

**ALLEN COUNTY COUNCIL MEETING MINUTES
NOVEMBER 17, 2011
8:30 AM**

The Allen County Council met on Thursday, November 17, 2011 at 8:30 am in the Discussion Room 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; Therese Brown, Commissioner; Nelson Peters, Commissioner 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: Those of you that have cell phones, please make sure that they are silenced. We have a relatively full agenda that may look short but there are several discussion items. We want to make sure that we have ample time to do those and so I will try to keep us on track and moving as fast as possible. With that, we will move for the approval of the September 21st, 22nd and October 20th minutes.

Roy Buskirk: So moved.

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 6-0-1(Brown abstained). The financial report from Auditor Klutz.

Tera Klutz: Good morning, Council. November 10th was the property tax due date and the Treasurer is currently working on applying all of the payments before we can distribute those to the County and other units. The revenues are coming into the General Fund at about 81% and we are 83% through the year. Next month, we will see how the property tax caps affected our revenue and then we will know for sure how 2011 shaped up for property taxes. Darren wanted me to point out that our Miscellaneous Revenue estimate was originally estimated at \$950,000 for County Services and it is really an internal fund process. When the County departments need gas or paper or

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supplies, they would budget them and Purchasing would also budget those in their budget. The Purchasing Department would then bill the department. It would be like double-budgeting and we would count the revenue in the General Fund. As of June, they moved that internal way of accounting to a separate fund and so our revenue is only \$330,000 in the General Fund. That is why it is showing so low. Now that whole process is being taken care of outside of the General Fund.

Darren Vogt: There is no more double-budgeting of the funds that were transferring around. Council, are there any questions for the Auditor? We need a motion to approve the financial report.

Larry Brown: So moved.

Roy Buskirk: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Council, you will notice that the unemployment rate for September, the national average was 8.8% and it keeps getting better the closer you get to home. In Indiana, it is 8.5% and Allen County is 8.2%. Nick, are there any updated numbers for October?

Nick Jordan: No.

Roy Buskirk: I thought we were going to have the previous month on there.

Darren Vogt: Yes. I think we forgot about that but Becky, can you keep the previous month on so that we have two months? That would be great. The total appropriations in the General Fund are \$619,676 and for those of you that noticed in the Financial Report, there is a problem. We do not have \$619,000 in the General Fund to appropriate. Anything that we approve today, we will need to unappropriate in Council's Contractual line item. If we decide to approve any funds today, we will need to unappropriate in fund number 100-4201-413.31-06. That is our Council Contractual line item. We have a balance in there of \$430,000. With that, we will move to the first item on our agenda which is the Sheriff's Department.

Roy Buskirk: I have a question on that. If we only have \$430,000, that exceeds the requests of today so where would any additional funds come from?

Darren Vogt: Wherever we would find it and right now we have no place to find it.

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Ken Fries: Good morning, Council. Kenny Fries, Sheriff of Allen County. The first thing on your agenda is a request for us to apply for a grant for \$4,000 for a GPS unit. As you will note, we actually applied for this grant on October 4th because we found it then and it was due October 7th. This is for a GPS unit that we can use to hopefully apprehend criminal suspects in a variety of different avenues that I would hate to discuss much further. There are no matching funds required.

Roy Buskirk: I make a motion that we approve the application.

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.

Ken Fries: Item number two is a grant that we are requesting to apply for and have applied for it for the last twenty-six years and have been successful in getting that grant from ICJI. It is for \$40,000 of which \$32,000 goes towards the lease payment at the covert location of Vice and Narcotics. The other \$8,000 will be used for training and schools for the officers throughout 2012. There are matching funds and we can use the secretary's salary for matching funds.

Darren Vogt: Council, are there any questions?

Roy Buskirk: I have one. The \$8,000 is training for the Officers that are at schools?

Ken Fries: There is one major school that we are going to send two Officers to and the other eleven Officers will attend the three-day in Indiana for all Narcotics Officers.

Roy Buskirk: But the schools are picking up the wages of Officers that are working at the schools?

Ken Fries: No, no. This is a training school.

Roy Buskirk: Oh, I am sorry.

Darren Vogt: It is not the School Resource Officers.

Roy Buskirk: Okay. I make a motion that we approve the application to the Criminal Justice Institute.

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Tom Harris: Second.

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

Ken Fries: I think that takes us to item number three and that is the request for \$85,000 for medical costs at the Jail. I believe it was in September that we got \$250,000 to try to cover costs through the rest of the year. We are down to asking for \$85,000 and hopefully that will cover the cost for the rest of the year. Honestly, after the last incident that we had two weeks ago, I don't think it will. I am hoping that the bills come in late enough in the year that we pay it in January. Often times I am asked if I think people get arrested just so their medical cost can get covered. We have one that told the nurses that he signed himself out of a local hospital, against medical advice. He said that he had warrants for his arrest and that the Sheriff and the taxpayers can pay my bills. He got out; the State Police picked him up and brought him to our facility. We refused him and sent him to a local hospital and they released him saying that he was good to be in custody. The man has a mechanical heart. We were able to get him out quickly but there will still be medical costs that we will have to pay for him.

Roy Buskirk: I should probably know more before I even ask the question but was that a State warrant or a local warrant?

Ken Fries: He had a local warrant for his arrest but it also turns out that the vehicle he was driving was stolen and the trailer he was pulling was stolen and he has a warrant for his arrest out of Texas. Somebody is going to wind up paying his medical bills but it is not going to be us.

Roy Buskirk: Can't we transfer him to Texas?

Ken Fries: That is exactly what we were starting to do and we had him released and Texas said they don't want him. He is released and awaiting charges from the State.

Darren Vogt: Councilman Harris.

Tom Harris: Sheriff, we have talked in the past in terms of what the State Legislature can do. Where do we stand as we are moving to another General Assembly?

Ken Fries: I think that is on the agenda for the Commissioners and the Lobbyist to start attacking. What we need removed is the pre-existing conditions. If someone gets arrested and they need medical help, we need to

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get them to the hospital or we can take care of them at the Jail. The taxpayers should not be responsible for pre-existing conditions. This is a prime example of a guy who knows that his daily medical costs are going to be horrendous. He has a twelve-hour battery pack. We can't watch him in our Jail. We had to send him to a hospital and have a guard guarding him and the taxpayers are going to have to pay the bill. That is the one thing I would like to see removed.

Tom Harris: Just a follow-up with that. Is someone going to take that bill and work it or where do we stand?

Ken Fries: I think we are having a meeting on December 8th and I think it will be brought up to our local Legislators. Hopefully one of them will say that they need to write the bill.

Tom Harris: In terms of medical cost and this issue, I think from the expansiveness of what that cost can do to the County's budget; I think that should be a major objective in this next session.

Ken Fries: I agree.

Darren Vogt: Councilman Moss.

Paul Moss: The \$85,000, did you say that you think it will carry you through the rest of the year?

Ken Fries: We hope so.

Paul Moss: What was the total?

Ken Fries: With this, I think we were at \$335,000 over what we had requested originally.

Darren Vogt: It was right at a million, wasn't it?

Tera Klutz: The total for the year is \$1 million.

Ken Fries: That is probably close to what we had last year.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: Following up on the legislation issue, is the Sheriff's Association also lobbying for that change?

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Ken Fries: No.

Roy Buskirk: Is it because it doesn't affect all Counties?

Ken Fries: We talked about this in the meeting this morning and we are made up of 92 Counties in the State of Indiana. Most of them are very small Counties. Many of them did not have any contracts set up with any local hospitals to get a reduced rate before this legislation took effect. When this legislation took effect, we had Medicare Plus Four and they are actually saving money. They are not in favor of changing it. I think they will all be in favor of changing the pre-existing conditions because that is going to save everybody money. We can leave the four percent charge in there that the County is currently paid but if we can get rid of that pre-existing condition clause, it is going to save everybody money.

Roy Buskirk: That is what I meant about the Sheriff's Association and that one item.

Ken Fries: That one item, I think we can get them behind.

Roy Buskirk: I make a motion that we approve the additional medical expense amount of \$85,000.

Darren Vogt: Tera, do we have to do the other one first?

Tera Klutz: It doesn't matter what order.

Bob Armstrong: Second.

Darren Vogt: All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Council, as you recall at the beginning of the meeting, you need to unappropriate in our contractual line item, any dollar amount that we do today. So, if we could just unappropriate for the same amount.

Roy Buskirk: Can't we just make a motion that any additional appropriations that we make today comes out of that line?

Darren Vogt: We have to unappropriate.

Roy Buskirk: The exact amount?

Darren Vogt: Yes. We have to unappropriate each one.

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Larry Brown: I've got it. I make a motion to unappropriate out of account number 100-4201-413.31-06, \$85,000.

Bob Armstrong: Second.

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

Ken Fries: For the next item on the agenda, Sgt. Sandberg and Captain Ron Rayl from the Pension Committee will be here to explain Amendment number three and Amendment number four.

Brian Sandberg: I am Sgt. Brian Sandberg with the Allen County Sheriff's Department.

Ron Rayl: Ron Rayl with the Allen County Sheriff's Department.

Darren Vogt: Gentlemen, if you want to give us a brief overview of what is happening here.

Brian Sandberg: What this is Council, is the amendment to the pension and is required by Federal law in accordance with the Heroes Earning Assistance and Relief Tax Act of 2008. The amendment that is needed to be signed today is Amendment Three which brings the pension into compliance with the IRS and also with Federal law. It needs to be approved prior to November 30th so that McCready and Keene, who is our actuary, has time to restate the pension and get it to the IRS. If it is not done, we will not be in compliance with Federal law. We are asking Council today to vote on Amendment Three so that we can get it to McCready and Keene.

Darren Vogt: Council, I know that we have had these documents, are there any questions? I have some things I want to discuss with Council.
Councilman Harris.

Tom Harris: In terms of any major changes, what aspect is changing?

Brian Sandberg: The aspects that are changing are basically technical changes and will have no financial impact to the pension. The technical changes are so the pension comes into compliance with Federal law and with State law on benefit service. Our pension is already written with these aspects in it but there is technical wording that needs to be put in. They are deleting certain portions of the pension because they are covered under the new amendment. The wording is already there and they are combining it into one thing to make it technically compliant with Federal law.

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Roy Buskirk: So this has no changes as far as the amount of the retirement pay?

Brian Sandberg: Correct. There is no financial impact to the County.

Darren Vogt: Let's talk about that for a minute. I think we are going to respectfully disagree on that. If you read on the very first page, it says State law issue. That is the one that has some financial issue. We talked about that yesterday.

Brian Sandberg: We have come to find out that the County does not make up any of that portion. When they buy the years of service, they are required to put their portion in plus interest plus the County's portion plus interest. It is not just them buying the three percent contribution, as we talked yesterday; they are actually putting in the County's contribution also.

Darren Vogt: So they are putting in the full 27 to 30% for the number of years that they are buying.

Brian Sandberg: Correct.

Darren Vogt: However, from a retirement standpoint, if they last in the retirement plan longer than that money would have gone out, then it would have a financial impact on us. They are elevating their pay by buying in. If they were at 70% of their benefit, based on their eligibility, they bought in to get 74%, right?

Brian Sandberg: Correct.

Darren Vogt: If that four percent difference is used up with the money that they bought in, the County then has to pay that difference for as long as they are retired.

Brian Sandberg: You're right if they would go up and over that. The way that we look at it is the interest and the contribution portion should cover that.

Darren Vogt: There is no way...

Brian Sandberg: You are absolutely right. It could actually go the other way too and say that it could cut the County's portion with the investments that are done with that money.

Darren Vogt: No because I think that money is theirs. That money is a defined benefit to them.

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Tera Klutz: It is a defined benefit which means if they die earlier than the actuary says they are...

Darren Vogt: They put that money in though, to their annuity.

Brian Sandberg: The three percent calculation contribution plus interest would go into their annuity. The portion that is required of them to cover the County's portion goes into the pension.

Darren Vogt: Okay.

Brian Sandberg: That money would then draw interest and also investment money. That would technically limit the money that the County would have to put in because they are already covering it for that Officer.

Darren Vogt: The only time there is an impact is if that Officer would outlive that four percent interest.

Roy Buskirk: Because the amount that the County has to put in would be increased.

Darren Vogt: Correct.

Roy Buskirk: Not on that one particular Officer but on the whole retirement account.

Darren Vogt: In general because they are still part of the actuarial number.

Brian Sandberg: Correct, if they outlive their actuary calculation then we would run into a situation where the County would have to put more money in but that is the risk we take with the actuary.

Darren Vogt: This is a little different because they are buying into that scenario. I just wanted to bring it up to Council because there is some potential for impact. If you read the note, there is some difference of opinion as to whether it is required by Indiana statute or not. It even says on there that we should seek a legal opinion on it. Again, I just wanted to bring it up for discussion. I am leaning toward having more information on it. To the point that you have just told me that they are buying in the full 30% or whatever, that could be a significant chunk of dollars.

Ron Rayl: We did some quick math today and for them to buy into four years, by law they can only buy into a maximum of four years because most plans start vesting at five years. At five years, they cannot be vested in a previous

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government, for general terms. For them to go four years would cost them over \$5,000 in our share then there would be the County share on top of that. You are looking at about \$15,000. Most people are going to want to buy out of one plan and transfer it over. If you bought out of TERF or PERF or one of those plans, they will walk away, at five years, with close to the \$5,000 mark. They would have to come up with \$10,000 to buy it on top of what they would transfer over. The possibilities of this are very, very slim. The other thing is that we do not hire very many people, in our last hiring cycle we had one former teacher, with lateral transfers. We do not get many people that match the stipulations that are set forth in the law that is included here.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: Starting January first, the County share is 30.5% of the gross wages. You mentioned \$15,000 for four years.

Ron Rayl: I was roughing in four years.

Roy Buskirk: It would be \$15,000 for year for the County's share.

Ron Rayl: I forgot to multiply that and so you are talking \$45,000 to pay for the County's share on top of the \$5,000 for his share. You are talking \$50,000. Most people are not going to want to take this option but they want us to make it available to people.

Roy Buskirk: It would actually be more than that. \$45,000 would be three years. \$60,000 would be four years. What rate would that be? The County's participation seems to be increasing every year.

Ron Rayl: That would be the actuarial company's pay. You are getting into big dollar math and that is outside of my scope of abilities. That is what they get paid for and why it is so hard to become an actuary.

Roy Buskirk: I would assume that it would be the current percentage that the County is participating in.

Brian Sandberg: That is correct. The actuary would calculate the payment at the current rate and to bring them up to current.

Roy Buskirk: Okay. Is it possible, with your concerns, to remove the State law issue? Does that have to be voted on today?

Darren Vogt: I don't believe that one does.

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Brian Sandberg: According to McCready and Keene, who is our actuary, there is some discussion at the State level of whether or not it is actually required by State law. The opinion from their legal department and the compliance department is that it would be prudent to pass it because of the fact that later on down the road we may be getting into a legal battle with someone who comes on with service.

Darren Vogt: An issue that we could get a legal opinion on and prove it later as another amendment, if you would. That would be my scenario. The discussion needs to be whether we think it is a good plan or a bad plan, to allow someone to buy into the years of service. That is really the discussion that we need to have. Let me ask a question. Does the money that transfers over, can that come from the prior retirement plan that they were in or does that money have to come from an outside source?

Brian Sandberg: The money would come; they can do a direct rollover, basically a transfer-purchase to it. We do not believe that the amount they would have in that fund would be enough to purchase the years of service. They would have to come out-of-pocket with the balance of it.

Darren Vogt: Let me rephrase the question. It can be rolled over out of any fund.

Brian Sandberg: No. There are certain funds under the law, State Police Pension, the Teachers Pension, Conservation Officer, Excise Police and the 1977 Police and Firefighter Fund. Those are the only ones that can be rolled over from according to the law.

Darren Vogt: Okay, so it is a very limited number. You are giving me a little more information than you gave me yesterday.

Brian Sandberg: It is not like they had a 401K through another company. It is basically public retirement fund.

Darren Vogt: Okay, that helps clarify for me. It is easing my mind on it.

Paul Moss: There is not a whole lot of that occurring probably.

Ron Rayl: Again, you have to remember, if they have already vested in another plan, they are not eligible to roll then.

Brian Sandberg: There are three criteria that they have to meet. They cannot be vested in any other public pension fund at the time that they are hired. They have to elect it at the time that they are hired. They can't wait thirty

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years and say that they are going to retire now and go ahead and buy four years of service. It has to be done at the time that they are employed and they cannot be an active member in any other public fund. They would have to close theirs out and transfer it. They cannot hold two pensions.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: Is this retirement fund the same as what the State Police have? They would have put the same amount in, the State and the employee?

Brian Sandberg: No it is not. That is one of the reasons that they would have to come out-of-pocket with a portion of it to fulfill the requirements for the purchase for us.

Roy Buskirk: So they would have to buy into the retirement program and come up with some funds and not be buying additional years.

Brian Sandberg: What would happen is that after they left the service of let's say the State Police, they may have \$6,000 of their portion after four years. They leave, the State Pension cuts them a check for \$6,000 because they are not vested and do not get any of the State's portion. It is strictly theirs. What would happen then is they would transfer that \$6,000 into our pension to buy the service and then would have to come up with about \$54,000 which would cover the County's portion of the service to actually buy the service years.

Roy Buskirk: Oh, okay.

Darren Vogt: They are not vested in any other plan. That is the key.

Brian Sandberg: And by law, they can't be vested in any other plan.

Ron Rayl: Most vesting, in government plans, starts at five years now. Seven is the most but most of them are five.

Darren Vogt: Councilman Moss.

Paul Moss: Seems to me that this is a philosophical question and a legal question. The legal question can get answered, if you want. The other philosophical question is do we agree that this is something that we should put in there? It seems to me, based on the information and the more you talk, I am comfortable with it.

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Darren Vogt: My concerns were, hearing now how limited it is and the fact that they have to put in the County's portion as well, we didn't have that yesterday.

Brian Sandberg: As we were talking yesterday, I am not an actuary and you brought up some good points that I needed to look at too. I went and got the answers because I figured that there would be more discussion today. I wanted to make sure that we were prepared and gave you the information that you needed.

Darren Vogt: I am comfortable at this point too.

Paul Moss: The financial impact would be very limited.

Roy Buskirk: What I was going to say is that as far as recruiting Officers for the County, you need that in your bag of options and that they have the opportunity to do this if they want to. Therefore, they do not lose the one to five years that they had in a different department.

Brian Sandberg: Correct, they wouldn't lose it but they would have to make a sacrifice of putting up that extra money.

Roy Buskirk: How fast do they have to come up with that extra money?

Brian Sandberg: It is at the time of employment. They would have to have a check ready before their probationary year would be up and they enter into the pension.

Darren Vogt: Council, are there any further questions on the Third Amendment?

Tom Harris: And that is being recommended by the actuary?

Brian Sandberg: The actuary's compliance department got hold of us and said that this was enacted in 2008. It was never mandated until this year. Now that it is mandated, we have to have it approved to stay in compliance with the IRS.

Tom Harris: And it is being mandated by the State?

Brian Sandberg: It is actually being mandated by the IRS and Congress.

Darren Vogt: Are there any further questions? Not hearing any, we would need a motion on this.

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Paul Moss: I would move for approval of the third amendment to the Allen County Police Department Supplemental Benefits Trust.

Kevin Howell: 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. Let's talk about the DROP Program.

Brian Sandberg: This is for the Fourth Amendment to the pension which is the DROP Program. That is the Deferred Retirement Options Plan. We are requesting that this be amended to our pension. There is no financial impact of this program. It is cost-neutral to both the County and the pension, according to State law. It is written that way because the State law says it has to be. What this does is allows the Officer, at a point after he turns 55 and is at normal retirement age, to elect the DROP Program. Once that Officer signs up for the DROP Program, his pension is frozen leaving anywhere from two to six percent back into the pension that he will not collect. When an Officer signs up for it, if he has thirty years of service, he would lock his pension in at 70% and leave four percent on the table. He would continue to work for another two years. At that time, the calculated monthly payment that he would be receiving goes into a fund that collects three percent. At the end of the two years, he is mandated to retire. Once he retires, they pull a lump sum out of that account and he gets that. The pension then starts at the 70% instead of the 74%.

Ron Rayl: We wrote this plan on the minimums that the State law allows. State law allowed it to go to five years and an even higher percentage of earnings. We opted to go with the three-year version and a three percent growth which is what most of the other pension plans have locked into. The law did allow us to go longer but we opted to stay at a more conservative and more reasonable distance.

Darren Vogt: Councilman Harris.

Tom Harris: This may take us too deep but in essence, could a fund become unfunded by the required mandates if too many people decide to take the DROP Program?

Brian Sandberg: The answer to that is no because what happens is that once they sign up for the DROP Program, they are taken off the rolls of the pension. The County is no longer required to put their portion in. Once that Officer is taken out, that is when it becomes cost-neutral. Because they are

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taken off the rolls, the County is not required to fund their portion of the pension anymore.

Tom Harris: In essence, that could benefit. If you had a number of people who decided to take this, you could reduce the amount of funded requirements of the plan if you had a lot of people drop. You are going to reduce, in the long run, the required percent amount.

Ron Rayl: Theoretically, you are correct. If there are 120 Officers and 10 Officers went onto the DROP, they instantly come off the rolls. The next rotation, two rotations or three rotations, depending on how long they chose to DROP, they would not be in the calculation. The calculation on the solvency of the pension plan would be based on 110 for those two years until those people are gone, they get replaced and we start at zero again. They have retired but stayed in service for that remaining time that they leave something on the table. That is the key to the plan that you leave something on the table. When you sign up, you set a definite leaving date and it is irrevocable.

Tom Harris: When adopting a program like this, there is some understanding or thought concerning the impact. What is our thought, what would be the impact to the County? How many people might participate or could participate?

Brian Sandberg: The impact to the County is two-fold. It allows the Sheriff to know exact retirement dates. It also is about 40% of the department that is eligible. You have to be 55 and not have more than 32 years of service. Right now, with the age of the department, about 40% will be eligible for the program. It will probably go up as we go on and receive younger Officers into the department. Captain Rayl is not eligible for it because he has 32 years and just turned 55.

Ron Rayl: Fifty-six.

Brian Sandberg: He would not be eligible for it because it is a two-prong test. With the calculations that we did on the years of service and ages of the Officers, we are looking at about 40% that are eligible now.

Tom Harris: The second question is what do you think is going to happen?

Brian Sandberg: I know that right now there are five Officers, as soon as Council would pass it and McCready and Keene gets it into the pension, would sign up the next day.

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Ron Rayl: That is some people taking 14 months and up to 26 months. You have to take a minimum of a year. That is of the ones that we know would be taking it right now. We know that we would have these people ready to go. Some of them have specialty jobs and that gives the Sheriff a good idea of how long it would take to get someone trained.

Brian Sandberg: The other fiscal impact it would have on the County would be, as the Officer receives an across the board pay raise, that does not go to the pension. It strictly goes to their pay but is not calculated into their pension because they have already frozen their pension. It would be a little less money going into the pension because we are calculating it without that pay in there.

Tom Harris: One final question is why now? This has probably been talked about for a little bit of time.

Brian Sandberg: Actually, we have been working on this for about four years now.

Tom Harris: Is there a requirement to do something?

Brian Sandberg: There is no requirement for it. It is cost-neutral. We decided to bring it before Council because we thought the time was right for it. We have all of the research that we have done on it for the last four years and we thought that we could adequately present it to the Council. The amendment has been a long time coming. We had the Merit Board approve the amendment last July and because of the budget hearings, we held off on presenting it.

Darren Vogt: Council, are there any further questions on this? Councilman Buskirk.

Roy Buskirk: I think you said two years out from the DROP date and then Captain Rayl said three.

Brian Sandberg: What I was doing was giving an example. It can be anywhere from one to three years that you can DROP. You are required to DROP a minimum of one year. You have to have one year of service left to DROP into. You can do it to a max of three years. The example I used was basically for me. I came on the department when I was 26. At 30 years of service, I will be right around 56. I would DROP at two years and retire at 58. My pension would be frozen at the 70% instead of 74%.

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Ron Rayl: This works in unison with everything that we have done so far with the pension plan to try to get people to retire as close to the 32-year mark as we can. This falls right in line with everything that we have laid out and designed. It is the cafeteria approach to try to make options so that people can look at it and decide what is best for them. Some may decide that this is not best for them even though they are eligible. It helps us to get more people to leave at the 32-year mark.

Roy Buskirk: Okay. The lump payment amount is based upon...

Brian Sandberg: The lump payment amount is, once they freeze their pension, they would be eligible to draw their pension because they would be at normal retirement age. What would happen is they would calculate the pension at 70% instead of 74%. The money that would be going to them as a pension payment would now be deferred to an account, an interest bearing account. That money would have to stay there until their actual retirement date. That is where the cost-neutral comes in because it is not taking money out of the pension fund. It is basically a forced savings account for them. It is money that has been earned through the pension for them.

Roy Buskirk: But the four percent is, in essence, a reduction of four percent that they will receive when they do retire.

Brian Sandberg: That deduction of four percent will stay in the pension. That is the sacrifice that they make to enter the DROP Program. If they go three years, it is six percent.

Roy Buskirk: But they are going to receive it as a lump sum?

Brian Sandberg: No. The money that they are going to receive is their actual payments that they would have been receiving from the date that they retired. If I retired at 30 years, I would receive 70%. Instead of that going to me, it just goes to an account and the four percent is left in the pension. I make a sacrifice and give up four percent to enter the DROP Program.

Darren Vogt: You are just taking your 70% early.

Ron Rayl: It is at the retirement age. It is not early.

Darren Vogt: Here is the question I have and I don't mean to interrupt. I want to make sure that I understand this. From a pension viability standpoint, if we get a lot of people taking this program, has McCready and Keene taken a look at if a significant number of people take it? If you are

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looking at a two-year or three-year, you are talking 70% of \$40,000 times two times ten coming out of the plan, how does that...

Ron Rayl: Theoretically, the definition of solvency is if everybody retired today that could retire, that is what DROP is based on. If I backed up and retired, I would be drawing that money anyway. Instead of me getting it monthly, I am going to get one lump sum at the end of the one, two or three-year period of time. That money is already mine. That dollar value is already designated for Ron Rayl today. Next year, if I work and don't join DROP, I get to go two percent higher until I get to my maximum. I freeze it today and it is just like I walked away and retired. The definition is what makes it cost-neutral. This is what I would earn today if I retired and walked away but I am freezing it and I am going to start earning it now but it is going into this private fund or bucket. They throw it into a bucket every month and at the end, they give me my bucket and I walk away. It is already my money and I would have earned it if I would have left on the day that I could have left.

Darren Vogt: I get that. I get that. My question is really more of an actuarial thought. If fifty people took that bucket the same day, they are always figuring that they could retire at any point in time and so they are always calculating the amount of pension money that they need for that given day.

Brian Sandberg: That is correct. When they freeze the pension, they are not actually taking the whole bucket. They are just starting to try to fill it. It will average out to maybe \$2,000 an Officer per month. That would be what they would be drawing anyway.

Darren Vogt: Councilman Howell, you had some questions?

Kevin Howell: I think you may have already answered some of what I was going to ask. How far have you projected out in terms of how many Officers might retire?

Brian Sandberg: What we did was base it on the Officers that were eligible as of the Officers that we have on the department now. That is where we came up with the figure of 40%. Our department is a pretty old department when it comes to Police Officers. We have quite a few that have thirty years of service and 25 years of service. It is just now that they are hiring younger Officers. Most of our senior Officers would be well into their fifties already. The calculation was done on the Officers that are currently in the department. Projected out, it probably will go up because the Officers that are being hired now are primarily younger Officers.

Kevin Howell: So you are projecting 30 to 35 years out?

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Brian Sandberg: Right now, I have about 25 years left to go but we are looking at least thirty years out.

Darren Vogt: Councilman Harris.

Tom Harris: Who else is doing this?

Brian Sandberg: State is the one that started it. Wells County is going to it.

Tom Harris: They have passed it or are discussing it?

Brian Sandberg: They have passed it. Steuben County has passed it. Noble County, when the new Sheriff was elected it was one of the first things that he did was to get with the actuary and they are about to pass it. I believe Kosciusko County also has it.

Tera Klutz: Does Fort Wayne have it.

Brian Sandberg: Yes.

Ron Rayl: A different version though. The State and the 1977 Police and Fire Pensions are slightly different. Ours is written a little differently to cover the fact that it is an individual plan for every individual Sheriff's Department. It is still based on the premise that it has to be cost-neutral. I believe ours is a little more conservative than the City's is.

Tom Harris: In terms of PERF retirement, does PERF allow for a program like this? Does it allow for a lump sum option? So other County employees would not have this.

Tera Klutz: Probably generally speaking, they don't feel that we lose our physical ability to do our jobs.

Tom Harris: One last question is that lump sum that is leaving the plan and the retirement funds that are set up, you grow interest off the entire pot, the fact that the money is being pulled out means that there is not going to be as much interest going back into the fund to sustain it? Am I missing something there?

Tera Klutz: If you don't mind, I will answer this one. This plan won't affect the interest that we would have earned because it is as if the retiring Officer is eligible to retire with benefits. He is retiring from the pension plan and is not taking a lump sum from that plan. He is taking his monthly payment. His normal distribution is getting set aside in a separate account that will

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earn interest for him just as if he had taken that and put it into his own savings account.

Tom Harris: Okay.

Tera Klutz: It is basically a way for the retirees, in my opinion, to pay for insurance because they won't be eligible for Medicare until they are 65. They still need to supplement their insurance.

Tom Harris: From the Auditor's position, pros and cons to this program?

Tera Klutz: I think it is a good amendment to the plan for the Officers and for the County. I might not say that you need to replace them all but I think you should give them the option.

Darren Vogt: Council, this is a discussion item only but if we are comfortable, we can move forward with a vote on it. I have worked on it since the summer and we have talked about it a long time ago and have been briefed on it quite a bit. Councilman Buskirk.

Roy Buskirk: If you look at the fourth amendment, the fourth paragraph down, "Now therefore be it resolved that the plan is hereby amended by this third amendment".

Ron Rayl: This was written when we originally planned on bringing it up during the summer. That would have to be adjusted to the word fourth there. We can change it throughout.

Roy Buskirk: The Auditor mentioned about putting the funds aside for insurance. Don't we have County insurance for retired Sheriff's Officers?

Tera Klutz: Yes, it is called the Early Retirement Incentive but it is not available for Officers hired after 2009. Also, they have to pay the full premium and it is like a very expensive Cobra premium. We have retiree insurance available but it is pretty expensive.

Roy Buskirk: Okay. I don't understand why, after they have said that they want to retire and then work another year, two years or three years, the three percent that you are paying into the retirement fund is even deducted from the check.

Ron Rayl: It would not be. Everything would stop.

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Brian Sandberg: At the time that the Officer actually signs the DROP Program, it would be as if they were retired. They continue to work and collect a paycheck but according to the pension, they are no longer on the rolls of the pension. They do not pay into the pension and the County does not pay into the pension.

Roy Buskirk: I understand that.

Darren Vogt: Their take-home pay goes up. The three percent that they put in now goes directly to them.

Roy Buskirk: They were saying that it was put into a special fund and they earn the interest on it and everything else. It's just that they keep the money. It is not deducted from their paycheck.

Darren Vogt: You are confusing the two things. Once they enter the plan, it is as if they are taking their monthly distribution. At the end of the period that they took, whether it is 12 months or 36 months, they get the distribution that was coming from the retirement plan. That is in one lump sum. During that time, they still earn their County payroll without the three percent going into the pension fund. They have actually frozen their pension contributions and are starting to take the 70%.

Roy Buskirk: That is what I asked and they said it doesn't come out of the paycheck. The three percent that you are currently putting into the Sworn Officers Retirement Fund, after they come up with their DROP date, that is still deducted from the paycheck?

Brian Sandberg: No. That three percent contribution would no longer go into the pension fund.

Roy Buskirk: That is not the question that I am asking, sir.

Brian Sandberg: Okay.

Roy Buskirk: Is it deducted from the check that you take home?

Paul Moss: The employee contribution, is that what you are asking?

Roy Buskirk: Yes.

Brian Sandberg: No it is not.

Darren Vogt: It goes back to the Officer.

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Roy Buskirk: So, it is not deducted from their check.

Ron Rayl: We no longer pay into it and so it is no longer deducted.

Roy Buskirk: So it is not going into any special account or anything else. You just get to keep the three percent.

Brian Sandberg: Correct.

Roy Buskirk: That is different than what you were saying.

Darren Vogt: It is the exact same thing that I was saying.

Larry Brown: He is talking about the County's contribution to the pension plan stops when the DROP plan starts.

Roy Buskirk: I understand that.

Larry Brown: If they selected twelve months, the disbursement from the pension plan goes into a fund that accumulates and at the end of their 12, 24 or 36 months, they get that lump sum that has been a disbursement from the pension plan.

Roy Buskirk: Okay. That I did not understand. I thought it was the three percent. Thank you, Larry.

Darren Vogt: Council, what is our pleasure with the DROP Program?

Larry Brown: I am okay with it.

Paul Moss: We can do this at any time?

Larry Brown: There are some effective dates in here.

Brian Sandberg: I will explain about the effective date. Darren and I talked about this yesterday. The way that the amendments are written, it is a timeline for the history of the actual pension. That is why there are some dates that say 2008, 2009 and 2010. The actual effective date would be the date that Council would ratify this. I have the amendments with me that have been signed by the Merit Board. They would take affect once the County has ratified them.

Paul Moss: So the July first date is what would change on here.

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Brian Sandberg: Correct. What it would be is the last paragraph, “In witness of adoption of the foregoing amendment to the plan, the employer has caused the amendment to be executed on this date”. We would use November 14th because that is the date that the Merit Board ratified it.

Larry Brown: How does all of that explanation relate to paragraph three on page one and paragraph B on page two and so on, where there is a July, 2011 date?

Brian Sandberg: That was the original date that the Merit Board actually ratified the amendment to have it brought before you.

Bob Armstrong: They ratified it.

Brian Sandberg: Correct. The final date would be on the amendment and that would be today’s date.

Ron Rayl: The amendment has to show the date that the Merit Board voted.

Brian Sandberg: As I said, it basically shows an historical timeline of how the pension came about. That is why, a lot of times, in the amendment you will see “restated in 2002 or 2007”.

Larry Brown: I assume, as President, that you would be the one to sign this. You will know what dates are correct when you sign the document.

Paul Moss: Is that the normal flow, in regard to all pension issues? It goes through the Merit Board and then has to come to us?

Brian Sandberg: It is. Under State law, the Merit Board is actually the trustee of the pension. Under the State law and the way that the pension is written, it goes to the Merit Board for approval. The Merit Board is the only one that can actually amend the pension but we do have to have ratification and approval by the fiscal body of the County.

Ron Rayl: That eliminates any unilateral moves. Before 1988, the departments could have stuck it to the Counties and so they eliminated all of that.

Brian Sandberg: Prior to 1988, the Merit Board could say that they were going to amend it and there was no protection for the County. With the actual writing of the 2007 one, it gave protection to the fiscal body of the County saying that a vote needed to be done by the fiscal body to amend it.

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Darren Vogt: The Merit Board is appointed by?

Brian Sandberg: By us.

Ron Rayl: Three by the Sheriff and two by us.

Roy Buskirk: How is it appointed?

Brian Sandberg: Three by the Sheriff and two by the Officers.

Paul Moss: Again, this seems like a philosophical question. It is a benefit change that essentially in that it will probably lower the average age of Officers over time which is probably a good thing. I would assume that the Sheriff is supportive of it. I am comfortable with it if you want to make a motion.

Bob Armstrong: I will make the motion to approve the fourth amendment to the Allen County Police Department Pension and Supplemental Benefit Trust.

Tom Harris: I'll 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. Are the third and fourth amendment language corrected on that or not?

Ron Rayl: We are changing paragraph four, the word third to fourth.

Darren Vogt: We have a motion and it passed but the reason that is in there is the date that it became effective with the Merit Board passing it. The actual date of the pension benefit changing is today, that we just passed.

Roy Buskirk: Why doesn't it say that then?

Larry Brown: Why doesn't it say that? I don't see any place on here that refers to the Merit Board. Forgive me if I am overlooking it.

Ron Rayl: We can't have someone go back and sign up and date theirs July 11th. We cannot let them sign up for it until the approval date.

Darren Vogt: From that standpoint, I understand what you are saying it doesn't necessarily clear it up but I think that is what...

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Brian Sandberg: The actual amendment, on the back page where it is signed is actually witnessed on today's date. That is when it takes affect.

Darren Vogt: If you read it, it says "adoption of the foregoing amendment to the plan, the employer has caused the amendment to be executed on this date" and the other one doesn't say that. That will be today's date. Are there any further questions on that, Council? Thank you, gentlemen. With that, we are onto Commissioners Department 40 for discussion of co-location dollars.

Therese Brown: Good morning, Commissioner Therese Brown.

Nelson Peters: Nelson Peters.

Therese Brown: We have before you a request out of two different funds. One is the County General Fund, out of unappropriated cash, and out of CUM CAP. Both of them are \$100,000 a piece, totaling \$1 million that we need to be able to complete the renovation of the contractual obligation for the co-location of the Allen County Sheriff's Department and the City of Fort Wayne Police and Fire Departments. We know that there has been a commitment by the City of Fort Wayne of the million dollars previously to the arrangement of everything that has transpired getting us into this building and to the renovation of the City-County Building. We are asking for those dollars from the City of Fort Wayne. Commissioner Peters has some information that he would like to share if that is what your pleasure is. At this time, we are hopeful to be able to meet our obligations for our November invoices. We are questionable, to that extent. It would come to pass that if we do not get the million dollar appropriation, we will have to be forced to cease the renovation until said dollars become available.

Darren Vogt: Commissioner Peters.

Nelson Peters: I don't really have a lot to add other than I think a little bit of the reluctance on the part of the City at this particular time to be as forthcoming as we would like with those dollars is fairly well summarized on the pages that I am going to pass out. I will give you a second to take a look at them and will be happy to answer any questions that you have.

Roy Buskirk: While that it being passed around, I thought Commissioner Brown said \$100,000.

Nelson Peters: She did.

Therese Brown: I'm sorry, I meant a million.

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Darren Vogt: The City owes us a million dollars and I am not real happy that they aren't paying up. I do remember sitting in a meeting with the co-location panel, Councilman Buskirk, Former Councilwoman Hughes and Councilman Moss, and the Mayor of the City of Fort Wayne chimed in and said that he would throw a million dollars into this location effort to put the City and County Police Departments in that building. I am a little frustrated in looking at this math, it actually is not good math, but I will open it for discussion. We will get to the math that I know is not correct, in a second. Councilman Buskirk.

Roy Buskirk: I just want to add is that the reason for the million dollar participation by the City was because of the additional cost of remodeling and security that would have to be put into the City-County Building because of the City Police moving into it. If you can imagine, the remodeling cost is greater for the security than what you have in your typical office building and that is what we have here in Citizens Square.

Darren Vogt: That was part of it and there were also some issues with them wanting to keep the Records Division open 24 hours a day and move it from one side of the building to the other side of the building and that created increased cost. Councilman Moss.

Paul Moss: My question is fairly simple. If not for the fact that they owe us a million dollars, you would not be asking for this, correct?

Nelson Peters: That is correct.

Tera Klutz: They would need it appropriated anyway.

Nelson Peters: Right.

Tera Klutz: They actually would be asking for it but preferably they would have the million first.

Bob Armstrong: Can you explain to me what the mowing is?

Nelson Peters: There are properties which the Allen County Community Development Corporation, a 501(c)(3) Corporation, own. That is frankly under the guise of the Allen County Commissioners but set up separately for reasons like this. These are the properties that the 501(c)(3) holds in hopes of selling to get back on the property tax rolls. In the process of them waiting to get sold, occasionally there are needs to mow some of those lawns. There was an agreement when the ACCDC was set up that the quid pro quo for the County becoming the repository of these properties that the City would

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continue to mow these properties. Apparently that is no longer the agreement in the eyes of the City and consequently they have requested something in the neighborhood of \$365,000 in back pay for having mowed some of those properties. Now, up until this piece of paper that you see, we have never been requested to make payment.

Bob Armstrong: I was going to say that the dates go back to 2006.

Nelson Peters: Right.

Bob Armstrong: Where did we just pull these numbers from?

Nelson Peters: An interesting analogy is, and one of the things that Commissioner Brown and I have talked about is that right now we currently house inmates for the City before their initial hearing. We are not legally obligated to house prisoners for the City until after they completed their initial hearing. That has sort of been known as the cost of doing business. We've done that. I guess, in our eyes, the mowing costs are the cost of doing business. If we need to begin to present a docket sheet that shows some of those costs, just to kind of pattern after the way that they have chosen to do business at this point, we would be looking at a very conservative cost of something in the neighborhood of \$134,000 a year just for housing those people who are arrested on the weekends. That doesn't include anyone who is arrested during the week and housed in the Allen County Jail before such time as they have had their initial hearing. We can do that and play that game and I have no question that the amount that is shown on this paper, in terms of debt, is going to be a lot more in favor of the County.

Therese Brown: Mr. Armstrong, if I could add to that, these are numbers that we have never received a bill at the Commissioner level. At this point, we don't know how to substantiate those dollars. It is also my understanding that this was an arrangement well before the ACCDC was in existence, back in the 1980's. The City and County agreed that it was in the best interest of the community to make sure that those properties were mowed and our goal was to try to move those properties. It always has been. This was sort of coming out of nowhere, if you will, as this document was presented. I also want to state that one of the things that concerns me, and I think Auditor Klutz would agree, is there is an exchange of money that needs to occur here. We can't go through this of we keeping track of whatever on our side of the fence and you keep track and we will break even. There are obligations that we have to each other that we need to transfer dollars back and forth. To come up with we will take care of our side and you take care of your side kind of doesn't fit in this equation. I am not exactly sure what the mindset is here

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as we have not had any opportunity to have any validation from the City side on these numbers.

Bob Armstrong: The other thing and I might be wrong so let me know, during the budget time and Dan Freck came to the table, I asked the question about how many County properties or buildings were going to be upgraded with generators. At that time, Dan said that they were inheriting a generator from Creighton Street.

Nelson Peters: Right.

Bob Armstrong: The City was turning it over to us. The turnover, is that what they are charging us now?

Nelson Peters: Again, that is a number that was pulled out of the air. Incidentally, that is on a generator that we have neither asked for or want. It is something that would serve strictly the City of Fort Wayne Police Force if it was installed. Again, I don't know where that number came from.

Therese Brown: I guess it is a credit which is what they are kind of going for.

Darren Vogt: We have Harris, Brown and then Moss.

Tom Harris: I guess in laymen's terms, just so we are clear on this, the City of Fort Wayne owes us a million dollars for the renovations. Now that money has been due, the City has come up with things that they are looking at over the last several years dating back to 2006. This is simply to even the score and not make that payment.

Nelson Peters: We think that is what is going on.

Tom Harris: For the million dollars, have we asked for that to be paid and how many times have we asked that it be paid?

Therese Brown: We have had several conversations this year regarding the million dollars. I know I have and with our Executive Assistant Chris Cloud. I know that Commissioner Peters has had dialogue at different intervals.

Nelson Peters: Additionally, there have been two written requests.

Tom Harris: Was there ever a set date to say that this is the date that the payment is to be made? If that hasn't happened, should it happen at this point?

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Nelson Peters: The last correspondence, I believe, that went out from Commissioner Brown stipulated close of business last Monday as the deadline for receiving that money. We have bills to pay and we have contractors who are hungry.

Tom Harris: The City of Fort Wayne's response to that was what?

Therese Brown: We have heard nothing.

Nelson Peters: We have not gotten a response.

Darren Vogt: And that letter was directed to the Mayor?

Therese Brown: Specifically to Pat Roller copying the Mayor.

Darren Vogt: I think we need to direct those to the Mayor. He is the executive making the decisions and that is his Department Head and he should be able to control that.

Roy Buskirk: The Mayor is currently in China.

Therese Brown: He is currently out of the country but the correspondences and interactions have seemingly come through the Controller's Office more than the Mayor's Office.

Larry Brown: Commissioners, have you asked for and have you received a breakdown about the \$533,841 of upgrades that you are being assessed for?

Nelson Peters: Not in any understandable form.

Larry Brown: That doesn't surprise me.

Nelson Peters: Let me just add to that too. If we are looking at quid pro quos on these deals, there was \$130,000 worth of those upgrades that the Mayor and I personally negotiated at the outset of this thing. There was a subsequent email that came through from the City Controller saying that because of the infinite benevolence of the City, they said they were going to give us \$189,000 worth of upgrades. These were for the Department of Health, Department of Planning Services and the Commissioners' Office. There has been nothing in terms of the upgrades that have ever, ever come across the County Commissioners' desks for approval. We are the people running point on this project and so you would think that if there are going to be specific upgrades, you would go to the folks that are running the show to make sure that there is some sort of approval. In addition to that, if we are

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playing the quid pro quo game, there is about \$400,000 worth of upgrades, as you may recall, at the City-County Building. We came to you so that we could put the Records Division on the north side of the City-County Building as opposed to the south side. They had made a case that it was safer and probably a better way to do business. Was it absolutely necessary? No, it wasn't necessary to do that but we did in the name of safety and convenience and a few other things. Right after that, the approach was made that we needed to get rid of the escalator and fill in the atrium. That was another cost of about \$79,000. We, at no point in time, came back to the City and said wait a minute, these are additions above and beyond the guiding principles that were established and therefore we are going to charge you as it appears they want to do with the \$533,841.

Larry Brown: To follow up on that for just a moment. Being a contractor and being involved in that project, I can guarantee you that yet today, there are still upgrades taking place for City departments in the City-County Building. Change orders are still being processed and approved for upgrades for City departments.

Darren Vogt: In the Citizens Square Building.

Larry Brown: No, in the City-County Building.

Roy Buskirk: So it is for the City Police Department.

Larry Brown: Absolutely.

Nelson Peters: The problem is as we sit before you today, as Commissioner Brown said, as of December first we essentially have no way to pay for any of those change orders.

Darren Vogt: Councilman Brown, who are those change orders coming from?

Larry Brown: The Design Team and the Construction Manager.

Darren Vogt: Who is expected to pay those bills?

Larry Brown: The Commissioners. The contracts are with the Commissioners.

Darren Vogt: And the Commissioners have not signed off on any of those?

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Nelson Peters: We are privy to what is going on there. We do believe that even with the change orders we are going to come in on budget. The problem is, without your approval today, we've got no way...

Darren Vogt: I just wanted to make sure that you guys know what is going on there.

Nelson Peters: Right.

Bob Armstrong: Who is the Project Manager?

Larry Brown: W.A. Sheets.

Darren Vogt: Councilman Moss.

Paul Moss: I remember being on that committee and all of the wonderful things that we heard were going to occur as a result of spending \$17 million of taxpayer dollars. More efficient government, better cooperation and particularly to the better cooperation part, this doesn't lend itself well to that argument. To me, that is not at all surprising. Personally, I kind of keep track of this stuff as we go forward. I hate to say I told you so but none of that or very little of that is going to come true. I believed it was a waste of money at the time and I continue to believe that. I hope that somebody, and this is directed at the Auditor, down the road will have a real accounting in terms of the cost of this. There are a lot of things, like the change orders that you mentioned, that seem to be getting added on and it is hard for me, personally, to be able to sit here and think how much have we spent so far. The question is, I am talking total the City and County, what the cost is to the taxpayers? I understand what we have spent.

Tera Klutz: The upgrades of \$189,000 that you mentioned that came through in an email, was that what the City gave us for free or was that negotiated somewhere?

Nelson Peters: That was part of the original \$130,000 negotiation.

Tera Klutz: But what is that negotiation? I think that is maybe one number that I don't have in my cost. Is it a soft cost, did we trade something for it?

Nelson Peters: It really is something that they were simply going to pick up.

Tera Klutz: They gave us.

Nelson Peters: Yeah.

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Tera Klutz: Okay.

Paul Moss: My point is that at some point, I do hope that it is in the best interest of the taxpayers, to really truly understand the cost of this. The hard costs, soft costs and all of that so that somebody will hopefully be held accountable. I am not real confident of that either. As far as the specifics of this project and the sheet that you passed out, why are we paying the invoices? I don't understand that. The City bonded. Was that a \$14 million or \$17 million bond, I don't remember?

Nelson Peters: We are not paying any of the invoices. These are just charges that they are trying to balance against the \$1 million that is owed us right now.

Paul Moss: Then I am misunderstanding what you are saying. You are indicating that there are invoices out there that need to be paid that you can't pay if we don't approve this.

Nelson Peters: We are talking on the City-County Building.

Paul Moss: Just on the City-County Building and nothing here.

Nelson Peters: Correct.

Paul Moss: Okay, so we are responsible for all of the invoices related to the City-County Building.

Therese Brown: Just to make some clarification with the CCP...

Tom Harris: What is that, by the way?

Nelson Peters: The City-County Partnership which is the 9-1-1 Communications.

Tom Harris: Okay.

Therese Brown: We have received information but we have about four different scenarios of numbers that don't correlate to determine what exactly the budget is for 9-1-1. I want it to be understood that the County realizes that we need to pay the City of Fort Wayne for those dollars but we're not sure if that is the right number and can't seem to get it nailed down.

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Nelson Peters: What has happened with that \$566,000 number is that there was an agreement reached or signed in 2010. It basically said that the City would foot 70% of the 9-1-1 bill and the County would foot 30% out of the General Fund. At that time, the bill to the City seemed to be about \$3.6 million. Their 70% was around \$3.6 or \$3.7 million. For some reason that we have yet been able to figure out, the 70% on their part was reduced to \$3.1 million. That leaves about a \$566,000 void that, for whatever reason, they assumed that the County should just pick up. I want to address one of Councilman Moss' concerns. The picture being painted today sounds bleaker than it probably is. I do think that the relationship with the City, for all intents and purposes, is good and has improved throughout the process. In Citizens Square, we have like-type of operations and are working together and people are truly getting in and out and doing business with government more quickly than they were in the past. But certainly, with any sort of marriage, there comes bumps in the road. This happens to be sort of a crater, at this particular point. I think if we can figure out how to work our way through it, then we will get to the results that I expected and many of us anticipated. We are in the process of trying to get some meetings scheduled to work through this. What your appropriation would do today would be to simply help us fill that gap.

Darren Vogt: Councilman Buskirk and then Harris.

Roy Buskirk: I agree with you, Commissioner. It is a shame that it had to come to this point. I do have a couple of questions. One of them is going back to the mowing. Weren't quite a few of those lots given to the City for the Renaissance Project that the City is doing?

Nelson Peters: Some lots have been given to them and because of that, I don't think you will see those show up as a part of these numbers.

Roy Buskirk: Okay.

Therese Brown: Then again, we have no way of knowing what this number represents.

Roy Buskirk: Then I have a question in reference to the upgrades. It is my understanding that there was a date, a line drawn in the sand, that if there was anything that needed to be done after that date it would consider to be an add-on.

Nelson Peters: Right.

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Roy Buskirk: I did have the privilege of having some of these numbers broken down further but some of the upgrades were to the Planning Services Department which is a City-County Department and yet the upgrades were charged to the County. There are several areas in this that are a little misleading.

Nelson Peters: The bottom line is that this interlocal should go on its own. There was an interlocal agreement that this body signed, the City Council signed and both Executives signed. It basically said that we would build out the City-County Building and the City Police Department would live there for free. The areas in Citizens Square would be built out and we would live here for free and the \$1 million would be given to the County for improvements in the Public Safety area. I think that is almost verbatim.

Bob Armstrong: Is that for the Crime Lab?

Nelson Peters: The Crime Lab was part of the discussion. When the interlocal finally came down, it basically said for improvements in the Public Safety arena.

Therese Brown: To your question regarding the drop-dead date, Councilman Buskirk, there needs to be an understanding by those that are watching and those that are in this room that you can draw a line in the sand that there were things that were more than likely agreed to and were covered by the City before that drop-dead line date but the invoices or the change orders didn't come until after that date. That, in and of itself, may have created confusion. Processing versus when it was actually agreed upon could be muddying the water here.

Roy Buskirk: I understand that some of the things that were done after the drop-dead date...

Therese Brown: Some may be our responsibility but we have not had significant information to be able to delineate what those are.

Roy Buskirk: I understood that some of it possibly was painting the office, putting in wall plugs and not special wiring, but just meeting code.

Therese Brown: Yes.

Darren Vogt: Councilman Harris.

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Tom Harris: Based on what you have presented as well as the fact that the Auditor and the Commissioners have met and talked with the City Officials a number of times trying to get this money...

Tera Klutz: I haven't been involved in any of them.

Tom Harris: Okay. The fact that we have made a number of attempts, I am inclined to not move forward on this or simply not pass this. How big of a deal is that? Does that cause a crisis? In a huge way, what happens if this group says no?

Nelson Peters: We've got contracts set up with seven different contractors right now for the City-County Building. They are set up, from what I understand, the AIA which is the architectural contracts that provide for penalties should the work cease past a 30-day period. In that, there would be costs around \$75,000 if we stopped work and then started again.

Tom Harris: Thirty days out or at any one week?

Nelson Peters: Basically thirty days out.

Darren Vogt: Councilman Howell.

Kevin Howell: Following along with Councilman Harris' logic, if we turned this down for 30 days that would give you enough time to talk to the City to ante up some cash?

Nelson Peters: I am hoping that you don't turn it down so that we have the cash to continue forward now. Obviously we will do what we can to try and complete this deal.

Kevin Howell: But at some point you have to draw a line in the sand and stand your ground.

Nelson Peters: Let me just address that for a second too. To do that, a couple of things happen. I think whether you are City or you are County, we are all here to represent the taxpayers of Allen County. It could be easy, right now, to say you guys go your separate way. What will happen is that you will have a project that is not completed and you will have penalties that could be paid on the part of the County and they are still going to continue to pay a bill for housing the Police Department on Creighton Avenue. At the end of the day, you have to think about all taxpayers and not just Fort Wayne versus Allen County. I think, in delaying this project too far, there does become a negative impact to all Allen County taxpayers.

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Darren Vogt: I have Councilman Moss and then Harris.

Paul Moss: The concern, I guess, is that it doesn't give you much leverage by not paying those bills. It just causes problems between the County and those contractors and potential financial penalties. That makes me lean towards approving it but it is very frustrating to do that because of the things mentioned previously. It certainly doesn't appear that the City is going to be real quick at cutting a check. That is my read of it. If they were to do that, how would that work?

Darren Vogt: Let me just mention that we don't have \$500,000 in the General Fund.

Tera Klutz: I would suggest that if you approve this, I would recommend approving the CUM CAP \$500,000 because there are available appropriations in that fund that you come back in December and approve \$500,000 in another fund that the DLGF will approve and that is Special COIT Flood. That way, they have the \$1 million to pay the bills. Then, once the \$1 million comes in from the City, we would deposit it in the funds that it was appropriated in. There would be a deposit of \$500,000 in CUM CAP and \$500,000 deposited in Special COIT Flood. It is basically like a temporary loan until you get the \$1 million. They need the money to pay the bills ahead of time. I don't want to have a problem where we are reflected badly on the contractors. Technically, at some time, we will have to appropriate the full project cost.

Darren Vogt: Councilman Moss, do you have any more?

Paul Moss: Following up with that in mind, can you be more specific as far as the dates? Do we have time between now and our next Council meeting? In other words, can we come back in a month and then appropriate it and not have some of the penalties and issues along that line? Are you able to say if that is the case or not? Maybe this does give you a little bit of leverage.

Nelson Peters: We would probably be calling off construction, if we don't receive the funding today, effective December first. Chris Cloud may be able to speak to this better than I but my understanding is that it gives us a 30-day window. No construction is being done during that time but it gives us a 30-day window to come back before we begin to incur those penalties. There would be no construction from December first and whenever.

Paul Moss: Okay. If you halted construction, what is the domino effect with the Police Department and the Sheriff's Department in terms of moving? Is there a domino effect?

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Nelson Peters: Yes, there is a domino effect and that is all contingent on how long the construction is delayed.

Paul Moss: Does the City then have to pay rent at Creighton?

Nelson Peters: Yes, potentially.

Paul Moss: Then I guess you do have a little bit of leverage.

Chris Cloud: Chris Cloud, Commissioners' Office. The only thing I would add from a financing standpoint is that we get pay applications from the contractors every month. They go through the architect, the Project Manager and then to us. Asking if we need the full million dollars before the next Council meeting to continue the project? Probably not, but we would need at least half a million because when we get our pay apps for November we would want to be able to keep going. I don't think cash flow-wise, we would need the full million this month but I think we would need the half. Councilman Brown might be better able to explain that.

Larry Brown: You said it right.

Chris Cloud: I think that would be the only concern for us.

Paul Moss: If there wasn't the issue of additional cost as a result of not paying those invoices, I would say absolutely. Frankly I wouldn't be concerned about the construction having to halt a little bit just to send a message and gain a little leverage.

Darren Vogt: Those penalties don't start for 30 days after construction stops.

Nelson Peters: I believe that is right.

Darren Vogt: Council, this discussion has gone into the philosophy of politics. Councilman Harris, go ahead and make your point.

Tom Harris: I thought I had read or heard, earlier this week, that the City Controller had just recognized that the upgrades were going to cost approximately \$400,000 and that they were going to have to go to City Council and gain additional funds to be able to offset that. Would this not be the appropriate time to basically send that signal that there are additional funds also needed to pay the County's bill?

Darren Vogt: That is where my next point was going to go. I am reading the paper and I never assume that the paper is 100% accurate. It has specific

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numbers in here. It is from Mrs. Roller but it is not in quotes so I am guessing it is a paraphrase of what she said. It says "\$468,893 for various renovations" and then I will skip down to "and upgrades requested by County government." That includes the County governments requested upgrades and it \$468,893. I direct you to the email that Controller Roller sent to the Commissioners, "Citizens Square upgrades for the County are \$533,841." The Controller of the City of Fort Wayne needs to get the numbers accurate and right. I don't want us to appropriate any dollars until we know exactly what we are doing. The more money that we give to the Commissioners to make this go away, the less leverage we have from a County perspective. It is not whether the bills need to get paid. Eventually they will. The City needs to step up and write the check. They can do it in a timely manner and there is no reason for them not to do it. Their City Council meets every Tuesday of the month. All they have to do is request the appropriation and the money can be to the County the next week. There is no reason for this discussion whatsoever if the City steps up to the plate and does what they said they would do almost a year and a half ago.

Roy Buskirk: There is one other thing too besides the million dollars and that is their rent payment which is \$313,000, on this sheet, and goes into the General Fund. That is one reason we are short on being able to appropriate out of this year's General Fund. I will make a motion that we do not appropriate any of the \$500,000 from CUM CAP or from the General Fund.

Kevin Howell: Second.

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

Larry Brown: Yes. Just for clarification sake, I want to make sure that all of you know that I am going to abstain. I support the motion but I am going to abstain because I am a contractor on the project.

Darren Vogt: Thank you. Is there any further discussion? All those in favor of denying the request for the appropriations from the General Fund and for Fund 321 CUM CAP please signify by saying aye. All those opposed same sign. The motion passes 6-0-1(Brown abstained). Thank you very much, Commissioners. The Commissioners are still up but Jolie is going to handle the appropriation in the County Liability Fund 249.

Jolie Walker: Jolie Walker, Allen County Commissioners Office. I have three appropriations that I need just to utilize the cash for the rest of the year. The first one is out of Fund 249. It is my legal fund and does have the cash available to appropriate. I don't need anything out of County General. I have

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estimated that it is approximately \$17,000 a month for my legal bills. I have October, November and December to pay. The budget from the previous years has always been the same as last year. This year is not the same as last year.

Darren Vogt: Can you explain what legal fees you actually pay out of this line?

Jolie Walker: The legal fees cover litigation, transcription fees and the legal fees for general tort claims that go into lawsuits.

Darren Vogt: And these are not related to the Jail or some are?

Jolie Walker: Some are.

Darren Vogt: So it is a mixture of the two.

Jolie Walker: It is County-wide.

Paul Moss: So you are estimating \$17,000 a month over and above legal staff. What is our budget for the County legal staff?

Darren Vogt: About a million dollars.

Paul Moss: So you all, in the Commissioners' Office, have how much of that with Bill Fishering essentially I think he is pretty much it.

Tera Klutz: I believe the \$900,000 that Darren was referring to is the total legal expenses paid to attorneys by the County. We have five in-house attorneys and their salaries are close to \$200,000 to \$300,000 including benefits.

Kevin Howell: Apiece?

Tera Klutz: No, combined. The amount of money that the County budgets every year for litigation and actual lawsuits and settlements is \$300,000.

Jolie Walker: Some of that settlement of claims, I have already had to transfer to litigation to cover that for the year. For instance, in 2010, the actual litigation amount was \$265,000. The settlement of claims was \$374,000 and I know that before I was employed by the County they had to come back because of a settlement that was not normal.

Paul Moss: Are these primarily employment issues?

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Jolie Walker: No. Jail lawsuits, tort claims that have been filed...

Darren Vogt: Car accident scenarios.

Jolie Walker: Yeah.

Darren Vogt: Slip and fall type scenarios.

Jolie Walker: The settlement, this year, has not been much at all.

Darren Vogt: It is to pay the lawyer to defend ourselves. That is a separate line item from Contractual.

Roy Buskirk: The slip and fall is not County employees because that would be covered under Workers Comp.

Jolie Walker: Correct. With tort claims someone files against us, whether we are right or wrong, it still has to be looked into.

Paul Moss: The only question I would have is that it makes you question the need for in-house counsel.

Darren Vogt: Are there any more questions concerning item three?

Tom Harris: This is moving within that Liability Fund and not out of General Fund.

Roy Buskirk: I make the motion that we approve the transfer or the appropriation within the County Liability Fund 249 in the amount of \$50,000.

Tom Harris: Second.

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

Jolie Walker: My second line item is in Fund 267 which is the Vehicle and Voting Machine Fund. I am requesting \$50,000 but I have current bills of \$22,000. Of that \$22,000, I will be receiving back or will have already received \$16,000. If it is an at-fault accident by a County employee, I will invoice the department for up to \$5,000 as their deductible and deposit that back into the fund. I pay the expenses out of this fund. If it is the fault of the other party, I receive the payment from the insurance company and deposit it

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back into this fund. This fund is also taken County General money every year, just a set amount but it does kind of feed itself back.

Darren Vogt: What are all the expenses that are paid out of here? Total loss on a vehicle, but are we buying cars out of here?

Jolie Walker: No.

Darren Vogt: Why are we not buying cars if we have a total loss?

Jolie Walker: If it is a total loss, the money goes back to whoever purchased the vehicle. We just had a scenario like that happen. The total loss went back to the Sheriff's Department. The check for the total loss went back to the Sheriff's Department.

Roy Buskirk: That brings up another point in the fact that the Council has been the one that has been purchasing the Sheriff's vehicles.

Jolie Walker: No, this was an old vehicle. We look into it. I understand that Risk management actually looks into who purchased each vehicle at the time. I know it was an older vehicle.

Roy Buskirk: If it was purchased out of Commissary, it would go back to Commissary?

Jolie Walker: Correct. That was the case with this vehicle. It was purchased out of Commissary.

Roy Buskirk: It's a bunch of bookwork. I have another question.

Larry Brown: I am totally confused. If we have a Service Department and we have expenditures of \$18,000 for repairs, where is this \$16,000 coming from that you say you have received from departments?

Jolie Walker: The majority of that \$16,000 is going to be billed to the Sheriff's Department. They had a vehicle repair bill of \$11,000. I charge them back \$5,000. They pay me the deductible and I put it back into this fund. As for the other \$11,000, that was all accidents caused by other parties. I will be receiving the checks from their insurance companies.

Darren Vogt: Our Service Department does not repair cars. We are using a body shop.

Jolie Walker: Yes. These are vehicle repairs, body damage.

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Larry Brown: Okay.

Darren Vogt: Not maintenance.

Jolie Walker: Not maintenance.

Darren Vogt: Do we use one vendor for the body work and negotiate the rate or are we just going out and getting bids on repairing the vehicle? How do we do that?

Jolie Walker: I don't know how they go about getting the vehicle repaired. I have paid three vendors this year. We do have a primary one that we use. I don't know how that relationship was set up.

Darren Vogt: My suggestion would be, as someone who is in the insurance business, that you can negotiate a rate. If you are going to send all of your work to one specific spot, you are going to be able to get a better rate.

Jolie Walker: Yes and like I said, I don't know how that was set up with Meyer Auto. I can speak with Purchasing and find out.

Darren Vogt: That would be a good idea.

Larry Brown: Mr. Bolenbaugh is in the audience, if you want to ask further questions.

Bob Bolenbaugh: Robert Bolenbaugh, Allen County Purchasing Director. How can I help you?

Darren Vogt: I just asked the question on the repair of vehicles from a body shop standpoint. Do we have a set contract or a vendor that we use?

Bob Bolenbaugh: That is something that we are going to implement going forward. We currently get three estimates but now that the Service Center is under new management, we are undertaking a lot of cost-cutting measures. That is one of them that we are going to look at also. We are going to arrange with several body shops to get preferred pricing. That is something that we have not been able to undertake yet.

Darren Vogt: If you need any help with that, let me know. I know most of the body shops in town from my day job and would be happy to help you have conversations with them.

Bob Bolenbaugh: Thank you.

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Darren Vogt: Councilman Buskirk.

Roy Buskirk: When was the \$5,000 policy started where the department is responsible for paying the \$5,000 if at fault?

Jolie Walker: I believe it was September.

Roy Buskirk: Just recently. Of this year?

Jolie Walker: Yes.

Roy Buskirk: I had never heard of it before.

Jolie Walker: It was a change with the insurance.

Darren Vogt: We are still insuring our cars?

Jolie Walker: Yes, we have our fleet insurance but we are self-insured.

Darren Vogt: That doesn't make sense to me. You either carry coverage to repair the vehicle or you don't carry coverage to repair the vehicle.

Jackie Scheuman: (Inaudible)

Darren Vogt: So we are carrying coverage to repair the vehicles. We looked at the cost of the premium associated with that and I thought we had this conversation a long time ago. I thought we were going to eliminate carrying collision coverage on these vehicles and go self-insured on the actual repair of the vehicles. We will take that offline. Jolie, if you would, find out what we are paying in premiums.

Roy Buskirk: So you think the \$5,000 is the current deductible?

Jolie Walker: Yes. It would be Cathy Serrano and Commissioner Peters that would really know a lot more about that.

Roy Buskirk: I have one further question. The transfer is from the Vehicle Fleet/Voting Fund?

Jolie Walker: It is the Vehicle and Voting Machine Fund. It is just the name of the fund. I have never paid anything for voting machines out of there. It has always been vehicle repairs.

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Roy Buskirk: Does someone else want to make the motion or do you want me to? I make a motion to appropriate from Vehicle/Voting Machine Fund 267 in the amount of \$50,000.

Larry Brown: 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(Moss absent).

Jolie Walker: My last request is out of Fund 307, the Internal Reimbursement Fund. This fund was set up this year. Tera had requested that we work on something like this. What this fund does is pay for items that we bill out internally and then receipts that money back into the fund. There was a time that the Highway Department was filling the gas tanks at the North and South Barns and the County was paying for the Service Center to be filled up out of Purchasing County General. Beginning in June, we started billing all of the usage out of Fund 307. The Highway Department had filled up the tanks and paid for it out of their other funds. We received the money for usage, by the other departments, and now I need to pay the Highway Department back for the money that they spent to fill those tanks.

Tera Klutz: How much was that?

Jolie Walker: It is...

Tera Klutz: I am only asking because it appears that you have only spent 37% of your budget as of the end of October.

Jolie Walker: I don't know how that works. They have purchase orders out there for Fund 307 for the gas vendors. Now we are going to be paying for the North and South Barns and the Service Center tanks to be filled. The Highway Department uses those and so with winter coming on, I don't know what that usage is going to be. This fund has just been set up and I was unaware that the Highway Department was even paying for gas to fill those tanks. Even when I made the budget for next year, I based it on Purchasing numbers and so I may be here to see you next year. It is a fund that is going to receive the money back into itself.

Darren Vogt: So the Highway is buying gas not through the Purchasing Department?

Jolie Walker: No, the contract was all covered but what was happening was that the Highway Department was paying to fill those tanks and billing out.

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Purchasing was paying to fill the tank at the Service Station and billing out. Essentially if I filled at car at the Service Station and the North Barn, I was receiving two bills. We went to where everything was being paid out of Fund 307, everything was being billed out of Fund 307 and everything was being receipted back into Fund 307. The departments will only receive one bill that way.

Tera Klutz: So the Highway Department...

Jolie Walker: They were being charged for their gas. Starting in June, they were billed for their gas.

Darren Vogt: And that will go into this fund.

Jolie Walker: That goes into Fund 307 but at the same time they filled up those tanks out of their fund. I just need to reimburse them. They were billed for the gas and reimbursed us.

Darren Vogt: You are trying to get the accounting all worked out. Don't pay for it because it comes out of the fund.

Jolie Walker: It is out of the fund and you get billed for it. We have one central area to bill from and then we can find true cost. I didn't even know that the Highway Department was filling up tanks.

Tera Klutz: It was funny math from a long time ago.

Jolie Walker: Fund 307 is a great asset because we can find true cost.

Darren Vogt: You said that in going into 2012's budget, you didn't know what the Highway was doing so there is going to be some more we are not clear yet. It will be a little bit before we get it all the way through the system.

Roy Buskirk: So that is probably one reason, Tera, that it is showing 37%? This whole program was started in June and it's only half the year.

Tera Klutz: Yes.

Jolie Walker: I just don't want to have any surprises and since you don't appropriate in December, I didn't want to not have funds.

Darren Vogt: Councilman Harris.

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Tom Harris: I will make a motion to transfer the \$115,000 in Internal Reimbursement Fund 307.

Darren Vogt: it is not a transfer. It is an appropriation.

Tom Harris: Did I say transfer? I meant appropriate. Sorry.

Bob Armstrong: Second.

Darren Vogt: Is there any further discussion?

Kevin Howell: Just a question. Is this the same program that is set up for the Sheriff's Department to buy their gas or is that separate?

Jolie Walker: The Sheriff's Department fills up at the North and South Barns and the Service Center and so they would be billed.

Kevin Howell: So everything rolls into one account.

Jolie Walker: Yes. They would be billed out of Fund 307.

Darren Vogt: Councilman Moss, since you just walked back in, what we have is number five, appropriate in the Internal Reimbursement Fund 307 \$115,000 for the gas and lube. I am sure that you are probably familiar with it. **With that, we have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** Next is Department 62, Superior Court, appropriate in the General Fund from Miscellaneous Capital, \$34,676. I will tell you that we have \$52,000 in our line item for the General Fund. We would not need to reduce the Contractual. Auditor Klutz, is that correct?

Tera Klutz: That's correct.

Fran Gull: Good morning, Fran Gull, Allen Superior Court.

Tom Felts: Tom Felts, Allen Circuit Court.

Jeff Leffers: Jeff Leffers, Superior Court.

Fran Gull: Thank you for entertaining our request, gentlemen. We are requesting, in conjunction with Circuit Court, \$34,676 for software for our jury system. Our jury rules were changed a couple of years ago, at my request, so that we could have the ability to install electronic management of our jury system. This would give us the ability to upgrade the system that we

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currently have. In our current system, I believe that Jeff Leffers provided to you an envelope that says "For Demonstration Purposes Only". I believe Councilman Vogt has received this questionnaire and filled it out because you have been in jury service in front of me before. The way the old system works is you get the questionnaire, you fill it out, you send it back to our staff and we scan it into the computer. We have a computer system that manages all of these people and panelizes them in random selection. You then get called in for jury duty. The current system works but we would like to upgrade it as a convenience to the jurors who are comprised of the Voter Registration list, the Bureau of Motor Vehicles and the Department of Revenue. Judge Felts and I are asking for the upgrade to our system. We met with the Clerk who would also benefit from this by a reduction in her postage cost. We have met with the IT folks to discuss this. We then included Bob Bolenbaugh from County Purchasing to contact our software vendor to vet it with him. He is supportive as well. The Clerk is supportive of this and is in the audience. We then met with Mr. Buskirk a couple of weeks ago to completely go through the entire system and explain to him the savings that we would realize from this. Again, I think the main purpose is that it is a convenience to our jurors. We would realize an initial savings, and we provided the documentation, along with some future savings if we get into summonsing folks by email. We can't do that yet because we don't have email addresses. What would happen under the new system is that you would get a postcard instead of the getting the questionnaire. The postcard would direct you to a secured website. You would fill out the juror questionnaire on that secured website and it would be electronically transmitted to our system. If you don't have access to a computer or are uncomfortable filling it out on a computer, we would provide some voice recognition phone system that you can call. We will have to figure out how we could modify our jury questionnaire so that you could respond by click one, two or three on your phone. We haven't gotten that far yet but we are looking into that. We would then receive your questionnaire electronically. The vendor would randomize those people as well and make panels. We would split those panels up into groups of people to be summoned in for jury duty either in Circuit Court for any of the Civil or Criminal trials that Judge Felts presides over or any of the Superior Court Civil or Criminal cases. Jeff, what have I missed?

Jeff Leffers: That is pretty much it. The emphasis here is that we want to utilize current technology. When you utilize the technology to really save significant money, this year and in the future, and position ourselves to realize additional efficiencies and you have convenience for the jurors, which is a big deal. The one thing you don't see here but Mr. Buskirk suggested that we point out is that it is a \$10,000 savings to the public. The public currently has to fill out those questionnaires, put it into a return envelope and put a

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stamp on it. That is about \$10,000 worth of stamps that the public has to put on their envelopes to return to the Court. That will no longer be necessary.

Fran Gull: When we eliminated that as a cost savings years ago, I know that Judge Felts and I both got irate complaints from citizens about you can't even send a self-addressed stamp envelope for us to do our civic duty. People weren't real happy about that but it is what it is.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: The one thing, if you look at the information sheet that was provided to you, you will see that the savings is basically to four different County departments. Superior Court has a savings and Circuit Court and those two are the smallest ones. The Clerk of the Courts has about \$3,000. The one thing that I found interesting is, the Commissioners were helping to support this and the County Commissioners' savings are over \$15,000. Changing the software is a capital expenditure item and so it would come out of our budget instead of theirs. I highly recommend that we do approve this. It is one of the ways, with improved technology, we are able to save taxpayers money.

Fran Gull: We would be the first County in the State to not only do the software but the voice recognition as well.

Tom Harris: Has the software been used in other locations?

Fran Gull: Yes. We traveled to Joliet, Illinois to talk with their folks. Hamilton County has the web-based application and we did speak with them to see how that is going.

Jeff Leffers: As well as Kankakee, Illinois and Clarksville, Tennessee. Other Indiana Counties have homegrown systems or they have the State jury management system. We do not. We have a vendor that we have worked with for a number of years and it was suggested that we stick with this vendor because of the proprietary software. It would not be cost effective to go to a different vendor at this stage.

Darren Vogt: Have you thought through is there going to be any kind of terminal or anything like that the folks can come to the Courthouse if they want to fill out the questionnaire online?

Jeff Leffers: There is not going to be a terminal in the Courthouse. There could be and that is something that could be in conjunction with other parts

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of the Courts or even the Clerk's Office, I would think. We don't have that right now. It is just a convenience at home or at work.

Fran Gull: Or at the library. It has to be internet capable.

Darren Vogt: For folks that don't have internet connection, we need to make it available as easy as possible for them.

Fran Gull: Absolutely.

Darren Vogt: If we have public access terminals here then folks ought to know that they can come here.

Fran Gull: That is why we are including the voice recognition software as well. We have people that don't want to do this online. They would prefer to do it on phone and we will continue to make it available as actual paper questionnaires. There are people that prefer the traditional way and we will continue to accommodate those folks as well.

Darren Vogt: Great. Councilman Harris.

Tom Harris: I just want to applaud the Judges and the Court system for your continued attempts at improving efficiencies in the process. This is a three-year payback, right, that it would take about three years for that to be saved?

Jeff Leffers: Two years.

Tom Harris: Two years and not counting the savings to taxpayers for not having to put a stamp on their envelope and being one of the first places in the State. I would make a motion to appropriate \$34,676 under Miscellaneous Capital.

Bob Armstrong: Second.

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

Kevin Howell: I have a question. You mentioned voice recognition. Some folks, like me, get crazy with these computers talking to me if I have a question or a comment or I make a mistake.

Fran Gull: We have somebody in the office that if there is a question or an issue or concern they can always call and speak to the Jury Administration Office.

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Kevin Howell: That will be made known on the voice recognition recording or how will folks find out about it?

Fran Gull: Yes. I am sure that we would have to do that just in case there is a problem. We can say at any point, the beginning and at the end, if you have a problem please call us.

Kevin Howell: They can then talk to a real American.

Fran Gull: A real human being, absolutely.

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

Roy Buskirk: Before we vote, I would like everyone that got this example to turn it back to Mr. Leffers because he can recycle and use these envelopes. It will save us more money.

Jeff Leffers: Thank you.

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. They have another item on the agenda.

Fran Gull: The next thing on the agenda is in the Jury Fee Fund for \$22,000. This is to pay for our Per Diem, Petit Juror expenses. Last year, January to October, we summonsed in and paid \$123,097 to jurors to come in. Over the same time this year, we have paid \$170,666. If you do the math, that is a 39% increase in the amount of money that we are paying to jurors. The Circuit Court has seen a jump in the trials that they are doing. Superior Court has seen a jump in the trials that we are doing. Our Criminal Division is always busy but our Civil Division has started to see an increase in the number of jury trials that they are doing. We call people in and we have to pay them the show-up fee and if they are actually seated, we have to pay them a \$40 fee plus their mileage. We are busy. I think Judge Felts commented that we are a litigious society and it continues to increase. We are anticipating an additional need in the Jury Fee Fund.

Darren Vogt: That is unfortunate. Council, are there any questions on the Jury Fee Fund 739 in the amount of \$22,000?

Roy Buskirk: I'll make a motion to approve the appropriation in Jury Fee Fund 739 of \$22,000.

Tom Harris: Second.

Darren Vogt: We have a motion and a second. Is there any further discussion? All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Department 285, Health, we have \$25,000 before us for Office and Computer Equipment.

Mindy Waldron: Good morning, Mindy Waldron, Administrator to the Department of Health. We have a request on the table for \$25,000 but I think we can actually take that down to \$20,000. We have spent approximately two years working out a problem that occurred when we originally bought our video conferencing equipment. We were privileged enough to purchase that through H1N1 grant funds and that was nearly \$70,000 to \$80,000 worth of equipment. We found out, once installed, it would not allow us to do exterior calls outside of the network. I am sure you will ask why that is and why we didn't know that before that. I will say that the two years have been spent trying to figure all of that out. There has been a lot of finger pointing and we were only part of saying that we want this. There were a lot of internal meetings with Atos and IT folks to determine what was needed. This is a vendor that is utilized by other departments. I don't think there was anything willful here. It was just something that was overlooked. I think we are the only ones in the County that would have this. The Fort Wayne Fire Department system that was in place, they said they would allow us to jump on board with that. The past two years have been spent on how we could do that. There are only a certain number of external calls allowed at one time. They have the ability for several because of all of their stations. Meeting with Ed Steenman and Chief Kelly, they were fine with us doing that but in concept we would need it at the same time. The meetings that we usually do video conferencing for, on a routine basis, we've found that we use it weekly just internally for our four locations. It has saved a lot of our staff from having to come to internal meetings at least once a week. The external part, we have not been able to use. For the past two years, we started with a quote of \$50,000 for this Expressway. It protects the network from these external calls coming in or us communicating outside of the network. We started out with multiple vendors at nearly \$50,000. We had eight meetings or eight conference calls to see if we could pare that down to what exactly is needed. As of last week, we got an amended quote for probably the eighth time and everyone agrees that this is the minimum needed to get us where we need to be. We don't need any of the extra pieces that were quoted before. That brings us just under \$20,000 but to ensure for installation and shipping costs, I want to make sure that we just go for \$20,000. I am glad to answer any questions as to what our request is.

Darren Vogt: Council, questions for Mindy?

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Mindy Waldron: We do have the funds in our unexpended to cover that.

Tom Harris: You mentioned that you are taking it from \$25,000 down to \$20,000?

Mindy Waldron: Yes.

Darren Vogt: Basically you took off some of the bells and whistles.

Mindy Waldron: We took off a lot of bells and whistles from the \$50,000 to get us down to the \$25,000. Initially we wanted to go on the free route and hop on with the Fire Department but it wouldn't have benefitted us in the real time of need of doing major conferencing with hospitals, the State and that type of thing. The Fire Department would need it the same time that we would. We knew we had to do something. That is when we started with, if we are going to do it on our own, we would need \$50,000. This is a complicated thing. Everyone kind of worked through each part to determine if there was a better vendor for it and we have taken a lot of time to make sure of that. Last week we got one last competitive bid that was lower.

Darren Vogt: Can you give us, we don't need a lot of detail, what it actually does and what the benefit is?

Mindy Waldron: Sure. Again, I am no technological person but the way that I have come to understand this is when you speak internally, with our four locations, we don't go outside of the network. It operates by using an IP address. If we are to connect with the State Department of Health or a hospital here, it would allow us to do training from our sites and they would all see that. This particular equipment is needed so that we could speak with departments or agencies outside of the network. It saves us meeting times of going down there. A lot of times we have vendors for pieces of equipment who can webcast things for us so that we can see them in other parts of the United States to determine if those are the pieces that we want. Currently we can only talk inside the network. The Atos folks are not comfortable and don't allow poking holes in the network to allow external calls to get in or us to get out. We need at least five lines and we need an expressway to make that happen. Other departments have those but you can't just jump on those. You have to have your own separate pieces of equipment. In essence, it is to protect the network from any outside agencies, viruses, et cetera getting into our network and affecting everyone.

Darren Vogt: Sounds good. Councilman Buskirk.

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Roy Buskirk: I will make a motion to appropriate in Department 285, Department of Health, for Office/Computer Equipment in the amount of \$20,000.

Larry Brown: Second.

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

Roy Buskirk: I have a question for her. Have you been contacted by the IT Department as far as getting onto Accela?

Mindy Waldron: We've been on it for two years.

Roy Buskirk: So you are already on it.

Mindy Waldron: Yes. We are not fully functional yet but we are getting there. It is a daily and weekly thing to get us where we need to be. It is very convoluted with all of the different permits that we have and the types of enforcement programs that we have. It has taken a long time but we have been on it from the beginning. We were one of the first three.

Roy Buskirk: Okay. The reason that I ask is because the Board of Health has to issue permits and we are tying in several more departments to the Accela program.

Mindy Waldron: I will tell you that it has made things a lot easier in terms of us being able to see what permits have been taking place on a particular property that we might be dealing with. It has made things a little more efficient for us. In terms of issuing permits, we are not there yet for all divisions. Our goal was to be fully functional by the end of this year and four of our five divisions are.

Roy Buskirk: Okay, thank you.

Darren Vogt: Council, that leads us to the Discussion area of the agenda. Does Council want to take a five-minute break? It is 11:00, on the nose, so be back at 11:05.

Recess.

Darren Vogt: Council, we are back resuming our November 17th meeting. We are into the Discussion items. The first thing on the Discussion is names to be

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considered for expiring Board appointments. You should have a list that looks like this. These are folks that have requested to be put on some sort of Board and I have not looked at these. We are all getting them today. This is the questionnaire that we modified from the Commissioners in what they use for their Board appointments. In the interest of time, I thought what we would do is look through these and see what needs to happen. We have the Alcohol Beverage Commission, Allen County Child Care Facility Board, PTABOA, Redevelopment, Regional Sewer District and Woodburn Economic Development Commission. I will tell you that I have spoken with all of the current appointments and they were all understanding if we wanted to make some changes. PTABOA is a very specific job duty and requirement and so we have to be careful of that one. It has a Republican and Democrat appointments that we need to make sure are correct. I spoke with Mr. Ray and he would gladly be willing to step aside. He is working outside of Allen County but still lives in Allen County. He has many other commitments and said he would be willing to step aside. Mr. Reichhart said he would like to have someone else from Woodburn be the representative on Economic Development as he was not re-elected. I spoke with former Councilwoman Johnson and she would be willing to step aside from hers knowing that the conversation had been to have a Council member on that Board. She was very nice about it and understood what we wanted to do on that. We have information on all of these, take a look at them and then we will move on them in December.

Roy Buskirk: Is it on here as to where they get this form?

Darren Vogt: Becky has that form and it will be on the website at some point in time, under County Council. Mike Green was going to work on getting that on there.

Roy Buskirk: We are going to do this in December because, in previous years, we waited until January and that wasn't good because the Boards had already met before we made the appointments.

Darren Vogt: If we have to, we can always do it at the early January organizational meeting if there are questions on some. December is the ideal time to do that and make it effective for January.

Roy Buskirk: On that PTABOA Board, emphasizing a little more that there are some requirements that at least one of them has to be a Level Two in Assessor qualifications besides one being a Democrat and one being a Republican.

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Darren Vogt: Right and the two appointments that we have now meet those requirements. I am going to jump the agenda here for just a minute. I am going to skip down to the bottom which is Redistricting. I have shown each of you a redistricted map. I have a copy of it over here if anyone wants to take a look at it again. We need to approve that at today's meeting. I think I told all of you that. Then what will happen is the Commissioners have agreed that we will have a public hearing on it so that there can be some public input. The Commissioners are the ones that actually ratify it. All we do is present that map to the Commissioners. They will take it with their maps, they have not done their redistricting yet and then it will be ratified by the Commissioners. My thought would be that if there is public input that needed to happen and some changes needed to be made, then we could come back to Council at that time. I don't think there is a big issue with our map. It is pretty simple and straightforward on the redistricting. We had to make the population even and we got it as close as we could. The new numbers come within 300 to 400 each.

Larry Brown: Doesn't this have to be ratified before December 31st?

Darren Vogt: Yes it does. We have to approve it, get it to Commissioners, the Commissioners have to do theirs and schedule the public hearing. The public hearing is not required but we thought it would be a good idea to get public input on it to make sure that we weren't overlooking anything.

Larry Brown: Sure.

Darren Vogt: With that, we would need to have a motion. Does anyone want to see those maps again? We need a motion to approve the Council districts as redistricted or realigned.

Larry Brown: So moved.

Roy Buskirk: Second.

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

Kevin Howell: When we have the public hearing it will be our map and the Commissioners maps?

Darren Vogt: Correct.

Roy Buskirk: There are some that they have to redistrict. They won't necessarily change ours, if that was your question.

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Kevin Howell: That was my question.

Darren Vogt: There should be no reason for them to change ours unless there is public input that says we did something that doesn't look right. I will be at the public hearing and all of you will be invited to it too. Let's move to the discussion of the previous action on Judges and Sheriff Deputies' salary and the two positions within the General Fund and the User Fee Fund. Council, we had some discussion on that. We need to make some salary ordinances amended.

Roy Buskirk: Tell me what we need to do. We need to amend the salary ordinance but do we need to also remove the two votes that we took before?

Darren Vogt: All we need to do is amend the salary ordinances. I have them right here. We need to read the salary ordinances that are here before us but the only one that is not here is where we took the two positions out of the General Fund.

Roy Buskirk: We don't need to change that.

Darren Vogt: We don't need to do that, no. That is something that we need to have the discussion on.

Paul Moss: Move for approval of the amended salary ordinance for 2012, consideration of a salary ordinance amending the pay for employees within the budget, with this attached sheet for Judges and Magistrates.

Tom Harris: Second.

Darren Vogt: We have a motion and a second. Is that for both?

Tera Klutz: It is for the Judges and Magistrates for their supplemental pay only.

Darren Vogt: Okay. We have a motion and a second. Is there a question?

Bob Armstrong: In this process of opinion that we got, the only way that can be changed is how? How is that put that it can be changed?

Darren Vogt: There are basically two ways that the Judges' salaries can be impacted. One is if a new Judge is elected. That is pretty simple. Judge Davis was just elected and we could have done it at that particular point in time. The other one is still probably questionable but if they receive a bump in pay, a pay raise from the State, we could reduce that salary at that specific time

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by the raise and take away the \$5,000 so that there is no decrease in pay. Does that make sense?

Roy Buskirk: Any increase in pay that they would receive from the State we could reduce our participation up to the \$5,000.

Bob Armstrong: And, the \$5,000 for the Judges and the \$4,000 for the Magistrates, where is that coming out of? Is that coming out of the Commissioners or General Fund, where does that money come from?

Darren Vogt: General Fund dollars.

Tera Klutz: That is a good question because it was approved in the budget in the Commissioners' Health Insurance. If you want to give the money to make them whole, you would have to do a transfer in 2012. It would be unappropriate and appropriate between departments.

Larry Brown: The paperwork that I have only covers Magistrates.

Tera Klutz: The one that you are going to sign has all of the Judges. There was a mix-up where they only had Judges and I said they needed to include Magistrates and only a copy of the Magistrates was included. It was just a miscommunication and so I just wrote at the bottom that says all of the supplemental.

Darren Vogt: **Is there any further discussion? All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** We have another one on the Sworn Officers Pension Contribution.

Paul Moss: Move for approval of an amended salary ordinance, consideration of a salary ordinance amending the pay for employees within the budget of the Sheriff's Department, 100-0501-421, Sworn Officers Pension Contribution shall be calculated at three percent of the Officers gross pay each paycheck.

Larry Brown: 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 6-1(Armstrong).** Council, there was also some discussion regarding the salaries that were removed from the General Fund and put into the Judges Fund. Is there any further discussion on that item?

Bob Armstrong: That is...

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Roy Buskirk: ...the Probation Officers.

Bob Armstrong: We are rescinding that or what are we doing?

Darren Vogt: That is for discussion right now.

Larry Brown: I think that we need to. The reason that I say that is so that we can re-establish, I keep going back to what Councilman Moss said, our credibility. I am in favor of rescinding what we did.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: Judge Gull has stated that she has funds available to cover the two additional salaries from Court Fees. We have asked Department Heads to please cover any additional expenditures in their departments if they have fees available. That is what this case is.

Darren Vogt: Councilman Moss.

Paul Moss: My concern at the time and my concern right now is trying to keep the process as clean as possible for lack of a better term. We went through a budget process and Department Heads and everybody were here and made their case. We asked a lot of questions and made some appropriate and difficult decisions. To do that, after the fact, was troubling. I am being redundant but with that in mind, I move that those two affected positions go back to being funded by the General Fund.

Tom Harris: Second.

Tera Klutz: As originally submitted.

Paul Moss: As originally submitted.

Tom Harris: I will second that. I will throw in the idea that it is my hope and plan that we continue to work with the judicial system and help in their work to become more efficient for the County as a whole. We are going to do that and I am convinced of that. The example today of Judge Gull coming forward presenting some ways for them to become more efficient is an example of their continued effort. That is why I am going to second that.

Darren Vogt: Is there any further discussion?

Roy Buskirk: Yes. I am completely amazed with Councilman Harris' comments in the fact that he sits on the Personnel Committee and basically

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the Personnel Committee was threatened by the Judge if only we gave pay raises to nine of her Probation Officers, she would then pick up the additional cost out of these fees. This is something that we have asked Department Heads to do since 2002, to please step forward and pick up additional cost in your department that you can pay for from ongoing fees. They have lacked to do that.

Darren Vogt: Councilman Harris and then Moss.

Tom Harris: I just want to reiterate, and Councilman Moss kind of made that point. There is a process for this and we had that debate and discussion. Part of their process was to say that they are willing to do some things on their end if we did some things on our end. We doubled back and did something at the last minute that I did not feel good about. That is where I am at.

Darren Vogt: Councilman Moss.

Paul Moss: Roy, conceptually, I agree. I think we are all in agreement on that. It really is troubling and I think it is going to cause long term affects that would be very negative and cause some real problems in our next budget hearings if we don't do this the right way and try to maintain the credibility as Larry mentioned. Conceptually, I think we are all in agreement that we want to do exactly as you state. It just didn't work out very well.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: No comment.

Darren Vogt: Are there any further comments from Council? We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 5-2(Armstrong and Buskirk). With that, we will move to our continued discussion on House Enrolled Act 1007 and the tax abatement process. Before we start the tax abatement discussion and this specific form, we realize that there are two different things we are working on. One was that we had discussion, separate City and County committee set up, to talk about tax abatements and the new House Enrolled Act 1007 and what we can do as a County to increase the average wage in Allen County. That is one discussion that we need to finish and ratify so that the Department of Planning Services folks can move forward and the Alliance can move forward with that tax abatement process. The second part is going through the application process to make sure that the questions and all of the things that are on there is still what we want to have. We got to page two before. We will need to move much more rapidly on that going forward. Let's first focus on 1007 and then we will go to the tax abatement application. Are

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there any questions on 1007 and what we are doing with tax abatements for the Super Abatement? Scott, do you want to reiterate that?

Scott Harrold: I wasn't involved in all of those discussions but basically what it would allow is for a company that pays 10% more of the occupational category, for each of their positions, would be eligible for a better schedule where they get 100% deduction for the first five years of the abatement. It then phases in from that.

Darren Vogt: I think that is pretty much it. It is pretty simple, cut and dried.

Scott Harrold: If you all are comfortable with that, we can bring back a resolution to formally approve it at next month's meeting. We didn't have anything prepared for this month.

Darren Vogt: Councilman Harris, you had a question on it?

Tom Harris: I can't recall how that was last month but we talked about the possibility that it could somewhat hurt existing or be a challenge to existing employers. The thought was to get it in front of the Chamber of Commerce and see their thoughts. Has that happened?

Darren Vogt: I did and they are fine with it as long as everyone who was onboard with it, even local companies, could apply for it and get it then there wasn't any real issue. They can all apply and get the same abatement if they were expanding and the jobs they were creating were over and above then they didn't have any problem with it. If there is no further action, what we will have Scott do is draft that resolution for us to move forward on.

Scott Harrold: Basically, over the years we have approved various procedures and this would just be amending to add this into your procedures.

Darren Vogt: Councilman Moss.

Paul Moss: So it is just an option for us. It is one thing that we can do. I guess as I think about this, it is very difficult for me to decide whether the current abatement structure, moving to this, is actually going to help and incentivize people to have a higher average wage. Or incentivize those employers to come here more than it currently is. Is anyone else conflicted about this?

Larry Brown: I look at it a little differently. There is that group of businesses that are mostly higher tech and higher paid. Maybe their workforce is specialized and hard to come by. As they shop around the country for a place to be and with today's internet, most of them don't care where they are at.

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Location doesn't mean too awful much. Since we don't have mountains and sand to wiggle our toes in, it is just another tool in the toolbox. The typical rust belt manufacturing doesn't apply.

Paul Moss: I agree. The thing that I am conflicted about is the pie is only so big. One of the things that I have heard consistently, in my time on Council, what are you doing? I wish there was some sort of an offset or effort legislatively or even locally to try to figure out some way to better support via lower tax burden, smaller employers. There are a whole lot of them that have been in this community for a long time that are just getting crushed by property taxes. That is my concern. I agree that this is a nice tool but it is very difficult for me when I hear that more consistently than anything else I hear.

Larry Brown: I share your frustration however I will say that if the small employer can and wants to put the time into finding what those opportunities are, whether they are enterprise zones or whatever, they are out there. When you are a two, ten, twenty-five man shop, who's got the time? In the big scheme of things, at the time that you are at that level of trying to find location and things like that, it's not real important.

Paul Moss: There are a lot of them out there that don't qualify for any of the things currently available.

Darren Vogt: I don't disagree with your point. I think that the issue that we have to look at is what tool we have and we have a tool that the State Legislators have given us. How are we going to implement that tool? The only thing we can control, at this point, is the tool in front of us which is what we've got to deal with. To that point, let's go to Buskirk and then Harris.

Roy Buskirk: In Paul's last comment there, what items are available for someone coming in new that are not available for an existing business? That is where I am a little confused about.

Paul Moss: How do we abate an existing business? Let's say that someone has been in the community for twenty years, a small manufacturer with twenty employees. They are not in an enterprise zone et cetera, et cetera. How do they get an abatement?

Roy Buskirk: How do they get an abatement?

Paul Moss: Yes, they are coasting or struggling to stay. They are not adding jobs put just trying to maintain. Their tax burden has grown and has partly

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grown because of us squeezing that balloon through abatements and forcing someone else to make up for it.

Roy Buskirk: We are not squeezing through abatements. Abatements are only on the additional asset value that they are building. We are not reducing even if they are buying bare ground to put a manufacturing facility on. The taxes on that bare ground are not reduced.

Paul Moss: I understand that.

Roy Buskirk: The existing business can through additional equipment, improvements to their existing building they can get tax abatements on it. I can see possibly if it was a small addition or a small request for tax abatement that the fee, I believe is \$500, could be reduced. I would be in favor of something like that. The existing business has all of the opportunities that a new business has.

Paul Moss: I understand that. I am talking about a business, there is not a lot of investment right now because of the economy and all I am saying is that there are a lot of companies out there that aren't able to invest in new equipment and new employees. They are just struggling to stay above water. A lot of that is for a variety of reasons but the tax burden is part of it. What can we do to support them? The two examples that you just mentioned about being eligible with new equipment or employees, there are an awful lot of small companies that are not in that position.

Darren Vogt: Let's make sure that we focus the conversation. I don't disagree with you. The one way that we can do it is to make sure that we are spending as little of tax dollars as we can to reduce that overall tax rate which is what goes into the tax burden. Right now, we have before us 1007, the tax abatement structure that we have. I've got Harris and then I've got Brown.

Roy Buskirk: The thing, I guess, would be having some kind of tool so that we could reduce existing property taxes. We don't have a tool available for us to do that. That would have to go through State legislation or something.

Tom Harris: I agree with that comment. Maybe there are additional tools that we can add. Councilman Brown, you mentioned the idea of a toolbox and I firmly think that is what this is all about, having another opportunity to assist in growing jobs in this community. The challenge is that it doesn't become the norm. That this new abatement process doesn't now become the norm and that every one that comes before Council is set up that way. How do you differentiate? We will have to make sure that we come up with some kind of a system to differentiate between someone that wants to do that and

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have the full amount in terms of the timeline. I just wanted to keep that in mind as we go forward here.

Darren Vogt: Councilman Brown.

Larry Brown: Quickly, a comment that I wanted to make in regard to Paul's remarks is that I think part of the problem is so many people do not understand tax abatement. The term itself is totally wrong. It could be tax deferral.

Darren Vogt: Phase in.

Larry Brown: Abatement is only available to new, expanded or added, whether it be property real or otherwise or employees. That is just the name of the game. That is the way that it is. I understand what you are saying. I am one of them.

Paul Moss: You state it very well. You really do and my point is exactly that in reverse. What do we do about the existing employers?

Mark Royse: One item that was discussed at the last Legislature was to remove, just as they did with the inventory tax, the tax on personal property. I don't know where it is going into the pipeline in this session but that might be something to talk to Beth Lock about.

Tera Klutz: I can actually speak to that because I did some analysis. That is \$48 million for Allen County. I am not saying that you may not want to take that perspective but at this point with the caps, the County only had to cut \$5 million. The City had to cut substantially more because the caps affect them harder. We would have to bring an alternative method of providing revenue or provide lesser services. At that point, if you cut personal property, you would be looking at offering some services and not offering others.

Paul Moss: Is that \$48 million of assessed value?

Tera Klutz: No, dollars.

Roy Buskirk: Dollars collected. The other thing is that the current legislation that is being introduced is the possibility of it being a County-by-County situation.

Mark Royse: That is just as the inventory tax was.

Roy Buskirk: This, they are talking that it could be County-by-County.

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Tera Klutz: The difference was that when the inventory tax kicked in, the taxes were shifted to other property types. Now, with the caps in place, there is no shifting. There is just a direct loss to local governments.

Darren Vogt: The loss is okay as long as you have the spending down low enough.

Tera Klutz: Yes, you either have to have more revenue to replace the loss or reduce spending.

Darren Vogt: And that could mean reducing services. The scary part for me is, if this is County-by-County that bigger Counties are at a huge disadvantage over smaller Counties. We may need to watch the legislation to see how that shakes out.

Roy Buskirk: There are several Counties that tax caps have had no affect on. As a matter of fact, Wells County has no property that is affected by the tax caps.

Darren Vogt: Council, I want to move to our additional discussion. Are there any issues with what we have presented so far for 1007? Okay, Scott, get that put together and we will move from there. Let's turn our discussion to the form that we have. I believe we ended on page four. The question here is, are we capturing the information that we want to capture on a form that is useful to us, as a Council, and beneficial to the staff? I think we got down to "impact on existing business, will this project be in competition with local businesses?" Are there any problems with that question? I don't hear any I am leaving it and moving on. Real estate tax abatement, we talked about permits and what kind of permit that had. Councilman Brown, you were intimately involved in that. What is a permit and where does that classify in? I don't know where we left off with that conversation.

Scott Harrold: I think we were going to change the wording to "Allen County Building Permit" or something to that affect.

Darren Vogt: Make it more local.

Scott Harrold: That is really in there just because of State law requiring that you cannot apply for abatement if you have already pulled the permit.

Darren Vogt: And we can waive it if we do know that they did it. Moving to page six, are there any questions on there? This is where we did not get to at all. It is pretty straightforward. Question 38, has equipment been installed?

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Roy Buskirk: Isn't that almost like the building permit issue? If you already have the equipment,...

Scott Harrold: That is also another one from State law that says if it is installed, you can't get an abatement. Installed has a meaning of being operational and producing product. You can actually have it sitting there and even test it but it is not technically installed.

Tom Harris: Technically, when is it installed?

Scott Harrold: Once it is operational and making product for sale.

There was a loss of some of the conversation due to recording issues. Recording resumed with the Council talking about the Tax Abatement Development Fund.

Roy Buskirk: I think we need to keep it because you do have some corporations that really step up and Vera Bradley is one that we recently gave a tax abatement and they are doing a ten percent benefit. They agreed to voluntarily give us ten percent and it amounts to a substantial amount.

Mark Royse: Our biggest contributor is Lutheran Hospital.

Darren Vogt: The thing I would like to see us do, if we are going to look at that fund, is to set some parameters on what that money can be used for. Then we can say that this is what we are doing with the money and it is not just a fund that sits there. We hadn't used much of it until the last couple of years. Now there is some track record, if you will, so that companies can see what it is and what we are doing with it. Maybe we can define what that is in this so that companies understand more of what this fund is for. It doesn't really spell it out here. If we can go in and put some concrete of what we are doing with this fund that might help benefit and make people want to put in more if they know it goes to a cause that could eventually help them on down the road.

Roy Buskirk: It has been used for extending utilities to new sites or whatever.

Paul Moss: I certainly think it should stay in there.

Darren Vogt: Okay. Is there anything else on it? Are there any other questions on the form? If not, I am going to dismiss these two guys. You will clean up that form for December and have the resolution as well?

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Scott Harrold: Yes.

Darren Vogt: Thank you very much for your efforts. Council, I have to find my agenda. I do believe that I have a couple more things on there. Council, as you know, we have a residence in the Citizens Square Building. It is furnished with one big round table and five chairs. The last time I counted Council, there were seven of us. What I would like to do is, we have some money in Contractual and I would like us to put some chairs in there. We can leave those five chairs in there but I talked with Chris Cloud and there are no other chairs to have. I would like to buy some chairs and maybe a desk and we need to get a printer so that if there is something we need printed during a meeting, it is there. I have not worked with Purchasing on it because I wanted to get Council's blessing and then we will go from there.

Tera Klutz: If you guys agree with that, Becky can work with Purchasing and then we can get the cost and everything to have it before you as unappropriated and appropriated in the Capital line for the December meeting.

Darren Vogt: I am going to let the Auditor's Office figure out what the least expensive chairs are that will fit around the table.

Larry Brown: What is the purpose of this room?

Darren Vogt: It is for us to have meetings in, meet with liaisons in and meet with the public if we need to. It has been designated as our Council Office. There have been several times where I have had meetings at my business office and it would have been good to have them down here.

Paul Moss: Where is this office?

Darren Vogt: It is around the corner where the State Board of Accounts is and the DLGF. We need to have a key to it. It is locked.

Tom Harris: I would propose that we get the key before we spend money on the chairs.

Darren Vogt: You can get in. You just can't get in through the outside door.

Roy Buskirk: Kevin, you mentioned about the public. If we get seven chairs for the table, we will have five for the public to sit on. Don't schedule too big of a meeting.

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Darren Vogt: It is not designed for a big meeting but if we are meeting with Department Heads or we want to have a committee meeting, it would work. Councilman Moss.

Paul Moss: Does the City Council have office space of some kind?

Darren Vogt: Yes, up in the corner.

Roy Buskirk: They have a staff.

Paul Moss: Why don't we figure out a way, or is there a way, to share their space? I am a little surprised quite frankly, with all of the discussions that they left that out of the equation and that we have a table with five chairs.

Darren Vogt: It was empty until I begged for a used table and chairs.

Paul Moss: That is kind of ridiculous, actually. I have not been to the City Council Office. If I was to take a wild guess, I would say that they are probably better furnished.

Roy Buskirk: They don't really have much of a room in there as far as meeting with people.

Darren Vogt: We could not share the space that they are in right now. They basically have an entryway, two offices and one other room. Our space is probably about the same.

Paul Moss: We could share both of them. My main point is just the sharing of the resource.

Darren Vogt: I think they would have enough room to do something, if they wanted to. Councilman Howell.

Kevin Howell: Would the copier be in your office or over here?

Becky Butler: Over here.

Tera Klutz: Yes. It would have to be hooked up to the network so that we can print from there. Oftentimes you guys want things especially during the budget sessions.

Roy Buskirk: Are you talking about a copy machine too?

Darren Vogt: Some sort of all-in-one machine, if we can find a used one.

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Tera Klutz: Bob would know.

Darren Vogt: We just had the auction. That is the only bad part about it.

Larry Brown: Maybe we should take the lead from the City and get I-pads.

Darren Vogt: Okay, one of the other issues that has come up on our legislative agenda is the Right to Work legislation that is potentially coming out in this session. We don't know if it is or not. I wanted to bring it to your attention and have Council consider supporting it. I know that we have had various conversations but not as an official body on it. The Alliance has supported the Right to Work. The Regional Partnership has come out and supported it. I think it is imperative that we do the same thing as a body and send a letter to our local delegation saying that we support the Right to Work. I pose that to you as a question to see if that is something that we want to draft the letter to support that. We can ratify that at the next meeting if that is something that you want to do. I will open that up for discussion.

Larry Brown: I don't know that we need to wait. In my opinion, it is a very positive thing for the State. It puts us in more competitive situation with other States as we become not only regional but global economy.

Darren Vogt: Councilman Harris.

Tom Harris: I would just add that as we represent all of the unemployed citizens in this community, it is imperative that we look at ways to provide options and opportunities for business growth so they can be employed.

Roy Buskirk: I thought that we were already on that in the legislation that the Council and the Commissioners had put together.

Darren Vogt: It is on the platform but not as an agenda item. My suggestion is that we actually draft a letter and send it to our local delegation.

Paul Moss: A resolution of support.

Darren Vogt: Yes. If there is no objection to that, I will work and get that drawn up.

Bob Armstrong: Do we meet with our Legislators?

Darren Vogt: December 8th, I think it is. We will have that meeting and be able to give it to them. If we agree, at this point, I can circulate the letter for

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approval and get that out to have ready for them at that meeting. They may not all make that meeting either.

Larry Brown: December 8th at 4:30.

Roy Buskirk: Room 30.

Darren Vogt: Is there any public comment?

Tom Lewandowski: Tom Lewandowski, Northeast Indiana Central Labor Council representing the unemployed and anxiously employed workers initiative. One comment that I would like to make is regarding all economic development tools. I heard you talk an hour or two ago about the agreement between the City and the County. You had a lively discussion about defining your terms of the agreement and measuring that, verifying it and eventually trying to enforce it. That is the kind of process that we would like to see brought to any economic development. Otherwise we think that we end up with empty promises and empty wallets. Even with the discussion about the new 1007, if there is no way to verify, many of our discussions become theoretical what-ifs. We need to be able to account for things. We need to be able to define what a job is, what is payroll and we need to be able to come up with a process where we can actually measure rather than speculate. If we can start moving down that road, we are going to get a lot more light and a lot less heat. I wanted to lay that out there. We have to be able to do better than we are doing.

Darren Vogt: Thank you for your comments. Council, are there any other discussion items? Does anyone else have any upcoming meetings or liaison discussions?

Roy Buskirk: The Permit Committee will meet in the morning and will be going over the purchasing agreements with the Program Manager and hope to have it before City Council on a week from Tuesday. It has to go back through them a little bit differently than our approach, after the contract is signed, for them to approve the contract. We are moving forward. I know it is not as fast as some of us would like but we are making progress on it. I appreciate the Board of Health's comments on the fact that even though they have been on the system. We are working with them to get them on the system better, I guess you would say. I think it is a total of 19 departments that will be on the system when we are done. This will give any of those departments and the general public can go in and put their permit number to find out which department it is in and how long it has been held up there and how to get it through quickly.

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Darren Vogt: Are there any other comments or upcoming meetings? We need an approval to waive the second reading.

Larry Brown: Move for approval to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of November 17, 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 December 15, 2011.

Darren Vogt: We need a motion to adjourn.

Bob Armstrong: Move to adjourn.

Kevin Howell: 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

There being no further business, the meeting was adjourned at 12:04 p.m.