

ALLEN COUNTY COUNCIL MEETING MINUTES
JULY 21, 2011
8:30 AM

The Allen County Council met on Thursday, July 21, 2011 at 8:30 am in the Council Chambers at Citizens Square. 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 Moss and Darren E. Vogt

Also Attending: Tera Klutz, Auditor; Nick Jordan, Chief Deputy Auditor; Jackie Scheuman, Finance and Budget Director and Becky Butler, Administrative Assistant.

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

Darren Vogt: Council and those that are coming up to discuss with us will remember to speak into the microphones, the members of the audience will be able to hear what is going on. With that, make sure that you silence your cell phones please. We have the approval of the minutes for the May 31st meeting as well as the ones for the June 16th meeting.

Paul Moss: Move for approval of the minutes from May 31, 2011 and June 16, 2011.

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. If you will notice, the unemployment rate for Allen County as of May was 8.2%. That is actually down about two percent and is better than the State and National averages. Things do look better here, locally, than they do elsewhere. That is good news conversation. With that, we will move to the Auditor and the financial report.

Tera Klutz: Good morning. Last month we distributed our first installment of property taxes and we collected about 50% of our expected property tax revenue. That is good because it means that we are on track to meet the 2011 budget. Also, our Miscellaneous Revenues are tracking at about 50% for this year, through June 30th, partially because of property tax refund reimbursement from the tax units. If we back that out, we are only at about

ALLEN COUNTY COUNCIL MEETING MINUTES

48% for the year through June 30th. That is primarily due to expecting two quarters of rent from the City of Fort Wayne which we have not received yet. If we do receive that, we will be tracking 50% of other revenue through the end of June 30th.

Tom Harris: I didn't hear the last of that.

Tera Klutz: It was actually two quarters that we had anticipated but I believe it is just through May because they moved out in June. That is what we actually billed them for. It is about half a million dollars.

Tom Harris: Two quarters of rent? Is that what you are saying?

Tera Klutz: The lease expired at the end of last year but we continued to offer the building and they continued to occupy it. We feel that they should still pay the monthly rate or the quarterly rate.

Darren Vogt: Have we sent them any kind of late notice or anything?

Tera Klutz: We have invoiced them and I am hopeful that they will pay when they get moved in and settled.

Darren Vogt: I would assume that they are paying their other bills that the contractors have.

Tera Klutz: I don't know if I would assume that.

Darren Vogt: Okay. I will say that I hope we pay our bills responsibly. Let's just put it that way.

Tera Klutz: I hope we do too.

Darren Vogt: If you could check with Controller Pat Roller and see what the status on that is and then update Council that would be great.

Tera Klutz: Okay.

Roy Buskirk: I believe there are some negotiations, between the City and the Commissioners, going on about that.

Tera Klutz: Like what kind of negotiations?

Roy Buskirk: You would need to talk to the Commissioners.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tera Klutz: Okay.

Roy Buskirk: I am in hot water enough.

Darren Vogt: I would hope that if the Commissioners are negotiating away our revenues that we anticipate that they keep the Council in check. I have not, as their liaison, been involved in any conversations with them. Auditor, if you could do that and let us know what that conversation is that would be great.

Tera Klutz: Sure.

Darren Vogt: Is there any more?

Tera Klutz: I just wanted to point out that we currently have available for appropriation about \$300,000 and the request before you today is for \$350,000. You would not be able to make the full appropriation today.

Darren Vogt: Council, there is one other line item that is little off our projected and is a significant line item and that is the care of Federal prisoners. As the Sheriff is here, I have talked to him and it is probably just more of a timing issue than anything else. Hopefully that is the case.

Tera Klutz: We usually receive that as a monthly reimbursement, from the Federal government, and we just received May's distribution in July. I will still follow up on the reimbursement and if we get reimbursed for all of the prisoners or just the Federal prisoners and see why that might be tracking lower than anticipated.

Darren Vogt: Great.

Tom Harris: How much is that?

Tera Klutz: Hopefully it is just not a high estimate.

Tom Harris: Approximately how much is that Federal reimbursement amount that comes in?

Tera Klutz: We have estimated at \$1.6 million a year and it comes in monthly.

Darren Vogt: According to our Sheriff, we are about double of the Federal prisoners that we have right now. We are normally in the forties and right now are at about eighty. There should be an increase in reality.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tera Klutz: Okay, so we'll look into that.

Darren Vogt: Great. Are there any other questions for the Auditor?
Councilman Moss.

Paul Moss: Under Estimated Disbursements, the total budget appropriations of \$98 million, how are we tracking with that? Do you believe that the total County expense, at the end of the year, will be around \$98 million?

Tera Klutz: No. Governments naturally never spend 100% of their budgeted revenue so when a government says that they came in under budget and didn't spend what their budget was, that is legally how it has to be. In order to even spend money, you have to have a budgeted appropriation and so often departments in the County will budget money anticipating an expenditure and then not spend it throughout the year. We will have what we call the rollover at the end of the year. I do anticipate a lower rollover this year but I don't anticipate that we would spend all \$98 million. I do want to say this it includes the current budget plus any encumbered money that was rolled into budgeted money that wasn't spent but you have services provided or invoice and you just haven't paid the bill. That budget amount will roll over and increase the next year's budget by that amount.

Paul Moss: For purposes of the discussion that we had yesterday, I want to try to keep it as simple as possible in terms of looking at and looking back at the actual expense on a year-to-year basis. You can back out the things that you identified pretty easily, correct?

Tera Klutz: Oh yes.

Paul Moss: I would still like to have that, at some point, going back five years or whatever is easiest.

Tera Klutz: We have the ten year expenses but we what we will do is back out or at least identify the things we consider one-time in that rollover so that you guys can make the decision.

Paul Moss: That would be great.

Darren Vogt: Are there any further questions for the Auditor on the financial report? Not hearing any, I need a motion to approve.

Paul Moss: Move for approval of the Auditor's June Financial Report.

Tom Harris: Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

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. Up next on the agenda is Economic Development. This is for CF-1's.

Nikki Liter: Nikki Liter with Allen County Department of Planning. Before you today is the resolution to approve the 2011 pay 2012 Compliance with Statement of Benefits. In your handout you got a list of 38 different resolution numbers that are before you for compliance purposes and are still receiving abatements. Also, I gave you a spreadsheet that showed payroll numbers, salary numbers and investment numbers as far as real and personal property goes. I also put before you this morning another breakdown that Councilman Buskirk had wanted. He wanted to see the companies that were making the 75% compliance. Before I continue, just as a reminder for the newer Councilmen, I sent you the policy. This policy I believe was made by the Council, in 2003, as far as a couple of steps for the Department of Planning to kind of oversee these compliance forms. A couple of the things that we look at is whether or not these companies are compliant with creating or retaining jobs that they said they would on their Statement of Benefits and also with their payroll numbers. The Council set the policy at 75% of those numbers. If we see that the companies are not complying with 75%, we take the next step and look at their investment dollars as far as real or personal property. We look to see if they are making 75% of the investment dollars that they stated on their Statement of Benefits. Sometimes, if that doesn't happen, we go a step further and most of the time we look at is just those other factors. As you are aware of over the last couple of years with the recession, a lot of those companies, especially construction companies, were hit hard. Some of their numbers come in under compliance. Also, as a reminder that when the Auditor's Office or Renata works with the abatements, we are only abating what they have invested and so it is never above those numbers. If you have any questions, I would be happy to answer them for you.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: I guess the one question that I called for you to get an answer was the fact that some of these that are showing as not meeting the requirements in the fact that they have not made the improvements and therefore they are not receiving any benefit of the tax abatement.

Nikki Liter: Is there a particular one that you are looking at?

Roy Buskirk: No.

ALLEN COUNTY COUNCIL MEETING MINUTES

Nikki Liter: As I stated before, as far as the investment goes, if they are not making the investment they are not getting the abatement.

Roy Buskirk: Correct. Are there some on this list that you are saying have not met their requirements? Is it because of the fact that they have not made the improvements?

Nikki Liter: Right. If Company A says on their Statement of Benefits that they are going to invest a million dollars on real improvements and then it comes in that they only invested \$500,000 and they had a deadline or anticipated completion date of the project. A lot of times we take that into consideration with some of the newer companies. Sometimes they maybe estimated too high and they don't need to invest that amount anymore or if the recession fell and they no longer have the ability to make that investment.

Roy Buskirk: Okay. My other question was that they have made the investment but they did not fulfill their agreement as far as employment. On looking at these charts, how can we pick that out?

Nikki Liter: I give you the percentages that they have met. As a part of your policy, as long as they are making compliance in one of those two areas, we still approve the abatement and the compliance.

Tom Harris: A question would be is that an on and off switch that could go off and back on after a one-year or two-year period or five-year based on a ten year abatement process?

Nikki Liter: For example, the recession that hit in the last couple of years, we are starting to see those companies that were hit a lot harder, if you look at their compliance forms for the last couple of years, and they are continuing to hire a few more but they still haven't met what they promised. We look at that as a positive because they are bringing some of those employees back. I know one company, in particular, might not be hiring as many as they said but they did raise their salaries.

Tom Harris: So, at that point you would not eliminate the abatement. The abatement would stay in place.

Nikki Liter: Right.

Tom Harris: At what point, and are you the ones that trigger that and says the abatement stops? Who makes that call?

ALLEN COUNTY COUNCIL MEETING MINUTES

Nikki Liter: No. You, as a Council, would have the burden to make the call and have that company appear before you and have them state what is going on with that.

Tom Harris: So if that decision were to be made to stop the abatement, the next year, I presume, would be the taxable time that they would be hit with that or the existing year?

Nikki Liter: By State law, they are allowed to go in front of a trial, am I correct?

Tom Harris: Say again.

Nikki Liter: They are allowed to be presented in front of a trial, by State law. The burden is actually with the Council to try to prove whether their numbers are not true on their compliance forms.

Scott Harrold: Scott Harrold, Department of Planning. Basically, under State law, you can hold a hearing to determine whether someone is in compliance. That is all we are doing is determining whether you want to bring someone before you. That hearing, under State law, is very tight and you would pretty much have to prove that they lied on their application. There is an out for circumstances beyond their control. I think the great recession would cover everyone on that.

Darren Vogt: Councilman Buskirk and then Brown.

Roy Buskirk: I don't hardly think I would use the term that they lied. They might have miscalculated what they were counting on doing. The one thing I would be very interested in knowing is that if they have not met their employment requirements and they have made the investment, if the numbers were rerun on what they had accomplished, what kind of abatement would they qualify for? If it is less than what they are currently receiving, that is something that this Council definitely needs to know so that we can make a good judgment decision on.

Nikki Liter: The new House Bill 1007, we had talked about getting a committee together to discuss some of those things. In talking with Elyssa McGauley with the City, they are still trying to get some of the City Council members on board but have kind of said to go ahead and get started with the process. If you guys want to start talking with the Auditor, I know the Auditor wanted to be involved. Those are some of the things that you can discuss.

ALLEN COUNTY COUNCIL MEETING MINUTES

Roy Buskirk: When does this have to be approved? If we table it for a month, is that going to cause any problems?

Nikki Liter: As far as approving a resolution?

Roy Buskirk: Yes, meeting the State requirements.

Nikki Liter: What is it, 45 days? By State law, we have 45 days to get back with the company as to whether their compliance forms have been approved.

Darren Vogt: Let me interject that it is 45 days from when we receive it so there could be different dates for each of those companies. Is that correct?

Nikki Liter: Correct. We usually get them by the middle of May. Most of them come in by the fifteenth.

Tera Klutz: Then we are past the 45 days.

Nikki Liter: It is a big workload to get it.

Tera Klutz: So in other words, the deadline really doesn't matter. It's just as long as they approve them.

Nikki Liter: Right.

Darren Vogt: Councilman Brown.

Larry Brown: On this spreadsheet that you handed out, there are particular companies that appears to me are most of the way are blank. Is that because they didn't provide the information?

Nikki Liter: Are you looking at the investment dollars? If they are blank it is because they either didn't invest in that area or for instance down in the retention creation, they were meeting 100%. I only filled in the ones that weren't meeting the 75% criteria.

Larry Brown: Okay. Then another comment and a little bit different twist I think. In regard to analyzing this, I thought that last year we had included in a spreadsheet some history.

Nikki Liter: I would have to defer to Scott for that. He took care of it last year.

ALLEN COUNTY COUNCIL MEETING MINUTES

Larry Brown: If it wasn't at this time last year, I have seen that spreadsheet of history on these that were maybe not totally in compliance with what their original form suggested. It was so we could analyze and take into account the economy and those kinds of things. I think it would be very helpful if we had a three-year history, a four-year history or whatever.

Nikki Liter: Sure, I can get you that information.

Larry Brown: Thank you.

Darren Vogt: Council, are there any further questions? If not, we need a motion to consider a resolution for approval.

Roy Buskirk: I would make a motion that we table it for a month.

Paul Moss: I'll second that only because I am curious as to what you anticipate occurring in that month.

Roy Buskirk: More data.

Paul Moss: More of what Larry is looking for in history.

Roy Buskirk: Yes.

Larry Brown: Are we open for discussion on that?

Darren Vogt: Yes we have a motion and a second. Councilman Harris.

Tom Harris: Just what does that complicate in this process to the extent that we are missing a deadline? What happens if we were to table this?

Nikki Liter: It would just be pushed back a month. A couple of weeks I guess.

Darren Vogt: A couple of weeks because we meet on August 11th.

Tom Harris: There aren't any statutory guidelines that we need to worry about.

Nikki Liter: No, I think we will be all right.

Darren Vogt: Councilman Brown.

Larry Brown: Roy, are you hoping that we get some history and if we delay a month, what do we need?

ALLEN COUNTY COUNCIL MEETING MINUTES

Roy Buskirk: What I would like to see, personally, and be able to compare with the improvements that they have made or the additional employees that they have hired. One thing is what kind of abatement they qualify for with that compared to what kind of abatement they are receiving.

Larry Brown: So we are asking Nikki to rerun the score sheet based on the current information.

Roy Buskirk: Yep. I would think that you would have that information.

Nikki Liter: I can get all of the years left, through Renata.

Roy Buskirk: If they are receiving a ten-year abatement and the activity that they have completed only qualifies for a five-year abatement that is something that I think we ought to know.

Scott Harrold: If I may, I will have to look at it and maybe have an attorney look at it but I don't think you can change the terms of the abatement after it has been granted. You can rescind it under State law but I don't know that you can go back and change the terms.

Darren Vogt: In order to rescind it, what does the statute say?

Scott Harrold: You have to bring the company before you, hold a hearing and determine...

Darren Vogt: That there was fraud, if you will.

Scott Harrold: Essentially, yes.

Darren Vogt: Council that is the concern that I have. I don't disagree that it would be nice to know the information but if the burden of proof is on us to show that they did something of malfeasance, which I don't think is the case in any one of these, then we are kind of spinning our wheels in trying to do something that we can't necessarily prove to do. Councilman Brown.

Larry Brown: I agree with you, however, I don't want to send a signal or message that future applicants of tax abatements can inflate or misrepresent reality and then no repercussions.

Darren Vogt: I wouldn't disagree with that. Before I yield the floor to Councilman Howell, I will say that as we know in construction you get an estimate and they have been coming in less, some of these could be issues where they thought it was going to be a million dollars and they got the bid

ALLEN COUNTY COUNCIL MEETING MINUTES

and it was \$500,000. They were pleasantly surprised that they didn't have to invest those dollars and we are still only going to abate the half million dollars. Let me go to Councilman Howell and then I see the Auditor has a question.

Kevin Howell: Is it possible that we can call these companies in for an explanation as to why they haven't met these certain goals and objectives?

Nikki Liter: I can make a phone call. I don't know how many of the companies would actually want to come in front of Council and explain that. I don't know how many would be comfortable with that.

Larry Brown: In a previous life and County, every company came before that Council.

Kevin Howell: It's hard for me to understand why they would not want to come and make an explanation.

Paul Moss: You mean if we are asking them why they haven't complied.

Kevin Howell: Yes.

Paul Moss: I can think of a lot of reasons why they wouldn't want to come.

Tom Harris: I would turn to the experts that work with them to provide and learn why that didn't happen and then provide that information back to Council.

Darren Vogt: Isn't that what we did in the past? You made phone calls to determine what the situation was and why the estimates weren't made. I know Scott, you made some of those.

Scott Harrold: Let me clarify something. There is only one company on this list that is not in compliance according to your criteria. That is Terex Advance Mixer who makes mixing machines for cement which is construction related and everyone knows that this industry has gone way downhill. Under your compliance policy, that is the only company you could call before you. If you want to change your policy, that is your prerogative. The rest of them are in compliance, technically.

Tom Harris: From my understanding, we have just gone through a six-month process of almost record abatement requests, right? There has been a series of companies coming before us. From an education standpoint, understanding that process a bit more, I think that's healthy. If we can gain something in

ALLEN COUNTY COUNCIL MEETING MINUTES

thirty days that gives us more understanding and information about it, I am not in favor of necessarily calling companies before us. That is what you guys do. You're the experts at it. Ultimately, if we can figure out the process and make it better and you guys can be better at providing information, everybody wins. If we can gain something in thirty days, I am in favor of it but if we are going through a process of getting the same information back, let's save the time.

Darren Vogt: Councilman Brown.

Larry Brown: If there is only one that is not in compliance, then I need to be educated on how to read the spreadsheet.

Roy Buskirk: Amen.

Scott Harrold: The policy is a multi-step process. First you look at employment and payroll. If they don't meet those criteria, then you look at investment to see if there has been the effort by spending the money. It is only, if they don't meet both criteria, that they are not in compliance. As far as the sheet that Nikki gave you this morning, the only company to appear on both lists is Terex Advance Mixer.

Darren Vogt: Council, if the boxes are blank on the sheet that you were handed today, that means that they are in compliance. The only way that they would be in noncompliance would be if every box where they said they were going to make an investment was blank and the only one for that is Terex.

Nikki Liter: Or if they didn't make any investment at all.

Darren Vogt: Right. Does that clarify?

Roy Buskirk: Well, I guess. You have some columns that are blank on Terex and some of them are not. I guess what Councilman Brown was saying that we are handed a sheet and eleven companies are below 75% compliance on investment dollars.

Nikki Liter: That is because they weren't not in compliance for their real improvements or they were only making personal improvements that they may not have been compliant with.

Roy Buskirk: Then we have another additional nine companies that are below 75% compliance on job retention.

ALLEN COUNTY COUNCIL MEETING MINUTES

Nikki Liter: It could be and or down there.

Darren Vogt: Council, is there any further discussion? Councilman Moss.

Paul Moss: Whenever we have an employer that is investing any dollars in this manner, there is some risk there. Obviously we are taking some risk in terms of the abatement. It is frustrating to a certain extent but in order to maintain a positive and friendly business environment, I don't think we need to be calling these folks in front of us. I much prefer that Nicole, Scott and their folks dealing with it in a little more discreet manner. There are labor relations issues and all sorts of things that go into this. I am happy tabling it. I seconded the motion. I am happy tabling it for a month if we are going to get more information. I think we do need to make sure on the front end before we do these we have to realize that we do tend to and I am as guilty as everybody else to not ask a whole lot of questions. They come up, we meet and greet so to speak and them boom, we approve it. Maybe we all need to spend a little more time on the front end prospectively.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: My main issue or question is and it is not to pull these companies out and make an example of them or anything of that type. I just wanted to know with what they have done if it was now run on the point system what they would qualify for and how much difference it is that what they are receiving. Sometimes it might be very little difference.

Nikki Liter: You have to take into account how many years they have had the abatement. If they are in one of the last two or three years of the abatement, I guess I really don't understand if it would really be worth looking at the points.

Roy Buskirk: Looking at the points, you would be able to know if they qualified for a ten-year, seven-year or five-year abatement.

Nikki Liter: Correct but we are only going to be abating what they invested.

Roy Buskirk: That would determine how much they would be receiving per year.

Nikki Liter: Right. But it is only going to be based on what they invested.

Roy Buskirk: Correct.

ALLEN COUNTY COUNCIL MEETING MINUTES

Nikki Liter: It is only approving the number of years and not the dollar amount that we are giving back to them. That is always an estimate on the point spreadsheets.

Roy Buskirk: Correct. That is what I would like to see. Do you understand what I am trying to find out?

Nikki Liter: I understand but I guess I don't see the point. I can run the numbers. It is no big deal.

Darren Vogt: Council, is there any further discussion? I don't want to get into an argument or debate. It is just a matter of that some numbers should be run. **There is a motion and a second. We have a motion to table this until our August 11th meeting. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 5-2 (Vogt and Harris).** We have before us now, the Sheriff's Department. The Sheriff is requesting medical.

Ken Fries: Good morning, Council. Kenny Fries, the Sheriff of Allen County. As you can see, I am here before you to request an additional \$350,000 for our medical costs and hopefully this will get us through the end of the year. This is just an estimate. We don't know what the medical costs will be and what inmate will be brought in today and has major medical expenses that the taxpayer is going to have to pay for.

Darren Vogt: As you recall, this is one of those that we talked a little bit about. Sheriff, could you briefly give us the legislation that was passed a couple of years ago? You and I had an in depth conversation about it and what we need to do moving forward.

Ken Fries: I think it actually took effect in July of 2009. If you look at our numbers of medical cost at the jail, they went through the roof. Last year. I think it was \$300,000 more than the year before. The Legislature put into effect a law that basically supersedes a 1997 Supreme Court ruling out of Indiana that said taxpayers don't have to pay for pre-existing conditions on inmates that are brought into the County jails. In 1997 there was a ruling in the State of Indiana in the Indiana Supreme Court that said that if someone comes to your jail, you don't have to pay the medical cost for pre-existing conditions pregnancies, heart attacks, chemotherapy. The taxpayers didn't have to pay for that until a new law took effect which basically said that they come to your jail and you take care of them. The problem that I have with it is that it is not the Sheriff that has to pay for it but the taxpayers have to pay for it. We have drug dealers that get brought into the jail that may have major medical issues and the taxpayers are paying to give them better healthcare than what the taxpayers are getting. We can do nothing about the

ALLEN COUNTY COUNCIL MEETING MINUTES

State law. It was going to sunset but didn't sunset this year and I sent information down saying this is how it needs to be changed so that it does not cost us money and those changes weren't made. The original version of the law was horribly written where it said that those people that are subject to incarceration by the Sheriff. What that said to me is that every person that is arrested by any agency and could go to our jail is subject to incarceration by the Sheriff which means we pay the medical cost. So far we are just paying the cost for the ones who make it to our jail. As you can see, I am asking for \$350,000 more for this year and I don't know if that will cover it. It all depends on what inmate gets brought in today or tomorrow and what their medical conditions are.

Darren Vogt: Does that include prescriptions?

Ken Fries: Yes, it includes prescriptions. We are in the process of looking for a different pharmaceutical company. We have one that we have been looking at that I am hoping will save us a substantial amount of money each year. We have another one that is vying for the job. I think substantial money will be saved. I hope. That is a drop in the bucket compared to these costs.

Darren Vogt: Councilman Harris.

Tom Harris: In looking at the information and trying to understand, is it a function of more inmates needing help or needing this medical coverage or is it a function of higher medical cost?

Ken Fries: Both. When the State law took effect, it said that we have to pay Medicare plus four if it is listed in the book for Medicare. Otherwise, I forget the percentages that we have to pay. I understand that the hospitals weren't getting paid. You have Inmate A that has no insurance and he is sick and has to go to the hospital. We would take them there and they would pay their own bills or they wouldn't pay. The hospital would have to try to get that inmate or family or somehow to get that money. They weren't getting paid. This was a way to make sure, I guess, the hospitals got their money. It's just taxpayer money. That is the issue that I have in that the taxpayers are paying for it.

Tom Harris: The second one, I am trying to understand the Federal inmates. Is it the same scenario?

Ken Fries: For reimbursement, yes. The Feds pay for everything. The problem is that we have 83 Federal inmates right now which is about double what we normally have. That is due to good police work in taking down a major drug ring. Those people should be incarcerated. The Federal

ALLEN COUNTY COUNCIL MEETING MINUTES

government is typically not paying their bills on time. I know the Auditor is going to look into that and see if we can light a fire underneath.

Tom Harris: The Federal government pays those medical costs.

Ken Fries: Right.

Tom Harris: But the State does not.

Ken Fries: Right. That is left to the burden of the local taxpayers.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: You answered the one question I had but the other thing I was going to ask is the fact of if we approve less than the \$350,000, with the understanding that you might come back later, because of what we have available...

Ken Fries: Councilman Buskirk, to that point, I talked to the Comptroller and said what do we need to get through until October? Of course, it depends on what inmate is brought in today.

Roy Buskirk: Sure.

Ken Fries: She said \$200,000 but we would be back in October. Maybe I will be back in August. Maybe I will be back in September. It all depends. As the medical bills come in, some of these inmates are costing \$50,000 to \$60,000 dollars each.

Roy Buskirk: Even if we approved the \$350,000, you still might be back.

Ken Fries: I still may be back. Our jail population is higher than it has ever been. We are at 800 and typically a little more than that. We work the Judges trying to get those people that don't have to be incarcerated, out of our jail. We have drug dealers that have major medical costs. It is frustrating, as a Sheriff, to see that these inmates and drug dealers are getting better healthcare than our citizens are.

Darren Vogt: Councilman Brown and then Harris.

Larry Brown: I think we all need to make sure that we get this on our legislative agenda. We need to have Beth get this to the top of the list.

ALLEN COUNTY COUNCIL MEETING MINUTES

Ken Fries: I can tell you that I spoke to the Indiana Sheriff's Association, the changes I sent to them and also to our Legislators. The issue that you have across the State of Indiana, most Counties are not as big as Allen County. Most Counties are very small and have very few inmates. The law went into effect and I talked to them at the last conference and they are actually saving money. They had been paying for pre-existing conditions even though they didn't have to. When you have 20 inmates or 10 inmates, it is not a significant cost. They didn't have a deal set up where they were paying the Medicare rate but were paying typical freight at the hospitals. Now they have the Medicare plus four and so they are saving \$5,000 to \$10,000. Some of the small Counties are not in favor of changing it. I think you will find all of the larger Counties have been hit dramatically by it.

Darren Vogt: Councilman Harris.

Tom Harris: At the risk of taking this discussion far beyond where we want to go, does Obamacare do anything in the future on this issue?

Ken Fries: Who knows? Perhaps we all need to become inmates and get better healthcare coverage. I don't know what effect that will have.

Tom Harris: In that 25,000 page document, there is nothing in there that talks about this issue?

Ken Fries: Our Legislators haven't read it nor have I. It is very frustrating, as a Sheriff, to see this continue to happen and not have any resolution. There is some stuff that could be done that would go in line with the Supreme Court ruling in 1997 that says we don't pay for pre-existing conditions however, you have the hospitals that aren't getting paid their bills.

Darren Vogt: Councilman Moss.

Paul Moss: The total budget for 2011, if I am reading this correctly, is \$1.1 million, roughly?

Ken Fries: What was spent?

Paul Moss: That was the budget for 2011.

Ken Fries: I don't have that in front of me. If you have it, that's accurate.

Paul Moss: I think I am reading it correctly. Do you know what you anticipate spending this year?

ALLEN COUNTY COUNCIL MEETING MINUTES

Ken Fries: Unfortunately it is based on what comes in the door. We don't know. I can tell you that in talking to the Comptroller this morning, we just got one bill for \$7,000 from the hospital. It was for an inmate that was incarcerated for weeks and this is just the first bill that came in.

Roy Buskirk: There is that information there, Paul. It is \$1.3 million.

Darren Vogt: You only budget like \$750,000 and your expenses last year were \$900,000 and some.

Ken Fries: Actually, for 2010, the total I have is \$1.2 million.

Darren Vogt: Maybe it was \$900,000 the year before that.

Paul Moss: What was the thinking for dropping it? Why did we drop that?

Darren Vogt: We didn't.

Ken Fries: I think we stayed consistent because we don't know. It may be a very good year.

Paul Moss: Absolutely. You're going to have that with the County group healthcare claims.

Ken Fries: Right. This is one of those variables that you never know. It really is based on what condition inmates are when they are brought into our facility. If we didn't pay for pre-existing, we wouldn't have this issue.

Paul Moss: When you say pre-existing, are you talking about chronic like diabetes?

Ken Fries: Diabetes, pregnancies.

Paul Moss: Heart failure and stuff like that?

Ken Fries: Yes.

Paul Moss: So is that taking up the majority or does that make up the majority of the cost? You have here all other vendors, Funds 202, 210 and 100. That totals about \$320,000. Is that the hospitals?

Ken Fries: The \$320,000? I would doubt it.

ALLEN COUNTY COUNCIL MEETING MINUTES

Paul Moss: You have it broken out here, Kroger meds at \$371,000 and Scott meds at \$12,000.

Ken Fries: That is what we are trying to find a different vendor for now, to save on those medications.

Paul Moss: What I am getting at in a fairly long-winded way, this is the treatment of chronic disease and if the money is not going to acute hospital care, the majority of the money, I know you have thought about this before but I'm trying to bring it up again. Is there some value, I mean the County has a clinic that costs what \$600,000 a year roughly? Maybe we should think about, and I suspect you probably have, having some sort of entity onsite to do that. From a hospital perspective, I am very well aware of what the reimbursement used to be and then they changed it. From that perspective, you are probably getting the best you are going to get for the hospital piece in terms of reimbursement at the hospitals. Since it is a percentage of Medicaid, is it Medicaid or Medicare, I think it is Medicaid.

Ken Fries: Yes. We have a doctor that comes in every day. Every day, they do sick call at the jail. He does dentistry and doctoring every day of the week. That saves us a substantial amount of money because those people, unless they have to be taken to the hospital, they are treated at the jail.

Paul Moss: So that is the on-call doctor, \$102,000.

Ken Fries: Yes.

Darren Vogt: That should be budgeted, no matter what.

Ken Fries: That saves a substantial amount of money. We try to make sure that we don't send people outside of the facility. Number one because of the cost and number two because of security issues because anytime you leave that jail, it is a security issue. Currently we have inmates that are in the hospital.

Paul Moss: So you don't believe there is any, or do you believe there would be any benefit to exploring having a clinic setting in the jail?

Ken Fries: We have looked into that and basically having the doctor on-call and having him there every day is basically the clinic. It is not run 24 hours a day but it is sick call and the inmates put in for sick call and go down in the mornings and can get their sick call at the clinic. It is open until noon, basically. We have nursing staff that is there 24 hours a day.

ALLEN COUNTY COUNCIL MEETING MINUTES

Paul Moss: So, no.

Ken Fries: No, we looked into it and it was not going to be cost effective.

Darren Vogt: Councilman Harris.

Tom Harris: The challenge, Council, that we are all very familiar with is the fact that law enforcement and judicial, from the County standpoint, continues to wipe out the budget. When we are fighting to maintain operations for the rest of the County including increases for County employees, we keep seeing increases over 66% of the County's budget is for law enforcement and judicial. I think the challenge that we are going to have is that we've got to get creative in that environment, both in terms of this situation and also within the judicial area. We've got to think creative to reduce costs and get more efficient in those areas.

Ken Fries: As the Sheriff and as a person, that is the way that I have always been. As people know me, I am very frugal. I am a taxpayer just like everybody else. I don't want to see my tax dollars wasted. I told my oldest son, when he was in middle school and asked me why we don't just arrest all of the bad guys and lock them up? I said it was like Doritos, we keep making more of them. That is the problem we have in society, we keep making more of them. Our jail, I'll probably next year or year and a half come to the Commissioners and tell them we need to add onto our jail. We have two blocks that are not finished. They are going to need to be finished. We are overcrowded and it is only going to get worse. It's going to cost millions of dollars to get those blocks done and it's going to cost money for the employees to guard the inmates. If we didn't have bad guys getting arrested, it wouldn't cost the judicial system what it is costing. It is costing the taxpayers and this is one place where I think if the legislation would change, it is going to save the taxpayers some money. Hospitals are not going to be happy. They are going to want to get their money somehow.

Darren Vogt: Council, are there any further questions? I do have one. Auditor, what is Fund 202 and Fund 210 and Fund 100? I am not sure what those funds are.

Tera Klutz: Those are special funds that the Sheriff has. I have to look but I believe one is a County Corrections Fund which we get \$220,000 from the State. That goes to pay medical costs at the jail.

Darren Vogt: Do we know how that fund is set up? Is it just arbitrary that this is how much we get?

ALLEN COUNTY COUNCIL MEETING MINUTES

Tera Klutz: It has been the same amount since I have been here. For eight years it has been a flat \$220,000.

Darren Vogt: Can you pull the statute that says that? Is it a statute that says how much we get or is it set by...

Tera Klutz: A grant?

Darren Vogt: I'm sorry?

Tera Klutz: The grant that we get?

Darren Vogt: Is it a grant that we get? I am just trying to figure out that if it has been stagnant since you have been here and I have been here, that is a good number of years. Obviously the medical costs have gone up and if it is designed specifically to pay that, maybe there is some sort of way that we can get that tweaked with our State Legislators if it is set in statute that this is what you get or however that is.

Tera Klutz: Absolutely. I'll ask and see if they have more money down there.

Darren Vogt: I know they have a surplus and they are going to need to do something with it. We'll take some of that money as they continue to give us burdens. Council, are there any further questions? Not hearing any, we don't have enough money. I'll just state that. \$350,000 is not what we have.

Roy Buskirk: I make a motion for the medical costs for the Sheriff be approved for \$250,000.

Paul Moss: And that is based on what numbers?

Roy Buskirk: When Tera read the financial report, we've only got a little over...

Darren Vogt: We've got \$305,000.

Roy Buskirk: ...\$305,000 that can be appropriated and that is until the end of the year.

Tera Klutz: \$302,000.

Darren Vogt: \$302,000? Sorry.

ALLEN COUNTY COUNCIL MEETING MINUTES

Roy Buskirk: That is the reason and with the understanding that very possibly they will be back or that we will have luck and he won't need it all. It is kind of a shot in the dark.

Darren Vogt: Keep in mind that it does deplete the General Fund and there would be no money left for appropriations for the remainder of the year.

Paul Moss: Do you have any idea what you have outstanding right now?

Ken Fries: I just know that yesterday she got one for \$7,000 and that is the first bill. This guy was in the hospital for quite some time.

Paul Moss: There is no reason why you can't keep coming back month after month.

Ken Fries: I love coming in front of you guys so put me on the agenda.

Paul Moss: My point being is that if we really want to try to track it through the end of the year and you don't want to deplete those funds, then we just agree that you come in and tell us what your...

Darren Vogt: Actually expenditures are.

Paul Moss: ...outstanding bills are. We have to pay them obviously. I can do that or go with the \$250,000. I was just trying to figure out where the number came from.

Darren Vogt: We wouldn't need you to be here every month. Hopefully you have better things to do than stand in front of us.

Roy Buskirk: If we do that, we still have to have a reserve of the \$350,000 for the Sheriff to come in and use.

Tom Harris: In other words, if it is taken away...

Larry Brown: Make it a line item allocation.

Jackie Scheuman: He has a balance of \$50,000 right now. His July expenses have been \$107,000 which brought him down to \$50,000 as of today.

Darren Vogt: So you've got \$50,000 and we know that there are some bills coming in from at least one inmate. I am not sure that we have a good solution at this point in time other than put the money out there and be done with it. Councilman Howell.

ALLEN COUNTY COUNCIL MEETING MINUTES

Kevin Howell: Okay, you've got \$50,000 now. Would \$175,000 possibly carry you through?

Ken Fries: It may carry us through until September but really it depends on what inmate malady we may have. We don't know.

Darren Vogt: I don't know that we can pin a number to the Sheriff. It is just impossible.

Roy Buskirk: If we don't appropriate some funds to him, we are still going to have to hold money back for him as far as any additional appropriations until the end of the year.

Paul Moss: That is why I was asking about the \$250,000. We still have to sit on \$100,000, correct? Essentially, if he needs it.

Dave Gladieux: If I may interject. Dave Gladieux, Chief Deputy with the Sheriff's Department. I think he mentioned that we got the first bill on an inmate that was in ICU for at least two weeks. He passed away and those bills are just now starting to come in. Those are going to be astronomical. We currently have three pregnant inmates and one will be delivered, guaranteed, in our custody. The other two, we are hoping, will not be. I don't know if that is going to help your decision or not. I guess what I am saying is that there is going to be a substantial amount coming in bill-wise.

Darren Vogt: Council, just to clarify, we do have a motion on the floor. We have a motion for \$250,000, is that right Councilman Buskirk?

Roy Buskirk: Right.

Darren Vogt: We have a motion for \$250,000. Is there a second for that?

Paul Moss: Second.

Darren Vogt: We have a motion and a second. Is there any further discussion on that? Councilman Howell.

Kevin Howell: Is it possible that we do pay-as-you-go?

Ken Fries: Unfortunately it has gotten to the point that this is where we are now. We have to get the money as the bills are coming in. I know that the \$50,000 that we have left for the rest of the year will maybe cover the next month's bills.

ALLEN COUNTY COUNCIL MEETING MINUTES

Roy Buskirk: Jackie, didn't you say that so far this month it is a little over \$100,000 that they have spent?

Jackie Scheuman: Yes.

Roy Buskirk: See?

Darren Vogt: Council, is there any further discussion? We have a motion and a second for \$250,000. Not hearing any further discussion, all those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Next is Department 43, Human Resources.

Cathy Serrano: Cathy Serrano, Director of Allen County Human Resources. I believe before you is the transfer request that I have. It involves the purchase of the actual badge blanks for our secure ID badges. With the moves and all of the transfers or people going back and forth, we started depleting the supply that we had on hand. We had some of these in stock, of course. We needed to purchase them when we saw that we were depleting them too fast. You have to purchase these in lots of 500 because they are pre-coded for us. I am not a techie but electronically they actually do the coding for us and sequentially number them. Then basically, Mr. Burrus assigns that information to whichever employee we are going to issue a badge. Those badges are fairly expensive and not having been involved in this process before, I really was not aware of how expensive they are. The badge blanks along, the lot of 500, is going to cost \$2,500. I will recoup some of that money over time. We have some deals with Fort Wayne Community Schools and other organizations that when they need badges, they come to us. They don't want to buy a lot of 500. So, I will recoup it over time but unfortunately the initial outlay has to come from me because primarily we use most of them for the County. Over the coming year, this should carry me through 2012 because the stock should last that long. Also, the transfer that I am asking for will also cover items like lanyards and all of the peripheral supplies, printer ribbons, possible repair of the printer if it fails on us again and those types of things. I am kind of padding it a little bit knowing that those supplies are also going to be needed when you are issuing this many badges. When we move the people into the City-County Building, we are going to have another major outflow of badges that have to be created for people who have never had them before. We are anticipating all of that coming. We are going to have to get the badges anyway and since I did have some money available from various staff changes and reorganization within the Human Resources Department, I have the cash available to transfer over. We have not had a Director for awhile and the various changes within the department, we have a little bit of surplus there to do this.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: Councilman Harris.

Tom Harris: I should have asked this when we spoke about it. Would this come under money that has been put aside for the move to Citizens Square?

Cathy Serrano: Not to my knowledge. I think this is one of those little details that no one really thought of when they started looking at all of the various things that we have to do with moving over here and moving people into the City-County Building.

Tom Harris: The fact that you have it in the department is a good thing.

Paul Moss: This is one of those subtle efficiencies that is being gained.

Tom Harris: I guess I just wanted to point that out.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: I was just going to say that Tony just walked up and maybe he can add some light to your question.

Tony Burrus: The badges don't just affect the City-County Building. There are twelve buildings where we actually use the ID Secure Key. I am Tony Burrus, Allen County Safety Director. Be advised that the secure key system is utilized in twelve different buildings. It is not just for the City-County Building. This affects all County employees and some other employees that utilize our buildings.

Darren Vogt: Council, are there any further questions?

Larry Brown: I offer a motion to approve.

Bob Armstrong: Second.

Darren Vogt: I do have questions. When the Commissioners came before us and asked for duties and reassigns, they told us that the savings would go to the General Fund. I am a little disappointed that we are now going to spend the savings on an item, in reality, should have been thought of. They should have thought that at some point we need new security badges. They wear out and we are going to transfer a typical rollover line within a department. Council that is a very slippery slope that we are going to potentially approve to ask every department that does something to say that they now want to spend that money somewhere else.

ALLEN COUNTY COUNCIL MEETING MINUTES

Paul Moss: That is exactly why I will be voting against it, that and other reasons.

Darren Vogt: Council we have a motion. Is there any further discussion? All those in favor please signify by saying aye. All those opposed same sign. The motion passes 5-2 (Moss and Vogt).

Cathy Serrano: Thank you.

Darren Vogt: Department 61, Circuit Court requesting an amended salary ordinance for the Magistrate/Hearing Officer with an increase of 1.3%.

Tim Miller: Tim Miller, Circuit Court Administrator. I originally talked to Councilman Buskirk on Tuesday and he had some questions. I sent out additional information to the Council and I hadn't heard back from anybody. If you have any questions, I would be happy to address those, at this point.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: I know our Auditor has checked into this and it is one of those things in which it is being shoved down our throats by State legislation. There will possibly be County employees laid off and your budget will have to find the money to pay this along with the seven percent cut in your budget. There is a question as far as is it possible, no because he is not an elected official. I'll back up from that. Anyhow, it is something that we basically have to do and will be reimbursed from the State at 66%, is that correct?

Tim Miller: That is correct.

Roy Buskirk: I have no further comment.

Darren Vogt: Are there any other questions? Not hearing any, we need a motion to approve.

Roy Buskirk: I'll make the motion.

Tera Klutz: We have the salary ordinance over here.

Jackie Scheuman: And they have an additional appropriation.

Roy Buskirk: So we need a motion on the additional appropriation. Thank goodness we didn't spend all of that money.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: As a discussion standpoint, we could make them find this within their own budget. We don't have to appropriate the dollars, correct?

Roy Buskirk: Correct.

Jackie Scheuman: That is correct.

Darren Vogt: I wanted to make sure that I understand that.

Paul Moss: So, we are approving the salary ordinance without the appropriation.

Darren Vogt: Nothing has been motioned at this particular point in time. I was just pointing out that we have approved salaries and asked folks to find it within their budgets.

Paul Moss: Roy, can you clarify your motion?

Darren Vogt: He stopped before he got too far.

Paul Moss: Do you want me to make one then? Move for approval of an amended salary ordinance amending the range of pay in Circuit Court, 100-6102-412, title is Magistrate/Hearing Officer, effective July 1, 2011. I just ignore anything about the appropriation.

Tera Klutz: You have to read the annual salary.

Paul Moss: Annual salary of \$105,876.

Darren Vogt: We have a motion, is there a second?

Bob Armstrong: Second.

Tom Harris: And now with a question. This is the salary ordinance and not the appropriation.

Darren Vogt: That is correct. We don't have an option on the salary ordinance itself. It is required, by State, that we must pay based on the statute. The Chief Justice set this.

Tera Klutz: The first was when they gave him the duties.

Roy Buskirk: The State Legislators didn't want to take it on the chin so they gave him the power to increase by 1.5% and he selected 1.3%.

Darren Vogt: We have a motion with a salary ordinance without any appropriation. 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. Are there any additional motions? Not hearing any, thank you very much. Next on our agenda is Department 79, Memorial Coliseum, appropriating in Sports and Convention Development Fund 248.

Randy Brown: Good morning, Council, I am Randy Brown, General Manager of the Memorial Coliseum. With me is my colleague, CJ Steigmeyer, our Vice President of Finance. Many of you have already heard this presentation in having to do with the Board of Trustees meeting and the County Commissioners, with a structural change that we need to make with the Arena's structural system. I will give you the short version of this. Since the time that we raised the roof back in 2002, we have on a regular basis, every five years, gone through a testing process. We bring in a professional engineering company. There are medallions throughout the space and they are bouncing lasers off those. They are actually measuring the space and looking at changes in the structure over the time period since the last evaluation. This last fall, when the last evaluation was done, there were some interesting changes in some of the numbers. They also identified some cracks in the concrete frames, the cantilevers, the attachment between the old structural steel and the new concrete. We have since repaired those three concrete frames. The one thing I absolutely want to stress today is that the structure is safe. There is no question about the safety of the space. We do have a long-term maintenance issue that, by the recommendation of three different structural engineering firms, we need to address immediately. We have gone through with the original structural engineering firm of record, H and TB out of Kansas City Repair and Remediation Process. We have hired a company, WJE, which is the foremost authority for review process and are out of Chicago. They have actually written the codes for having to do with pre-stressed concrete. We have done our homework with this. When we started this, we thought we had to do a remediation of all eight frames per side. As it turns out, the four end frames are constructed differently and do not need that repair. When we started this process, we had a guaranteed maximum price of approximately \$1.9 million dollars. By nature of those four frames not needing remediation, the new guaranteed maximum price is \$1,585,690. We did have some cost savings and the good news here is that we are putting a new roof on the Arena this summer. By nature of having to put tension rods in and punching holes in the roof, our timing is really pretty good with that. Some of the cost savings that we had on the original roof work is being spent for this project as well. Today, our appropriation request is for \$885,690. The one thing I have consistently asked all of the structural companies is once and for all, let's solve the problem and make sure that I don't have to go back before Council for an additional request. I have been

ALLEN COUNTY COUNCIL MEETING MINUTES

assured that this will address all of those issues from grouting and fixing cracks to the exterior frames to repainting or resealing. This is a complete remediation of the whole structural system.

Darren Vogt: Council, I sat through that presentation. Are there any questions? Councilman Howell.

Kevin Howell: I had the pleasure of spending about two and a half hours touring the Coliseum with my good friend, Randy. A very thorough investigation of it and obviously the Coliseum is a jewel in northeast Indiana. The economic value is extremely strong in our area here. I would strongly, strongly ask my colleagues to vote for this appropriation.

Darren Vogt: Council, any further comments or questions? Not hearing any, we need a motion.

Tom Harris: Move for approval of the appropriation in the Sports and Convention Development Fund 248, item 248-7901-451.43-10 for Equipment and Property Renovation in the amount of \$885,690.

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.

Randy Brown: Thank you. If I could pass on a bit of good news, one of our leading industry's publications, Venues Today, just came out with the rankings of activity for the first six months of the year. Based on our size classification of up to 15,000 seats, we are ranked 19th in the world for concert and activity volume. We continue to provide the economic impact that Councilman Howell mentioned. Right now we have the USARS, the roller skating event taking place and we fully anticipate, based on the numbers, that this one activity will bring \$5 million into our community. We just announced a week or two ago that Gold Wing will be coming back next summer. That is also a significant piece of economic activity. Thank you all for your support. The Coliseum is doing what we had all hoped it would do and we hope to continue our tradition of being self-supporting.

Darren Vogt: Councilman Brown.

Larry Brown: Randy, I hope this is not an inappropriate question but given the fact that we just approved your request, is there potential, for lack of a better word, recourse back to the original design team and/or construction team and/or whatever?

ALLEN COUNTY COUNCIL MEETING MINUTES

Randy Brown: I would like to answer that delicately. Let's fix it first and then take appropriate action. We are looking at all of the various elements and opportunities.

Larry Brown: Well said.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: We are ranked 19th in the world, what about the United States?

Randy Brown: Facilities are submitting data and activity and it is being compiled and that is U.S. venues included. Nineteenth overall, in the world. They don't do a separate breakdown of just the U.S.

Roy Buskirk: How many of the 18 above us is not in the United States?

Randy Brown: At least five that I can recall. We are talking Spain, Australia and London. It is a good ranking and a good place to be.

Darren Vogt: Councilman Moss.

Paul Moss: That is just people through the turnstiles, essentially? That includes Komets, Garden Show and all of that?

Randy Brown: No, it is just concerts and entertainment related events. It is not sports related. If you were to factor that in, our positioning would go up even higher because of the number of sports teams that we have in the venue.

Paul Moss: What is the range in terms of the seating capacity?

Randy Brown: Up to 15,000. You are looking at venues that are bigger than we are. We max out, we like to say 13,000 but that might be stretching it. It's good news.

Paul Moss: I agree it is good news but you know how I feel about that. It is not enough when you look at places like Verizon, granted during the summer, and they have something going every weekend.

Randy Brown: I would love to see a Lady Gaga date, as an example, but the fact is that we don't have 20,000 to 30,000 seats. If you look at the product that is out there and some of the attractions that we have had, Kenny Chesney who is doing 80 dates according to our MSA being 103. You wouldn't think we would get a Kenny Chesney date. It is the same thing with Keith Urban who is doing 45 dates. We are over-achieving at a time when the

ALLEN COUNTY COUNCIL MEETING MINUTES

entertainment marketing is struggling. I agree that it is not good enough and we can do better. We will do what we can to attract everything possible to our marketplace.

Paul Moss: I am almost afraid to admit this but I saw Lady Gaga down in Nashville not too long ago. My wife made me go. I felt a little out of place but my point is that venue is only a couple of thousand more. I asked and I think they said it was 17,000.

Randy Brown: What venue in what city?

Paul Moss: The one right downtown in Nashville.

Randy Brown: Bridgestone Arena. That is 18,000 seats so it is 5,000 more seats.

Darren Vogt: And it is in Nashville, one of the music capitals.

Randy Brown: Just like the Sheriff said, we could be coming to you in another year or two with an expansion opportunity. Just kidding with that.

Paul Moss: It is not just because of the entertainment that I say that. It is a huge economic impact. When you had Elton John for example, or the Eagles, that is like a big, couple of day's significant impact on the restaurants and everything.

Randy Brown: Kenny Chesney as example, with computerized ticketing we know where our ticket buys are coming from. We had ticket buys from 20 states for that event. If you think about it, people from out of state are coming in for a show and some of them are traveling to see family. Other cases is good timing and good routing but they are spending time in hotels. They are going to our restaurants or stopping at the mall. It's all of those things. I agree that the more activity and it doesn't matter if it is concert activity or USAR's or Kenny Chesney or Gold Wing, if it adds to our economic footprint for a community, its jobs. For hotels, the hospitality industry or shopping at the malls, it is jobs for our friends and neighbors and we can never do enough in that way. Know that I will do everything possible. I have become Chairman of our Trade Association by this time next week. By nature of my visibility, throughout the world, that helps people know where Fort Wayne, Indiana is. They know the things that we are doing. We are doing a food service RFP now and we had seven companies submit RFP's. The higher our visibility, the more people know of us and have a comfort level with us, it helps on all levels. We will continue to do everything possible on that front.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: Councilman Howell and then I have a comment.

Kevin Howell: You gave me the full tour but can you give folks here an overview of the economic impact within our region? We have a pretty big venue up in Grand Rapids, Michigan and other places like that.

Randy Brown: First of all, we are a complex and wear several hats. We are an Arena. We are an Expo and a Convention Center Complex. We have 170,000 square feet of space. We have 30,000 square feet of meeting rooms and parking. Just to put it into perspective, we are top five Arenas in the State of Indiana. Our major competition in the Arena markets are Grand Rapids, Toledo and Evansville is opening a new \$150 million Arena. If you think about it, there is more competition than ever before but again, our history of selling tickets helps us. That is why we are successful in attracting the events. The other part is geographic location. I pretty much say if you are going north, south, east or west you will be going past our doorstep. It falls on the management of the facility just to be proactive so the agents and managers that are making the routing decisions, that Fort Wayne is a good stop. On the trade show side, having 170,000 square feet puts us number two in overall exhibit space in the State of Indiana. We are only second to the Indiana Convention Center. Competition on that side, Grand Rapids is our nemesis. It is a bigger market but overall, we compare pretty well. Just to finish the economic impact basis, we track it. We use Trade Show Week Custom Research to validate our ratios, our numbers. We are typically in the \$100 million per year economic impact based on direct events at the Coliseum. It is a big number.

Darren Vogt: Let me ask one question. What type of incentive packages do they typically ask for on a concert or big show that might come in? Do we get into many incentives?

Randy Brown: We are always involved in putting incentive packages together. Like USAR's, we have done a sponsorship which is essentially against rental dollars. We are also working hand-in-hand with Visit Fort Wayne, in the case of USAR's. USAR's commitment is approximately overall about \$200,000. Concerts, it is a matter of other incentives whether it is trade-offs of novelty sales and that type of thing. If you are going to have the activity, you have to be creative. We are partnering with most of the shows and concerts that are coming in. We are very careful about that risk. If you remember when we did Walking with Dinosaurs, our risk for that one was \$1 million. When we did NCAA Hockey, that risk was \$318,000. I am conservative and I don't want to stand before you and say that I've lost half a million dollars for the Coliseum and the County. You wouldn't look very favorably at that. We've been fortunate. We have had a few events where we

ALLEN COUNTY COUNCIL MEETING MINUTES

have lost money but once we factor in the parking, concessions and other areas, we come out pretty true to form. That has been our success. We find ways to make the deals work.

Darren Vogt: Thanks. Councilman Moss.

Paul Moss: That's a good segue because I have had this conversation with Randy before. When you look at the economic impact on the area of a huge draw type of concert, if the band guarantee is a million and you only want to spend \$900,000. It certainly seems to me in order to be creative, that we and the Commissioners and those that have control over CREDIT dollars or whatever fund you want to use, would be willing to say that they would risk a little bit of that in an effort to generate the economic impact. That is kind of thinking outside of the box. Lady Gaga or the Rolling Stones, you get them in here but you don't have quite enough to guarantee them what they need, it is a bit of a risk but that's the type of risk just like we talked about earlier with some of these employers. That's not normal but I think it is justifiable at least for consideration. The door is open, in my book, to have those conversations.

Randy Brown: Most communities are doing just that. Most facilities, you could say on one hand, are losing money and getting a subsidy from the community. How that subsidy is funneled through the facility varies from case to case. In many cases, it is due to rental incentives. The community has made a decision that they are going to underwrite the activity and that is just the mechanism as to how you get there. We are not there yet. The Coliseum is stand-alone with the exception of the Professional Sports and Development Fund for capital related improvements. We are 100% self-supporting.

Paul Moss: If there ever comes a time where that issue comes up with a specific artist or event, I would hope that you would feel comfortable coming to us and saying that we would like to partner a little bit. I would be open to it.

Darren Vogt: That is where I was going with it.

Randy Brown: It may be that the thing for us to do, as we are working on a new budget, it is one thing to have a budget line so we have the ability to do that and hopefully not looking at the needing to come back to you. Just to make sure we have the mechanism so that we are able to take a little more of the risk. I am not saying that we are looking at money from you. We are just looking at some flexibility with how we wiggle the dollars around internally.

Darren Vogt: Councilman Harris.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tom Harris: I just wanted to offer congratulation on behalf of all of us here for your Presidency beginning next week. That illustrates your leadership in the community and probably the industry as well. Good job.

Randy Brown: Thank you. A month from now I will in China as a guest of the Chinese government. They are paying the total cost of the trip and I will be representing 4,000 facilities worldwide to help the Chinese government look at reuse opportunities for facilities like the Bird's Nest and other Olympic facilities. It is actually the Beijing Olympic Organizing Committee that is the host. It is a great opportunity going there and being considered as a possible solution to their lack of activity with their venues. I will give you a report afterwards of how that goes and what we see and what we hear. They have a guide, attendant, host assigned to us to help us get around.

Darren Vogt: Are there any further questions?

Randy Brown: Thank you. Have a good morning.

Darren Vogt: Council, we are on to Board of Health, Department 285.

Mindy Waldron: Good morning, Mindy Waldron, Administrator of the Department of Health. Before you today, you have two requests. First is for an appropriation into our PERF line. As I explained on the form, and I would be glad to answer any questions, what we had in 2010 was a position that was unfilled. It was a nursing position and we didn't fill it shortly after our move to the new clinic, purposely. Later on, after we did a small reorganization within the medical staff, we found that we were still continuing to turn away approximately 25 folks a day just in the STD Clinic. We thought it was necessary to go ahead and fill that position. We had already turned in our budget and I remember speaking to Tera last year and we talked about the fact that we would probably need to come in 2011 to have enough money to pay that person. What we have done is draw from our PERF line and from all open lines from positions that have transition. This \$30,000 isn't the full amount that we need but we have three positions open currently that we'll draw those amounts for to pay this nursing position for 2011.

Darren Vogt: Council, are there any questions?

Paul Moss: Move for approval of items one and two in Department 285, Board of Health.

Larry Brown: Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

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.

Department 250, Highway Department, transfer within the Highway Fund 250. This is from Legal Fees and Furniture to Workers Compensation.

Kim Yagodinski: My name is Kim Yagodinski and I am the Controller for the Highway Department. We are here today to ask for a transfer internally to pay for some extra Workers Comp expenses that the Auditor has made us aware of. Our portion was \$115,500 based on the number of Highway employees and the risk factors. We are going to be able to transfer, internally, out of our Legal Fees and our Furniture to get the amount of money that we need for that line.

Roy Buskirk: Who is standing behind you?

Kim Yagodinski: This is Rick Eubank and he is our Fleet Manager. He has the next item on the discussion.

Darren Vogt: Councilman Harris.

Tom Harris: I have a question. This is based on a formula rather than experience? It is not that your Workers Comp experience is going up but just a matter of formula. Okay.

Kim Yagodinski: That is correct.

Darren Vogt: Help me understand your Legal Fees. What is your total dollar amount for Legal Fees?

Kim Yagodinski: Our Legal Fees, we actually took some line items that were within that series and transferred them to the Legal Fees. We have legal fees for employee disputes or things like that to pay out.

Darren Vogt: What is the budget for that? Does anybody have that in front of them?

Jackie Scheuman: It is \$91,000.

Darren Vogt: \$91,000 and you are going to transfer out almost 90%.

Kim Yagodinski: Actually, we transferred some other line items internally to get up to that amount. We had \$2,000 in testing that we thought we could transfer to that line item. We also took \$4,000 out of travel. In Dues and Subscriptions, we took \$2,000. Out of Schools and Seminars, we took \$4,000.

ALLEN COUNTY COUNCIL MEETING MINUTES

The number looks a little inflated but for purposes of simplification, we just moved that to one line.

Tera Klutz: The 2011 budget was only \$5,000 for Legal Fees. The just transferred from all of the other places for ease of this request instead of transferring from ten lines into Workers Comp.

Darren Vogt: Okay, I got it. Thank you. That makes me a little more comfortable with what we are doing here. Are there any other questions? We need a motion.

Larry Brown: I offer a motion for approval of items one and two, Legal Fees and Furniture into Workmen's Compensation.

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 will move onto the Discussion and Other Business, the Rainy Day Fund loan for the highway Department trucks.

Rick Eubank: Good morning. My name is Rick Eubank and I am the Fleet Manager with the Highway Department. I came before you in the May meeting to ask if you would approve \$1.6 million for purchase of ten plow trucks for Highway. I was trying to get this from internal money.

Darren Vogt: Council, I know we had lots of questions the last time this came up. Do we have any information on all of the things that we requested? I don't see it here.

Rick Eubank: I didn't have anything prepared to give you ahead of time. I just wanted to come in and discuss this in person. In the last meeting, we had discussed whether the maintenance cost on the vehicles was from use or from accidents and had to do with their age. Most of it is age. Our fleet is aging. Also one of the questions the last time was how much money we would save by making a purchase of this size. I talked to some of our vendors because I can't really get actual numbers, once the money is approved then we put our specifications out and see what kind of numbers the vendors come back with. In a general look at it, the savings would be only about \$2,000 per vehicle at \$20,000 by buying ten of them at one time.

Bob Armstrong: But in that is also the savings on our inventory that we are storing and stocking, right?

ALLEN COUNTY COUNCIL MEETING MINUTES

Rick Eubank: That is correct. That \$20,000 is just in the initial purchase of ten. Like you said, Mr. Armstrong, the big savings is going to be that we are not going to be spending money on old vehicles. Not only that but with purchasing ten, we will have ten like vehicles which will reduce the amount of stock parts inventory because we can have one starter or one alternator or whatever and it will fit ten trucks. At the present time, we have four different models of trucks and several different years of trucks. We have to keep a pretty good parts inventory because if something happens in the winter, in the middle of the night, on a Saturday or Sunday night, we need to get that vehicle fixed and back out working.

Bob Armstrong: So it is a \$20,000 savings over ten trucks and on top of that is the savings on the maintenance of the trucks that we have now plus it lowers our inventory in the shop.

Rick Eubank: That is correct.

Darren Vogt: Councilman Harris.

Tom Harris: What would be the total price of this deal?

Rick Eubank: The estimated cost for ten tandem-axle plow trucks is \$1.6 million.

Tom Harris: So \$1.6 million and we save \$20,000. The concern that I have is the tail end of the process other than the upfront process. First of all, if you look for an efficiency standpoint, there may be four bad trucks, as example and you showed us some of that last time. If you bought four trucks right now, you may not save your \$20,000, and by the way you are only saving \$2,000 per truck, right? But then you'll save all of the cost of the maintenance on those four trucks. In my head, from an efficiency standpoint, you are saving more by purchasing less than purchasing ten and only saving \$20,000.

Darren Vogt: And not to mention the fact that now you have a third of your fleet going to need the maintenance all at the same time. I have talked to several large contractors that have heavy equipment and they did not recommend doing a third of the County fleet each five years or ten years or fifteen years. They don't do it in their business practice for that simple reason. All of a sudden your maintenance comes due at a specific time based on mileage and usage. So, they didn't recommend it. I understand the concept about the parts and having different kinds of trucks because that can be somewhat confusing. Not confusing but an added inventory. I was hoping that we would see something significant in savings but \$20,000 on a \$1.6 million is not a lot from a percentage standpoint.

ALLEN COUNTY COUNCIL MEETING MINUTES

Bob Armstrong: I guess I don't understand. The fleet people that you talked to, are these heavy equipment? These are trucks.

Darren Vogt: Yes, heavy equipment.

Bob Armstrong: These are trucks that are rolling year round.

Darren Vogt: Heavy construction equipment.

Bob Armstrong: Maintenance is maintenance. It doesn't matter if you are running a vehicle eight hours a day, ten hours a day, every month through years. I mean maintenance is maintenance.

Darren Vogt: I guess you are agreeing with me then. All of a sudden the maintenance is going to come out. Let's just use a car for example. You drive your car 100,000 miles and all of your fleet is the same age. At the same time, they are going to reach 100,000 miles. They are all going to need the same maintenance so you have increased your maintenance cost in a given year versus keeping it spread out throughout. At a point in time where one might break down, now you have ten with the potential to break down because they are all the same age.

Bob Armstrong: I guess I am lost in the industry then. We are talking about, you don't want to lease because leasing is not the way to go. If you are buying trucks and going to roll your fleet, you are constantly going to have a good strong fleet on your rollover time. So if we buy ten now and then what was it?

Rick Eubank: Trying to do ten now and then every five years doing ten. A vehicle would last fifteen years and then it would be replaced.

Bob Armstrong: I guess I just look at it as the fleet right now in a condition of a lot of trucks that need maintenance and repair. The bottom line to me is to pay me now or pay me later. That is what is going to end up happening. We have trucks now that we are firing up that are blowing oil and stuff. Do you take a bunch of money into that vehicle that already needs repair or do you just keep nickel and diming it to keep it on the road? That is the only thing I am looking at.

Tom Harris: I understand those comments and agree but the concern that I have is a two percent savings overall for this massive purchase. Did this go through our Purchasing Department to help us negotiate our two percent savings?

Bob Armstrong: Not yet.

ALLEN COUNTY COUNCIL MEETING MINUTES

Rick Eubank: No. I can't get any set numbers until I provide the vendors with the specifications that we want.

Tom Harris: So we would expect a lot more than \$2,000 savings or \$20,000 savings in a massive purchase like this.

Rick Eubank: We would hope.

Tom Harris: We would expect.

Darren Vogt: Councilman Brown and then Buskirk.

Larry Brown: In this discussion, I think we are losing sight of the question before us. The question before us, in my opinion is, are we willing to use Rainy Day funds to finance the purchase of ten trucks. Not the decision if ten trucks are needed or not needed, bad maintenance, good maintenance, bad decision or good decision. The question before us is, are we willing to use Rainy Day money as the financing mechanism. I believe you will find in their budget that they have adequate funds to purchase ten trucks, over time and financed through a loan institution. So, let's stick with the question before us. If you want to talk to the Highway Director, then I suggest we call him before us.

Darren Vogt: I think that is the issue. We have to understand their philosophy in what they are doing and we asked for information regarding the purchase of the vehicles and the maintenance of the vehicles and we didn't get any of that at this particular point in time. You are correct. Before us is that and if we have to call the Highway Director to talk about the practice of purchasing ten at a time and the legitimacy of it from our perspective, they are spending dollars that we approve and we approve MV and H and Local Road and Street. Councilman Harris and Moss.

Tom Harris: Councilman Brown, to your point, there are many other things that we can use and have been asked to use that Rainy Day Fund for. I agree with that concern that philosophically, do we use the Rainy Day Fund to just take care of operational issues and if the answer to that is yes, are there other things that might be more important than the purchase of ten trucks in the future?

Larry Brown: I just want to make it real clear, it's a loan mechanism. Basically an interest free loan mechanism.

Tom Harris: I understand.

ALLEN COUNTY COUNCIL MEETING MINUTES

Larry Brown: We can charge a fee for it or whatever. Instead of going to the outside market to get the loan, it is financed internally. We have done that with other items.

Darren Vogt: Councilman Buskirk and then Moss.

Roy Buskirk: My question is, Rick, the excuse that you are not able to get a bid on these ten trucks without knowing the specs, you know what kind of truck you want and you can call several dealers and ask them what it would cost for that truck today. You can't order the truck but you want to know the cost on it.

Rick Eubank: That is correct and the cost per vehicle is going to be right around \$150,000 apiece.

Roy Buskirk: Well, the \$1.6 million is \$160,000 apiece and you are saying then that you can save two percent or \$2,000. That isn't even two percent on it. What I am disappointed in is the fact that if the Highway Department could foresee this and start doing some budgeting to be able to buy it because the Highway Department is the one that is going to have to be buying these trucks with the Commissioners possibly kicking in some funding.

Kim Yagodinski: We have the money in our budget to buy two trucks. We have \$350,000 in that line. Rick is just looking at possibly buying more trucks at one time and using the money that we have set aside for the two trucks to buy all of the trucks at once and of the same model. We will have in our budget, every year, the money to buy two trucks.

Roy Buskirk: And the savings is not much. That is the other thing to take into consideration and then they wouldn't have to borrow the money.

Darren Vogt: Right unless they do ten at a time.

Paul Moss: I forgot what I was going to say and I think it is two separate issues. One is what Councilman Brown brought up and focusing on whether we want to make that loan. To that issue, I say yes. The broader issue of whether they get the trucks and how many they get and the maintenance program and all of that, if we are going to have that discussion we should have the Director here to chat about that. I lean towards having some faith in his ability to make a judgment about that.

Darren Vogt: Councilman Brown.

ALLEN COUNTY COUNCIL MEETING MINUTES

Larry Brown: I am not opposed to asking Highway Director Hartman to come in and talk to us but I would suggest that initially we approach it the same way we approach things and that is to let our liaison have the discussion with him and get a report back from Council liaison. If we are concerned about the purchase and what they purchase and how many they purchase, it seems to me that the continued status quo it would have never come before us. We wouldn't have questioned it nor would we have been involved. That is a Commissioner decision through their Highway Director. Maybe I don't see the issue the way you guys do but to me the question before us is the financing mechanism.

Darren Vogt: It is and it is also a finance decision. That puts it into our laps from the standpoint that they want to borrow money to do it.

Larry Brown: I think that is what I said.

Darren Vogt: I would like to see a little more statistical data like we asked on maintenance on the trucks and have the discussion of whether maintenance, all at once, every five years but to your point you are going to have less for five years and then all of a sudden you are going to have a significant amount. Would you be able to withstand the significant amount in your budget or would that be less roads and streets done? That is the conversation, I don't know if you've had it Mr. Hartman or how all of that has worked but we haven't had that conversation.

Bob Armstrong: Rick, Bill and I have sat down and discussed it. I guess if you want the history of the vehicles that he is talking about replacing and the cost and all that, we've discussed that. That is all information that we can get and have. Is that the information that you are looking for? Do you want Truck 187 and what the cost has been?

Darren Vogt: If you all recall, we had a spreadsheet that showed maintenance for a five-year period.

Rick Eubank: It was a three-year period.

Darren Vogt: The question was, we wanted to know if they were routine maintenance things, tire rotations, balancing, brakes and those kinds of things or were they breakdowns or were they part of snowplowing or hitting a curb every once in a while. We wanted to have that breakdown to figure out do we really have maintenance issue to bring ten snowplow trucks on or not. That was really the concept, from my perspective. I am hoping that you analyzed that and I would like to see that data and have the discussion.

ALLEN COUNTY COUNCIL MEETING MINUTES

Rick Eubank: I will have to put that together to provide that for you. It will be easy to do. I appreciate Councilman Brown because I am here trying to get this money moving forward. As I said in May, what got us into this situation was the lack of money starting in 2007. We used to be in a ten-year turnaround on our vehicles and we can't afford to do that anymore. We were buying four trucks per year but then in 2007, our budget for new trucks went from \$1.2 million to nothing. We have kind of gotten behind the eight ball because three of the vehicles that I want to replace, for example, are 1996 Fords which they haven't even built since 1997. Part of the parts problem is that the parts are obsolete on those vehicles. Even to find them, I have to pay an enormous amount for them.

Kim Yagodinski: To let you know, we have budget \$300,000 in 2012 for parts and repairs. The budget is that high because you almost have to buy a whole truck of that year to get parts for it.

Darren Vogt: And you will still have to have some of that line item. I guess that it what I am trying to figure out. How much are you going to reduce that line item by and then how much are you going to have to increase that line item by when they start to get to the age? All of a sudden now, they are going to be older and are going to have the higher maintenance and repair. I don't know that we are gaining anything other than \$2,000. That is what I am trying to look at from a financial standpoint. Councilman Harris.

Tom Harris: I do applaud the fact that you are looking creatively at ways to save the County money which we need in other parts of the County as well. Hats off to you for that but I think we need to get to Councilman Brown's point that we need a breakdown specifically of the savings and the efficiencies of that decision.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: The one thing that you are saying that I would be concerned about is how you are going to pay back the \$1.6 million into the Rainy Day Fund. You are going to have to budget.

Kim Yagodinski: We are able to budget \$350,000 in our New Truck line and that was with the thinking that we have had that in the plan for about five years but the plan was to buy two trucks at a time. When we were trying to look at it creatively, we looked at taking that payment and instead of just getting two trucks, we could get ten trucks at the same payment amount for five years. Then it would be time to replace the next series of trucks.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: And if there are no additional funds, for those ten trucks, you would go back to buying two at a time.

Rick Eubank: Actually, the plan that I am going to have is if I can't get the money to purchase ten, I will wait until the latter part of 2011 and I will actually buy four with 2011 and 2012 money. Then I will have four alike.

Roy Buskirk: The other thing I was going to say is that when we were looking at the Highway Department's budget, last year through stimulus money the Highway Director told us that with the money we received we were able to get five years of resurfacing done in one year. That was just additional funds that became available. I don't quite understand why we have so many road surface projects that we were presented to us yesterday. Maybe some of that money could be used for truck purchases.

Kim Yagodinski: That CEDIT money and the money for trucks come out of MVH.

Roy Buskirk: But it saves for using MVH money for something else.

Larry Brown: They are different pockets.

Roy Buskirk: I realize that.

Darren Vogt: Councilman Moss.

Paul Moss: Can we, looking at their request for discussion, it seems that the intent was to have a philosophical discussion about using the Rainy Day Fund for whatever purchase. I am in favor of that. I think that is a no-brainer in terms of trying to save some money as long as the terms are defined. We would probably have to rely on the Auditor to do that and make sure that the money goes back into the fund and all of that. The other stuff, learning more about the maintenance thing, anybody that wants to do that can do that.

Darren Vogt: Shouldn't that discussion also include the overall cost and savings? You are just looking at it as the finance mechanism.

Paul Moss: It should just like any other purchase. We usually ask those appropriate questions. I am just talking about today.

Darren Vogt: To wrap this up and move us on?

Paul Moss: Yes, preferably. There is no information and we keep going in circles here.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: I think we have it clear what we need. I wanted to make sure that everyone got their discussion and I think you've got what we need to figure out enough to make a decision. We've had one more hand go up here and one more there.

Larry Brown: For benefit of the preparation of the spreadsheet, I believe that you described the purchase as plow trucks. Make sure you include a description of your current inventory.

Bob Armstrong: Do you want trucks and equipment?

Larry Brown: Plow trucks.

Darren Vogt: What you are replacing. I would assume you would have here is the fleet and here is what you are replacing. Here is what the maintenance was and it was routine or wasn't routine, we hit a curb and bent up the plow underneath it because those all make a difference in the cost. Then we can decide if we loan money for X that gives us a total cost savings of Y.

Rick Eubank: I see.

Roy Buskirk: I think the other thing we need to start watching, with the budget crunch and everything, is the fact that with the Rainy Day Fund, we generate interest. We continue to loan Rainy Day money out with no interest.

Tera Klutz: The loan would be interest bearing. We actually would earn more money in what we let the Highway borrow than we are earning now at the bank.

Roy Buskirk: The Highway Department is going to pay interest?

Tera Klutz: Yes they are.

Roy Buskirk: Well, that is what I was wondering.

Nick Jordan: It was somewhere between what they could get on outside financing and zero, was what they were willing to pay to the Rainy Day Fund.

Darren Vogt: Remember that we are still charging our taxpayers because it is our money. Any percentage point that we gain is more than what we are getting right now. That is the .0125 that we get now. I think we've got it and if you want to include me since I am having the most questions on

ALLEN COUNTY COUNCIL MEETING MINUTES

maintenance and those kinds of things, I would be happy to sit down and go over it once you have it squared away.

Rick Eubank: Very good.

Darren Vogt: Thank you.

Rick Eubank: Thank you very much.

Darren Vogt: Council, we have an ordinance creating the County Offender Transportation Fund.

Tera Klutz: I asked Eric to come today because, as the fiscal body, we have to establish a County Fund. Normally that duty is designed just for the Commissioners as the legislative body. The statute specifically said the fiscal body. I invited Eric Zimmerman to come and talk about the purpose of the fund.

Eric Zimmerman: Hello, Council. Eric Zimmerman, Chief Probation Officer in the Adult Probation Department. I think in a nutshell, the Legislature's intent was to assist Counties in deferring the cost of returning probationers who transfer their probation to other States. It is controlled through the Indiana Judicial Center and the Interstate Compact. Legislation is created to assist offenders who reside out-of-state and get in trouble in one State and have to move back to another. There are guidelines that define that process. When someone living in Ohio comes to Allen County and gets in trouble, they have residency there. Again, there are guidelines we set up. We transfer their probation to Ohio. It is a process that we go through. They pay a fee and have been paying a fee for probably about six or seven years now. Half of the fee stayed locally with the Probation Department and half of the fee went to the Indiana Judicial Center for administrative cost of transferring that offender. In this year's Legislature, they changed that. They upped the fee from \$75 to \$125 and half of the \$125 continues to go to the Indiana Judicial Center for their administrative costs. The other half now stays locally in the new County Offender Transportation Fund. If that sentenced offender out of Allen County that lives in Ohio violates, our local personnel has to go get them or they have to be extradited back to Indiana, specifically to Allen County. I wasn't involved with the Legislative intent or the discussions involving that fee. I was asked because we do collect that fee. We would be collecting the \$125, passing it on to the Auditor and she divvies it into the appropriate funds. My understanding is that it is a non-reverting fund and those funds stay in there to defray the cost for the Sheriff or other agency to transport that offender back. I am happy to answer any questions that I can.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: I'll ask one. What additional cost does the State have for transferring those funds, to pick up their additional \$25?

Eric Zimmerman: That is a good question. I also asked the question and obviously we have no cost anymore either in Adult Probation. We used to get 50% of that and we don't get any anymore.

Darren Vogt: I knew you didn't know the answer. Councilman Harris.

Tom Harris: Clarification on that, 50% goes to where again?

Eric Zimmerman: the Indiana Judicial Center has an Interstate Compact office in their office.

Tom Harris: And so that is 50% of admin to oversee this process?

Eric Zimmerman: Yes.

Tom Harris: Does that money ultimately go to probation of someone that comes into our area or goes somewhere else?

Eric Zimmerman: For us, and this is getting detailed, to transfer that offender by example, to Ohio, we first have to send all of our paperwork to Indianapolis. They process it and keep records of it and then send it to the Ohio centralized office. They then send it to Van Wert County. We are ten or fifteen miles apart but it takes about a 700 mile loop.

Tom Harris: So 50% stays here for Probation Officers?

Eric Zimmerman: No. Fifty percent would stay here to fund transporting those offenders if they violate.

Tom Harris: Okay.

Eric Zimmerman: It's really saving the County money because right now it would come out of some fund that the Sheriff has.

Tom Harris: Let me ask one question based on an event that I am aware of. If someone is in trouble in a different State and put on probation but they move to Allen County. We are now taking care of that probation on behalf of the other State.

Eric Zimmerman: Correct.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tom Harris: Do we get reimbursed for that process? What happens?

Eric Zimmerman: We do collect Probation User Fees from that offender here locally. If the offender is on probation locally, they actually pay our office and it goes into Probation User Fees which supplements the cost of probation in Allen County. There is no direct reimbursement from that specific government agency or probation department. It is kind of a courtesy that we swap offenders back and forth and just bear the burden of cost of the offender in our local community.

Darren Vogt: I'm going to ask the question just because you are there. That centralized office, I am going to put you on the spot and if you want to defer the question, that's fine. Is it safe to say that all they do is push the paper?

Eric Zimmerman: That is probably one way to characterize what they do, from my understanding, it is in statute that this office be created.

Darren Vogt: State statute or Federal statute?

Eric Zimmerman: State statute that the Interstate Compact be created. I know they keep records and it involves juveniles as well. It is a little more complicated about how juveniles move about.

Darren Vogt: Aren't we moving to a computerized system that is supposed to allow all of the Judges throughout the State to see an offender and what they are supposed to do?

Eric Zimmerman: That is true when we do intrastate. That does not assist us in supervising someone from Arizona or Ohio.

Darren Vogt: Right. Those are still paper files.

Eric Zimmerman: There is some benefit otherwise the State Legislature wouldn't have created it, correct?

Darren Vogt: They can speak for themselves as to how they use that money and the rationalization and justification for it. We just follow that process and that is how we do it. Councilman Howell.

Kevin Howell: Do other States have a similar office like that?

Eric Zimmerman: Yes. I think it was around 2004, the Interstate Compact was created and actually State Legislatures had to pass laws in order to join that Compact. You can only move offenders with other Interstate Compact

ALLEN COUNTY COUNCIL MEETING MINUTES

States. That was part of the prerequisites for involvement and participation in the Interstate Compact.

Kevin Howell: What States in the Midwest are members of the Compact?

Eric Zimmerman: They all are. I would say 95% or more are.

Darren Vogt: Council, are there any further questions? Councilman Moss, do you have a resolution over there?

Paul Moss: Yes. Move for approval of Allen County Council Ordinance dated July 21, 2011, Ordinance Number 2011-07-21-02.

Bob Armstrong: 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 6-0-1 (Buskirk abstained). Council, we also have one appointment that needs to be done and that is for the Permitting Review Board. That has been Councilmen Buskirk and Brown. Councilman Buskirk is the Commissioners' appointment and we would need to confirm Councilman Brown as our Council appointment. We need a motion for that.

Paul Moss: So moved.

Bob Armstrong: Second.

Darren Vogt: All those in favor please signify by saying aye. All those opposed same sign. The motion passes 6-0-1 (Brown abstained). Is there any public comment? Councilman Moss, we are on discussion.

Paul Moss: I have two items. One is very important and very good and that is 85 years ago today Lindy G. Moss was born. Today is his birthday. He has been in this community for a long time and that is a great thing. The other thing is more of a frustration. I don't know how everybody else feels about this but somebody really needs to be admonished for the parking in this area. It is just ridiculous that Councilman Buskirk has to walk out of here because he has to pay at a meter. It is just absolutely unconscionable that somebody didn't think that through a little bit better or ignored it, one of the two. I noticed that there are some nice reserved spots for certain individuals within the Executive Branch. Does anybody have any idea, Larry I know you were involved a little bit, is it going to get better? I am not just talking about from our perspective but from a public perspective. Even with the additional lot out there, parking is really bad over here.

ALLEN COUNTY COUNCIL MEETING MINUTES

Larry Brown: It's difficult to answer that question because everyone will compare it to the parking garage at the City-County Building. I think, before we jump to a judgment, we need to wait until the resurfacing of the east portion of the north lot is complete and all of the construction vehicles or apparatus that is parking in the west portion of that north lot, is gone. Then we can better judge how the flow of traffic will be. I think it is going to get better. My understanding and it may not have been a correct understanding, was that in the parking garage, accessible by the bridge to the west of us, all Councils, City and County, were supposed to get designated parking spots. If that fell through the cracks somewhere or didn't happen, I don't have a clue.

Darren Vogt: Actually I had a conversation with someone from the Commissioners' Office this morning and the County was supposed to have a parking lot somewhere and we do not have it. I am not sure if they know that there is going to be a parking lot.

Paul Moss: Is it accurate that members of the Executive Branch, both City and County, has a parking spot within the building and a private elevator and all of that? I heard that was in there from back in the Lincoln days.

Larry Brown: That's just the Lincoln days.

Paul Moss: Did they change that?

Larry Brown: Yes.

Paul Moss: Good.

Larry Brown: I can share with you, I don't know it first hand, in acquiring the parking garage to the west, the expiration of existing leases did not exactly mesh with when City and County needed spots. Many people had to wait until the existing lease ran out. Then there was even, as I have heard, some disputes between the previous lease holder and the management firm. In other words, those people didn't want to give up or weren't willing to leave their spot. I think that has been worked out but I don't know the status of parking spots for City Council and County Council.

Paul Moss: Talking about employees as well. I don't know how people are managing it.

Roy Buskirk: Is the east part of the north parking lot, are they supposed to be doing work there to make it green?

Larry Brown: I am not sure what is going on there.

ALLEN COUNTY COUNCIL MEETING MINUTES

Roy Buskirk: They are really deep.

Bob Armstrong: They are doing some kind of storm sewer rework.

Darren Vogt: Water retention or something?

Bob Armstrong: Yeah.

Larry Brown: It looks like they are digging out an old foundation. Do you all know that there is parking that is not that bad, at the History Center? The City owns that lot, at the History Center. It is not metered.

Tom Harris: Just one more point on that. It is frustrating and thank you Councilman Moss for bringing that up. This was discussed nine months or a year ago and here we are. We are in the new building and the idea is that it is supposed to be more convenient for the citizens and yet the citizens can't park anywhere around this building. That is frustrating as well as the fact that we have departments that are still waiting on electricity to be in there departments to actually be able to hook things up. Once again, it is probably bad timing and planning on some of these aspects.

Larry Brown: While we are expressing our dissatisfaction, I am trying to think of the appropriate method of saying this. The sound system in this room is substandard. You all know that I have a hearing problem and now everyone else knows I have a hearing problem. When Tera speaks, I cannot hear her. I had the opportunity to sit in the audience for the Board of Health Board meeting the other night and I was in the front row, center seat. I could not hear the panelists talk. I've got the best hearing aids money can buy and I could not hear those people talk unless they were right up to the microphone. If they were leaning back, like Kevin is, and discussing between each other which we all do a lot, they could hear each other but the audience could not hear them. I don't know what we can do about it. The sound system in this room needs to be improved.

Roy Buskirk: I'm not very smart on it but isn't that just the mic?

Larry Brown: I am no sound expert. I'm a plumber.

Darren Vogt: Are there any other complaints while we are at it? Let's try to find something to end on positively. It is a beautiful day outside and 98 degrees. Councilman Armstrong.

ALLEN COUNTY COUNCIL MEETING MINUTES

Bob Armstrong: I do have one question. Does anybody, at this time, know how much money we have invested in all of this? We voted about \$3 million. Are we there yet? Have we made it to \$3 million? Does anybody know the actual cost of this yet?

Roy Buskirk: I think a lot of that is for the remodeling of the City-County Building. That is just now getting started.

Darren Vogt: Right. We didn't have any money in this facility. Our money was going into the building over there. We put the money in our budget so that later on it shows.

Nick Jordan: You have an Outstanding Projects report and it shows the expenditures to date. If you look in the General Fund section, County Council has Outstanding Projects and at the bottom you will see the To Date figures. It is also broken out by the different appropriations that you guys made.

Tom Harris: President Vogt, I will end on a positive comment. You started the meeting out with the unemployment rate. Unfortunately it is still 8.2% but it is down about two percent in six months. We are headed in the right direction and we have a long way to go but the fact that we are beating the State unemployment average as well as the National average as well as the amount of abatements and focus that this group has had on economic development is impressive. It is great to be part of that.

Darren Vogt: We have one more item on the agenda. It is the move for approval to waive.

Paul Moss: Move for approval to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of July 21, 2011.

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 next regular Council meeting will be held at 8:30 on August 11, 2011.

Darren Vogt: We need a motion to adjourn.

Bob Armstrong: Move to adjourn.

Tom Harris: Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

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

There being no further business, the meeting was adjourned at 10:48 a.m.