

ALLEN COUNTY COUNCIL MEETING MINUTES
FEBRUARY 24, 2011
8:30 AM

The Allen County Council met on Thursday, February 24, 2011 at 8:30 am in the County Council/Commissioners 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: Bob A. Armstrong, Larry L. Brown, Roy A. Buskirk, Tom A. Harris, Kevin M. Howell, Paul G. Moss and Darren E. Vogt

Also Attending: Tera Klutz, Auditor; Nick Jordan, Chief Deputy Auditor; Jackie Scheuman, Finance and Budget Director; Nelson Peters, Commissioner; Therese Brown, Commissioner; Linda Bloom, Commissioner; and Becky Butler, Administrative Assistant.

The meeting was called to order by Vice President Darren Vogt with the Pledge of Allegiance and a moment of silent prayer.

Darren Vogt: Council if you and the people in the audience would please silence your cell phones, it would be much appreciated. With that, we have the approval of the January 20th minutes that were sent to you a week or so ago and if you have had a chance to peruse those, I look for a motion to approve those.

Roy Buskirk: So moved.

Bob Armstrong: Second.

Darren Vogt: **We have a motion and a second. Is there any discussion? All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** Next is the financial report from Auditor Klutz.

Tera Klutz: Good morning. I will start with the General Fund. On the financial statement, we have held out \$1.5 million for a reserve. It is about 1.6% of our 2011 adjusted budget. That leaves about \$3 million to appropriate for this year of which \$2.7 is coming before you today. The miscellaneous revenues are on schedule, by the month. If any of you have questions, please feel free to ask or stop me. I did want to update you on some information that I got this week from the State regarding our Rainy Day Fund. It kind of ties to the Rainy Day Fund but this year we are using \$4.5 million of the Rainy Day Fund and that will leave \$17 million available. We were notified Statewide that the State overestimated certified income tax distributions by

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\$610 million. They are going to begin reducing distributions in the next three years to offset that over-distribution for the current three years. What I was hoping was a flat income tax for the 2012 budget for our revenue side, maybe even be lower. We may be using the Rainy Day Fund even more so than the \$4.5 million just until we stabilize the income tax revenue.

Darren Vogt: Council, are there any questions for our Auditor?

Roy Buskirk: Wasn't part of the Rainy Day Fund from...

Tera Klutz: Yes, those overpayments. In fact, about \$5.6 million in the Rainy Day Fund is from the overestimates. If they overestimate and we have an excess balance, at the State, they distribute it to us in January two years after that balance is realized.

Darren Vogt: Okay. Council, hopefully you understand that this means we currently have a \$17 million Rainy Day Fund balance and if we continue to use \$4.5 million that leaves us about \$9 million in two years not to mention any repayments to the State that may have to occur based on any legislation that may happen.

Tera Klutz: Right. I have been in contact with several officials to figure out what Allen County's portion of that \$610 million loss is. That is not available and they haven't done a county-by-county estimate yet. The only reason I found this out is that Pat Roller had sent me an amendment to a House Bill that would require the payback of about two-thirds of the \$610 million within the next three years. My understanding of the law says that they don't need that amendment to do that but I don't know if they just want political coverage from the Legislature also to start reducing our certified distributions in order to make up the negative balance at the State.

Darren Vogt: So is that what they will do, reduce our distributions instead of sending us a bill for the next three years?

Tera Klutz: Yes.

Tom Harris: When will that start?

Tera Klutz: I believe it started a little this year because we were reduced twenty percent. I think we will get it in 2012 and 2013. We may have enough if the economy picks back up, from actual income reported on tax returns to offset those decreases.

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Darren Vogt: That would make it flat, more so, than grow which would mean that we would still need to take the \$4.5 million that we used out of the Rainy Day Fund for the current spending. Are there any further questions for the Auditor? Not hearing any, I would look for a motion to approve the financial report.

Larry Brown: So moved.

Roy Buskirk: Second.

Darren Vogt: All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. If you will notice, the current unemployment rate in Allen County is 9.4%. Moving on, it's always good to follow a 9.4% number with Economic Development news. With that, we have a resolution before us for Greatbatch Medical.

Nikki Liter: Good morning, Nikki Liter, Economic Development. With me is Chris Knopse with Greatbatch Medical. They are looking to build a manufacturing facility just south of Sweetwater on Kroemer Road. They are requesting an abatement for real and personal property. Based on the point system that we had done, they are eligible for ten years for both. Like I said, the proposed project will be out on Kroemer Road and is in Section 19 of Washington Township. The investment is around \$16 to \$17 million and will include construction of a 80,000 to 125,000 square foot facility and there is investment in equipment. There could be the creation of 178 new jobs which would be new to Allen County. Around 102 of those jobs will be coming from Columbia City and around 76 would be new additional jobs. With those 178 jobs, you are looking at an annual salary of around \$8.2 million. The result of the tax abatement, over ten years, the company can save about \$1.2 million. Broken down, that is about \$196,000 on personal property taxes and \$968,000 in real property taxes. With that, you have a resolution before you to approve the Statement of Benefits. If you have any questions, we would be happy to answer them.

Darren Vogt: Chris, if you could before we open up for questions, just give us some of the major factors for relocating in Allen County that would be great.

Chris Knopse: I appreciate everybody's time and in having me here this morning. When Greatbatch who is our parent company, purchased Precimed here and in Indianapolis, we were looking at how we could break into this growth market. We looked all over where we could locate these areas. What we decided to do was, because of the great workforce that we have in this area and the close proximity to the customers that we partner with down the road between Warsaw and points in between. We thought that this was a

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great area to stay in and invest in and to have the employment pool to draw from. We are currently undertaking the \$6 million investment in our facility in Indianapolis and then we felt that this would be the smart time to put the investment here. As we were going through site selection, we found the site that worked out well for our customers so that we can be close to them.

Darren Vogt: You are a worldwide company, is that correct?

Chris Knopse: Yes, we are.

Darren Vogt: Council, are there any questions?

Roy Buskirk: One question that came up was the about the current workers at the Whitley County plant. What is the location of their residence?

Chris Knopse: Of the approximate 102 to 105 employees and based on the last numbers I had, Allen County has twenty-three current employees working there. Forty-four employees are residents of Whitley. Twenty-seven are from Kosciusko County and a smattering of folks from Huntington, Noble Steuben and Dekalb Counties.

Roy Buskirk: Okay. I am asking this because some people don't like the fact of Counties competing for businesses, but your corporation was going to leave Whitley County before you even started looking for other sites and that you would even take it back to New York.

Chris Knopse: That is correct. We currently have acreage next to our global headquarters in New York State and it was a competing factor. As we looked at it, we were considering leaving Whitley County.

Roy Buskirk: Thank you.

Kevin Howell: How many additional jobs, after this is taken care of, would you think there will be?

Chris Knopse: With this package, we are looking at adding seventy-six new jobs but the sky is the limit. We want to grow and that is our business model. We are currently in a 40,000 square foot leased facility and we are going to be constructing an 80,000 square foot facility. We have 102 to 105 current employees in that one and we figure if we are doubling the space that we are working out of, we will hopefully be doubling the number of employees. The building is expandable up to 125,000 square feet and hopefully markets will be going in the right direction so that we can fit the mold and be hiring more workers.

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Kevin Howell: The plant that you have now is that for a regional area that you are serving or is it national?

Chris Knopse: It is national but primarily we supply and partner up with the big OEM customers that are in the area. Those are Zimmer, Biomet and Depuy but we also service all over as well.

Kevin Howell: Gotch ya, right.

Darren Vogt: Council, are there any other questions?

Paul Moss: Move for approval of Resolution 2011-02-24-01, Allen County Council Resolution approving the Statement of Benefits for Precimed, Inc dba Greatbatch Medical.

Tom Harris: Second.

Darren Vogt: **We have a motion and a second. Is there any further discussion? All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** Scott Harrold is going to talk about the LEDGE Agreement now.

Scott Harrold: Scott Harrold with the Department of Planning Services. I won't repeat a whole lot about their product information since they were just here. This is an agreement as part of the package that we used to incentivize Greatbatch to locate here. They are a great company and this will be a great project for us to have. This is something that we have wanted to do for a while to take advantage of what is going on in Warsaw. The LEDGE agreement is based on previous ones that we have done like with General Motors and Uniroyal. It has the same general format and structure. Something that is a little different is that we are sharing this incentive package with the City of Fort Wayne. Over the last year, if you read this morning's paper there isn't a lot that I need to say, we worked with the City on guidelines and on large projects we would share the incentive costs. This is CREDIT dollars that are set aside each year for incentive projects. The City agreed to pay seventy-five percent and we are paying twenty-five. That is based on the allocation of CREDIT dollars. Just so you know, there may be cases where there is a project locating inside the city limits and they will be asking for our help as well. This just happens to be the first one that came through. It is sort of reciprocal to recognize that both the City and the County need to work together on these larger projects. This particular one would provide Greatbatch with an incentive of about \$300,000 over three years. The County's share of it works out to about \$77,000. That is based on them meeting certain goals as far as employment, payroll and investments. There

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are callback provisions if they don't meet those goals. For example, if the payroll is lower for that year, they will get a lower amount. It also requires that the company maintain operations here for ten years. I think it sounds like they want to grow here but it gives us some assurances that they will maintain some benefit over the years. With that, I would be happy to answer any questions you might have.

Darren Vogt: Councilman Buskirk?

Roy Buskirk: Are there any restrictions as far as what the \$300,000 can be used for?

Scott Harrold: No, it is just an incentive.

Roy Buskirk: Have you run any figures on the Option Income Tax that they would generate for the County and the City? I know it would have to be on the estimate of how many employees would be located in the County.

Scott Harrold: Right but I haven't done that but we anticipate that it will generate some.

Darren Vogt: Council, are there any further questions?

Paul Moss: Move for approval of the Fort Wayne-Allen County Joint LEDGE Agreement with Greatbatch Medical.

Larry Brown: Second.

Darren Vogt: **We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** We are on to the Clerk of Courts. Councilman Moss, you are the liaison for that.

Paul Moss: The Clerk has an equipment request.

Lisa Borgmann: Lisa Borgmann, Clerk of the Allen Circuit and Superior Courts. In January, I had two pieces of office equipment that gave out and had to be replaced. The first one is a densitometer which is a piece of equipment that we use to test our microfilm. It tests for density and resolution specs that we have to maintain. The other piece of equipment was a letter opener for my Small Claims Division.

Darren Vogt: Council, are there any questions? Not hearing any, I look for a motion for those two items.

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Paul Moss: Move for approval of the items for the Clerk in the amount of \$3,225.

Roy Buskirk: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. The Treasurer is tab 3 in your books. This is something that we have all been aware of. Councilman Brown, do you have anything to say on this?

Larry Brown: I think that you have all seen the information and perhaps talked to Sue. We have had discussions and several meetings about bank fees and this is a culmination of all of those discussions. With that, I will turn it over to Sue.

Sue Orth: I am Sue Orth, the Allen County Treasurer. This is Bill Royse, my Chief Deputy. Tim Berry was going to be here today to talk about lockbox but he couldn't be here because there is something going on at the State House and he had to be there. He sent some notes for Bill to read to you after bit. What I am asking for today is \$101,000. When I asked for the \$120,000, I had added on a little extra from what our actual fees were. I have gone back to what the actual fees were. I took out \$6,000 that I was paying for other departments and I am going to have the other departments pay their own fees instead of me covering them for them. I wanted to make sure that you understand that this is not a new allocation. This is just a change to our accounting procedures. We have always had fees and they have always been this amount of money. When interest is high, you don't notice these because they are such a small portion of it. When interest rates dropped so dramatically, it has made the fees appear a lot higher because they are such a large part of our interest. We used to seven, six, five or four million dollars a year in interest and the \$100,000 didn't seem like much. The State just asked us to net it out and give you the difference. That is what we have always done and that is what all of Indiana has always done. Even the State offices have done that. Now we are just going to give you all of the interest and then turn in a claim from County General for our fees. You are going to get the same money that you had before but you are going to see the full amount of the interest and the full amount of the fees.

Darren Vogt: So basically what would happen is our interest income would be a projection that is higher by the total amount of the fees, in this case \$101,000. Now we are going to put it in a line item for the Treasurer's Office.

Larry Brown: That is probably the more appropriate way to have done it to begin with.

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Darren Vogt: A clear accounting process. Councilman Buskirk?

Roy Buskirk: You mentioned the fact of the \$6,000. What were the two other departments that you were paying fees for?

Sue Orth: I was paying fees for the Building Department and Recorder's Office and there was another one for the ACCDC, they are the department that sells the properties for us.

Roy Buskirk: That was through the Building Department.

Sue Orth: That's right.

Roy Buskirk: They will probably be coming before us for the same thing that you are today.

Sue Orth: They were astonished when they found out they had fees.

Darren Vogt: If you had been taking care of it the whole time, they had no way of knowing. Welcome to the world of banking.

Roy Buskirk: The other question I have is when you make reference to lockbox I am thinking of the lockbox that we have at the bank that we put my wife's jewelry. Can you explain when you use the term lockbox, what you are referring to?

Sue Orth: Lockbox is a service that we have all of our bills mailed to a post office box. The bank will go to the post office box, pick up the mail, open it, process it, send us a file of all of the payments that came in and what bills they go on. We run the file and it puts the payments on everyone's bills. They deposit the money immediately into our account. We don't have to touch anything and it saves us tons of time. Where other Counties have a lot more people in their office, we only have nine. Marion County has twenty-eight and they use lockbox. Lake County has thirty-nine people in their office and we have nine. We have found ways to get all of the work done efficiently, quickly and cheaply which is cheaper than having employees do it. This lockbox service is one of the things that we outsource. It gets the payments in the bank quicker. It gets the settlement done faster so that we can turn it over to the Auditor timely.

Tera Klutz: The bank electronically processes these payments.

Sue Orth: Right.

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Larry Brown: Sue' study will show you, if you are concerned about it, on what it would take to hire employees and do this in-house. The result of that study is that it is far, far, far cheaper to do the method that we are talking about here.

Sue Orth: That is in the handout and has the breakdown.

Darren Vogt: Councilman Moss?

Paul Moss: It is really just a back-office type of function that we looked at in our industry as well. It certainly is a more efficient way to do things. The banks provide that service very well. I have a couple of questions. One is from a public information standpoint or public education standpoint. Could I suggest that maybe you provide, for a five-year timeframe, the information that shows the annual interest that we have earned and the bank fees that we have been charged? I would find that to be fairly useful to see that trend line a little bit and I think the public might find it useful too. There are probably a lot of people out there that don't realize that we have to pay bank fees. They think because we are a government entity that we don't have to pay bank fees but that is not the case. The other question that I have is a follow-up to the last discussion that we had about this. Do you feel that there is really no opportunity to leverage, possibly for the City and the County, the money with one particular institution or at least lowering the number of institutions that we utilize or preferably utilizing a local bank?

Sue Orth: Star would be the only one that is local. I am not sure that they would want to take all of our money.

Paul Moss: I have never heard of a bank that didn't want to take money.

Sue Orth: I have had banks call me and tell me to take some out because it is throwing off their balances. I like to put as much into our little banks, as I can, because their interest is usually a little bit more. It puts them out of balance in their stuff.

Tera Klutz: It would be collateralized.

Roy Buskirk: Right.

Darren Vogt: Right.

Sue Orth: It is better to have it spread out. Also, by having it in more banks, we get a better interest rate because they fight over it. In better times that we are right now, we have been able to get better rates. We use all of our

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local banks for tax collections. They are our little mini Treasurer's Offices. Taxes are something that people are very cautious about paying. When they pay, they want a receipt. We can't have them all come into our office because there are too many that come in that way. They go to their local branches and make their payments. The banks don't charge us. It is something that they do for Allen County.

Paul Moss: First of all, I think you are doing a great job.

Sue Orth: Thank you.

Paul Moss: It is your professional opinion that there is not much value to that? Your answer was a long answer and it was appropriate from a detail perspective but you feel that there isn't any value to try to consolidate that.

Sue Orth: I don't think so. Not in Allen County. If it was a smaller County maybe, but here we need to have it, especially in this economy, you want your money spread out. You don't want all of it in one spot. I think that with the amount of banks that we have and the different sizes, we are better off to have them help us with interest rates. It brings the interest rates up rather than put it all in one bank and be held to one interest rate for however long the contract is. Right now, we are hoping that the interest rates are going to start hopping up here. There are a few Counties that put out for bid their banking services and put them all in one. I am not sure that it is the best for us.

Paul Moss: That's fair.

Darren Vogt: Councilman Brown?

Larry Brown: Paul to follow-up on your comment, when you were talking about leveraging, I asked some more questions about that. I was under the impression that taxpayer dollars were guaranteed differently than private dollars and they are not. Because of the fact that in the State of Indiana, there have been approximately ten bank closures this year and there is expected to be more, Sue has to keep on top of bank ratings and keep our money safe. If we are caught with a large balance in a bank that all of a sudden closes, which can happen and does happen and has happened, we are not any different than anyone else knocking on the door and trying to get our funds. I thought, like you, putting all of our money in one basket and leveraging it seemed like a good thing to do but as I talked with Sue and got more information, what she is doing is best for the safety of taxpayer dollars.

Darren Vogt: Councilman Buskirk?

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Roy Buskirk: To follow-up in the same line of thinking, in discussions with Sue she is doing what you are talking about Paul. She is working between the different banks to try to get better interest rates or service through the lockbox that is being done. The other thing leads on to some current legislation and I don't quite understand this but there is a deposit that is for safeguard on the money?

Sue Orth: It is the PDIF Fund that the banks, many years ago too some of the interest that they would have given to the Counties and gave it to the State to hold in an account to protect our money if one of the banks closed. There was a bank that closed in southern Indiana last year and the amount of money that the bank had in there was a lot more than what was in that fund. At that time, State Treasurer Mourdock determined that this is not a big enough fund and he has started rating all of the banks. He sent a letter to all of them that did not rate high enough according to his ratings. They now have to collateralize fifty percent or more of our money. That collateralization fee is coming back to us. I have had a few of our banks call me and tell me that they have to collateralize and this is what it is going to cost. That makes our interest rates lower or it comes as an extra fee on our bill. I am working with them on that.

Tom Harris: What is that approximate interest income annually?

Sue Orth: It varies every year but last year it was just under \$500,000. It would have been \$600,000 if we would have done the accounting last year that we are doing this year.

Roy Buskirk: A couple of years ago it was in the millions.

Sue Orth: Yes.

Darren Vogt: Councilman Howell?

Kevin Howell: I want to make sure that I understand this. Again, if we lose money in a bank that we have money in the State has a backup plan or insurance policy?

Sue Orth: They have a fund that will cover part of it. The fund is not big enough to cover everything. All of the Counties and the State put a lot of money in all of the different banks. They are banks that the State has approved us to use. They are called the State Approved Depositories. With all of us using these banks, they get a lot of money that are public funds. The public funds money is what is covered by the PDIF.

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Kevin Howell: What percentage would you estimate?

Sue Orth: I have no idea. Every County has a different amount of money.

Kevin Howell: I mean in terms of the State insuring the banks.

Sue Orth: It would depend on the size of the bank and how much money was in it.

Kevin Howell: All right. One more thing, I know this is a serious subject but I just can't help myself. This is not Al Gore's lockbox, right?

Darren Vogt: One question that I have is the PDIF Fund and the bank that went under, the scenario is how does that money then go back to the Counties that would lose money? Is it a percentage basis?

Sue Orth: It is supposed to be the full amount until that money is gone. But with the bank that closed, they would not have gotten all of their money back.

Darren Vogt: So why does that PDIF Fund have a balance in it if Counties lost their money and there was not enough money in there? I would assume that the fund would be dry.

Sue Orth: The bank that closed, at the very last minute they took the public funds and put them out in investments. That way they protected the money so that it wouldn't get lost. If it would have been lost is what I was saying. They actually didn't lose it because at the last minute they saved it.

Darren Vogt: Okay. That is where my confusion came in. The fund is still viable. Okay that helps me understand that. Council, are there any further questions? As I hear the Treasurer, the new amount is not \$120,000 but is now \$101,000. Is that correct?

Sue Orth: Yes.

Larry Brown: I offer a motion to approve item three on the agenda in the amount of \$101,000.

Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Thank you.

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Sue Orth: I will get the five-year information you asked for.

Paul Moss: Thank you.

Darren Vogt: Council, next on the agenda is the Sheriff. Councilman Buskirk I believe that is your liaison.

Ken Fries: Good morning, Kenny Fries, Sheriff of Allen County.

Roy Buskirk: The Sheriff needs some new vehicles. He has twenty-nine that exceeds 100,000 miles and three from 103,000 to 148,000.

Ken Fries: There is actually one with over 200,000 but we are replacing that from the Commissary Fund.

Roy Buskirk: You obtained a bid through the State bid system and then was able to receive a bid that was lower than that. I will turn this over to you.

Ken Fries: Fletcher Dodge had the State bid but we were actually able to go to Bloomington Ford, where we used to buy the Crown Vics, and he told us he could get the Dodges cheaper. He was actually able to by several hundred dollars. They are still more than what the Crown Vics cost, about \$1,400. The Chargers went up this year and so they are more expensive than what the Crown Vics are but the Crown Vics are going to be discontinued this year. This is the last model year for them. Chevy and Ford both are trying to build cars with the standards that the Chargers are. We are looking at about \$24,300 for each marked Hemi Charger. This year we are going to try buying four unmarked six cylinder Chargers. We want to see what kind of gas economy we can get with those. They are about \$3,000 cheaper. We will try four of those and see what happens. Currently our Crown Vics and our Chargers, the gas mileage is unbelievably different. The average is two miles per gallon. I took one of the 2010 cars to Indianapolis in December and drove down and back on less than half a tank of gas. The Crown Vic used to have to be filled up in Indianapolis. The fuel economy is very much better with the Hemi's than they are with the Crown Vics. They shut down four of the cylinders when you are not using them.

Darren Vogt: Let me correct something. I think you said they get two miles to the gallon.

Ken Fries: I am sorry. I meant better. Real world numbers are 13.27 and the Crown Vics are getting 11.26 a mile.

Darren Vogt: Councilman Armstrong?

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Bob Armstrong: So you are going to buy Chrysler vehicles from a Ford dealership.

Ken Fries: Right. Apparently he deals in both of them. He was working on the Crown Vic and said that he could get the Chargers cheaper.

Roy Buskirk: The only thing I am concerned about is that you have \$403,008. Can you get him to cut the eight dollars?

Ken Fries: Actually the reason that they are a little more is that it is \$500 per car to put the metallic brown on them. They come from the factory with the tan and the dealer charges \$500 for the brown.

Darren Vogt: One question that I have is that you talk about V-8 and V-6 and the gas mileage is different with the ones that you are going to get. Help me understand why you need the V-8 if we can get twenty percent better gas mileage.

Ken Fries: Historically the sixes have gotten worse gas mileage than the V-8's. When you are out driving the V-8's at a normal speed, it shuts down four cylinders and so it is running on a four-cylinder engine. It depends on how much you are into the Hemi as to what kind of fuel economy you are going to get. It is going to depend on how these are driven. If they are driven doing patrol and they are doing normal speeds, the Hemi's are still going to get better gas mileage than the six-cylinders. We are going to find out and that is why I am getting four of them. They will have four different drivers and we will see what kind of fuel economy we get.

Darren Vogt: Are they going to be in the same type of service that the others will be? We want to get comparisons that are accurate.

Ken Fries: Yes. What we will do is compare the sixes in the Detective Division to the eights that are in the Warrants Division. They will be unmarked and serving papers and so forth. There will be no emergency runs or very few emergency runs and so it will be comparing apples to apples. If they perform well and are \$3,000 cheaper, we will buy those next year unless Chevy or Ford comes up with something. We haven't seen a price point from them yet. Their new cars are built at the Charger standards. We'll see.

Larry Brown: Are these all replacements?

Ken Fries: Yes.

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Larry Brown: And will you have your staff do due diligence to get the ones that are being replaced off the insurance rolls?

Ken Fries: Oh, yes. They are decommissioned and taken to the auction and they are done.

Roy Buskirk: But what Larry is bringing up is that we have had some problems in the past of getting vehicles off the insurance.

Ken Fries: I am not sure if the Service Center sends the information to Purchasing and they take care of it or what.

Darren Vogt: It depends on how they are pricing our insurance. If they pricing it as group or individual. It depends on when they reconcile.

Ken Fries: We take the plates from the old cars and put them on the new cars and so I am assuming that the insurance goes with it.

Larry Brown: For lack of a better word, they have to be decommissioned.

Darren Vogt: Council, are there any further questions? In talking about the Commissary Part-Time, that is just another vehicle, right?

Ken Fries: No, that is to pay the part-time employees. We write a check to the Auditor's Office and we are just asking to get the money back out.

Roy Buskirk: I wish there was somehow that we could eliminate that.

Tera Klutz: We could handle all of the accounting of the Commissary Fund and then we could but I don't think that is legal.

Ken Fries: No, I will come to Council.

Roy Buskirk: It is the Commissary Funds that has to be transferred into the General Fund and then he has to come and ask for it back to pay the part-time employees. I make a motion that we approve the Sheriff's request for the purchase of vehicles for \$403,008 and the Commissary Part-Time in the amount of \$37,000.

Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

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Tera Klutz: We also need to approve the Reduction in Appropriation from the County Council line.

Darren Vogt: We haven't had a motion for that. Council, it is the one right above the actual appropriation.

Roy Buskirk: That is because we had that set aside.

Tera Klutz: Right because it was set aside in County Council's budget. The law requires that since you are taking it into another department budget that it be unappropriated and re-advertised as an appropriation.

Roy Buskirk: So moved.

Larry Brown: Second.

Darren Vogt: All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Next we have the Prosecutor. Councilman Harris.

Tom Harris: The Prosecutor is here to ask for the renewal of the funds through the Indiana Criminal Justice Institute.

Karen Richards: Karen Richards, Allen County Prosecutor. We are here to get permission to apply for the renewal of the Domestic Violence Coordinator grant. It is approximately \$44,000 from the Indiana Criminal Justice Institute. This is actually Federal money that passes through ICJI.

Tom Harris: This is actually the seventh year, if I read correctly.

Karen Richards: Yes, it is.

Darren Vogt: Council, are there any questions? With things changing and the Federal government spending levels, have you heard any word or anything like that?

Karen Richards: I have not. I have heard nothing that they are going to do away with these funds.

Paul Moss: Why are these grants back on here as opposed to the Consent Agenda?

Darren Vogt: The Consent Agenda is completely gone now. From my perspective, we ran into some issues of advertising and making sure that we

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talk about everything that comes on here. We can have a different conversation about grants.

Paul Moss: I think we should. I think to have the Prosecutor sit here for almost an hour is terribly inefficient.

Darren Vogt: I don't disagree with that. That is where, as the liaison you are having a conversation on the front end of these things that if we have questions on it, no but if we have no questions, it is a waste of time for them to come.

Karen Richards: I will say that our liaison, Councilman Harris, was kind enough to come to our office and meet with us.

Darren Vogt: Great.

Roy Buskirk: I think that sometimes the liaison can present it instead of the department head.

Darren Vogt: Especially on a continuing grant.

Roy Buskirk: I make a motion to approve the request for the Domestic Violence Coordinator grant.

Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. The Election Board is next. Councilman Moss?

Paul Moss: This is a temporary salary ordinance and is related to Jeanne Nicolet retiring.

Darren Vogt: Commissioner Peters?

Nelson Peters: Good morning, Nelson Peters, Allen County Commissioners Office. There are a couple of salary ordinances that you may want to take right in a row before you get to other discussions. The Election Board, County Services and Community Corrections are the ones that I am talking about. The Election Board went through the Personnel Committee on February 3rd. We placed it on what we thought was a Consent Agenda based on the policy that this Council passed in November allowing those positions that had been given a due-pass recommendation in Personnel Committee to be placed. As you move forward, if we can figure out how to tailor that policy, it might be

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appropriate. This position is very much the same situation as what the Commissioner's Office found them in when Judy Heck left and Jolie Walker became her replacement. We sort of wanted to ramp up and provide some training to Jolie as Judy was walking out the door. It was necessary to create that salary ordinance which did in fact go away as soon as Judy left and Jolie became the full-time replacement. This is exactly the same type of thing in the Election Board. We request that you approve that.

Roy Buskirk: I just want to say that it is approximately a training period of eight weeks. When the current one retires, then that line item is done.

Nelson Peters: Right. It will go away as soon as there is one person left.

Darren Vogt: Do you want to go ahead and discuss the County Services and Community Corrections?

Nelson Peters: County Services is in the midst of some reorganization right now. You may have heard that the County Print Shop is going away. We were faced with potentially \$120,000 staring us in the face with respect to new equipment. We were also looking at three jobs, within that operation, that had the potential to be eliminated for another cost of about \$120,000. You are looking at an immediate hit of potentially \$240,000. In it, Bob Bolenbaugh felt that he was missing some opportunities on the purchasing side with respect to things that were dropping through the cracks with only one Buyer in that department. He requested, with some of that reorganization, to add a new Buyer to his department. That is at a cost of \$39,938. That likewise was approved at the Personnel Committee level.

Darren Vogt: Councilman Moss?

Paul Moss: The \$120,000 for the equipment, I understand as a potential expense that we won't have but is there a reduction in the Print Shop in FTE's or not?

Nelson Peters: Yes, three full-time equivalents.

Paul Moss: So what is the net affect?

Nelson Peters: About \$80,000 on an ongoing basis and a \$120,000 one-time shot.

Roy Buskirk: This was quite a lengthy discussion at the Personnel Committee because there were some factors that some of us don't believe were being included in these numbers that are coming forward. The Print

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Shop is currently being taken care of but there are going to be additional expenses with being in two buildings. Currently, when supplies are being delivered, the Print Shop took care of the delivery of supplies to the departments throughout the County. With part of the County services being here and part of them being in the new building, there could possibly be additional charges for drop-off. There is some consideration of the amount of money that is being projected as being a net savings. There was considerable discussion as far as this position as far as the actual duties and the additional savings that this position should provide. I think the Council needs to have a policy that is more restrictive on all purchases going through the Purchasing Department which currently they are not. I think this is something that we need to be more in tuned with requiring that when somebody comes and wants additional funds for purchasing, especially capital types of items.

Darren Vogt: Councilman Harris?

Tom Harris: Just to reiterate that piece that the thought is if we gain another Buyer, we will purchase more smartly. Not only is there a reduction of cost in the employees but the idea is that we are going to gain the knowledge to purchase better in the future. I think that is why Personnel Committee voted in favor of it.

Darren Vogt: Commissioner Peters, in hearing those comments and we have echoed this several times in Council, everyone going through Purchasing to do that. How would you suggest that we best do that? Should it be from Council with an ordinance or from the Commissioners with an ordinance? We have tried every which way.

Nelson Peters: It is going to have to come from the Council because you touch everybody with some authority where we touch only a few people with some authority.

Roy Buskirk: But the other thing on that is the fact that we were informed with this additional Buyer, that the staff that they currently have would not be able to handle all of the purchases for the County. That totally surprised me.

Tera Klutz: It was also discussed that most departments are using Purchasing more and more.

Darren Vogt: That's great.

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Tera Klutz: As they are hearing from other departments, everybody is doing that on their own.

Darren Vogt: I think that is the thing we are trying to make sure. It is not that we are trying to be punitive. It is the fact that we can lower the prices of things through the Purchasing Department. That is why they are there and to help Department Heads and Elected Officials know that they don't have to do it. Council, as you continue to work with your liaisons, let's make sure that you are having that conversation and as things get put on the agenda, let's make sure that they are going through there. We may flood Mr. Bolenbaugh's department but we will take that into consideration and if the savings warrant hiring someone, then we will look at it.

Tom Harris: Another point that Roy brought up was the concern about the delivery of materials. Have you had further discussion?

Nelson Peters: We think that is going to be between a \$9,000 and \$14,000 cost. We may be using Community Corrections to serve that purpose.

Tom Harris: So there have been further discussions and plans to work that out.

Nelson Peters: We are looking at completing a contract with them and at that time we will be able to come back. The \$80,000 that I mentioned to Councilman Moss becomes a little bit less.

Darren Vogt: Councilman Buskirk?

Roy Buskirk: I noticed on the Commissioners agenda for tomorrow is that the current Printing Department equipment is on discussion. Are you giving that to Fort Wayne Community Schools?

Nelson Peters: It essentially will be given to them. It is in a somewhat dilapidated state right now. I kid you not when I suggest that we were looking for later this year to purchase \$120,000 worth of equipment.

Roy Buskirk: There is no salvage value to it?

Nelson Peters: There doesn't appear to be. The good news is that they get to pick up the maintenance cost if they want to continue to perpetuate it.

Roy Buskirk: So we are just going to give it to them.

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Nelson Peters: I would encourage you to skip past the Commissioner section there and defer that discussion for just a second and look at Community Corrections. Community Corrections was also on the agenda for the Personnel Committee. They were looking to increase the Financial Coordinator position to a Senior Finance Manager. We agreed, in evaluating the position, that it did merit the increase from PAT 5 to PAT 6. They were requesting to amend the salary ordinance for the Marketing Section Chief to an Executive Manager and we agreed, based on some comparables, that it did warrant an increase from PAT 4 to PAT 5. Then they were requesting a new position of Programs Facilitator at the Kelley House which was pretty easy to analyze because they have a Programs Facilitator in the Community Corrections program right now. Those three positions also received a due-pass from the Personnel Committee.

Darren Vogt: Council, before we look for motions on these, I think one of the things that will help on this and the Consent Agenda issue is that from the Council people who are not on the Personnel Committee, the only thing we get is the resolution in our packet. What might help is if we can get the supporting documents that you see at the Personnel Committee meeting. That may be of some great assistance.

Nelson Peters: I think, at this time and for the first time that information was sent. You had requested that before and I requested that it be done. We will certainly make an effort, in the future, to ensure that you do indeed get everything.

Darren Vogt: We are still working out the kinks of our agenda and why the Consent Agenda doesn't work real well with salary ordinances.

Larry Brown: Please coordinate that with Becky so that we don't get it two and three times.

Roy Buskirk: The other thing on the Community Corrections is the fact that it is not County General Funds. That is primarily through the State. Also, part of this is the Kelley House which was started a few months ago. As the residents of that home increases in number, there will be some additional staff hired for those positions. I think it is around fifteen or so that is currently over there and there's room for forty-eight.

Paul Moss: I have the ordinances here and to reiterate, they went through the significant scrutiny of the Personnel Committee and all were submitted for approval to us. I will start off with the temporary salary ordinance for the Assistant Director, PAT 4 at \$38,402. This is effective for eight weeks.

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Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Paul Moss: Move for approval of a salary ordinance for a Buyer position with a classification of PAT 4/2 and an annual salary of \$39,938.

Tom Harris: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Paul Moss: Move for approval of the amended salary ordinance from Financial Coordinator to Senior Finance Manager from PAT 5/2 to PAT 6/2 with an annual salary of \$49,817.

Larry Brown: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Paul Moss: Move for approval of the amended salary ordinance from Marketing Section Chief to Executive Manager/Trainer. Classification is from PAT 4/2 to PAT 5/2 with an annual salary of \$43,895.

Tom Harris: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Paul Moss: Move for approval of a salary ordinance for Programs Facilitator with a classification of PAT 3/2 and annual salary of \$35,490.

Larry Brown: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Commissioner Peters, we are back up to you.

Nelson Peters: The next issues that are on the agenda are an asbestos issue and a voice-over-internet protocol issue. If you look at the numbers there, it looks like one big, fat number and I suppose to you, it is one big, fat number. We would like to take these issues separately. I would like to ask Ed

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Steenman to talk about the voice-over-internet and then Chris Cloud will talk about the fire retardant. Between each, the Commissioners will take the opportunity to explain how we would like to see this financed.

Ed Steenman: I am Ed Steenman, IT Director. Back in 2009 when the Commissioners signed the existing agreement with then-Verizon, Verizon advised that when that contract expired in 2014 that the current phone system would probably no longer be supported. They said we should be then looking for a different phone system. We had planned to make that endeavor in 2013. With the move to Berry Street, we accelerated that investigation. We knew that there would be cost involved in moving this phone system and making it available at the Berry Street location. Estimates were at about \$100,000 of capital expense to do that. We moved forward the investigation of a new phone system and took into consideration that the City purchased, about three weeks ago, a voice-over IP system for the Call Center and City Utilities. We found that the expansion of that system is totally doable. Rather than adding another phone system and expanding that system, being able to rely on one and maintain one system would be a wise thing to do. Part of the emphasis for moving to a voice-over IP is cost savings. Between the City and County, we have identified about \$400,000 a year in cost savings from our ongoing expenses. The handout that I gave to each of you shows that we currently spend about \$520,000 on phone operating cost. With the new system, we would be spending about \$260,000 in operating cost. That would save us about \$260,000 a year. Between saving \$260,000 a year and avoiding \$100,000 in capital expense, this is the right time to make this change.

Nelson Peters: Now very quickly, to talk about some of the financing. There are three options that we believe that you could utilize to finance the system. The first is to continue doing exactly what we are doing right now and that is to ante up about \$520,000 a year. The problem with that is that in 2014, the system becomes obsolete. That doesn't get you anything but another couple of years on the system. The other alternative is to purchase the system brand new. The third alternative is to lease the system. It doesn't appear that there is a lot of difference but we do believe that in purchasing the system there are about \$124,000 plus savings in the same five-year time frame as there is if you choose to lease it. There are dollars that you have provided for us in past budgets and in the current budget to continue to fund the program just as we have been funding it. Part of the reason in bringing this to you today is to help bring us into the twenty-first century and to provide some of those savings now as opposed to several years down the road. It is our recommendation that we purchase the system but we suggested that there are several other alternatives as well.

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Therese Brown: Therese Brown, Allen County Commissioner. One thing that I wanted to make sure that we clarified is that this is not a general lease but a lease to purchase. We will own the equipment through the lease process. We do recognize that you do have at the end of your agenda, the discussion item of if you are going to be paying off the parking garage bond. In light of the philosophy that you may be going down the road of not wanting to carry finance charges, we thought it would be appropriate to at least put on the table that there will be a finance charge involved. If you want to avoid that, you may want to consider following the same philosophy.

Darren Vogt: Council, are there any questions? Councilman Harris and then Councilman Buskirk.

Tom Harris: Just an initial question and a fundamental question on the savings. Why is there so much in savings? Are there fees built into the existing cost for maintenance and upkeep? Is it a savings from a standpoint that it is going to break down less or spend less in trying to fix stuff or is it simply it is cheaper and more efficient?

Therese Brown: Ed can probably answer that better. I will just start that I assume technologically that by the virtue of the advancement of the technology, it would be cheaper. Ed, feel free to come back in here.

Ed Steenman: There are really two components that save the money. Number one, the lines that connect our system to the outside world are fewer. Rather than having to pay for every line for every desk phone, we are paying for just the lines that it takes to handle the concurrent calls that go into this facility and out of it.

Tom Harris: The broader lines can run more channels through it.

Ed Steenman: Right. Rather than paying for 100% of the phone lines to the world, we would be paying for twenty percent. The other part is the support cost that we pay today is about \$180,000 a year. We are projecting that to be closer to \$100,000 a year. Those are the two components that really bring the cost down.

Tom Harris: That \$100,000 is part of the \$259,000?

Ed Steenman: Yes. Both of those costs are in the operating cost.

Darren Vogt: Councilman Buskirk?

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Roy Buskirk: I'm not sure but maybe Ed possibly answered part of my question. Currently we have an outside firm that we have hired to do in-house maintenance. That is what you are referring to at the \$180,000 for what that contract is. We will still have an in-house maintenance service provided by this company?

Ed Steenman: The details of who is going to provide that service hasn't been worked out yet. What we know is that currently there are three or four people supporting the phone system and that can be reduced to one. From my perspective, it doesn't matter whether that is any particular outside service or an internal person. We just know that we can reduce that FTE count from either three or four to one.

Roy Buskirk: Don't we currently have a contract with that firm?

Ed Steenman: Yes.

Roy Buskirk: When does that contract run out?

Ed Steenman: That contract runs out in 2014 but there are some clauses in there.

Darren Vogt: Councilman Moss?

Paul Moss: Can you define operating costs? You have operating cost, \$520,000 a year. What is included in that?

Ed Steenman: Those are phone lines, long distance, outside service costs.

Paul Moss: Do we own the equipment?

Ed Steenman: Yes.

Paul Moss: So that equipment just goes away and is completely replaced.

Ed Steenman: The only thing we own is handsets. We don't own a PBX. That is frontier's property.

Paul Moss: Operating cost, I want to make sure that everyone understands this because I am not sure that I do. Operating costs are not maintenance cost. There is a difference in my mind between service, that line and long distance and all that stuff that is included and then maintenance.

Ed Steenman: Both of those are included in the operating cost.

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Paul Moss: Can you break that down a little bit?

Ed Steenman: We pay about \$300,000 a year in line cost. We pay, like I said earlier, about \$180,000 a year in support cost. I can't think of the other two components, off the top of my head but those are the two biggest ones.

Paul Moss: When was the last time that there was an upgrade in the phone system?

Ed Steenman: The phone system has been in place since the early 1990's and there have been no changes that I am aware of.

Paul Moss: Just to use as an analogy, the 9-1-1 system that we have to consider upgrading fairly soon because it is obsolete. Does anyone recall when that was last upgraded?

Ed Steenman: I think that was in 2005.

Paul Moss: My point is, do you believe if you think about leasing versus buying, we may own the system at the end of ten years, are you saying that this system is going to be usable then or will it be obsolete?

Ed Steenman: I certainly hope that it is going to be still useful. We will own the system. Whether we lease it or buy it, as Commissioner Brown pointed out, this lease is that we own the equipment at the end of the lease. Whether we buy it today or lease it for five years, we are going to own it in five years. As long as we continue to pay maintenance and have that system on support, we anticipate it being here as long as we need it.

Paul Moss: So it is really an issue of pay upfront or not. That is the bottom line here. The other question that I have is if not for the new building that we have and the fact that we are going to have offices there and here, would these numbers be identical assuming that everything was the same and there was no expansion of government as opposed to co-location. Can you say, with a straight face, that these numbers would be identical? There has to be more lines and more equipment as the result of having two buildings but maybe I am wrong.

Ed Steenman: To my knowledge we are moving phones from one place to another.

Paul Moss: So the number of phones here will be reduced.

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Ed Steenman: Yes. One of the key things that we are doing with this is maintaining existing phone numbers. My phone number here will be the same over there. I can't answer whether the organization is going to increase the number of phones due to this move but the phone system is not going to increase the number of phones.

Therese Brown: If I can just add one component, this was already on the strategic plan for 2014 for the entire enterprise. Based on that, this isn't just because of the move but was just accelerated because of the move. It is going to be installed in all of the City and County departments as it goes along. It is not just because of the move.

Paul Moss: I am not inferring that it is just because of the move. I have a little bit of a jaundiced view that just intuitively that the net impact isn't a little bit higher because of what we are doing by having two buildings. I am trying to get at what is the difference in these numbers. Would it be just the same or would it be lower, if again, all we were doing was upgrading what we have in this building?

Ed Steenman: I will say it this way, the projections that we have made or estimates that we have made as far as handset cost is based on the number of phones that we currently have.

Paul Moss: Okay, that is a good way of looking at it. The number of handsets is not changing.

Ed Steenman: Right.

Darren Vogt: Before I go to Councilman Harris and then this side, there is an inherent difference in how voice-over-internet works compared to landline works. I don't know if you want to go into that because it gets really, really muddy. I have been in it with my personal business, on the voice-over, and I haven't quite figured out how it works but it is interesting when you go with the internet. You pay for the phone system and the reason I am saying this is that it is the physical handsets that get you the charge. It is not the number of lines that come in, so to speak, it is the actual unit that you buy. I think what he is trying to get at is that the handsets are what we really get charged on and we are not increasing those. If we increase those then you would see an increase in cost. Is that a fairer way to say that?

Ed Steenman: You are going to have the cost of the handsets and really the only additional cost that comes along is if you add a significant number to where you have increased or want to increase the total concurrent phone calls that you want to make out of the organization then you may have to add

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additional trunk lines that connect us to the world. A onesy or twosy addition is really just the cost of the handset, one time.

Tom Harris: The concept on the lease is what is the benefit of the lease in this scenario?

Darren Vogt: It really isn't a lease.

Larry Brown: It is a lease-to-purchase.

Tom Harris: This is being coordinated with the City of Fort Wayne and are they purchasing?

Ed Steenman: They are purchasing. I wanted to mention also that this request was on the City Council agenda this past Tuesday and came out of committee with a due-pass.

Darren Vogt: Councilman Brown?

Larry Brown: The one thing I wanted to add, for everybody's benefit, is that by doing this now the state of the economy and the fact that the City and County are doing this together, there is a total savings of over \$600,000. Let's not lose sight of that. It is a good deal.

Paul Moss: When you say by doing this now, do you mean as far as the purchase as opposed to the lease? The lease numbers appear to be set

Larry Brown: Either.

Paul Moss: So either one. The savings are the same.

Larry Brown: Don't forget it is a lease-purchase.

Paul Moss: I understand that.

Roy Buskirk: It is the purchase price based over five years.

Darren Vogt: I wouldn't use the term lease. I would call it a purchase. Keep in mind that what this will do is, currently the phone system is in the Commissioners budget, is that correct?

Tera Klutz: Yes.

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Darren Vogt: What it will essentially do is allow us to reduce the budget by \$250,000 approximately. It is a financially viable thing to do. It makes sense, now that we have looked at it, and to Commissioner Brown's point, we are moving it forward by three or four years based on the fact that we have the opportunity now. Ed, how many frontier lines are we going to leave based on that contract? Has that all been worked out yet?

Ed Steenman: We recognize that some facilities and some locations that will not be able to be moved over to voice-over IP. The restriction being that you have to have high speed network connectivity between this facility and whatever facility that might be. As part of our ongoing operating cost estimate and that \$260,000 is that we have estimated about seventy-five lines that will have to be POTS lines or plain old telephone service lines. We recognize that those are going to be at a higher cost than what we are paying today because we have a contract with frontier that gets us those at a reduced rate.

Darren Vogt: And so then the cost associated with getting out of that contract with frontier...

Ed Steenman: Those termination fees are in this as well.

Darren Vogt: Are in the \$1.195 million?

Ed Steenman: Yes.

Darren Vogt: I want to make sure that you understand that. That is a separate issue from the actual phone system itself if it is a fee that we need to take care of to eliminate those. Ed, if you want to talk a minute about the discussion as to whether to keep or not keep and we didn't have to do it but it financially made sense to do that.

Ed Steenman: There is a termination fee if we fall below a number of contracted lines. We estimate that once we do Berry Street and the City-County Building and then move on to the Courthouse or someplace like that, we will probably fall below that minimum number of lines. We will be in the situation where we have to pay that termination fee. We are estimating that it should be late this year.

Darren Vogt: The longer that process takes, the lower the fee goes.

Ed Steenman: Right. The slower we go with implementation, it reduces the termination fee.

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Darren Vogt: That is not the intent. It is an estimate, in reality. The \$1.195 million could be a lower number.

Ed Steenman: That is based on the termination fee kicking in sometime in December. If we do it faster than that, it increases.

Darren Vogt: The savings start that much faster as well. It is a solid number that is a little bit fluid, based on time.

Ed Steenman: Right.

Darren Vogt: Councilman Buskirk?

Roy Buskirk: In answering Councilman Moss' question was the fact that there was another bid from a firm in which they owned the equipment and it would have been a rental. I guess you could say it is the same situation that we currently have with frontier. If there were any improvements in the system that would have been automatically upgraded without any additional charge to the County.

Ed Steenman: I am not sure I follow your question.

Roy Buskirk: There was another bid from another firm in which they would own the equipment and they would only charge a rental-type fee and if there were any improvements in the communication world, they would improve their equipment because we were only renting it.

Ed Steenman: I don't know that you can say any improvements in the communication world but if there were improvements to that system, they would take care of it.

Roy Buskirk: At no cost to the County.

Ed Steenman: I believe so.

Darren Vogt: There are other options available. Ed, you and I have had some conversations about that and I will let you speak to that.

Ed Steenman: The situation came down to the fact that the City does own a voice-over IP system. It works very well for them and it is a widely known and widely used system. Upgrading that system to make it enterprise-wide eliminated the issue of having multiple systems onsite that had to be administered and supported. The cost of the other option, I think over ten years, was within \$70,000 of what we are doing. Over the ten-year period, the

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extra administration and support of that system didn't seem like enough of a difference to have a second system in-house.

Paul Moss: I hate to ask a question after all of this time but I assume that this all is based on some agreement with frontier, correct?

Ed Steenman: No.

Paul Moss: You had mentioned earlier and I was assuming that the maintenance piece was yet to be decided as to who will earn that bid. Is that correct?

Ed Steenman: Yes.

Paul Moss: So whose system is this?

Ed Steenman: This system is from Interactive Intelligence.

Paul Moss: Okay. Who is providing the actual service or the lines?

Ed Steenman: We haven't signed any agreement on that yet. We have cost estimates and that is what these are based on.

Paul Moss: Is this based on the highest or the lowest?

Ed Steenman: The highest.

Paul Moss: On the operating cost, is that based on the highest quote?

Ed Steenman: I was referring to the operating cost.

Paul Moss: Because the line and maintenance is included in that. Let me rephrase the question. The operating cost, with whatever agreement that you are looking at, does it guarantee the operating cost? Let's say that we own the system. The most transactions that I am aware of, there is no guarantee that the operating cost from the vendor particularly for ten years. Let's say that we are five years out, are you going to stand here and say that the operating costs are still \$259,000?

Ed Steenman: No, I can't do that. The line cost, we have options to do one, two or three year contracts for. The price comes down based on the length of the contract. We have used the worst-case scenario which is the pricing for one year. And, like I said, we used the highest quote that we have so far.

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Paul Moss: So these can be considered the worst-case scenarios. So again, five or six years down the road it is not going to be more than \$259,000. Is that what you are building into your agreement? There are, and Councilman Buskirk just alluded to it, I was not involved so I hesitate to sit here and micromanage this but I have to ask the question that intuitively in business there are certainly some entities out there that would be willing to assume some risk just as he mentioned. They would own the equipment and guarantee some operating cost, et cetera, over a period of years. I think you kind of confirmed that, correct?

Ed Steenman: Right.

Paul Moss: And then you said that there is a \$70,000 difference but that is based on numbers that you are not really willing to live by or is not part of it. How much can we rely on these operating costs over the course of ten years?

Roy Buskirk: Ed, explain how you arrived at them and that might help. As previously stated, the worst-case scenario has been used.

Ed Steenman: We used the worst-case scenario from the quotes that we have. I don't think any vendor is going to be able to tell us what our line cost is going to be in five years, seven years or ten years. We don't have that capability out that far. We have just projected that if we take the worst-case scenario and hopefully can do better than the worst case now, that in ten years that will still be the worst-case scenario.

Darren Vogt: Let me interject one thing really quickly. There is a difference in the operating and the line costs and they are going to happen whether you have an owned system that this is proposing versus like my system. I only own the phone system. Mine is in a cloud and don't get me started trying to explain cloud to you. That is where the system is shared by other users and I use it via virtual world. My line costs are going to fluctuate whether I own the system or don't own the system. Does that make sense and is it a fair statement?

Ed Steenman: That is exactly right. Just like today, we fluctuate our phone operating cost based on if we add lines or remove lines, if we have excessive amounts of long distance, we have minimal amounts of long distance, the month to month charges vary. That is separate from the capital cost of putting the system in.

Paul Moss: I am fully aware of that. What I am getting at is how much faith can we have in these operating costs is you look all the way to the right here

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and we are basing this on these aggregate numbers, how much faith can we have in the operating cost which is significant? That is really all I am asking.

Tom Harris: If I could ask a question that is kind of tied to that. Has the operating cost changed with the existing plan in the last few years? Have we had a change with the operating cost?

Ed Steenman: It hasn't changed very much because we have been under contract.

Tom Harris: Just understanding that, how much is not very much?

Ed Steenman: We pay a per line charge. We pay that for every phone in the facility.

Tom Harris: We are locked in with the contract.

Ed Steenman: We are paying a rate per phone and that rate has been the same for the last several years.

Paul Moss: Is that what you are going to do going forward?

Ed Steenman: The trunk rates, we will lock in for as long a period as we can. The longer the period that we contract for, the lower the rate on those trunk lines.

Kevin Howell: To piggyback on what Councilman Moss said, I work in the school system and so my point is in figuring the operating cost over ten years, in your run up to the numbers did you figure on the cost increasing percentage over ten years? Is that how you arrived at the same number for ten years?

Ed Steenman: We didn't add those increases in...

Kevin Howell: Why not?

Ed Steenman: Because we were using rates that were higher than what we were expecting to pay. The incremental increases along the way would be made up by using the highest rate that we are aware of.

Roy Buskirk: You are not increasing either one. If you increase one, the other is going to increase too.

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Darren Vogt: Council, for me the issue was really whether we owned a system or used a system that, from a technology standpoint, is like a server refresh. Every once in a while you get one that every five years you have to get a new one because of technology. That was the concern that I had based on the \$70,000 difference. The question was that we don't own it and we don't control it and another company would own it and control it but it would also be their responsibility. Another question?

Larry Brown: Not a question but a statement. I think we are getting hung up on the micromanagement of the decision. It should be within the Commissioners and IT Department to decide on what system. The question before us is do we afford the opportunity to pay for it now and save the interest dollars or do we allow them to go on a different plan lease-purchase. That is the question.

Darren Vogt: I would agree with that but we need to make sure that all of the options were vetted out and that is what we are trying to ascertain here with looking at the operating costs.

Paul Moss: I hate to keep harping on this, and I am not saying it very well, is that I am trying to get at is that my concern is the operating costs. I am not blaming anybody. It is just the nature of government, I guess. To project something out ten years, in order to say that there are some savings, I happen to look at it with a jaundiced view. I am sorry but that is the way that I am. It seems that inevitably that doesn't happen. Let's look at it a little differently. Let's look at a five-year timeframe as opposed to ten years. If we stay with the existing, that's cheaper. Granted, I understand obsolete. I would like someone to define obsolete. Does that mean suddenly our phone lines won't work or are they just not as nice of phones or what? Just for the sake of argument, go out to 2015 or 2014 or whatever year you want and you are looking at fixed cost of \$519,000. According to these numbers, if you purchase or lease it is almost \$523,000 a year over the five-year timeframe. Where you get your savings is pushing it out ten years with what I believe are some questionable operating numbers. That is really all that I am saying.

Jim Haley: Jim Haley, CIO for the City of Fort Wayne. I had the same question from my Council and so I have had a couple of days to think about this. On my numbers, I am estimating roughly \$500,000 a year to operate. Splitting that into the various components, there is going to be \$180,000 a year in software maintenance. I expect that price to go up probably along the cost of living. Normally whenever we do any software product, we see a cost of living increase. The other part is going to be telephone support. That is people. That contract will be cost of living or less. The third part is the telephone services. The lines we get from the other telephone company to

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come in and do the actual lines are where most of the savings come. We are paying \$670,000 a year between the two of us for that. The new system will be \$200,000 a year for that. That number I expect to be flat. One because it is technology and technology gets better just as the computer gets better, as internet connectivity gets faster and I expect that to be the same. There is some new technology that frontier is not quite able to deliver yet. It is a better way of bringing those phone lines into us. I expect that to be available. I also expect there to be other phone companies that would be able to provide this and I expect them to compete. The question that you had a little earlier, I am going to speak for the City and not for the County, I expect the number of phone lines in the entire system to go down. In the move to Berry, a lot of departments had their own fax line but I am going to put a single fax in the middle of the floor and tell them to use that. Faxes are going out of the way anyway and there is no sense in paying for faxes or at least as many as we have. I expect total phones to go down.

Paul Moss: I appreciate that and it makes sense. To summarize what you are saying, not about the number of lines but about the operating cost, that pie you both believe that the number will stay consistent but the slices of the pie will shift around a little bit. Is that essentially what you are suggesting?

Jim Haley: When you start to aggregate all three, two of the three I expect to go up with the cost of living. The other one I expect to stay flat or go down.

Paul Moss: Is that a yes in IT speak?

Tera Klutz: Slight increases in operating but with that they say that the buyback is for four and a half years on the investment. They are not trying to show a ten-year savings plan here. The savings that you are seeing here is for financing it or buying it directly.

Darren Vogt: Let me add one more thing in the operating cost. You said that these are the high end estimates and so this \$260,000 will be solidified, at some point, and hopefully it will be somewhat lower based on the fact that you used the high end. To answer your point, it could be lower here and higher in the end but yet overall average. The 2011 number may be lower but the 2012 could be higher. The pie analogy shifts a little bit. Council, are there any further questions on this? I think we have exhausted the discussion on that.

Nelson Peters: Do you want to push on or vote on the \$1.195 million for that particular system. It certainly is your call. The second issue we want to talk about is distinct from this issue.

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Darren Vogt: Council, at this point before us, we saw the item 100-4001-411.43-18 phone system in the amount of \$1,195,000. We would need a motion to take that money from the General Fund.

Paul Moss: To either purchase or lease. Oh, that is the purchase.

Larry Brown: Is that a motion?

Darren Vogt: We would need a motion. I can't make a motion.

Larry Brown: So moved.

Roy Buskirk: Second.

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

Paul Moss: I want to clarify that it simply because I believe we should lease.

Darren Vogt: Let's move on to the other item.

Nelson Peters: The second issue involves fire retardant or asbestos in this building. We have asked Chris Cloud to speak to that and again, Commissioners will address funding options.

Chris Cloud: Chris Cloud, Executive Assistant to the Board of Commissioners. I have had the privilege of learning all about how you build a building. One of those areas we encountered in this building is asbestos. The City-County Building was constructed forty years ago, as you may or may not be aware. Asbestos containing materials were used around piping and in the fireproofing and were sprayed on the steel deck between floors. As part of the remodeling to accommodate bringing in Public Safety and some other departments, certain portions of the building have been identified as needing various levels of asbestos abatement. Approximately 80,000 square feet needs to be decontaminated. That is the environmental consultant's fancy way of saying that you take a ceiling tile off and you HEPA vacuum all around it. That way when an electrician or a plumber is up there doing work, there is as much loose material gone and a safe work area as possible. In addition, approximately 25,000 square feet needs to be fully abated. This involves scraping old fireproofing off the old deck. This is being done in a handful of areas requiring intensive remodeling of pulling out walls, to be built to the steel deck or hanging extensive HVAC equipment. Additionally, approximately 80,000 square feet of asbestos containing floor tiles and wall

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panels has to be removed. That is the scope of the abatement project. I will turn it over to Commissioner Peters to address cost.

Nelson Peters: Basically what we are asking for today is one million dollars from the County Council. \$500,000 would come out of the General Fund and \$500,000 to come out of the Flood Control Fund. The engineers, up to this point, have told us that they believe that there is a million to two million dollar cost to abate the asbestos in this building. Unfortunately that is a huge variance in those figures. We will know better on March 2nd exactly what those figures are. We believe that the request for \$500,000 out of the General Fund and \$500,000 out of Flood Control will get us to where we need to get to. One of the other things that we have asked the architects to do at this particular point is go back and look at a first floor configuration that was originally proposed by them in hopes of saving yet another \$500,000 in building construction. Between that and the common wages and the competitive bidding process, we believe that there is potentially \$500,000 to be found on or about March 2nd. The three of those pies totals up to \$1.5 million. Certainly anything that is appropriated today and not used for the abatement we will gladly return to the General Fund and the Flood Control Fund upon completion of the project.

Therese Brown: That is pretty much it in a nutshell.

Darren Vogt: Councilman Buskirk and then Moss.

Roy Buskirk: Maybe Larry can answer this. You have asbestos on the steel for fire protection and you remove it, what do you replace it with?

Larry Brown: Another product, a different product. The integrity of the fire safety on the steel will be replaced.

Roy Buskirk: So that is part of this bid?

Larry Brown: Yes. It is in the whole package though.

Roy Buskirk: Okay.

Larry Brown: Specifically, that aspect of it will be in the bid that comes in on March 3rd for the construction of this building. The March 2nd bid removes the product and the March 3rd bid puts it back on. Does that make sense?

Roy Buskirk: Yes.

Darren Vogt: Councilman Moss?

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Paul Moss: I think the first question that a lot of people have is how does this affect the \$3 million that this body appropriated? Is it, in your mind, an increase of \$500,000 or will it fit within that \$3 million? The follow-up is honestly, how could we not or somebody not have factored in, given the construction date of this building and common sense, not have factored in the fact that we have asbestos that needs to be removed? I am not blaming you all because you weren't here when the building was built. Honestly, how could that happen?

Nelson Peters: Let me answer the second question first. Not that it is any easier but there were a number of us who sat at the table and there were architects in the crowd and certainly you would have thought that this would have come to the forefront at that particular point. Unfortunately as the architects began their work, what they were really looking at was fitting square pegs into round holes. They were looking at walls. They were looking at space and they were looking at moving people and that type of thing. Clearly it is something that should have been addressed at that particular time. Let me address the first question. I am not so sure that it should fit within that \$3 million appropriation from County Council. We have abated various parts of this building when we've renovated from 1970 up until now. I don't know what percentage that amounts to but we have done that because the EPA required that we do so. In the future as renovations were to occur, if it were not for this project right now, we would be required to abate those portions of the building that were being renovated. At the end of the day, who knows how long this building will stand? But at the end of the day as current law is, if we knocked the building down, the EPA would require us to abate everything that we have in this building. It does present the issue of doing it now or doing it later.

Therese Brown: Or, as I would add to that, there are only three specific areas that require this level of abatement. Again, as Commissioner Peters said, as the architects and everyone was going through this process and we were staying below the ceiling tiles and just trying to put people in, it would not have necessarily been an issue or at least not to this magnitude. By the virtue of putting police records, as I understand interview rooms and not interrogation rooms for the City Police, those types of things create a whole other option of how to address and configure those rooms. It kind of plays it a little bit different than the average building remodel.

Paul Moss: I understand the argument of do it now or do it later. The reality of it is that we are doing it now because of the new building and all of the shifting around of people.

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Nelson Peters: I think to that extent, that is why we have been real sensitive to the issue. We fully recognized that the question would come up this morning and that is one of the reasons that we are not asking anymore from this Council than what we are. It is one of the reasons that we went back to the architects and told them that they were going to have to reconfigure some of this so that we can take part of that cost out of the original building cost.

Paul Moss: It seems that this has been done a few times. Maybe it was on the City side and maybe it was on the County side too but if we keep going back and having them make it a little more sparse, it is not going to be very nice.

Nelson Peters: I think we will see the results on March 2nd and March 3rd.

Darren Vogt: Councilman Brown?

Larry Brown: I want to remind us all that many of us participated at the table or in the audience when the joint committee between City and County discussed co-location or re-co-location or whatever you want to call it. I do recall and I think the documents will show that both Cory and Ron, meaning Design Collaborative and Schenkel Schultz, may have been something that was not given the correct emphasis at the time but they excluded things like asbestos abatement. I also want to point out and remind us that at that point in time, to use their term, from the 50,000 foot level of analysis of the two buildings in what to do and how to proceed forward, there was no knowledge by anybody of the particulars that were going to be required or necessary in remodeling or refitting this building for law enforcement. To Commissioner Peters' point about this expense, is going to be incurred sometime. We could wait until the end of the life of this building but at that point in time, it may cost ten times more than we are seeing today. We have heard the Commissioners say this over and over and over that it was unfortunate that it wasn't considered and brought to the table earlier. I guess it is what it is. I can guarantee you that now is a better time cost-wise than later. No doubt about it.

Darren Vogt: Councilman Harris?

Tom Harris: I agree with those comments. I don't disagree with the fact that we need to do this. I guess my question would come up procedurally, as one of the new guys on the block here, in terms of understanding the approval of these funds while the bid process doesn't happen until March. Is there a requirement that we need to do this now before the bids are open or do you do this process after the bids come in?

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Tera Klutz: I think it makes sense to know what something will cost before you appropriate money.

Tom Harris: At this point, these are estimates but we frankly don't know what those numbers are going to be when they come in.

Therese Brown: Ultimately keep in mind that Commissioner Peters referenced that we are hoping to realize savings but ultimately it could be in excess of the million dollars between these two funds. Anywhere between an additional \$200,000 to even \$700,000 and so at a minimum we are going to need this million.

Darren Vogt: Let me ask the question this way because I had some confusion myself. What actually, on the asbestos opening did we ask for from contractors? Did we ask them to bid the entire building, portions of the building or what?

Chris Cloud: We asked them to bid installing inline HEPA filters. That is actually the construction. Abating approximately 24,000 square feet of floor removal, 83,000 square feet decontamination ceiling tiles one foot above, 77,295 floor tile, 1,300 square feet of concrete block and (inaudible).

Darren Vogt: It was very specific.

Chris Cloud: ACM has been our consultant on this and it is just like any other fee that we do. It is detailed specs and that is what they are bidding to. This is not we need abatement work done and we need a price.

Darren Vogt: I guess my point is that this is the worst-case scenario of the remodeling all of the square footage that we had to do. Is that a fair statement?

Chris Cloud: No, this abatement plan mirrors the construction plans. If the construction plans called for remodeling in a specific area, abatement plans called decontamination or full abatement for the same area.

Darren Vogt: Okay. Commissioner Peters said we are looking at reworking those.

Chris Cloud: A month ago, the Commissioners went back and said to take a second, third and fourth look at where we can pull money out of the deal? They identified the most cost-focused area of the project. They identified one as being optional. They went back and said in the base bid, we still want you to put it in there but take an alternate deduct so that if we choose to realize

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those savings we can take it out of the bid we award. That is where we gained the half million dollars.

Darren Vogt: Okay so back to my point. We are abating the worst-case scenario within square footage of the remodel process. There will be alternatives and that is where we are going to have the ala carte.

Chris Cloud: The most recent number that I have gotten from the contractor or the consultant is \$1.7 million. That is before common wage and before competitive bidding. On top of that there is contingency, oversight and prep design. That is where we get the \$2 million.

Darren Vogt: When will that project design phase be factored in?

Chris Cloud: That is in the number that we are asking for. The RFP has been developed.

Darren Vogt: What I am trying to ascertain is the scaled down version versus the full blown version, when are you going to decide?

Chris Cloud: The bids will come in on March 2nd for that. The Commissioners are hoping to award both the construction and the abatement on March 11th. We plan to have by then known exactly what we are awarding. The seventeen alternates on our construction project will have gone through and figured out which ones we are taking and which ones we are taking out. The same thing with the abatement and there are only three or four alternates. On the 11th, we will know exactly what our number is going to be because we will have the actual bids. County Attorney Fishing has told us that you can let the bid without the money but you can't award a bid without the money. It has to be in a series. If we had the money in our series to cover all of this, you could wait until the next Council meeting.

Darren Vogt: What series is that?

Tera Klutz: It is the 300 series.

Chris Cloud: It was a specific line item that was created for that.

Darren Vogt: In other 300 series but it doesn't have to be the General Fund.

Tera Klutz: It doesn't have to be in the General Fund. It just has to be available in a 300 series in any fund that the Commissioners or Council have control over. You have 300 series money appropriated, too. That is over a million.

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Nelson Peters: Council, I think if we know that we have the ability to write the check at the end of the day, I don't think we care how this thing comes together. Part of the reason that we have gotten into this position now is because we did take an additional month to see if there were some more cost savings to be had. Unfortunately now though it means that we have to hit everything like clockwork from the abatement to the construction to the move to make sure that everything happens as efficiently as possible.

Darren Vogt: Councilman Moss?

Paul Moss: I will preface my remarks by saying how much I appreciate Councilman Brown participating in a lot of these discussions. I really do because I know that you have spent a lot of time on that and your expertise has been very helpful. I listen attentively when you make remarks. I do have to respond a little bit because I understand and accept your comments with regards to the architects not drilling down too much. History shows, even if it is unconsciously, that government in general has a tendency to take that type of position or have a process where the toothpaste is out of the tube and suddenly we have more things that we have to do because we are already down the road. It is just typical. That is one of the reasons that I was asking all of these questions about the phone system going out ten years. For those of us who are still here five or six years down the road, who is going to remember that it was \$259,000 in operating cost a year? It is very frustrating, I think for taxpayers, and essentially it is just government expansion by incremental steps. I am fiercely opposed to that, as you have probably figured out. We do have to do this but for me, and I may be the only person that feels this way, I have no interest in going beyond \$3 million out of the General Fund. If the money can come from someplace else, so be it. We have to do it but I think we need to stick to that \$3 million. I have a sneaking suspicion that on down the road there will be other costs that come out, whether it is furniture or who knows what. That is going to try to push us beyond the \$3 million. I think we really need to hold the line. Again, if you take it full circle, this whole thing is pretty much unnecessary. That is just purely my opinion, obviously. The only way that I can try to adhere to that opinion is to make sure that we don't go beyond the \$3 million.

Darren Vogt: Councilman Howell?

Kevin Howell: March 2nd is the due date for when we get the numbers back on what it is going to cost, is that right?

Nelson Peters: The second and third.

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Kevin Howell: If we appropriate the monies that we are talking about right now, obviously if the second and third comes back higher than that, then you will be back here to ask for more money to cover the expected cost of that too?

Nelson Peters: I hope not.

Therese Brown: Possible but hopefully not.

Kevin Howell: So why can't we wait until the second and third?

Therese Brown: We need to have the money secured to meet the award on the 11th. That is from a technical aspect.

Kevin Howell: Even if it is not enough.

Nelson Peters: We can wait as long as we know we have the ability to write the check when we need to write the check.

Tom Harris: The second piece with the \$3 million that has been set aside, we could request that this money come from the \$3 million? Am I saying that correctly or is that not correct?

Tera Klutz: You awarded them \$3 million for getting the Sheriff in here. You had set aside either \$2.5 or \$3 million to get him a new headquarters. You had all agreed at that time, almost unanimously and I know you weren't part of the Council but I am trying to explain what happened, to go ahead and appropriate \$3 million because you had already set it aside for the Sheriff's building. The Sheriff was coming in here and maybe you agreed or didn't agree with re-co-location but you said that they could have this money. A few months later there was an additional space study and you did an additional \$35,000 which was a share of the pre-construction cost. You can tell them that they could pay that if they wanted to because it is appropriated for the construction costs. They can use that money for any kind of building repairs here that they want.

Paul Moss: But then on the back end, let's say that they do that and then we end up at some point with needing to still come up with the additional \$500,000. If I understand it correctly, in your opinion, this is going to be an additional \$500,000 over and above.

Tom Harris: But that \$3 million was set aside specifically to cover costs that were already estimated?

Tera Klutz: It was set aside for them to re-co-locate period.

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Tom Harris: So, in essence, if we ask that the \$500,000 come from the \$3 million, the Commissioners or the County would have to look at trying to restrict further expenses to stay within the \$2.5 million. The challenge comes later when we say that we might not be able to do the new carpet, paint the walls or put in the new ceiling because we have to cut back to stay within the \$2.5 million.

Tera Klutz: You would have to ask them.

Darren Vogt: Or, in theory, there are other funds available that it could come out of instead of the General Fund.

Chris Cloud: If I may, this project is as bare bones as it can be. As far as furnishings, we are not replacing anything. The library walls are panels that can be removed and we are using as many of those as we can. They are not going to be as attractive as we would like them to be. We would love to do stud and drywall. We are not replacing carpet. To try to take another half million dollars is an incredible chunk, at this time. If we were earlier in the design phase, maybe. We are still banking on a million from the City but to take an additional is more of a risk financially than what I would want to take personally. You guys have other pots and funds and if you want to do behind the scenes to take it from here to there, but as far as the money that we have been allocated, that is a little more adventurous than we want to do.

Tom Harris: One other question. What do we lose by waiting until the next Council meeting? Does it jeopardize anything at this point?

Chris Cloud: As Commissioner Peters said, the only thing we are concerned about is knowing that we can award the contract on the 11th. The longer we wait to award the contract, the later the project starts and the longer it takes to complete it. We committed to the City that they could go as fast as possible so that Fort Wayne taxpayers are paying rent on the Creighton Street location longer than they have to. We have told them that we are going to get them in here as fast as possible.

Nelson Peters: We need to award the contract on March 11th. If you guys don't meet until after that and we don't know that we have a pot to pull from, then we don't have the ability to do that.

Darren Vogt: Councilman Buskirk?

Roy Buskirk: For them to use the \$3 million, do we have to do anything further?

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Tera Klutz: No. You already gave it to them.

Roy Buskirk: You have the \$3 million that you can use.

Therese Brown: But does it come down to...

Roy Buskirk: I think you heard the message that the \$3 million is basically it. Anything over the \$3 million, you are going to have to come up with from COIT Flood Control Fund.

Therese Brown: Fifty percent of this request is from coming from the Flood Control Fund.

Roy Buskirk: But there is still some left in that fund though.

Nelson Peters: Then we should stop economic development in this community, is what you are saying.

Roy Buskirk: We will take that later. That can be addressed.

Therese Brown: My question to Auditor Klutz is in the award bid process, the overall bids that we would be approving on the 11th, I assume Chris is the fore point...

Tera Klutz: What is that number because I don't think I have heard it? What is the maximum amount that you expect to award the bid, for both?

Chris Cloud: Upwards of \$5 million.

Tera Klutz: Okay. You don't have it now, period. I don't know what you are going to do.

Therese Brown: That becomes then a logistical problem.

Tera Klutz: This was before asbestos came up.

Roy Buskirk: On that \$5 million, the City is coming up with a million on that, correct?

Nelson Peters: Correct.

Tera Klutz: But we have to have it appropriated and allocated to award the bid.

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Linda Bloom: Yeah we do.

Darren Vogt: So we are in a conundrum no matter which way we go. If you tell me that the number was what?

Chris Cloud: Worst case, \$5 million.

Darren Vogt: I see a million dollar request here and that is \$4 million.

Tera Klutz: Plus the City's.

Larry Brown: A million from the City.

Darren Vogt: But we don't have that amount and from opening the bids standpoint...

Chris Cloud: Fishing said that it is anticipated income.

Roy Buskirk: I thought you just said that we had to have the \$5 million to award the bid.

Chris Cloud: Between revenue on hand and the income. Like we said anything in the 300 series and that is where we have our Liability Insurance line. You don't have to use it just be able to show on paper that you have it.

Tera Klutz: I think we can.

Chris Cloud: I think we can too. It is really do you want to do it this month or next month.

Darren Vogt: Councilman Brown?

Larry Brown: You may recall that our original goal was to have the design done in time to put it out for bid in October and have bids in November. Two or perhaps three things happened to delay that. One of those was asbestos. Here we are down to the wire. Really what we are trying to do is to be able to award the contract March 11th. That is pretty close to the drop dead date to be able to be done on the backend in December. The goal is to be done in December so that City and County both can move in here. If we work that date backwards, March 11th is real important. We can debate about where the money comes from and that type of thing but I would hope that by the end of the day that the Commissioners have the green light to go ahead and award the contract on March 11.

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Darren Vogt: I don't think that we are stopping them, at this point in time. Councilman Moss?

Paul Moss: The easiest option, given the fact that we are between a rock and a hard place, would be to appropriate the \$500,000 and say that the \$3 million has dropped to \$2.5 million. Then we would deal with it on down the road in terms of taking from one bucket or another. I disagree that if it comes out of the CREDIT Fund or something like that, economic development will end in Allen County.

Nelson Peters: That's not what I said.

Paul Moss: Well, it sounded kind of hyperbolic. Anyway, I don't think that is the case. I think the argument is that if this would have happened, going back to Larry's comments about looking at it from 50,000 feet and oops we have a million dollar issue here with the asbestos. If a private business did that in their business plan, oops they forgot something like that, they fail. They have to earn their money. Somebody needs to learn, at some point, that we need to account for this stuff. I say again that we need to stick to the \$3 million. We can do it right now, appropriate it and just remember that we are going to have to deal with the reduction.

Darren Vogt: My concern goes to this. We have a potential \$5 million worst-case scenario bid process that we are putting the cart a little before the horse. You are asking for money before we have the full amount known to us. If this was any other department, we wouldn't give them money until, and we have actually said this, they come back to us with the actual dollar amount. That is the concern that I have here. If we are trying to use technicalities and loopholes and say that we don't have enough money, you technically don't have enough money now to do it if it is the worst-case scenario. I'm thinking maybe we should just sit back, I am not saying that we are not doing it, but look at it that we have a final number in three weeks and we are not holding you up. There is money, according to the Auditor, within the series to let the bid, give the bid out and figure out that now we know how much money and then we can talk about if it is coming out of the \$3 million or \$2 million and all of that. That conversation has not happened. This is the first conversation we have had about that.

Larry Brown: A comment to correct your statement in one aspect and that is we did appropriate money for the Board of Health New Haven Avenue project before bids were in. It was an up to amount.

Darren Vogt: Was that a timing issue?

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Larry Brown: Same as this timing issue.

Roy Buskirk: We have the money here. You have the \$3 million that is available. You have other money available in Commissioners' accounts. You have the \$1 million coming from the City. You have the \$5 million.

Therese Brown: If I may throw out one piece though. Is it plausible that you would consider appropriating the \$500,000 in the Flood Control it would minimize some of the impact of this? Whether the half million between the \$3 and \$2.5 million would be wonderful news to the Commissioners' ears. I would also like to qualify Commissioner Peters' comment regarding economic development and the Flood Control Fund. Yes, that fund has money but as you also are aware, we have several tools out there that we utilize for incentivization, if that is even a word, for companies and industries to come to Allen County. As I am learning through this process, and believe me I know that it has only been seven weeks for me, there are limited or already committed dollars to certain aspects for all of the redevelopment funds et cetera. I think that the Commissioners' philosophy on the remaining unappropriated funds, within the Flood Control Fund, is to be able to use it as a stop gap measure if there are any incentives that any of those funds cannot be used for or are committed for other things can be used as an enticement. I think that the Commissioners want to be able to utilize that opportunity when those situations arise to be able to seize those opportunities. I want to at least clarify Commissioner Peters' comment that the tools that we have that still have some level of security that we have funds available to meet some of those challenges. I say that not knowing completely anything that could be coming down the road. As we all know, the economy being the way it is, we take it as they come and hopefully they come here. I did want to at least get that on the table.

Darren Vogt: I will make this statement and then we will go to Councilman Buskirk. This Council, I have been on it eight years and a little longer, and we have never shied away from any economic development incentive that the Commissioners had and we have always supported you in that matter. I will speak for myself and others can join in but we will continue to support you financially in those efforts as well.

Nelson Peters: We appreciate that and nobody denies that. We appreciate the partnership that we have had with the Council. There are projects that sometimes need to occur below the radar and need to occur in a quick manner. There are sometimes, because of timing that we can't get to you as quickly as we need to. These prospective employers don't really want us to raise the flag at a particular time and so we do covet those dollars.

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Darren Vogt: You and I have had that conversation about making sure that we do consider that and try to find ways to make sure that we have those dollars available. Councilman Buskirk?

Roy Buskirk: I have something along the same line. If you do use funds for that out of CEDIT or something and need a replacement of funds, I think you are welcome to come before the Council and ask for reimbursement of them. I know that sometimes, with the Council only meeting once a month, there are times that you need to have funds available quicker than that. I would suggest that you go ahead and use the funds and ask for reimbursement. I have been on Council for almost nine years now and I think Council would go along with you and reimburse you for any expenses when it comes to creating jobs.

Darren Vogt: Councilman Harris?

Tom Harris: I also wanted to say thank you for asking for the appropriation for the \$500,000 out of Flood Control. I think you have taken the right steps there. I have shared a couple of comments up here that I think our responsibility is to preserve the General Fund throughout the year in order to be prepared for the next crisis or the next issue that we are going to have to deal with. I think that by looking at other ways to fund this, it does preserve the General Fund a little bit. I would ask, if we are going to vote on these separately, that we would vote on the Flood Control one as one vote and then the second vote would be if we are going to allow them to pull from the General Fund or simply allow them to use that out of the \$3 million that has been set aside.

Darren Vogt: Currently we have no motions and so we aren't taking any votes at this time. Let me just ask a general question. To my concern that we are spending money and to your point that we have done this before and given money before the bids are out, is there a way to fix that process? How can we better do that from your perspective?

Chris Cloud: We frequently award contracts based on estimates. Until you take something to bid and actually have the contract in hand, that is the best guess that you have. We frequently make decisions on Highway projects with the engineer's estimate. Long term projects like Maplecrest, you base it on the engineer's estimate because that is the only thing you can base it on. I don't know if it is a timing issue and we need to sync up bid dates and Council meeting dates a little better so that you can get closer to that. I think there are things that we can do procedurally but we make a lot of decisions on the engineer's estimate.

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Darren Vogt: I will say that Local Road and Street and Highway money is a little bit different, from my perspective, because it is designated for Local Roads and Streets. When I get a little more protective of the General Fund dollars in making sure that we are doing a process that makes it so we know what we are actually doing from a dollars and cents standpoint that is what I am trying to figure out. I am conflicted about spending money and not knowing and hoping that we are under the \$5 million number by hopefully a significant amount.

Therese Brown: If I could throw in that I know we have talked to a few of you previously and one of the things that Commissioner Peters touched on and that is if we don't utilize 100% of this money, we would pro-rata give back to the General Fund through the active request of unappropriating those dollars. Again, that is a commitment of the Commissioners to make sure that we are not retaining dollars that we would shift somewhere else. We want to make sure that you understand that we know what this money is for and that we are committed to giving back whatever needs to be given back.

Darren Vogt: Councilman Brown?

Larry Brown: How can we fix the problem or the perceived problem is that we have time. Being a contractor and many times building school projects, many times a school bid will come in and the bidders know ahead of time that award of contract is after the School Board approves the money. They want to know what the bids are before they approve the project. If we had the luxury of oodles of time, we could do that here. But the Health Department Building was a timing issue and I personally perceive this as a timing issue. It is very important that the Commissioners have the ability to award the contract on March 11.

Darren Vogt: Councilman Moss?

Paul Moss: I am not concerned about the timing piece. We should do something now. I take the Commissioners at their word that if the bids come in less, the money goes back. I don't have a problem with that. For me, the concern is where the money is ultimately going to come from. I don't want to tie your hands, as much as you might find that hard to believe, by waiting another month to appropriate the money.

Tera Klutz: From everything I have heard about having enough, we do in the 300 series. You are not tying their hands. If you know that you are supportive of any of those appropriations and you, as a body, want to approve any of them today, you are free to do that.

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Darren Vogt: Did Council understand that? At this point in time, we are not holding up the Commissioners by any stretch of the imagination. Mr. Bolenbaugh has his hand up in the back. Come on up and introduce yourself.

Bob Bolenbaugh: Robert Bolenbaugh, Allen County Purchasing Director. At the risk of the wrath of the Commissioners, I do want you to think of another facet of this. The conundrum that we have is that if we put a number out there, if we appropriate money now, we go to do the bid opening next week and every contractor is going to have a bogey that they are going to shoot for. They know that we have \$2 million and they are going to shoot for \$2 million. That is just my experience. It will be in the paper tonight and I just want you to think about it. You talked about fixing the process. The process of getting the money ahead of the bid opening can be dangerous. We were talking about saving money and that is counterintuitive. I just want you to think about that too. Whatever you decide, I will support it.

Larry Brown: I appreciate Bob's comments but I think that they are totally not valid in this situation and in this market. First of all, the bids will be much bigger dollars than what we are talking about today. This is just an element of the funding process. When we are talking about a March 3rd bid in total, much in the excess of the numbers that we are talking about today. I don't think it is valid at all.

Darren Vogt: I do not understand that.

Larry Brown: The numbers that we are talking about today are half a million and half a million.

Darren Vogt: Oh, okay, I see. Councilman Moss?

Paul Moss: I promise I will shut up. You made a statement, Mr. President, that we are not tying their hands in any respect. I want to give you an opportunity because it certainly sounds like we are tying your hands if we don't appropriate this money now.

Nelson Peters: There is no money appropriated right now and the money has to be appropriated in order to award the bid. Whether it comes out of the Flood Control Fund or whether it comes out of another Commissioner fund, wherever it comes from it has to be appropriated. If somebody can show me right now where the additional appropriated dollars are, I will quietly go away for the time being.

Paul Moss: I understand that. My question, I guess, is how do I want to phrase this? You gave the impression, or at least I perceived it as such, that if

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we didn't appropriate the money and setting aside what bucket it comes from, it would cause you problems as part of the bid process.

Nelson Peters: From what I understand, we need to have had the money appropriated in order to award the bid.

Paul Moss: Having \$3 million appropriated broadly, doesn't do it.

Nelson Peters: Not if, on the 2nd you have a bid that comes in as example for \$1.5 million asbestos abatement. The on March 3rd, you have a construction bid come in at \$3 million or whatever. No, it does not.

Roy Buskirk: So in essence, you don't know what kind of dollar amount that you need. It is not only the asbestos bid but also the construction bid.

Nelson Peters: As Chris Cloud said, the best we can do, at this point, is go from the engineer's estimation that we were given some time ago.

Roy Buskirk: How much is that?

Chris Cloud: That is the \$5 million.

Darren Vogt: Split that out, please, again.

Chris Cloud: We told our architects that you have to hit \$4 million for all fees. I think that the engineer's estimate, when they sent it out for bid, was about \$3.6 million. The abatement estimate, not including contingency or design fees, was \$1.697 million. That was using federal Davis-Bacon wages which are fifteen to twenty percent higher right now. When you take that into account, it is about \$5 million. I think to what Councilman Moss is getting at the issue isn't the source but the issue is saying to constrain it to the \$3 million. So then there is the half million dollar gap. That is the concern. We have an asbestos price and we have a construction price. Finding both of those, you guys have already appropriated that. I think that is where the problem comes in because we have to find a half million in the project or from some other pot.

Paul Moss: There is a procedural issue and there is a philosophical issue. We deal with the procedural issue and agree or don't agree today. I am leaning towards agreeing that we should appropriate those funds and the way that I suggest that we do it allows us to have some time to talk about the philosophical issue. I, for whatever reason, haven't had the opportunity to sit down with the Commissioners and have that discussion. I know that there

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have been some discussions individually with folks and you may totally disagree on it but I would at least like to have some time to do that.

Larry Brown: I want to offer what might be an alternative to satisfy everything. If we were to call a special meeting on March 10 for the sole purpose of this topic that we are talking about right now, the bids will have been in, they will have been analyzed, the Commissioners will know what the dollars are and they can still award the contract on the 11th. Are you willing to do that?

Darren Vogt: What is the pleasure of Council? What I don't want to do is to get into this debate and discussion that has lasted this long. I think it has been good but for another thirty to forty minutes to rehashing the exact same thing over and over again.

Tom Harris: My thought is that if the Commissioners come forward and ask for \$500,000 out of COIT Flood Control Fund 273, we should make a motion to vote on that and leaving the \$500,000 in question to be dealt with in step two. Whether that is calling a special meeting or simply relying on the \$3 million that has already been set aside.

Tera Klutz: Or other money.

Darren Vogt: Council, was that in the form of a motion? It sounded like it was but I want to make sure that I understand that.

Tom Harris: I will make a motion to approve the \$500,000 from the COIT Flood Control Fund 273 for this project.

Bob Armstrong: I'll second that.

Darren Vogt: We have a motion and a second. Is there any other discussion on this motion and this motion only?

Paul Moss: I would like to offer a friendly amendment to that motion that you indicate that this is within the \$3 million because you did not do that.

Roy Buskirk: He said this was coming out of Flood Control.

Paul Moss: I understand that but in your motion I don't recall hearing that.

Tom Harris: You are talking about the second \$500,000.

Paul Moss: Yes but I am not sure how to word it.

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Tom Harris: What I was doing, Paul, was simply making a motion for the first \$500,000 and leaving the second. I reject your friendly amendment.

Darren Vogt: Let me clarify because I think what you were trying to say was to reduce the \$3 million to \$2.5 million. That is not the case.

Paul Moss: You're right.

Darren Vogt: Are there any other questions?

Roy Buskirk: I have a question for the Auditor. To be able to make the award amounts on the 11th, is there way as it currently stands to come up with the \$5 million in that we are getting \$1 million from the City? It would be \$4 million that we would need. Are there funds available in the various accounts so that the Commissioners could go ahead and award the contract?

Tera Klutz: I believe Commissioner Brown stated that the attorney said that as long as you're anticipating revenue and anticipating \$1 million from the City of Fort Wayne and that you have money appropriated and allocated in the 300 series, contractual and other services series, and in an amount that you think the bids may be...

Therese Brown: That is my understanding.

Tera Klutz: ...then you can award the bids. That doesn't mean that you have to pay the money from those specific funds that are there. I believe that we have no problem and do not have to have a special meeting. Council has \$1.1 million of appropriated contractual. We have \$3 million of appropriated Circuit Breaker. We appropriate it because we are not going to spend it. If anybody wanted to challenge the opening of the bids, we would be able to show that we have the money that we thought was going to be the price to open the bids. I think that before we leave, you as a Council need to be comfortable with where you will want to pay for this. They want to know, before they open the bids, that they can get more money to pay for this.

Darren Vogt: But if the bids come back at \$4.5 million or less...

Tera Klutz: ...then they will come to you for less. They will still come to you whether it is the General Fund or another fund, to pick up the difference.

Darren Vogt: My point is \$4.5 million or less, they have enough money with the motion that is currently there.

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Tera Klutz: You're right because they have \$3 million appropriated plus a million from the City and \$500,000 from COIT Flood Control. That would be the \$4.5 million.

Darren Vogt: Council, before us we have a motion to appropriate Flood Control Fund 273 in the amount of \$500,000. I will call for any last comment. Thank you. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Larry Brown: Now, I go back to the special meeting on the 10th of March. If you remember, we discussed and instructed the Commissioners to provide for in this bid, to take advantage of competitive pricing and whatnot and timing and all of those kinds of things. That is a grocery list of alternates that we agreed that we considered maintenance items that could be taken care of more cost effectively during this construction than later. Those numbers will become evident on March 3rd.

Darren Vogt: Can you give us an example of that? Chillers or something along that line?

Larry Brown: Yeah.

Chris Cloud: Restrooms and more maintenance types of things.

Darren Vogt: Okay. I just wanted to make sure that people understood what you were referring to.

Larry Brown: Right. So again, I suggest strongly that we have a special meeting on March 10th.

Darren Vogt: The question will be will we have enough time between March 3rd and the 10th to really formulate ideas...let me back that up. This is a question that I don't know the answer to but I am going to ask it anyway. Do we have to award all of the bids at the same time? If they are ala carte and we have the chillers at \$200,000 and all of these extras that we talked about, do we have to award those at the same time you award the bids for the rest of it?

Larry Brown: I don't profess to be an attorney but I believe the bid documents were prepared such that the decision on the alternates will be same day as base contract.

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Chris Cloud: It is written as an alternate deduct so in essence what you get is the cost for the base bid plus all seventeen alternates and then we deduct the things that we don't want to do because of pricing.

Darren Vogt: Okay, Council, I understand your point and we may need to have a special meeting on March 10th, as much as I don't want to rehash this discussion. To the point that we did ask for those things and given the way the bid is done, please check your availability for that day. Let's do that now. I don't want to belabor this anymore. We will do a special meeting just to discuss those things and as soon as those are available, we will get as much information to Council as possible. The location will be here and at 8:30. Does everyone understand the reason behind that?

Therese Brown: Thank you very much.

Nelson Peters: Thanks.

Darren Vogt: Moving on with the agenda, we have the Highway Department. Mr. Hartman, if you would please introduce yourself, that would be great.

Bill Hartman: Good morning, I am Bill Hartman, Allen County Highway Director.

Kim Yagodinski: I am Kim Yagodinski, Controller for the Highway Department.

Bill Hartman: Starting out in Fund 250, Flutter Road and Coverdale Road. Flutter is due to bid in September of this year. These funds are funds that have been reimbursed from the Federal Government for design and right-of-way acquisition. For Coverdale Road, that is \$400,000 that we need to finish the right-of-way acquisition process and to use for our match money. Coverdale is due to be bid in October of this year.

Darren Vogt: Why don't you roll through all of these and then we will just take questions at the end.

Bill Hartman: Okay, you want to go on to Local Road and Street. Gump Road, we are asking for \$300,000 and that will be the March 2012 bid. We are in right-of-way acquisition process there. This is money that has been reimbursed out of the design phase of the project. Next year, when the right-of-way money is reimbursed, we will come back to appropriate for the construction money. Depending on whether we get it before June, when we finish our budget or if it comes in later, we may put it in our budget or be back to Council. Spring Street Bridge, we need \$100,000 to complete that. We

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have the right-of-way acquired and that bridge project bids in May of this year. This is such an old project that when we didn't have a bridge fund for a while, the engineering and right-of-way actually went into the LR and S. That was appropriated into that and that is why we are asking for it out of that. Woodburn and Webster Road is out of Fund 329 CREDIT. We have a relinquishment agreement with INDOT to take over Old 24 when the Fort to Port project is complete. That is \$4.8 million over four years. We have gotten one check for \$1.3 million that we have put into the projects in that area. We have a bridge to rehabilitate on the far east end of Old 24. We are going to reconstruct Woodburn and Webster road intersection to the south. Right now any traffic coming from the north part of Allen County, over the Platter Road Bridge to go south onto New 24 has to go through a nasty right-angle curve where Midwest Tile is. We are going to eliminate that curve. When we negotiated with the State for the \$4.8 million, we presented this project to them as part of the design. We have the design and the right-of-way is acquired. We are hoping that as soon as we get the money appropriated, to bid it in March or April of this year and construct it this year so that when Fort to Port is constructed it will be a smooth transition. Out of Major Bridge, the St. Joe Center Road Bridge, we are asking for \$3 million. That bridge project was actually designed and the right-of-way acquired last year. We thought that there might possibly be a second round of stimulus money that we were going to use this project for but obviously that didn't happen. We are at a point now in the Maplecrest project, of course we had \$52 million set for that project and it came in at \$29 to \$30 million. We have all of the foundation and earth work in and the road work should be reasonably routine and so out of about \$10 million that I have set aside, I feel that it is safe to appropriate some of that money into other projects. Diebold Road project has a bridge on the second phase of that and we are coordinating that with the new construction. Those bids go out March 7th. The plans are on the table right now. We didn't plan on doing this project until next year but due to the accelerated project on Union Chapel at I69 which INDOT wants to let this fall, which will take another two years and then after that they are going to rework for the interchange on Dupont. In order to coordinate all of that and keep traffic flow, we were asked to push this project ahead. So we are asking for \$2 million from Major Bridge to pursue that project.

Darren Vogt: Council, questions? I will ask a couple of minor questions. Diebold bridge, is that a culvert?

Bill Hartman: There is a bridge there. There is a concrete package bridge there and there will be a three-sided box structure but it is over a twenty foot span and so it qualifies as a bridge.

Darren Vogt: Okay, so it will stay the same. It is a ditch, right?

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Bill Hartman: Right.

Darren Vogt: Can you talk a little bit about using Major Bridge Funds and what is your typical ongoing expense with the Major Bridge Fund given the fact that we have Maplecrest Road to pay for and the TIF District. Maplecrest is about all of Major Bridge if the TIF District doesn't come.

Bill Hartman: We have a twenty-five year bond of \$25 million for twenty-five years. The payment on that is about \$1.4 million a year. Currently we are getting \$1.5 or \$1.6 million in income on that. Even with these appropriations, I still have \$7 million back which is five years worth of payments. Our economic study showed that hopefully the TIF District that is being established in that area that Economic Development should take place within four years and that will supplement the retirement of the bond so that we can use some of that Major Bridge money again for bridges. We are still holding our cards close to the vest and have five years of payments if the income falls short and then we can supplement that.

Darren Vogt: You said that the bridges, right now, are in decent shape.

Bill Hartman: Yes.

Darren Vogt: What are you spending, off the top of your head, on bridges on repairs on an annual basis?

Bill Hartman: Right now we have several million dollars worth of bridge work coming up. Spring Street, Dawkins Road, two bridges on the Coverdale Road project, two bridges on the Flutter Road project and on the Bass Road project, there is a bridge on that. A lot of what we are doing is leveraging our money for Federal aid. The Bostick Bridge is about a third built and is on the south end of the County. You are only allowed to have about five bridges at a time and once we get past this year and next, I can apply for more Federal aid. We can leverage what major bridge money that we have for base projects and then there will be some reimbursements on these Federal jobs. I know that I am not giving you a clear answer because it is hard to say. I can take a \$1.5 million and leverage that into \$5 million or so.

Darren Vogt: I know it. You typically can have five bridges that you can do at a time.

Bill Hartman: We would like to have four or five.

Darren Vogt: That is what I am trying to figure out. What, of our money, are you spending to leverage the Federal dollars? I am just trying to get an idea.

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Bill Hartman: We are splitting that up with the City and other communities.

Roy Buskirk: The one thing that might help is the fact of how you leverage that. On many of these bridge projects, it ends up only twenty percent that the County pays and eighty percent is State and Federal. The other thing is, correct me if I am wrong, that the Major Bridge Fund with State Legislation had to be in excess of two hundred feet and now it is twenty feet. Major Bridge Fund can be used on anything over a twenty foot span. Anything less than twenty feet is considered a culvert.

Bill Hartman: That is what allows us to use it for Diebold Road.

Roy Buskirk: Correct so the Major Bridge Fund, Major should be taken off of that and it just be the Bridge Fund. A lot of what the Highway Department is asking for today is that they spent the money, they get Federal or State reimbursement and that is put into this fund that we have to get it back out of and appropriate it to the specific road or bridge project. It is almost like funny money because it comes through the system a couple of different times.

Bill Hartman: We appropriate about three times. We appropriate it first for the engineering and we get reimbursed. Then we appropriate it for right-of-way and then we get reimbursed. Then we appropriate it the third time for construction. The process is three appropriations.

Darren Vogt: I was just trying to get an overall idea that we are still working on our bridges and that things have not come to a standstill. The fact that we do have Major Bridge Fund and it really needs to be a different name of Bridge Fund so that it can be used for everything along with Wheel Tax/Surtax that this body increased last year. Council, are there any further questions?

Roy Buskirk: I make a motion that we approve the Highway Department's request.

Tera Klutz: There is a new total, if you take Bass Road out, of \$7.4 million.

Darren Vogt: Do we need those by fund?

Tera Klutz: Statutorily, you should be reading the entire line.

Roy Buskirk: We expect our fabulous Secretary to type that in there even though it wasn't said.

Darren Vogt: Someone read the line items.

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Roy Buskirk: I make a motion that we approve the appropriations in 250-8204-431.49-04 and 250-8204-431.49-06 and 255-7201-431.40-10 and 255-7201-431.49-41 and 329-0208-431.31-49 and 340-7201-431.54-06 and 340-7201-431.55-06 in the amount of \$7.4 million.

Paul Moss: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Next on the agenda is the Maumee River Basin Commission.

Tera Klutz: We are taking that one. In 2009, the Maumee River Basin Board established the Executive Director at \$62,105. That was the year that we had twenty-seven pays. In 2010, he received that amount but there was only twenty-six pays and the full salary did not equal what the Board had adopted. He didn't realize that until December because his paycheck never changed but he didn't get twenty-seven paychecks. He then realized that he wasn't paid the same as in 2009. By that time, the 2011 salary ordinance had already been set. This is the Executive Director for the Maumee River Basin. Rod Renkenberger. The amount that we paid him in 2010 was \$59,805.

Darren Vogt: And that is what the ordinance was for?

Tera Klutz: Yes, for 2010 and 2011. We have two amended salary ordinances, one for 2010 and one for 2011 establishing the pay at \$62.105. The Board wrote a letter support that also.

Darren Vogt: Will there be an additional appropriation at some point in time?

Tera Klutz: No. We have an interlocal agreement to provide payroll services and that fund is unappropriated because we pay them and they reimburse us back. We have operated with having salary ordinances for all salaries.

Darren Vogt: Council, do you understand this? I will call it a clerical error that has to do with the twenty-seven pay and not catching it.

Roy Buskirk: Do we have that on Soil and Water?

Jackie Scheuman: Yes.

Roy Buskirk: We have a salary ordinance on them?

Tera Klutz: I think that Greg Lake is paid right out of the Commissioners' budget.

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Darren Vogt: We need two motions, one for 2010 and one for 2011. Councilman Moss, do you have those?

Paul Moss: Move for approval of the salary ordinance for 2010 for the Executive Director, class EXEC, salary of \$62,105 with an effective date of December 19, 2009.

Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Paul Moss: Move for approval of the salary ordinance for 2011 for the Executive Director, class EXEC, salary of \$62,105 with an effective date of December 18, 2010.

Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. We are down to the Board of Health.

Mindy Waldron: Mindy Waldron, Administrator of the Department of Health. We can start with the grants and then have Bob for the other items. Before you today are two requests to apply for grants through the Indiana State Department of Health. One is for \$5,000 for radon education and the other is for a potential of up to \$50,000. It has not been released yet as to who can apply or how much the amounts will be. The State said that these are usually turned around in a matter of weeks and so it is my intent to have the approval should it be put out and we are eligible. I will take any questions on the two grants. They are reimbursable grants and we do have the funds to cover them.

Darren Vogt: One is a translator grant, right?

Mindy Waldron: One is a Transportation/Translator because they are Burmese transporters.

Darren Vogt: Council, are there any questions on those?

Paul Moss: Move for approval of both grants for the Board of Health.

Larry Brown: Second.

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Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.

Mindy Waldron: On the second issue, I have asked Bob Bolenbaugh to accompany me in case there were any questions as to the issue that I am going to explain. In January, we were notified that our purchase orders from December were not entered by Bob's department before the person left for vacation prior to Christmas. The purchase orders for December were actually entered in January. What that did was short our 2011 budget for the items that we had as carryover. I am asking for those items to be reinstated into our 2011 budget. I don't know if you want to add anything Bob or if any of you have any questions. I know I sent information, as did Bob, to you in January when this was discovered.

Roy Buskirk: The long and short of it was that you had carryover in 2010 that went back into the General Fund and should have been used to pay these expenses and because these are now being paid out of the 2011 budget.

Mindy Waldron: They went into the unexpended balance of the Health Fund and that is where I am asking that these be appropriated from. Your concept is correct. When they were done in 2011 and the budget from 2010 had been completed, the way that we received the information was that we found some of our lines were not able to be paid. The money was taken out of 2011 and took us to a zero balance. When we were notified of that, we researched it and found that those were all 2010 payments or purchase orders that didn't get entered. Because of when they were entered, it made them count against 2011, correct?

Tera Klutz: Yes.

Mindy Waldron: We ask that the purchase orders be taken back out so that was all reinstated and we have been able to make our fuel payments and all of those things. These items were left from 2010 and should have been made purchase orders at that time.

Tom Harris: This is not necessarily a question to you but just a process. We have been doing this for a long, long time. Is there a process improvement?

Tera Klutz: This was not our mistake.

Tom Harris: I am not suggesting that it is anyone's mistake other than how do you keep this from happening? This seems like the second one, to a certain extent, that has happened this year.

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Bob Bolenbaugh: If I could answer that. This occurred because of a failure of communication. We have a person who was responsible for this and was anxious to get started on the Christmas vacation and failed to communicate properly. I am really embarrassed to come before you but this person has been doing this particular duty for sixteen years. It happened on my watch, I am afraid.

Tera Klutz: It hasn't happened before. I can never remember it happening before.

Tom Harris: That's good. I was just thinking from the standpoint that this is simple and we cannot do this every year.

Bob Bolenbaugh: I implemented a policy change so that this won't happen again.

Darren Vogt: Council, are there any further questions? Hearing none, I will need a motion and I am not asking you to read all of these line items but I am asking you to read the actual fund to make sure that we have the fund and the total amount.

Larry Brown: I will offer a motion to approve the request in Fund 285 and 762.

Paul Moss: Second.

Darren Vogt: **We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** Council, we have in our line, Debt Service. I will turn this over to the Auditor.

Tera Klutz: We have asked for an appropriation out of the General Fund and the Parking Garage Revenue Fund to basically take the fund that has been receiving all of the deposits for revenue down to zero to pay off the bond and then use the remaining from the General Fund. The interest that we are supposed to save by paying this off is over \$300,000. If you net it with what we could have earned on the money, if it would just stay there the whole time, it was above \$200,000.

Darren Vogt: Council, are there any further questions? I think we have discussed and debated this at length at our last two meetings.

Roy Buskirk: I had a nightmare the other night and thought does the revenue from the parking garage go into the Commissioners' accounts? Currently it

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would but that can be changed so that the revenue will go into the General Fund. Somebody help me out over here.

Jackie Scheuman: When Mr. Fishing was in at the last Council meeting, I asked him that when this is paid off, where does that revenue go and he said the General Fund. It currently goes into that 420 Parking Garage Fund to make the bond payment. However, it has not been enough to make the payments every year. It will go into the General Fund after it is paid off.

Roy Buskirk: The information that we were provided shows the estimated revenue for 2011 is \$300?

Tera Klutz: Yes, I am just estimating enough interest through the end of March. If you times the 63 by three, it would be close because we are going to pay it off. Does that make sense?

Roy Buskirk: Yes. So there is no revenue there.

Tera Klutz: No, it is just interest.

Darren Vogt: Council, are there any further questions? We need a motion to appropriate in the General Fund.

Paul Moss: Move for approval of an appropriation in the General Fund of Debt Service Principal in the amount of \$881,930.

Bob Armstrong: Second.

Darren Vogt: **We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.**

Paul Moss: Move for approval to appropriate in Parking Plaza Garage Revenue Fund 420 in the amount of \$256,460.

Larry Brown: Second.

Darren Vogt: **We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** We can't close out funds so does this automatically close this out or do the Commissioners have to close it out?

Jackie Scheuman: Traditionally, when bond funds are paid off, they are closed out. This will be paid off. I don't know if we have ever done an official motion to close out a bond fund.

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Tera Klutz: We will close it.

Darren Vogt: I just wanted to make sure because of the revenue accidentally getting thrown in there when it is supposed to go into the General Fund.

Tera Klutz: No problem, we will follow up on that.

Darren Vogt: Council, we are down to Discussion and Other Business to Come before Council. We have one other thing on the agenda and that is the change of appointment to the Grabill Economic Development Commission. That would be Councilman Harris.

Paul Moss: Do you need a motion to that affect? Move for approval of the appointment of Tom Harris to the Grabill Economic Development Commission.

Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. The Economic Development Endowment Funding, I am going to pull that from the agenda. That was me and I am not quite ready for that discussion. Commissioner Peters and I are still working on some things. We are trying to figure out how to continually perpetuate economic development. As he said, he is concerned about having incentive money available. Council has been very supportive of economic development and we are trying to figure out ways to continue to do that with rollover funds automatically going into as a percentage or whatever. Council, are there any recent or upcoming meetings?

Kevin Howell: Mr. President and Council members, I would like to have Thomas C. Fox come up to the table here. It is my great and personal pleasure to introduce him to the Allen County Council. Thomas Fox is now the Executive Director of the Allen County Regional Water and Sewer District. I just want you to give a few words and introduce yourself to County Council.

Thomas Fox: I appreciate the time and don't want to make the meeting any longer and you can rest easy that I am not asking for any money. I am the new Executive Director of the Regional Water and Sewer District. I am the first Executive Director that the organization has had. I wanted to come and introduce myself. Don Niemeyer is your appointee to our Board. I am sorry he couldn't be with me today but he passes along his best. I just wanted to introduce myself so that if you saw me around, you would know who I am.

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Hopefully we will have some future dealings and be able to help the citizens of Allen County.

Darren Vogt: Can you explain a little about what you guys do?

Thomas Fox: Basically a lot of what we do is precipitated by the Board of Health for septic systems, in the unincorporated areas of the County that are failing or have failed. We try to extend sewer service to those areas so that they can have those services provided without having to get another septic system that will fail in fifteen to twenty years. We work with the City of Fort Wayne, New Haven, Woodburn and Aqua Indiana and try to get funding through the State or wherever available to make projects possible.

Darren Vogt: Councilman Buskirk?

Roy Buskirk: I understand that part of your duties will be to be more aggressive on trying to get some grants or funding money to help cover the cost of extending the sewer lines or whatever.

Thomas Fox: Right.

Roy Buskirk: In recent years, it has been very expensive for some of the property owners to hook onto the sewer lines. I hope that you will be able to do that.

Thomas Fox: We have experienced rising costs and the bigger the project, the lower the cost per connection. As sometimes the projects are smaller, the individual cost is then larger, unfortunately. A lot of these projects are in areas where there are lower income families and it is kind of difficult to get the projects and keep the cost down.

Roy Buskirk: That Platter addition out off of 24 is one that is currently going on. Do you know approximately what that is going to run per household?

Thomas Fox: I don't have those figures in front of me.

Roy Buskirk: So that Council members realize it, some of these projects can run \$15,000 to \$20,000 and the people are, in essence, forced to hook up.

Kevin Howell: I received a lot of questions about this during my campaign. The smaller areas, Hoagland, Monroeville and areas like that are very much outraged about that. You and I ought to meet with those folks out there in the coming months.

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Thomas Fox: There is a wide range of cost depending on the area. The density of the area and how far you have to run the lines and things like that.

Darren Vogt: Council, are there any further questions? Thank you and welcome. Are there any other recent or upcoming meetings?

Larry Brown: Just a question. I see on today's agenda that I was listed as the liaison for the Highway Department. Either that is not correct or I didn't know it.

Paul Moss: I think that I am the liaison.

Becky Butler: It was just a misread on my part.

Darren Vogt: Council, I will let you know that I talked to Beth, the legislative person for the Commissioners and the two bills on local government reform have not made it out of the House. There are no bills on local government reform whatsoever. The single County Executive died as well as the Township Trustee bill. We will get a full update once she goes through. She was hoping to have that either today or tomorrow for us to have, via email, of the bills that are out there and still alive.

Tom Harris: As of this morning, not too many bills have made it out of House, at this point.

Darren Vogt: Exactly. Councilman Brown?

Larry Brown: Maybe I totally misunderstood but I thought one or both of those could be tacked onto something.

Darren Vogt: They can be but at this point, those specific bills are dead.

Bob Armstrong: In the Senate, they are dead.

Roy Buskirk: That is one of the problems with the legislation is the fact that the bill can be defeated but then the verbiage from that bill can be attached to another bill that was passed out of committee.

Darren Vogt: Are there any public comments?

Roy Buskirk: The only other thing is that the Permit Committee is still meeting every other week and we will meet in the morning, weather permitting. We have been making some progress here lately. I sat in on a presentation yesterday on the new computer program. It was on Accela and

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we went through that as far as improving the permit process. It was for both the contractor and for the staff in all of the different departments. It will be easier to obtain facts and figures on how many permits are being applied for and different phases.

Darren Vogt: Do you have any idea when that will be finished? We have been talking about this for a long time.

Roy Buskirk: There is a light at the end of the tunnel. Part of it is that some departments that are currently on it and some departments that haven't even gotten the licensing for anything to be put on. I am not sure how to answer your question. They are looking at the middle of summer to have most of the important parts. Part of the problem is the fact that the departments are requesting changes to improve the program. The actual program that was purchased is basically a skeleton and then you have to design the program the way that you want it.

Larry Brown: Does this segment include liaison reports?

Darren Vogt: It does.

Larry Brown: Hopefully all of you know that I did get appointed to the Capital Improvement Board. They have a bit of a problem. Their meetings and this meeting occur at the same time.

Linda Bloom: Is that right?

Larry Brown: I am not sure but I don't see the Capital Improvement Board changing their meetings for 2011. That is the indication that I have.

Darren Vogt: Was the meeting for today cancelled?

Larry Brown: Remember, this meeting was delayed one week from our normal meeting.

Darren Vogt: Let me rephrase that. Was last month's meeting cancelled?

Larry Brown: Yes, sir.

Darren Vogt: And why was that meeting cancelled?

Larry Brown: I was told that there wasn't a quorum.

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Darren Vogt: I just wanted to make that for the record. I would hope that the Commissioners would work with the Chair of the Capital Improvement Board to realize that even though their meetings are set on a regular basis, they don't have a quorum. How many members are on that Board? Is it seven?

Linda Bloom: Three, three and one.

Darren Vogt: They would accommodate your request for Councilman Brown to be on that committee.

Linda Bloom: We will bring this up. I was wondering how we got off because we don't usually have Drainage on the same day.

Larry Brown: We have a chosen member of this body that is pretty special to us and we decided to accommodate his extraordinary and unusual schedule for this month.

Paul Moss: I do appreciate Council accommodating my special occasion.

Darren Vogt: Do you have anything else?

Larry Brown: Yes I do, as a matter of fact. I wanted to share with you that the Health Department is aggressively working with all of the bodies including the Regional Sewer District to come up with alternative solutions to the failure of septic tanks such that it can be somewhat affordable. I know that is a term that means different things to different people. It would allow the homeowner to not be thrown to the street, so to speak, because of septic failure. The word septic failure seems kind of mundane or whatever but when you have raw sewage in your yard and coming from a neighbor's yard and you have no control over it, it can be very upsetting and a health hazard. Those situations do occur in our County. They are working with five or six different funding opportunities that are being investigated to see if we can use that.

Roy Buskirk: There are a lot of times that they are running a sewer line from Point A to Point B and the people in between have to tie into it even though they are not having any problems with their septic system. That is where it becomes a financial impact on the people. The State says that if you are within 300 feet of a sanitary sewer, you have to tie into it.

Darren Vogt: Council is there anything further? I will look for a motion to approve to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of February 24, 2011.

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Larry Brown: So moved.

Bob Armstrong: Second.

Darren Vogt: All in favor please signify by saying aye. Opposed like sign. The motion passes 7-0. The next meeting is March 17, 2011.

Larry Brown: Move to adjourn.

Bob Armstrong: Second.

Darren Vogt: All in favor please signify by saying aye. Opposed like sign. The motion passes 7-0.

There being no further business the meeting was adjourned at 11:57 a.m.