they do not file it by the deadline, they don't get their deduction, then they come to Council to get a different kind of Waiver of Noncompliance to have that deduction reinstated and added back to their tax bill. We haven't had any of those situations pop up but I have had to deal with it in New Haven.

Cal Miller: I think we need to flush that distinction out with whatever we decide with the Waiver of Noncompliance. What we want to make sure is the one that we have been talking about is unique to the beginning of the project and not with the filing that you are talking about. To Councilman Moss, the Waiver of Noncompliance has nothing to do with the “may” and “shall”. The “shall” would not apply to those folks even if they were compliant and the initiation of the paperwork prior to going forward, these folks would still be prohibited from getting tax abatements, in my reading of this.

Paul Moss: Right. Let's just start with Councilman Vogt. What are your feelings on that? We are trying to do a straw poll here so that we can move this forward.

Paula Hughes: I think that I failed on moving it forward.

Darren Vogt: I struggle with, I am not an attorney and I don't pretend to play one, if we have a “shall”, aren't we contradicting ourselves in 2C under the last statement F, Council reserves the right to accept and approve applications not meeting the

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aforementioned. Are we contradicting ourselves within our own document? This is some of the struggle that we had with including all the lists of names of service oriented industries in there and with the last statement of F. I don't know if we have a legal opinion on that.

Ashley Steenman: We haven't gotten that far yet.

Darren Vogt: I know we are going to run this past but maybe that is what we need to do before we move forward. Maybe we can get legal opinion on whether or not these make sense or we are contradicting ourselves within the document.

Cal Miller: I am not offering a legal opinion but my sense is that Section 2F let's Council do whatever it wants. Again, I am not so sure that it is the document that we were striving to leave us all of the wiggle room. It doesn't send a clear message to what folks might expect from us.

Darren Vogt: If the concept behind our original conversation was to eliminate the movement of a facility from one part of the County to another and get a tax abatement for that, I think that we need to address that instead of trying to address it in a segment in here. Maybe we should address that as a separate way to do it rather than looking at the sectors of business that we may or may not want to come through.

Paul Moss: That is what I said about a half hour ago. I mean really, we are going to have to move this along because we have so much to cover here and this could go on forever. I am not arguing the point, as I said I made it a half hour ago. From a straw poll perspective, you are not supportive of what Councilwoman Hughes is suggesting.

Darren Vogt: Leaving it as written? No.

Maye Johnson: I was in favor of leaving it as it was written until I was listening to Darren. Paul, with all respect, I didn't hear the same thing from you that I heard from Councilman Vogt.

Paul Moss: I wasn't nearly as eloquent. But you are not now supportive of the language?

Maye Johnson: I think we need to address the issue of not encouraging people to move. I think we need to be more specific.

Paula Hughes: I would be delighted to. That was voted down in committee. I would be happy to talk about that more because that was my point all along.

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Ashley Steenman: When we got into that discussion, we were trying to figure how to distinguish between someone who really needed to move into a new building across the County versus someone who just wanted a new building.

Paula Hughes: Whether or not they really need that abatement to make the move.

Cal Miller: I think that is the real question.

Paul Moss: My concern, at this point honestly, is this is something that hopefully would be in place for a while. I am just concerned that in this format that we are going to be able to make some of these adjustments that we need to make. I prefer, as much as I hate to say it, to have a little bit more of a round table informal discussion and try to hash some of this out. The will of the Council, if you want to keep trying to plug away at it today and make the adjustments, we can do that. I am not feeling real hopeful that we can accomplish that.

Paula Hughes: That was the whole point of the subcommittee and it failed in that process.

Roy Buskirk: In moving on down in your straw poll, I personally feel it would be better to keep “shall” but I think maybe we need to have legal counsel review this. There is no way that you are going to have a document that will cover every situation.

Paula Hughes: That’s true.

Roy Buskirk: I mean what if we have a health care service that is required to move because we have another bigger industry coming in an acquiring their facility and adjoining facilities to build a new plant? There are just so many unusual circumstances that you need to have in there to be able to cover the unusual circumstances. I think it should be “shall” instead of “may” and we need to have legal counsel and the subcommittee work on this a little more.

Paul Moss: The message that I received is that it needs to continue to be worked and reviewed.

Cal Miller: I am in favor of the “shall” language as well. I would just like to see it connected to the Super Abatement so that we leave ourselves with some possibility, more explicitly have some language about not having that apply to folks that are eligible for Super Abatements.

Paul Moss: Since we are going right to left, I guess, I am not real comfortable with the “shall”. I already stated that but Section 2F essentially allows the flexibility to do what we want. It kind of supersedes everything else. That is my reading of it.

Maye Johnson: So where are we on “shall”?

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Paula Hughes: I think we are hung. I think that we are three and three.

Paul Moss: I think so.

Cal Miller: On the “shall” aspect, if the wiggle room stays in, perhaps folks that are looking at this, that fall in the categories that are excluded but seeing that Council has the flexibility, perhaps that will weed out some of the ones that are not totally committed to coming forward because they wouldn’t do the project unless they got the abatement. That may work itself out in a way that we want it to as well.

Paul Moss: In my opinion and an ideal world, this is probably way too simplistic, ideally I think we would have a staff that is as capable as the staff that we have and understands the general philosophy of Council so that when those entities are going to them for an abatement, they can sit down and tell them what they believe Council’s thinking is and keep this component as limited as possible and not necessarily have everything in black and white. Again, that is in an ideal world. I think that every situation, this is one of those issues that every situation is going to have a ton of variables involved in it. It is going to require ultimate discretion and that discretion is up to us. Again, my biggest concern with all of this is the lack of flexibility. I think we can accomplish what we want to accomplish with not allowing entities to just move around and have a different office and get it abated. That is up to our discretion.

Cal Miller: Like a document can be changed by subsequent Councils, so can philosophies. One of the goals here is to draft a document that gives better consistency and understanding of those who were seeking abatements. We don’t achieve it with less.

Paul Moss: Theoretically, Council, you are correct but it changes theoretically based on the will of the people and what the people want, what the voters want. Maybe it needs to be a fluid document.

Cal Miller: I would like to see a raise of hands of all the people that have ever been called at home about tax abatements. I understand your point, I really do. I’ll leave it at that.

Paula Hughes: We are undecided on this. I have to my left and right, one thinks it is not flexible enough and the other thinks it is too flexible. Maybe we do have the appropriate document. There will always be varying opinions on that. Let’s move past that particular issue because I still don’t know what we are going to do with it. Let’s talk about the point system, if we could. We are going to talk about the tax abatement development fund.

Ashley Steenman: Do you want to save that for last?

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Paula Hughes: Yes, please. We've talked about Waivers of Noncompliance and the fees that have been implemented. On the point system, one of the things that we tried to do to clarify and to address, the committee decided to address the issue of companies moving across town and through the point system. That was a compromise that we had, I believe. The way we did that was in the tax base benefits, previously we had up to ten points for local income taxes generated from jobs created and/or retained. The people could have the exact same amount of income taxes generated, the exact same number of jobs and get full benefits. We split that out and differentiated between jobs retained and jobs created, income taxes from, and we also did it from the actual jobs retained and jobs created. It is two different categories there. They get quite a few points, out of this system, from what the income taxes are on their jobs and how many jobs there are. We split it out to differentiate between retained and created as a way to identify those companies that are maybe moving across town because they have expanded so much that they need to. We want to support those businesses and their growth. That goes to the philosophical debate of how business friendly do we want to appear? How much do we want to nurture and help grow the companies that live in Allen County? The old numbers are in Section 1, Tax Base Benefits. Before, it was 1C and you could get a total of ten points for income taxes generated from jobs created and/or retained. In the new Tax Base Benefits, Section 1, there is now a B and C and they can get five in each. If they are only retaining jobs, they can get up to five points but before they get ten, they have to create jobs. Increased income taxes from jobs created and double points for startups. Section 2, Jobs Creation Benefits, the same kind of deal, we split out retained and created. We have added five points. You could get a total number of fifteen points for jobs created or retained. Now retaining jobs can only get a max of ten points. If you are creating jobs, you can get an additional ten points for that and double points for a startup. That kind of goes to the sum of the Super Abatement issues, as well. Flipping ahead to Section C, the Employees Benefits Package, and points stayed the same at only five. The reciprocating benefit, this is what funds the tax abatement development fund. We took ten points from that. We added points to the other two sections by taking points from what they could receive on their reciprocating benefit. Before it was fifteen and now it is five. I personally have some real hesitation on the continuation of this reciprocating benefit at all. I will say that I like the idea of tying it to the Waiver of Noncompliance. We had some discussion, at the committee level, about earmarking the funds for Shovel Ready Site development and land banking, which I think is an appropriate use for the funds. I have a couple of concerns. One is that we have had this fund in place for fifteen years and we have only used it twice. It is not being used very much. Number two, I think it sends the wrong message to the business community. It sends a mixed message of, we are going to give you an abatement but we want some of it back. I think that is contradictory and goes against the philosophy of being business friendly. It has never sat well with me and I have had a lot of conversations with the leadership of the Alliance and they don't care for that section. The City does not have a section like this and are overhauling their abatement policy. I would be happy if we eliminated it.

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Cal Miller: I would too if we can get to a situation where the folks that were seeking abatements wouldn't do their projects without the abatement. But if we are collecting 10% or 15% back from everybody who is coming up to go forward without an abatement, I would feel a lot better about it. I agree that it does send the wrong message, if we can find ourselves striving towards the ideal of having only those that just aren't going to do the project without an abatement. I do agree with you there. If we could police, a little bit more, how these abatements are given out, I think we could eliminate it as well.

Paula Hughes: I should mention something else before we go into a full discussion of that. We also changed some of the numbers in the Tax Base Benefit. We increased them for inflation. The top amount was \$2.5 million and now it is \$6.25 million. There are similar increases in the investment for employee and income taxes. All of those were adjusted upward for inflation.

Paul Moss: Mark?

Mark Royle: Just to address the fund, in general, its creation was at a time when the State was pulling back their participation in economic development grants. Prior to 1989, you could expect the State to fund about 75% of any infrastructure project through a State grant. When those were going to be flipped and the State was only willing to come up with 25% that was originally one of the goals behind that. As for its use over the years, it has been a way of putting money back so that, as you are seeing now with the continual decrease in CEDIT dollars, the Commissioners are going to have to look at it. They are asking me to come up with ways of delineating all of the organizations that come before them seeking money, whether it is the Downtown Improvement District, the Innovation Center, the Alliance or the Chamber of Commerce. At some point in time, there will have to be some decisions made there. That could be the use of that money. I like the land banking idea. It has always been perceived, from day one, that you give us this and we will give you something back. It was actually, basically developed, and Nelson was on the committee that put it in place, but it was developed to be a win-win situation whereas, if the company went ahead and found it to be their benefit and the Council would bump it up, then both sides would benefit. They would get a longer abatement and save more money than they would be paying in the benefit in the first place. That was the origins behind the fund.

Cal Miller: That doesn't sound very fair to the taxpayers though. A mathematical equation done on a point system, by a person seeking abatement concludes that if they contributed, they would get more points and get a better abatement and they wouldn't lose the savings they would have otherwise have if they weren't contributing. That just means that we are taking more money from the taxpayer than we should.

Mark Royle: Incrementally.

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Cal Miller: I don't find that persuasive although I didn't think you were trying to persuade me and just giving us some history.

Paula Hughes: I am not going to do another straw poll.

Cal Miller: I like the changes in the point system. I think that they do mirror what we are trying to accomplish in terms of giving weight to the different aspects of the abatement. I didn't hear anything that I found was controversial. Maybe you reached a good compromise within your committee on that.

Paul Moss: I agree that the point system is one of the most critical parts of this because they are the objective way of weighing the merits.

Darren Vogt: The bigger issue is whether we keep that fund or not. The struggle for me, at least, was the purpose of the fund. When you are not using the money and it is just sitting there and no intended use, that showed that we were buying abatement for a longer timeframe. What I would rather see if we are going to continue it, and I can go either way, it needs to have a set purpose of what those dollars are going to be set aside for. That way a business can look at it and say that it is not only going to affect my abatement somewhat but that business may be willing to know that if they are going to fund this, this community is a place that I need to work and I have to have good employees and make sure that the rest of the area is sound, economically, and if this tool is used to help that, then so be it. Whether that is through land banking or, as Mr. Royce pointed out, funding the Alliance and those kinds of things to stir up economic development, then maybe that is what we need to do with it. To leave it sit as it is, I am not in favor of it. If we make some tweakings, I could be in favor of it.

Paul Moss: Councilman Buskirk?

Roy Buskirk: I think one reason it has been left dormant is due to the fact that we have had other revenue streams that we have been able to use. I think that because of the Circuit Breaker, there will be a necessity for that money. It can be used for road improvements to the new facility, utility improvements to the new facility and many different ways that it could be used. I do think, as far as reducing the number Councilman Miller, about the only time anybody agreed to put money into that fund was when it was a benefit to them. With the numbers being reduced to five, three and zero, there were very seldom, if ever, be an advantage to pick up five or three points. It might as well be eliminated.

Ashley Steenman: It was someone right on the edge.

Roy Buskirk: I have talked to the Alliance and the Chamber and to me it doesn't seem to be as negative a point. In talking to them, they seem to think that it is a negative point. I look at it as a benefit that the County is giving me and I would like

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to participate and give back to the County some. I understand that a lot of people have a different frame of mind than I do.

Ashley Steenman: There have been a lot of people who have checked it without knowing that it really will increase the length of the abatement.

Darren Vogt: They don't know that, on the front end, though.

Ashley Steenman: No.

Paula Hughes: Anyone who is working for one of the big tax companies knows though.

Maye Johnson: I can live with it either way however, I think we need to do everything that we can to encourage businesses.

Roy Buskirk: Correct.

Maye Johnson: This is about jobs and if we haven't come up with a use for the money, it is kind of late in the game. We can come up with a use for it but I really am in agreement, at this point, to just do away with the fund and use the point system and encourage business growth.

Darren Vogt: If we are going to do that, we need to decide where those five points need to go back in to.

Paula Hughes: We had talked about loading that into, I am trying to find my notes on it.

Ashley Steenman: I think it was income tax.

Paula Hughes: I think it was on income tax.

Roy Buskirk: I was thinking it was new jobs.

Paul Moss: Let me ask this, we have identified some of the major issues and I think we have an idea of direction. Is it the Council's desire to have an additional committee meeting to try to wrap that up? I am concerned about making the specific language changes here. Is that what we want to do here because if so, we can hit the other high points that the Chairwoman of that committee believes are high points? Is that the will of the Council, at this point?

Paula Hughes: Throw it back in the committee?

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Paul Moss: Yes and hopefully have some good attendance so that we can get the specific language ironed out. Or is it your expectation that you just ask staff to try and do that based on our conversation?

Paula Hughes: I am not optimistic that the committee can do any better than they did before. We met several times and we were hung up. We had two or three members, from Council, who attended regularly but we brought it to full Council because we felt that we could not take it any further. We wanted full Council to be on board with whatever. We were too at odds within the committee to move it forward. I am not optimistic that the dynamic would change. What are the real issues? Are we down to the two things? Section 2, the list of businesses that are not appropriate for abatement and whether or not we continue the existence of the abatement fund.

Paul Moss: Yes.

Paula Hughes: That doesn't address Councilman Miller's concern about elimination of the Waiver of Noncompliance.

Cal Miller: And giving ourselves another exception for Super Abatements.

Darren Vogt: That is where I go back to what we debated in the meeting. I don't recall all of the details of the meeting but where we talked about the relocation from one place to another and maybe we just reword that section to just specifically address that issue and leave the rest of it alone. Then we can address Councilman Miller's concern about...

Paula Hughes: That would be fine with me if we can come up with a way, this time around.

Darren Vogt: Maybe we could try to discuss that specific topic as well as the other with the elimination of points for returning to the fund. We have enough consensus on that to eliminate that.

Roy Buskirk: I think the five points were for the job creation.

Paula Hughes: I had income creation in my notes.

Darren Vogt: Let's reconvene and talk about those two items and see if Ashley, maybe you guys could work on something or some sort of language that would allow us to look at the relocation from one area of the County to another.

Ashley Steenman: It will be tied to job creation.

Paul Moss: Are there other points that we need to discuss here, prior to that?

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Darren Vogt: Let me just add to that. She said it would be tied to job creation and those five points should probably go into job creation.

Cal Miller: I may take a crack at a couple of the sentences in here and distribute it to Ashley and the rest of you, without comment. What I think might address these or give some options of a semi-strict Waiver of Noncompliance that doesn't tie our hands too much but to the extent that if they have put a shovel in the ground or done some other things that suggested that they are definitely going forward with this without knowing if they get an abatement. I might try to craft something that reflects that scenario and where we might feel more comfortable turning the "shall" into a "may" if we have a stricter upfront Waiver of Noncompliance.

Paul Moss: Is everybody semi-comfortable with this?

Paula Hughes: Sure, back to committee.

Ashley Steenman: I will send out an email to try to coordinate with as many people as possible.

Paul Moss: Thank you. We are going to move ahead here. We are going to move forward with the discussion on the 2009 legislative platform. I think that almost everybody here has been pretty intimately involved in that and so hopefully everyone is familiar enough with it that we can get a nice little summary.

Beth Garber: Does everyone have a copy? I am Beth Garber and I am the Director of Government Affairs for Allen County. As many of you know, we met in a series of meetings with the Commissioners this summer to discuss legislative priorities that we want to take to the 2009 General Assembly. In front of you is the 2009 legislative platform. This includes our two priorities which are the makeup of the COIT board with respect to the adoption of the Local Option Income Tax that was passed in House Bill 1478 and House Bill 1001. It also includes some of the solutions that we want to propose to the General Assembly regarding bridge funding. It has a number of other issues that may or may not come up during session but it is always good to have a position ready to go in the best interest of the County and the residents here. The County Commissioners actually adopted this formally last Friday. It is the first time that it has ever been adopted formally, in a public forum, such as this. One of the things that was said, in the meetings this summer, is that County Council would like more buy-in to the legislative agenda. It was the comfort level of the Commissioners that if the Council members were to support this, that they would do it formally and that everyone on the Council would be able to review it. With that, I will take any questions or comments.

Paula Hughes: I want to voice my support to emphasize that I think this is a stronger document if both the Council and the Commissioners adopt it. Certainly, in the past, Council members have gone down and been a part of the legislative effort so I think, individually, we have been supportive. Several of us, at this table, have been very

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involved in drafting the platform. I wanted to see it be all of Allen County and not just the Commissioners' legislative agenda.

Paul Moss: I would agree and think the Commissioners deserve significant praise for allowing us to participate in this. I think that any communication with legislators would clearly indicate that it is Commissioners and Council. Historically that has not been the case and that may have been just out of force of habit. Does anybody have any questions or comment on it?

Paula Hughes: I am going to move for approval. Move for approval of the 2009 legislative platform for Allen County.

Maye Johnson: Second.

Paul Moss: We have a motion and a second. Any discussion?

Darren Vogt: The need for this to be a cooperative effort, the one thing that concerns me and not from our perspective, is the lack of cooperation that we have been getting on the bridges and the offense that they may be playing on the City side in trying to work with State delegates and legislation moving forward to force our hand in creating a situation where we have to maintain those bridges. We have to make sure that we have an open line of communication to know that we are not the stumbling block for the bridges in the City. We have given them a funding mechanism, although I have stated that I am not necessarily in support of it. I think there are other ways to do it but if you look and notice, we do provide options for bridge funding and ways to fund those so the City of Fort Wayne or any other municipality is not left without a State mandated or City-County mandated fund without funding it. We have done our job to try to help them understand that but they don't seem to want to cooperate.

Roy Buskirk: I appreciate your comments, Number one on the recommendations or legislation, at the current time, if we remove the definition of 200 feet for the Major Bridge Fund and make it for all bridges, there would not be enough revenue generated from that to be able to do the repair and maintenance on our current bridge situation. So, as far as current funding, option two is the only way that we could go.

Darren Vogt: Option one, Councilman Buskirk, once those current upfront situation is maintained and the backlog is done, then there is significant funding.

Paula Hughes: That is a short term problem and we are looking for a long term solution.

Roy Buskirk: Correct.

Darren Vogt: I agree and my point was that it is a long term solution.

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Roy Buskirk: I'm agreeing with you. I am just saying that after the current expenditure items that are on the Major Bridge Fund, that Major Bridges could possibly be reduce, the revenue stream would be reduced if the surtax/wheel tax, in the interim of time was increased to take care of the bridge expenditure. I think this is one thing that when we have individual conversations with the legislators, on Thursday evening, we need to point out. Under the current circumstances, the Major Bridges can not fund our bridge needs.

Paul Moss: There was a motion and a second. Just to clarify, you will be presenting this in a more formal way to the legislative folks that show up.

Beth Garber: Yes, there is a Power Point presentation. There are eight legislators that have said they will be attending. It was also asked that I provide additional information beyond the platform and the Power Point so that some of the statistics and charts that the Auditor's Office has prepared on wheel tax/surtax, bridge funding and revenues that we receive. I am also preparing that. I can always forward you guys a copy of the Power Point before Thursday. It starts at 5:00.

Paul Moss: Seeing no other issues or comments, all in favor please signify by saying aye. All opposed same sign. The motion carries 6-0 (Kite absent). Thank you very much for your work on that. Recent and/or Upcoming meetings, the Personnel Committee meeting is coming up here shortly. Roy, do you know the date specifically?

Roy Buskirk: I can tell you.

Paul Moss: Are there any other meetings that anyone wants to bring up? We are going to try to schedule, with Mark and Ashley, an additional follow-up meeting on the tax abatements.

Maye Johnson: I believe there is a meeting of the strategic plan on Thursday at 3:00.

Cal Miller: I would like to make a comment about the upcoming meeting for the Exec and Merit grids that I believe is the first week of December. I wasn't here last time and I wanted to preview what I thought we ought to think about and you may already have in your mind. For each position, in our working session, go through the working paper. There is a work paper for each position that Brian Dumford put together. I still haven't gotten some general questions about the data that he is using and some other questions about the manner in which he processed that data to make recommendations for the salaries. I will do that and copy all of you on that. I want to share with you my concern is that while I don't question the validity of the data that the decisions are made on, I have some concerns about the proposals being made and the uniformity of the utilization of the data to make the proposals. I can point to three examples. One was in the proposal for the Human Resource salary. When I was going through the worksheets with Brian Dumford, and I really think he comes by this honestly, but when I was going through the worksheets with Brian Dumford

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and we were looking at the Auditor's and looking at the data he utilized. He took two categories of data and averaged each category of data and then he averaged the average of those two. He had a reason for doing that and came up with projected cost for the projected salary. Actually, let me reverse that. He took the average of all categories and then came up with a projected or recommended salary. When we went to the Human Resources, he had two categories of data. He took the average of each category and then averaged two and came up with the recommendation. You can see that the manner in which he was doing one recommendation to the next and the utilization of the underlying data was vastly different. I said, to Mr. Dumford, at that point in time, you do realize that you are going to get a wildly different number if you take the average of the two averages than if you take the average of all of the data. I don't believe that he recognized, at that point, that he would. If we took the average of all of the data, the salary projection for the Human Resource Manager would have been about \$6,000 less than by taking the average of the two averages. At that point, I began to get a little concerned about the uniform application of the data, not the validity of the data, but the uniform application of the data to come up with the recommended salary for the position. Another example, if I could turn to in looking at the Sheriff's Deputy salary, it became a percentage of the Sheriff's salary. The question, at that point in time is how can you possibly justify that because the Sheriff's salary is a contractual amount and part of that salary was a negotiation between this Council and to pay the Sheriff for the delinquent tax collections could have otherwise increased his salary, like it had for Sheriff Herman up to \$200,000. I can not imagine rewarding the Sheriff's Chief Deputy by allowing his percentage to be a percentage of a contracted salary of the Sheriff that took into account the Sheriff's ability to earn money on tax warrants. That was obviously a concern as well. Lastly, with respect to the Surveyor's Office, as we know the Surveyor has taken a position that over the years, that his salary should be 1.5 times what it is not because his predecessor was not licensed and he was getting paid the same thing when we know that it was based on an error because the predecessor's predecessor was a licensed Surveyor and was earning the same thing. In the data for the Surveyor's Office, Mr. Dumford averaged all of the positions, whether they were licensed surveyors or not to come up with a suggested new projected salary for our Surveyor. I questioned why in the world would we be doing that because we know that the unlicensed surveyors are getting 75% of what the licensed surveyors are getting. That doesn't seem fair to our Surveyor at all. He pointed to the error that Allen County had made and I told him that he was assuming that everyone had made that error. If I were the Surveyor, I would be a little ticked that my data is being manipulated in that way. That assumes that every county has made the same error that Allen County made with Mr. Frisinger's predecessor. We looked at the Auditor's and that all looked good. Out of the four worksheets that I looked at, there were three in my mind had fundamental errors or fundamental problems with the manner in which the data was being utilized to offer a projected or recommended salary. The data all looked good but what I would like to do is to go through each worksheet, with the Council in a working session, so that we can identify how the data was utilized to come to a recommended salary, again not challenging the validity of the data, but how it was multiplied or utilized to come to a projected or

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recommended salary and then make sure that there is uniformity in the manner in which the data is utilized on every position. Then we don't have one where we are averaging the whole of the data and the other we are taking two groups and averaging the two. I think we can do it without it being an exhaustive thing. We are just looking for uniformity throughout each work paper and understanding what he did. I think we will be able to get through those and then make our recommendations using the underlying data that has been put together to what those salaries ought to be. That is what I had envisioned that we could do through that meeting. You may have already touched on this at the last meeting but I wanted to point out that those were my concerns that I saw in looking at four work papers. Again, I don't think it was something done intentionally by Mr. Dumford but it strikes me that seven heads are better than one in trends, particularly since we have the Auditor's Office with us in looking at trends so that we can be consistent with the application of the data that has been collected to make these recommended salaries for the Executives.

Paul Moss: I think you have hit on the concerns of a lot of us and I believe that was conveyed to Mr. Dumford, at our last meeting. That is why we were willing to get together to have this discussion. Councilman Buskirk?

Roy Buskirk: I appreciate your comments. That is one thing that I tried to express with the Human Resource Department is definitely benefits that are included. There seems to be the approach that the more data you collect, the more data that you input and if there are mistakes in that data, it will be corrected because the more data you have, the mistakes amount to the less amount in the end result. What you are saying is well taken and appreciated.

Paul Moss: I would just say, as a blanket statement, I know that there is no nefarious objective or anything but I have yet to meet a member of a Human Resource staff that doesn't want to progress forward, as far as pay is concerned for employees. We have to obviously keep in mind that we are the block to that to a certain extent. Obviously we want to be able to pay people appropriately but this is an extremely important decision that we are going to make because it is going to have long-term impact in a variety of ways. I have been concerned about some of that data as well. I am looking forward to that discussion as well.

Cal Miller: I am less concerned about the data that has been collected because we are not going to be able to go back and check to see if each of those numbers is correct. My biggest concern is the utilization of the data.

Roy Buskirk: You both have brought up concerns that I have but the other concern is that it is somewhat philosophical but we, as a Council, have to decide after we look at that data is can we make those adjustments? There are a variety of things that we have to take into account. I think that was the intent, and everyone agrees, of this next meeting.

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Darren Vogt: The other point that we had to hash out was the manner in which we were going to do it. The Human Resources Department came up with basically the same Executive banding, if you will, that is in the current system. I think some of us on Council assumed that we were going to use pay bands within each particular job. I think may be another important philosophical discussion that we need to have before we even get down to crunching the numbers. We have to figure out what we want to do at the end of the day? Are we going to create bands or are we going to take the executive positions and create a salary range within those particular positions?

Cal Miller: The way I look at this, and the mindset that I am going to have going into it, is that we now have the information and we need no further inputs except for some questions answered by Mr. Dumford about how he arrived or what his calculation was and how he used to data to arrive at the proposed salary and we take it from here. This Council has the data and based on the data, and based on applying a uniform method of analyzing the data, to come to a proposed salary. We make the decisions from here. The input sessions are over with respect to the Human Resource Department and we take the information that we have now and move forward.

Paula Hughes: Here, here.

Darren Vogt: I agree with that.

Roy Buskirk: In your question of the Personnel Committee meeting, it is on the 18th of November at 10:30.

Paula Hughes: It might be good for all of us, as we are looking forward to that meeting in the first week of December, to think of questions that we may have or on data that we might want so that we can make Human Resources aware of that list. Then they will have time to pull it together for us.

Paul Moss: Well, I think that was the open discussion portion of our meeting. Are there any comments from the public?

Roy Buskirk: I have another comment and I was thinking about it. Becky had given me some certificates to sign and one of them is Roger Moll's appointment to the Park and Rec Board. He recently, in the paper, said that he was going to the Peace Corp.

Paula Hughes: So, we need another appointment to the Park Board.

Roy Buskirk: Yes. I guess since he was already appointed, we need a resignation from him. Would you mind contacting him and following up on that, Becky?

Becky Butler: Yes.

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Paul Moss: If anybody has any names, let's talk about that at some point in the near future.

Darren Vogt: Move for approval to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of November 10, 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 6-0 (Kite absent).

Darren Vogt: Move to adjourn.

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 6-0 (Kite absent). The next meeting will be held on December 18, 2008 at 8:30 am.

There being no further business the meeting was adjourned at 11:38 a.m.