

ALLEN COUNTY COUNCIL MEETING MINUTES
OCTOBER 20, 2011
8:30 AM

The Allen County Council met on Thursday, October 20, 2011 at 8:30 am in the Discussion Room at Citizens Square. The purpose of the meeting was for approval of the 2012 budget, 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: I am going to make some minor modifications to our agenda in an effort to allow those Department Heads and Elected Officials to get through their business that they have before us and then I will come back to the regular agenda. I will take the 2012 Budget Approval for Solid Waste and the Fire District and Council toward the end of the agenda, after the Discussion Items. Today is a special day and we need to say Happy Birthday to our Auditor.

Tera Klutz: Thank you.

Darren Vogt: We have a financial report.

Tera Klutz: Good morning. This is a very nice discussion area. I like this better than the Chambers. We are three-quarters of the year through and our revenues are tracking at about 70% instead of 75%. We have held a little back in reserve in case we don't collect all of the property tax that we expect to collect. Larry?

Larry Brown: I was studying that and there are some, most of which you have an explanation for, are there any that concern you that we should be aware of?

Tera Klutz: No.

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Larry Brown: Okay. Some, we may not get to the 100%.

Tera Klutz: Right. Immediately, in the spring, we withheld some of our cash back. That is not usual for us but with the trends that are happening and when the property taxes were calculated which doesn't happen until the spring of the year that we are supposed to collect them, that is the first time that we get to see what the Circuit Breaker is and how much loss in revenue there is. With seeing that, we withheld about \$1.5 million in cash reserves that we are holding just for this year in case our revenues do not meet expectations.

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

Roy Buskirk: On the Vehicle Excise Tax, their payment is in October. When is it in October?

Tera Klutz: I believe it came in the first week of October. It just depends on when we can get the information from the BMV, calculate it and distribute it to the units. But it is my understanding that we have already received that.

Roy Buskirk: But that is not in your number here.

Tera Klutz: Right. The numbers are as of close September 30th.

Darren Vogt: Council, are there any further questions? I look for a motion for approval of 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. The Allen County unemployment rate for August is 8.5%. I am going to ask if we can maybe modify this a little bit and compare it to Indiana and the national average.

Nick Jordan: For August, it was 8.7% for Indiana and 9.1% for the national.

Darren Vogt: If we could in the future, get that on the agenda that would be great. With that, we will move to Economic Development. We have a resolution before us for Vera Bradley Designs.

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Nikki Liter: Good morning, Nikki Liter with Allen County Economic Development. Vera Bradley is here today requesting for their real and personal property. According to our point system, they qualify for ten years for both. Their project involves an investment of about \$15 million in the expansion of their distribution facility on I69 in southwest Allen County and another \$7.5 million in new equipment. This is projected to create about 125 new jobs with annual salaries of about \$4 million. With the life of the ten-year abatement, they can expect to save around \$1.7 million. You have, for your consideration, a resolution to approve their Statement of Benefits. We have a whole crowd here representing Vera Bradley but speaking on behalf is John Burda and Mike Philbee. They are going to tell you a little bit about the project and then if you have any questions, we can answer those.

Darren Vogt: Gentlemen, go ahead.

Mike Philbee: I am Mike Philbee, Facilities Director for Vera Bradley. This project is an expansion of our distribution center. It is 200,000 square feet that will increase our warehouse storage, dock space and our staging area for our retail and E-Commerce business. This project will basically attach to the existing building and move south and will take care of that end of the property.

Darren Vogt: John, did you have anything that you wanted to add?

John Burda: No, I don't.

Darren Vogt: Okay, great. Council, are there any questions for these two gentlemen or Nikki?

Roy Buskirk: I have a question. One of them is on your employment. There have been some questions in the fact that they are hired or retained through a temporary service. My question is, after 60 days, six months or whatever, do quite a few of them become permanent employees at the corporation? Many corporations are using temporary services now because of the legalities on dismissing an employee.

Melissa Schenkel: We do hire many people without the temporary agency however the majority of those working in our distribution center are hired through a temporary agency in the beginning. Then they do rollover after six months or up to a year. It depends on our demand at the time and because our demand fluctuates, it gets much higher around Christmas or at the four different seasonal launches. At all times, we have X amount of people that are temporary workers; however, our employment rollover happens about four times a year. Does that answer your question?

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Roy Buskirk: Yes. If you know me, that always leads to another question.

Darren Vogt: Could you introduce yourself please?

Melissa Schenkel: I am Melissa Schenkel and I handle Public Relations for the company.

Roy Buskirk: On the wages that you show on here, is that what you are paying a temporary service or is that actually what the employee gets?

Melissa Schenkel: That is what the employee gets. No temporary employees are included in these numbers. We actually have about 350 temporary employees throughout the entire company, at this time. The 850 are actual employees and we are providing employment for an additional 350 people on top of that.

Roy Buskirk: The only other comment that I would make is that Vera Bradley is a very outstanding corporation in the community and I very much appreciate the fact that you are giving 10% of the savings back to the County so that we can further expand our economic development packages.

Darren Vogt: Council, are there any further questions? Councilman Harris.

Tom Harris: This is a cross between a question and a comment. Just to verify, the 125 jobs will pay between \$25,000 and \$30,000 is the case, right?

Melissa Schenkel: Correct.

Darren Vogt: Council, I will add that in our discussion time, we have some things that we are going to talk about that involves temporary employees and wages and things like that. Council, are there any further questions?

Paul Moss: Move for approval of the resolution approving a Statement of Benefits for Vera Bradley Designs, Inc.

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. Thank you. Council, we are going to skip the budget and move down to the Sheriff and the Jail.

Nikki Liter: Are we doing the analysis?

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Darren Vogt: Oh, I'm sorry, you are right. Nikki, go ahead.

Nikki Liter: Once a year, especially for the newer Council members, we do a tax abatement analysis. That just looks at the previous year's tax abatements. We are looking at 2010 pay 2011. As you all know, by State law we can grant tax abatements anywhere from three, five, seven or ten years. Those are all designated by a schedule. In Allen County, the tax abatement program started in 1982 and as of December last year, we have granted around 266 tax abatements in unincorporated Allen County. Of those, companies have invested a little over \$2 billion so far. Tax abatement is, generally speaking, about the only form of assistance that we give to companies to come here or those who want to retain their business. When you are looking at tax abatements, those tax deductions compared to all other tax deductions that are given to other property owners, tax abatements only count for about 1.7%. As you looked through your update, you will notice that 2010 was a slow year. We only granted six abatements and four of them were in the City of New Haven. Compared to what we have done so far in 2011 that seems to have turned around quite largely. We are hoping that 2010 is one of those last down years of the economic recession. If you include the commitments that General Motors made at the end of the year, looking at some percentages, our investment in personal property rose by over 500% from 2009 to 2010. Investment in real property fell a little bit by 36% for those same years. We also saw an increase for 2009 to 2010 for jobs retained and created. Retained rose by about 12% but created jobs rose by 225%. In 2010, we had more companies locating here. We also look at the tax abatement contribution fund. A company is asked, on our application, if they want to contribute part of their savings back to our fund. That was begun in 1992. They can contribute anywhere from five to ten percent. A lot of times we don't always get that but it is completely voluntary. In the 2010 pay 2011, we had nineteen companies that were receiving a deduction and had contributed or offered to contribute. Out of that nineteen, fourteen actually sent in their contribution and it totaled a little over \$97,000. The good news is that in 2010 of those six companies that we provided abatements to, two of those did sign up for voluntary contributions. Once their abatement kicks in, we will start sending out the invoices. I do that around August. Other than that, just a side note, tax abatements are still going strong. It has been a great resource for us to help retain and bring companies to Allen County. As Councilman Vogt said, we will be talking a little further about House Bill 1007 at the end of the meeting today to further discuss what we might be able to do. If you have any questions, I will try to answer them.

Darren Vogt: Council, are there any questions?

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Tom Harris: Maybe a general question. The abatement process is one incentive or one process that incentivizes companies to come to Allen County. The trend in that process is it still abatements across the country or are Counties and communities doing other things? Are there other trends that are starting to happen? The reason that I ask that is that we are now competing internationally for jobs and we have to stay on the cutting edge in terms of driving those incentives. What should we be thinking about besides and beyond abatements?

Nikki Liter: From a staff point of view, some of the things that we are doing beyond abatements and working well is, I can't speak for the Elected Officials as to what they should or should not do, we have done some things through bonds. There are some other things out there but generally speaking the first thing that a company looks toward is abatements. From there we use the Allen County Economic Alliance to also further the negotiations between the companies and County officials.

Tom Harris: So infrastructure and land development?

Nikki Liter: I think a lot of companies expect infrastructure whether or not it is affordable is different opinions.

Darren Vogt: I will add that we are going to have a pretty in depth conversation, or I hope to have, in a separate meeting to talk about that. Are there any other questions? We don't need to officially approve this. It is just a report, right?

Nikki Liter: Right.

Darren Vogt: Council, this is an ongoing thing that we get every year. Thank you and we will see you back in a little bit. Now we are ready for the Sheriff and his request to transfer some funds.

Ken Fries: Good morning Council members. Kenny Fries, Sheriff of Allen County. Nick do you want to take this?

Nick Jordan: I will handle the transfer form. Essentially this is a transfer between series in the Sheriff's General Fund for the Consolidated Communications Partnership which is known as the CCP. As of August 14, 2011, County Dispatch became CCP employees under the City payroll. As of August 31, the County quit paying the majority of expenses for County Dispatch. Essentially what we are taking is the 2011 budget minus expenses, as of August 31, and transferring the remaining funds to the City to continue paying the expenses for CCP.

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Darren Vogt: Council, any questions?

Roy Buskirk: I have a question going forward on the combined communications. Where are they going to be getting their funding from?

Ken Fries: From both the City and the County. My hope is that next year, we get it out of our budget. It shouldn't be in the Sheriff's budget anymore. It is an entity of itself and the CCP Director should come to both City and County Councils and say that this is the money that we need to operate after it is approved by the Operations Board.

Roy Buskirk: Some of the funding for that is the 9-1-1 fees on our land line phones.

Ken Fries: Correct.

Roy Buskirk: And also on the cell phones.

Ken Fries: Correct. It is all part of the inter-local agreement between the City and the County that was signed in 2008 or 2009.

Darren Vogt: Councilman Brown.

Larry Brown: Nick, you went through that real quick and it is early for me. Did I understand that in the movement of these employees, wages and benefits are under City payroll now?

Nick Jordan: Benefits, as of January 1, 2012, will go to the City. As of right now, they are still under the County and that was with the intent that nobody is hurt in the transition or takes a loss in benefits.

Darren Vogt: Councilman Moss.

Paul Moss: Just to expound on his comment a little bit, how many FTE's total are there in that department?

Ken Fries: FTE's?

Paul Moss: How many full-time employees are there?

Nick Jordan: City and County?

Paul Moss: Yeah.

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Nick Jordan: I think there are approximately 80.

Ken Fries: Seventy to eighty.

Paul Moss: Of those, is it about fifty-fifty?

Ken Fries: No.

Nick Jordan: Nineteen came from the County.

Paul Moss: Is it safe to assume that those employees, their salaries and benefits were lower than those from the City?

Ken Fries: Yes. Most of them got an increase. There were some in supervisory positions that took pay cuts.

Paul Moss: How did that net out in terms of cost?

Ken Fries: I don't have the exact number but it cost more.

Tera Klutz: For 2011, it is costing us no more money because we are giving them exactly what we budgeted for those County people.

Paul Moss: The City is making up for it. It doesn't matter; it is all coming out of someone's pocket. My point is that this is another one of those things that I thought was to be more efficient.

Ken Fries: Council, I told you from the beginning what was going to happen.

Paul Moss: I know and there are certainly people around this table, me included, were well aware that this was going to happen. That is why we expressed some of those concerns at the time.

Ken Fries: My biggest concern was that it was going to cost more money and it wasn't going to get a First Responder there any faster. If it cost more money and saved lives, I was good with it. I don't know if we have the exact number but I think the total if you are looking at the budget and the 9-1-1 fees was around \$1.8 million. It's because they are taking 9-1-1 fees and paying for stuff that hadn't been paid for before. The City had paid for it out of their budget but now the County is going to pay for it out of the 9-1-1 budget. I think the actual cost, per year, was a couple hundred thousand, maybe.

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Paul Moss: No sense in beating a dead horse at this point in time. It is what it is. I think we owe it to people to make sure that they understand the number. It shouldn't be very difficult to identify the additional expense as a result of breaking down the glass wall.

Nick Jordan: If you just look at the salaries and benefits from what they were at the County and to the City pay scale, it is approximately \$35,000 to \$40,000. That was with the intent I think Tim said, that they were moving to a Dispatcher III level compared to being Dispatcher I or II. You have to take that into account too. They are not staying at the same Dispatcher levels. Dispatcher III opens them up to being able to do more in regards to calls.

Ken Fries: They had it set up before with Dispatcher I, II and III where if a Dispatcher III was sick and couldn't come to work, you couldn't have a Dispatcher I or II come in and replace them. You had to get a Dispatcher III to come in and pay them overtime instead of moving someone to a different position if he was working. It is going to be all flat-lined at Dispatcher III which is the highest level to be trained to so that if someone calls in sick, they can move from one position to another.

Darren Vogt: The City had I, II and III set up and not the County.

Ken Fries: That is correct.

Darren Vogt: I am going to interject a couple of questions before we get too far off track for that part. What was done to determine the salary of the dispatch position?

Ken Fries: Basically the MOU that was signed by the City and the County said that no employee shall be harmed in the transfer. Having the attorneys look at that and it said that you had to take the best benefits package in the MOU. The City had the better benefits and better wages and so that is what they went to. It didn't happen with some of the Supervisors. I think we had one that took a \$10,000 pay cut.

Darren Vogt: The MOU said specifically what? Benefits are not the same as salary. Here's my concern on the combining of dispatchers was that we actually took the time to analyze the position and to figure out how much we needed to pay. Not just arbitrarily take it to the highest paid position. That is the problem with government when we make decisions that this person is getting paid a higher amount and we are going to raise everyone up to that position. I am not blaming the Sheriff in this case but that is a poor management decision by the Board and whoever is running the CCP. We have to make sure that we are making sound decisions, paying people the

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correct amount for the job and not just writing a check and making more of an expense to the taxpayer. That is not what should have been done.

Roy Buskirk: I think we are talking to the choir.

Ken Fries: Yes, you are. The MOU was signed by City Council, County Council and everybody agreed to it and all of the verbiage in it. It was gone through time and time again to get it as refined as it is. It is not a perfect document, believe me. We have been fighting with the MOU and the inter-local agreement from its inception. It was the best that the Councils, the Mayor and the Commissioners could come up with. I told them, from the start, that it concerned me because the devil would be in the details when we get down to actually doing the job. What is the affect going to be? What is the cost going to be? I think Nick has the page in front of him that talks about the employees and what they are supposed to get.

Nick Jordan: Under Personnel number 6B, existing employees who transfer to the CCP shall not suffer reductions in salaries or benefits unless they are placed in different positions or unless the City or County chooses to reduce salaries for all similarly situated employees. The Operations Board shall choose either the City or County benefit package and apply the same to all employees.

Darren Vogt: It clearly does not state that they had to move one way or the other.

Roy Buskirk: Right.

Darren Vogt: I won't beat the horse. So for 2012, you have no budget passed?

Ken Fries: The Operations Board has approved what the Director has come up with. I know it has gone to the Commissioners and I think it has been presented to City Council or maybe it is this week.

Tera Klutz: I am not sure. That is the time that you will find out exactly how much more it is supposed to cost. Who are the members of the Operations Board?

Ken Fries: It is the Sheriff, the Chief, the Chief of Police from Fort Wayne and the Fire Chief.

Tera Klutz: What happens if there is a tie?

Ken Fries: Then it goes to the MACP Board and they decide.

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Darren Vogt: There are two governing bodies, if you will, which is the best way to look at it. There are the policing agencies and then there is the governing Board. Councilman Buskirk.

Roy Buskirk: Before, 9-1-1 was in the Sheriff's budget. For 2012, where is the funding coming from?

Ken Fries: It is still in our budget.

Roy Buskirk: So we will have to transfer it out of your budget.

Ken Fries: Correct. We will probably do that at the first of the year.

Tera Klutz: We might transmit it quarterly.

Roy Buskirk: That would be better because at least we might get a little interest on it.

Tera Klutz: Or we may collect the money that is used to support it.

Roy Buskirk: My other question is I recently read in the paper where they are saying that they don't have enough space and they might have to move the 9-1-1 facility. With the relocation from the City-County Building to Citizens Square and elimination of the Print Shop, I think there would be enough room in the basement for the expansion.

Ken Fries: I know that the design down there with the hallways and the way the communication area is set up now, they are kind of pinned in as far as far as the Communication Center. They can go outside that hallway for the administrative offices. That is what we are looking at. I think that is the cheapest thing to do. I know that Lutheran made some offers to the Director that they may have space available. I said that free is good or if they want to pay us to move there and I would be more than happy to do that. I don't know that it will happen. I know the options they are looking at but my goal is if we already own the property, keep us here. That is going to be the cheapest thing to do. I think the actual Center, inside the hallway configuration, has plenty of square footage to do for them and the administrative offices can be on the outside.

Roy Buskirk: The other thing is, when you start relocating communication equipment and everything...

Ken Fries: We have towers to be concerned about.

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Roy Buskirk: ...you have a little expense.

Ken Fries: Right.

Darren Vogt: Council, are there any further questions on this transfer?

Ken Fries: What Nick is talking about is only up to line 25 and \$308,992.

Darren Vogt: We need a motion to transfer \$308,992.

Roy Buskirk: I will make a motion to transfer items one through twenty-four to item twenty-five.

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. Sheriff, you also have items 26 through 28.

Ken Fries: That is correct. We want to transfer \$25,000 from Contractual and \$60,000 from Utilities into Gasoline for a total of \$85,000. We did lower our Contractual for 2012. We lowered our budget about \$40,000 because we negotiated with our contracts.

Roy Buskirk: The savings on the Utilities is because of closing the building down on Lima Road?

Ken Fries: No, it is still operational. When we budget utilities, it is difficult to pin down what it is going to be every year. There is money left in that and so we can move it into the Gasoline fund.

Darren Vogt: When you guess the utility number, that is really what it is a guess, do you get that from the Building Department? Do they transfer through what they learn?

Ken Fries: Yes and the gasoline all came from Purchasing. They suggested what we should put in for the year for utilities and gasoline.

Darren Vogt: Okay, so tell us about the cars. I know you and I have had conversations about the new vehicles that you are driving and getting better gas mileage. I am hoping to see this gas number get better at some point.

Ken Fries: Let's hope because the new cars that we are getting have surprised me. They shut down four of the cylinders and the eight cylinders

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don't kick in until 70 miles per hour. The previous ones that we had that did that, Chargers from 2006 to now, kicked in at 35 miles per hour. The new ones, when they brought them up from Bloomington, got 27 miles per gallon. That shocked me. To have a full-size Police car get that kind of fuel economy. I am hoping that we start using less fuel. The Crown Vic's that we had before and some of the Chevy's were anywhere from eleven to twelve miles per gallon. As we get rid of those, we should see less fuel being used and a better and safer car.

Roy Buskirk: I was asked before and I don't know if you have gotten an answer about leaving the vehicles running when they weren't in the car.

Ken Fries: I need to know about that if it happens. They get disciplined.

Roy Buskirk: We talked about it and there were a couple of Council members had the question that they had seen that and that is the reason I asked.

Ken Fries: I have gotten no calls. Let me know. If we find them, they park their cars off-duty for 30 days and they get days off.

Darren Vogt: There is a process in place. Councilman Armstrong.

Bob Armstrong: The gas price that Purchasing told you to use, isn't that through the County-wide bid?

Ken Fries: Right. I don't know that we get a contractual bid with the County though.

Darren Vogt: It has been done several different ways. We have floated it, we have locked it in and I think that recently we have been floating it.

Roy Buskirk: We have done a mixture of locking in some and not.

Darren Vogt: Are there any further questions for the Sheriff on the transfer of \$85,000 from Contractual and Utilities to Gasoline?

Roy Buskirk: I make a motion to approve the transfer of \$85,000 from Contractual and Utilities to Gasoline.

Bob Armstrong: Second.

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

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Ken Fries: I will tell you that I will probably be in front of you next month for more money for medical cost at the Jail.

Larry Brown: Can you give us a generic update?

Ken Fries: We just got letters from attorneys for a local hospital requesting payment on \$104,000 of medical bills. When I checked to find out why we hadn't paid them, it was because we hadn't gotten the bills yet. The attorneys were able to get us the letters before we got the bills. That was \$104,000 that we hadn't anticipated. We have enough to cover that now but as we have more bills come in for November, we will be back. I would imagine another \$100,000.

Larry Brown: Are there any current major new ones?

Ken Fries: Right now, no.

Darren Vogt: Tera, you had a point?

Tera Klutz: I was behind but reading the County Bulletin and it mentioned that they did update the law to allow you to negotiate the rate that you pay for detainees. If I understand right, you used to negotiate that and you can again.

Ken Fries: We will try.

Tera Klutz: I am sure they want to get paid the Medicaid rate but we have a lot of different medical providers in the area and so we may be able to negotiate and now we are allowed to by law. There is our tool back.

Ken Fries: If we can do that and get rid of that pre-existing medical condition, we will be good again.

Darren Vogt: We have made that a priority to our Legislative Liaison and Commissioners that it needs to be first and foremost on our agenda for this legislative session.

Tom Harris: What was the effective date on that?

Tera Klutz: July first.

Larry Brown: Who actually would do that?

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Tera Klutz: Kenny would start it and he would either direct people on his staff or Bob Bolenbaugh to get involved. He has done that before. When he first came in, he negotiated big medical savings for the County.

Darren Vogt: Council, we did approve that so thank you very much. Council, as we have a break, if you look at the person at the end of the table, make sure that you are still speaking into the microphones. When Becky does the minutes, she is going to need to be able to hear you. Superior Court is next. Appropriate in the Alcohol and Drug User Fees Fund 741.

Jerry Noble: Jerry Noble, Court Executive Superior Court. It has been our privilege over the past several years to receive donations from various community organizations. In this case, the Zonta Club, who has made donations over the last several years, once again has done that. Specifically directed that their \$500 donation be used for treatment cost related to Drug Court clients that we have. Particularly for women who are pregnant or single moms. We come before you for that appropriation. Secondly, the Kelley Foundation has also made a sizable contribution for which we are also extremely grateful. The purpose for that will be to help offset the cost of a program evaluation that we anticipate getting started about December or so of this year. Again, we are very grateful for these community partners and we wish to thank them publicly. We simply ask that you approve these appropriations.

Darren Vogt: So the \$5,000 appropriation will probably be money that is encumbered because it will be starting in December and then rollover into next year.

Jerry Noble: That would be correct.

Darren Vogt: I just wanted to make sure that Council was aware of that. Are there any questions, Council?

Roy Buskirk: When Jerry and I discussed this, it is probably a waste of Jerry's time to have to come before the Council because these gifts from these organizations are for specific use, why do we have to transfer them out of one fund and into another for them to use? I guess that is a question to the Auditor.

Tera Klutz: Because of the way that government works, when someone gives you cash, unless you have Council's authority to spend it through an appropriation, it will just remain in your fund. It is deposited in that fund but it is in the cash line. You have a couple of options. One is that you can set up a separate fund for just gifts and donations and because it is a designated

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fund, it would not have to be appropriated. Or you may anticipate these coming forward at budget time and just include them in your budget. If you get the cash, you can spend it. If you don't, then you don't spend it. This is if you don't want to come before Council. But if you do and they want recognition, then this is the way.

Darren Vogt: Or we could work with the liaison and have them handle it for them.

Jerry Noble: I will handle it however the Council and the Auditor want us to do it.

Tera Klutz: Was it a burden for you to come today?

Jerry Noble: No, not at all.

Darren Vogt: Council, are there any further questions on items one and two in Fund 741?

Roy Buskirk: I would make a motion on it but what are you transferring it to?

Darren Vogt: You are not, you are appropriating.

Roy Buskirk: Move for approval of the appropriation for Consulting Services for \$5,000 and Treatment Costs for \$500.

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. Appropriate in 285, Board of Health Fund.

Mindy Waldron: Mindy Waldron, Department of Health Administrator. Before you today, I have two requests. One is for additional monies for Meds and Vaccines. I can explain anything that you would like and there are also monies for Unemployment through 2011.

Darren Vogt: Council, any questions? Why don't you give us a little bit of detail while they are still looking for their pages? Unemployment is pretty simple.

Mindy Waldron: Unemployment is pretty simple but hard to predict. We have been hit a little hard this year and we are expecting another claim. We are already in the red and hoping that you will approve that. The Meds and

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Vaccines, we used to have the ability to automatically take money that came to us from someone that gets medication or a vaccine. They would pay us and we would have the ability to put that directly into that line and that line no longer exists, correct? We were notified a couple of months ago that we couldn't do that. We will come before you each time to have you re-appropriate that back in. It is a bit of a circular thing.

Roy Buskirk: Just what I was trying to get rid of.

Darren Vogt: Is it safe to say that you are not spending more on medicine and vaccines it is just the process that you have to go through?

Mindy Waldron: For the most part. I will tell you that this is a little bit higher. We have to pre-spend to buy it especially due to expiration dates. We have to predict our needs and so we are buying a bit ahead because of this process. Before, when the money would come back in or someone would reimburse us, we could put that right back in. Now I am pre-buying a little bit further in advance because this is about a month to a month and a half process and we can't run out. What we have been doing is upping our budget a bit I would say \$5,000 to pre-buy these vaccines. We have a good relationship with all of our vendors and rarely does anything expire that they won't let us trade it. We are trying to be proactive because our numbers are significantly up.

Darren Vogt: Councilman Howell.

Kevin Howell: Are your costs lower because of savings by pre-buying?

Mindy Waldron: Yes, that is true. We have always negotiated all of our rates for those things and recently we have even had better savings because of changes in the State law for childhood vaccines. The vendors are even happier that we are buying it versus them going to other clinics that won't pre-buy as much as we will.

Darren Vogt: Council, are there any further questions? Not hearing any, we need a motion to approve in Health Fund 285.

Larry Brown: So moved.

Roy Buskirk: Second.

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. With that, we are at our Discussion Items. I am going to take them a little bit out of

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order. I know that Nikki would like to get back to work. We are going to talk about the County Tax Abatement Policy under House Enrolled Act 1007. Council, you should have already had some of this information to go over. I will start with a brief summary. As you recall, about two months ago, we were aware that House Enrolled Act 1007 was available for us to use as a tax abatement policy. We agreed and set up a joint effort between the City and the County to come to some sort of consensus for this new act. It allowed us to have an abatement that could be potentially as much as 100% for ten years. We had a lot of discussion and debate. They were very good and lively discussions and really good information sharing. What we have come up with is a plan that will go before City Council. I don't know what their introduction is. They have a lot of rules of first for discussion, reading and all of that kind of stuff. With that, Nikki, if you want to go ahead and go through what you have here and then we will open it for discussion.

Larry Brown: Before she starts, your beginning statement inferred that City-County, totally encompassing, where are the other municipalities that are part of this?

Darren Vogt: They were not involved in this part of the discussion.

Larry Brown: Their choice or not invited?

Darren Vogt: Not invited. Not intentionally, just didn't think through it. They will be updated. The Alliance has been updated. Nikki usually works with them when they do their tax abatement policy which follows our tax abatement policy. We can gladly include them but this does not need to have a vote today if you don't want to vote on it. This is really a discussion item and then we will bring it for a full vote at the next Council meeting.

Roy Buskirk: In following along with your question, I was one of them that served on the committee and it was the City Council, County Council and Economic Development from the City and the County.

Nikki Liter: And the Auditor also came too. I am sure a lot of you are probably familiar with this bill that was passed July first. Basically it gives you, as a County Council, the authority to change the schedule of the abatements. We were trying to look at how we would want to use it and I think we kind of wanted to take that and say that we were only going to save this particular thing of messing with the schedule and giving them more years at 100% for a business that truly supersedes what we are looking at right now. For one, we decided that the regular schedules would stay the same. We wanted to figure out a way to look at the super companies that are looking at Allen County. How can we further incentivize them? We did some

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number crunching. I passed around an example. One side shows just a regular abatement of somebody that is investing \$30 million in real property with a ten-year abatement. It is with 100% the first year and then falls down to 5% at year ten. The other side is what we came up with. We didn't want to go the full ten years at 100%. We looked at three years first at 100% and there wasn't much of a savings there. Then we looked at the five-year and did a deduction and kept it at the higher end. As you can see, the last five years are actually two through six in the regular abatement. At year ten they drop off after that 40%. At year eleven, they would owe their full amount. As you can see, that is a major savings. That example is almost \$2 million in savings. I also ran some numbers for \$15 million and that was almost \$1 million in savings. Of course, the more you invest, the more you save. The next question was how are we going to decide whether or not a company coming into the County would qualify? We wanted to base it not just on investment but also jobs and wages. The first way we looked at that was looking at the NAICS Codes. Those are just industry codes and didn't help us at all. For example, if you have a company coming to town that makes bicycles, their corporate people aren't going to fall into that industry code. We wanted to break it down and make it more specific and so we are looking at the occupational codes which are available on the Bureau of Labor Statistics. That is also a lot better because they update quarterly on the wages. What we were looking at is, if you noticed on page two of our abatement application, we ask companies to list how many people they are hiring and the different positions. On our original application, those weren't very specific either. For example, you might have Vera Bradley coming in and they put down 100 workers in the Clerical Department. That could be anything from a part-time receptionist up to the Head Supervisor. We were seeing that the average annual wage was too broad. I redid the abatement application on page two and what you will notice is, the Alliance also set this up for me to where a company can go in and click on the BLS website and they can find the average annual wage for a specific job. We want them to pay 10% more than that average annual wage. The next stipulation would be, if they are bringing in fifty different jobs in four or five different categories, we want to make sure that they are paying 10% above each category. Not just 80% of the jobs but 100% of the jobs. It doesn't really affect our point schedule. I just put a note at the bottom. After we run the points, if they are investing enough and paying enough already, they are already going to qualify for a seven or ten-year abatement. I will then look at their job wages and if they are 10% above, we can offer that different schedule and that is a bigger incentive for them. It took us three or four meetings to come up with this. We did some number crunching and looked at some different scenarios. Elissa McGauley, who works on the City things, and I went back the last couple of years on the abatements that we have been receiving and I think she only had two or three companies that would have qualified and I only had one company. It

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was still really generic because at the time we were just looking at NAICS codes. Our old applications only show very generic jobs that they are hiring. Again, we are talking with the Alliance on this to help the City and the County to market this if this is what you want to go ahead with. As far as Councilman Brown's question about the other Cities and Towns, when it comes to Cities like Grabill and Woodburn and New Haven, I do the tax abatements for them. We go to their meetings and present. The other Towns follow our policy. If this were to go through with you, as a Council, I would take it next to New Haven and get their opinion on it. They could decide if they want to go ahead with the different schedule also.

Darren Vogt: One of the key things that we were trying to concern ourselves with was the average annual wage. The average annual wage, in this community, is low compared to the national average. The average annual wage includes all types of jobs and every category of jobs. If a company was willing to take every category that they hire in and increase it by 10%, then it would eventually increase the annual average wage. That was the concept to get the Super Abatement and if they qualify for the regular abatement, that is completely separate. The other thing was to keep it simple to the point of whether the Alliance can market it. The discussion around the 100% tax abatement for ten years didn't make a lot of sense. We can have that discussion here, if you'd like. Let's open it up for any questions for Nikki, Roy, Tera or me.

Tom Harris: Initially, one comment that comes to mind is what about existing employers? Right now, with unemployment the way it is, it is all good to bring new employers in. If we incentivize employers to come in and pay a higher rate than existing employers, or challenging existing employers to retain their staff and possibly move their rates up as well. Have you thought through that a little bit? Right now it is good. We have an unemployment rate that is good but when we get into a talent search and a talent war that is anticipated in the next couple of years, this could swing the other way real quickly. Employers will be fighting to hang onto who they have.

Roy Buskirk: On existing companies or corporations, this would only come when they qualify for abatement. They would have to be expanding their operation.

Tom Harris: I understand but new employers coming in, we are giving them a pretty good tax abatement to come here. They come here and we tell them that they get to have their taxes reduced but they have to pay the employees at a higher rate. That is all good except for the existing employers or other

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competitors. They are going to have to pay their employees more or they are going to jump to this new employer coming here.

Roy Buskirk: You are thinking of the transferring of employees. That would be a possibility.

Tom Harris: Right and I didn't know if there was any discussion or thought about existing employers and the impact it might have.

Nikki Liter: In my opinion, if they want to expand and invest more money that is an option that they can look at. Are they willing to up their pay rates of their employees for the Super Abatement or are they content with doing the regular abatement? That is still available.

Roy Buskirk: Nikki, what he is talking about is the transfer of current employees to the new job and leaving because the new corporation is paying more than what the existing jobs at the old corporation are.

Tom Harris: It is an incentive for new employers but is kind of a disincentive for existing employers that are now competing as their people are going to the new employers. Government is helping to make that happen.

Darren Vogt: Councilman Harris, it is a very valid point but I will take that point to the Chamber of Commerce and ask them their thoughts on it. They are a member of the Alliance, which is our Economic Development Agency. The Alliance was okay with it but I haven't talked to the Chamber. You are right. The goal is to raise the average wage but we don't want to hurt folks that are currently here and employing people at the same time. The Chamber of Commerce would be a good sounding board to see what they think.

Tera Klutz: Maybe, once the economy does turn around, you can tweak it. Right now this is exactly what we want. We have a lot of unemployment and people will need jobs. This policy can be changed as many times as you want it. All of a sudden, when that becomes an issue, this can change.

Darren Vogt: Councilman Brown.

Larry Brown: I want to make sure that we are done with this. I have another topic within this.

Darren Vogt: If it is related to this, go ahead. We are okay.

Larry Brown: Using the Vera Bradley application as an example, we ask some questions that I wonder if they are applicable. An example is question

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28, "Have building permits been filed for this project?" Regardless of what the answer is, does staff check?

Nikki Liter: Normally, when it comes into our office, it is usually coming through the Alliance. That is pretty much our barrier as far as whether or not permits have been filed or equipment has been bought. I would say that 99.9% of the time, it is something that we have not had to worry about. A lot of times they are working with the Alliance and they tell them that before you do anything, you need to have on file, with the Department of Planning, your application and your fee needs to be receipted.

Larry Brown: Okay. I am not sure what the answer to that question was but I wonder if that question is applicable.

Nikki Liter: Yes, it is applicable.

Larry Brown: Okay, if we are going to have the question there and it is applicable, then I think it is the staff's duty to make sure that the answer is correct.

Nikki Liter: Okay.

Larry Brown: It doesn't say Allen County Building Permit, it just says building permit.

Nikki Liter: We can change that.

Larry Brown: Maybe the wording needs to be tweaked but most projects start with the State application and proceed to the local application. I am not trying to throw water on any particular project but there are two major projects in Allen County where dirt work has been going on for some time. Certainly some permits have already been applied for, if not received, prior to the date on these applications.

Nikki Liter: As long as they have the application receipted, I have never run into an instance but if so, we can always do a waiver with that. We can add that to the resolution that comes to Council.

Darren Vogt: We have done that on several different occasions. We waived because of the timing of the matter. They have already pulled permits. The Alliance was aware of the project and by the time all of the incentives were figured out, they had already pulled permits. Sometimes that does come into play. You are right, if we are going to have the question on the application, it needs to be relevant or not. One of the other things that we need to do is to

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have another discussion of not the Super Abatement but our Tax Abatement Policy. We want to look at the form and make sure that all of the questions are valid and making sure that what we want to abate, from a business perspective. At the last Council meeting, Mr. Lewandowski has some information that he would like to present to us. I am going to set up an additional meeting. Economic Development is extremely important and so I will get with Becky on a meeting date to see who all can come. We will have a date where Mr. Lewandowski can present his stuff on tax abatements and analyze the application and talk about the types of abatements that we want to do from a business standpoint.

Larry Brown: I would like to mention one more thing. It is in regard to personal property equipment. We ask for and usually receive the expected life of the said equipment. The one that I am looking at right now has an expected life of three, five and seven years. The average, if you work the numbers, is five but yet we grant ten-year tax abatements. What's the point? I mean something just doesn't seem to be in sync there, granting a ten year abatement on equipment that is going to last five years. It seems that this needs to be looked at as well.

Nikki Liter: Okay.

Darren Vogt: It is only on the assessed value.

Tera Klutz: I may be able to answer that for you. The estimated amount of personal property that they would pay income tax on is different from the assessed value of the personal property tax. They may have an assessment but the estimated useful life for Federal tax purposes may be zero. The estimated useful life on those forms is universal for the Federal income tax life. You still may be paying tax on something longer. Maybe Nick can answer this better.

Larry Brown: Maybe a light bulb just came on. Is this what the Federal Tax Code allows for life on certain types of equipment?

Tera Klutz: Yes.

Larry Brown: Okay, sorry.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: The tax abatement would only be if they maintained the equipment too, right? If they get rid of the equipment, the abatement on that equipment would stop.

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Nikki Liter: Right and they file the 103's with the Auditor.

Roy Buskirk: I think that is a little bit of checks and balance.

Larry Brown: That is the way it is supposed to be so who checks it?

Tera Klutz: The Assessors audit that.

Larry Brown: Okay.

Roy Buskirk: The one comment that I wanted to make, so that everyone on Council understands it, is that there has been some talk in State legislation of changing the tax abatement program next year. They have found that there is some issue with 100% for ten years.

Nikki Liter: They are scared that they might find some issue with over-zealous officials.

Darren Vogt: Council that is what we had a very lively discussion on. Everyone was in agreement, whether they were Republican or Democrat, that you don't want to incentivize someone for ten years and then allow them to basically pay no property tax and then turn around and go to another community to do the exact same thing. This group decided that this is not what we wanted to do. That is where the five-year window came in. Three years didn't have a big enough benefit and five years gave them the time to recoup their capital and get up and running, receive the benefit and still get a bigger benefit because they were doing something extra than the normal tax abatement and increasing the average wage in the community. That is what really drives the economy, the average wage. If you and I have more money to spend, it all circulates through. Councilman Harris.

Tom Harris: Just for the record, have we had any major abuses of the abatement process? Someone came in and the County has given an abatement of some kind and they abused the process, meaning that they have picked up and moved out of here?

Nikki Liter: Not that I am aware of. I know that there might have been one or two companies that came in went through the abatement process and then it never got started.

Tera Klutz: What happens is without building the investment and getting an assessed value, you won't receive the abatement. The County is not in a loss situation except for the time that you spent here.

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Tom Harris: So our track record has been very good.

Nikki Liter: Yes.

Larry Brown: Darren and I talked earlier that a different term for abatement maybe more appropriate. On abatement, the County never loses anything. Actually, the applicant loses if they don't perform. The tax is just delayed.

Darren Vogt: Phased in.

Larry Brown: It is a step process where the taxes are increased in steps. The County is not writing them a check. The County doesn't lose anything.

Tom Harris: I don't think that is known. Most citizens don't understand that there are taxes being paid throughout. The "Super" concept here, the idea is to reduce that 100% during the first few years. The challenge that I asked earlier, in the previous set of questions, what kinds of trends are happening? Is this a national trend? Are we seeing this in other Counties in this State? Are there other States in the country?

Roy Buskirk: It is national.

Nikki Liter: There is another City in Indiana that has started using a different schedule. Theirs was a lot more giving than us.

Tom Harris: The challenge is for local government to watch that abuse.

Nikki Liter: They were basing their numbers solely on minimum wage.

Tom Harris: As this becomes the norm, which I think it will, and as communities continue to compete, more incentives and more packages are going to increase which allows for the possibility of more abuse. It just means, getting back to Larry's point, we need that checks and balances to make sure that things are happening the way that they should be.

Roy Buskirk: The staff does that.

Darren Vogt: One of the things that is important is to have a policy in place that directs the staff. Very large corporations know the law and the law currently says ten year and 100% is available. Large corporations that want to move and create a big impact, will go to the Site Selector or the Alliance or whomever and tell them that they want the biggest tax abatement available under Indiana law. That is the part that I think some of the leaders are

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afraid of because if they do that, it is really not a good thing, as I see it. We are giving away everything and giving them incentives. In ten years they recoup their capital and they now go somewhere else. That is State law but here is our local platform and this is what we are going to stand for. We can direct our Alliance to have the conversation up front that says I am sorry but we are not going to do that. It doesn't make sense for our community to give everything away. We have to have some sort of limit and I think this is it. I don't think we can go any further than that.

Larry Brown: Following up on Tom's point, it needs to be an ongoing, updated work in progress, so to speak. Communities and States and regions are constantly competing with each other. You will hear about community X that offered corporation XZY that was bringing 2,000 jobs. The building, the land, the infrastructure and everything just to get those 2,000 jobs and so it needs to be an ongoing working document.

Darren Vogt: Are there any further questions or comments on this?

Tom Harris: What is the next step?

Darren Vogt: The next step is to pick it apart, read it and make sure that you study it. We will bring it back for a formal vote, next month, on just the 1007 piece. Between now and the next Council meeting, if the schedule permits with the Department of Planning Services, Nikki, Scott and Mark, we will have an additional meeting to talk specifically about the types of abatements and we'll go through the form, some of the questions and some of the more minutiae detail. We can bring both of those back before full Council and it will be an open public meeting. It will be whoever on Council wants to be involved.

Larry Brown: Will you have an opportunity or will your committee be meeting to discuss the point that was brought up about existing businesses having a disincentive?

Darren Vogt: We were done. I didn't need to call an additional meeting. Nikki, could you send that question out? Do you have all of the emails? I will get with the Chamber and we will probably have an answer to that at our meeting.

Roy Buskirk: I just wanted to say that there was one company that has not met the employment requirements and that is due to the economic conditions that we are going through right now. The interesting thing on that is that they have been sending in the contribution amount that they had agreed to. I do agree that tax abatement as a title should be changed. It really is not

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giving up any taxes. If they spend the money, expand the building or acquire equipment, it is an agreement to delay paying taxes on the improvements. They still pay 100% of the taxes on the assessed value prior to the time of receiving this tax abatement. Even if it is bare land, they still pay 100% on the bare land assessed value. I know that a lot of people think that we are writing the company a check and that is not the case at all.

Darren Vogt: Are there any more comments or questions? With that, we will look forward to a little more discussion on it. Be prepared with questions and if you have them, get them to Nikki so that she can circulate them before the meeting. With that, Council, we have an additional discussion item of Board appointments that are going to expire at the end of this year. We need to consider what we want to do. Becky, have you talked to any of these folks, at this point?

Becky Butler: No.

Darren Vogt: When we look at these Board appointments, I know that we have eight that are up. We have had many of these folks in these positions for a number of years and the question is, do we want to look to consider new appointments? I have not contacted these folks and neither has Becky. Do we want to put some new faces on those Boards? I will open that for discussion.

Paul Moss: If we have an individual in mind, do you want us to talk about that with you?

Darren Vogt: That is what we would do on any of these. I have the name of someone who wants to serve and they would be a good asset.

Tom Harris: The timing on this is that you need it for next month's meeting?

Darren Vogt: Next month's meeting is what we would want to do. I would like their information and contact numbers so that Council can contact them to discuss and talk to them about it. In the meantime, I will ask Becky to get me the contact information and we will contact them to see if they are still willing to serve and to also let them know that we are looking at maybe doing something different. It obviously has nothing to do with them and the service that they have provided.

Roy Buskirk: Are we going to take a vote next month or in December?

Darren Vogt: In December but we will have the information so that we can talk in November.

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Roy Buskirk: The other thing that I want to bring up is that I didn't realize that we had two appointments on the Library Board until I saw this. I thought we only had one appointment.

Larry Brown: I thought we only had one.

Darren Vogt: We have two.

Roy Buskirk: Paul, do you know?

Paul Moss: Maye is still on there. She has been attending. I don't know if it is a separate...

Roy Buskirk: So you have been receiving notification of the meetings?

Paul Moss: Oh, yeah.

Roy Buskirk: Okay, I guess we do. That brings up the second comment that if anyone from the Council is put on one of these positions, it ought to be with the understanding that if they are not re-elected or quit the Council, they ought to resign from their Board appointment. I am not sure how we need to do that.

Larry Brown: I have a suggestion for that. With new appointments, we could make them annual.

Darren Vogt: Some of those are set in statute.

Roy Buskirk: Some of them want a longer consistent service on the Board. It takes more than one year to really understand. I know the Alliance is one of them that would like to have the appointment for longer than one year at a time.

Tera Klutz: Is the Alliance not on here?

Darren Vogt: The Alliance is a liaison appointment and not a Board appointment.

Tom Harris: If the concept and the idea that these are going to be County Council members that becomes a driving force if you are not on County Council, that position would be replaced.

Darren Vogt: Some of the conversation was around taxing units. The Library was one of them that we thought should have someone from the fiscal body.

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That was really the main one that the conversation was around. The PTABOA Board has to be made up of Republicans and Democrats and some of these are things that I don't know we can really say that all Council members should be appointments. We need the community involved as well. With that, we've got eight that need to be involved so let's plan on having those resumes of people. Once we have made contact with these folks and they are willing to, I will email that all eight are willing to continue and then we will know how many we have to appoint.

Larry Brown: Is there a way that we can make the general public aware of these eight Boards or Commissions? Maybe get the word out there if someone has a burning desire to become involved?

Roy Buskirk: We have a couple of people in the audience that are from the press. Maybe we could ask them to put to put in the paper that we are looking for citizens that are interested in serving on the following Boards.

Larry Brown: Do you think they would print that?

Roy Buskirk: I don't know but it would probably be on a slow news day.

Tom Harris: When I served on the City of Fort Wayne, we established a process to communicate. I think the Commissioners have some sort of communication process where they have to appoint and we ought to follow something similar in terms of how we get that word out. Do a systematic approach annually.

Darren Vogt: The thing that I have is if we have a relationship with people, we have to make sure there are not agendas to drive home. We want to make sure that people are well-rounded and open minded about certain things. We have to be very cognizant of the appointments that we make.

Larry Brown: I see that as our job too. We need to evaluate those.

Bob Armstrong: So with Roy's comment about the media and putting it in the paper, was his agenda to sell papers?

Roy Buskirk: I can tell you one way to guarantee that it gets into the paper is to ask them not to put it in the paper.

Bob Armstrong: Couldn't they put that on the County website?

Darren Vogt: Yes, the County website and the Facebook and all of those kinds of things that they have.

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Larry Brown: Turn it over to Mike Green.

Darren Vogt: Yes, let him have at it. Okay, we need to have them for the next meeting so that we can look at them and make our selections. Get them to Becky and she will relay them to the rest of Council. Councilman Brown.

Larry Brown: We are nearing the end of the budget season, so to speak, and one of the things that we talked about was, as we prepare for our next budget cycle and the continued anticipation of the loss of revenue, perhaps we should start earlier, work harder, or whatever on identifying the necessary core functions of County government in all departments. Darren, I challenge you as you make the liaison appointments or whoever makes the appointments for 2012 that we keep that in mind. Somehow, I think we need to keep that in front of us and on a recurring basis. We need to continue to drive that point home.

Tom Harris: Strategically, to tie that liaison to areas that we might strategically look at as areas that we need to really contain or evaluate cost and such within the budget.

Larry Brown: Even encourage the engagement and involvement of department heads to help us identify what they feel is core functions. Maybe that is the beginning. I am not sure. I see this in the elementary stages and we talk through it and figure out how to move forward on it.

Darren Vogt: Let me interject one thing. As I meet every other Wednesday with the Commissioners, they are in the process of doing a lot of it themselves for their departments. What we have to remember is that there are a lot of other Elected Officials and Department Heads that have to do the same thing. We've got to get their buy-in. The Commissioners starting on their end is a really good start to get everyone else to do the same concept and that is where we need to focus in next year with the liaisons.

Larry Brown: What is required? What are State and Federal requirements or mandates or whatever?

Darren Vogt: Are there any further discussion items?

Roy Buskirk: Going along with that, this is one reason why I have been trying to encourage Department Heads to work with IPFW, Professor Rob Palevich and his Master Program on organizing and improving departments. I think the Auditor's Office has gone through with it. In some way, we need to really encourage some of these, especially the ones that are not underneath

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the Commissioners, to work with Dr. Palevich. It is free. He will have a couple of students, they are not working on Bachelors but are working on Masters, and a lot of them are in business today. They will go through the departments and try to come up with different ways of better efficiency and all of that. There are several different approaches that can be made and I believe that we need to make all of the approaches possible.

Darren Vogt: Council, are there any further discussion items? What we are going to do is take a quick five-minutes so that we can get our stuff ready for the budget approval. I have 10:00 on my watch, so let's be back at 10:10. We are in recess.

Recess.

Darren Vogt: We are back in session. The rest of our morning will go like this. We will do the Allen County Solid Waste District, the Southwest Fire District and then the Auditor will present the budget summary overview. We will then move into the County budgets. With that, we need to approve the Southwest Fire District.

Tom Harris: Is this in the form of a motion?

Darren Vogt: It is.

Tom Harris: Okay. I am making the motion that be it ordained by the Allen County Council, Allen County, Indiana that for the expenses of the Southwest Allen County Fire for the year ending December 31, 2012 the sum of \$1,836,369, as shown on Budget Form 4-A are hereby appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject the to the laws governing the same. Such sums herein appropriated shall be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law. In addition, for the purposes of raising revenue to meet the necessary expense of Southwest Allen County Fire, a total property tax levy of \$1,301,847 and a total tax rate of 0.2184 as shown on Budget Form 4-B are included herein. Budget Form 4-A and 4-B for all funds and departments are incorporated by the signing of this form and must be completed and submitted in the manner prescribed by the Department of Local Government Finance.

Paul Moss: Second.

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

Paul Moss: Move for approval of be it ordained by the Allen County Council, Allen County, Indiana that for the expenses of the Allen County Solid Waste for the year ending December 31, 2012 the sum of \$1,494,898, as shown on Budget Form 4-A are hereby appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject the to the laws governing the same. Such sums herein appropriated shall be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law. In addition, for the purposes of raising revenue to meet the necessary expense of Allen County Solid Waste, a total property tax levy of \$0 and a total tax rate of 0.00 as shown on Budget Form 4-B are included herein. Budget Form 4-A and 4-B for all funds and departments are incorporated by the signing of this form and must be completed and submitted in the manner prescribed by the Department of Local Government Finance.

Tom Harris: Second.

Darren Vogt: Discussion?

Larry Brown: Are those zeroes correct?

Tera Klutz: Yes, the Solid Waste District does not charge a property tax. They are not funded through property tax.

Larry Brown: Okay.

Roy Buskirk: They are funded from tipping fees.

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 (Armstrong abstained). With that, we are on to the 2012 Allen County Budget. At this point, I am going to turn it over to our Auditor for a summary and some adjustments that have come from the Commissioners on their piece. Ed Steenman is here if we do have some questions. Auditor Klutz, whenever you are ready.

Tera Klutz: Thank you very much. We have prepared a summary of the total numbers for the Allen County Budget. We have the total General Fund of \$80,749,794. I broke down the revenue that is supporting that and it includes approximately \$49.6 million of property tax and approximately \$30.1 million

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of other revenue. It also includes an approximate \$1 million transfer from the Rainy Day Fund to balance the 2012 budget. Our other funds are \$58.6 million and include other property tax funds as well as other special fee revenue funds. Our total Allen County Budget is \$139,363,218. There is also a list of General Fund Approved Allocations. The third page is a list of all of the funds from which you are appropriating today. We have received a request change from the Commissioners with regard to the Department of Planning Services and the IT Department. I believe they would like to switch the GIS function from the Department of Planning Services to the Information Technology Department. They have given a revised request to transfer line item numbers from the Department of Planning to Information Technology for a savings of approximately \$11,000. If you would decide to incorporate that into your 2012 budget, I would just ask that you read that into your motion.

Darren Vogt: Council, basically the GIS function is moving. A lot of it is going to be done contractually with Atos. It is all computer-based and is touching a lot of different departments and so it is going to be pulled out of DPS. I met with them and it is a good financial move and a good move for long-term down the road. Does anyone have any questions? I can bring that up if we need to.

Kevin Howell: Is that integrating or something?

Darren Vogt: No, it is pulling it out of DPS and putting it under the Commissioners purview and Information Technology.

Roy Buskirk: The \$11,000 they are anticipating greater savings in future years.

Darren Vogt: There is also a contractual paper that is something that we realized yesterday that there is \$120,000 Systems Coordinator and this is part of the contractual that is going to shift where the funding is coming from.

Larry Brown: These funds are from DPS to the Commissioners.

Darren Vogt: Yes, it is the same function.

Tom Harris: You said that should be a motion in addition?

Tera Klutz: When you make the motion to approve the budget, if it is okay with you, the budget amount of \$139,363,218 can stay the same and we can

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put the \$11,000 in the health insurance line. Any savings that you guys make today, can just go to replenish the health insurance.

Darren Vogt: Remember, we dropped that line by \$500,000.

Tera Klutz: You can still read that in total and then say "With the submitted transfer attached hereto." Then we will attach it to the budget form.

Darren Vogt: Is everybody clear on that?

Tom Harris: I do have one other question though. In terms of the 2012 Miscellaneous Revenue, how does that compare to the 2011 number?

Tera Klutz: I believe it is about \$3 million less. I can check real quickly because it is in the financial report. It is about \$3 million less.

Darren Vogt: You know what might be helpful on this form? Maybe have the prior number with it so that we have an idea of where we are. To Councilman Moss' point of the real number of total expenditures of the County, isn't that what you always want to know?

Roy Buskirk: What is that at the bottom of the sheet?

Tera Klutz: The exact thing that he wants.

Darren Vogt: Oh, yeah.

Roy Buskirk: The comparison.

Paul Moss: Before a motion is made, I think a good segue is that we are nineteen days away from a pretty important election here and it is amazing the things that are out there coming from both camps. We, in my opinion, can only have so much of an impact on the taxpayers' wallets. There are a lot of other factors that come into play in terms of the actual tax rate and tax dollars that they have to pay. I have always tried to look at it as what are we doing on the expense side? If you look at this, the General Fund of 2011, of \$87 million and for 2012, we knocked that down eight percent. If we can hold to that which I believe we can, I understand what you said about tweaking it next year; I think we deserve some credit for doing a really good job this year. Eight percent reduction is significant without any real reductions in services or anything along that line. We can do better next year, I agree. I just want to say that I think this body did a very good job. I certainly appreciate the effort that went into it. With that, I am happy to make a motion if we are ready.

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Darren Vogt: are there any further discussion items before we do that? I will note that the numbers at the bottom are a little bit different from the numbers at the top. They are not split out exactly the same. The Miscellaneous Revenues aren't exactly the same and the property tax revenues aren't. They are added up as totals versus aggregate.

Roy Buskirk: To follow up what Paul was saying, even though we are cutting the budget, it is very possible and highly likely that our property tax rate is going to go up. They keep talking about the City cutting the tax rate because of lower assessed values in the County but there is a very good possibility that the rate for the units will go up. You want to be careful how you tell your constituents about cutting the tax rate.

Paul Moss: Exactly, which is my point, people get very easily confused. You see the commercials where it says he or she did this and increased the tax rate. The reality is, and it gets a little frustrating because, I am trying to defend this body a little bit, it affects all of us when you see it published out there that taxes went up. I think it is so patently false that it is not even funny. We have done a very good job. You can look at the expenses for County government and they have not been going up. That is why I try to keep people focused and looking at how much it costs to run County government.

Roy Buskirk: Some people have been accused of raising taxes for the past ten years when they weren't even on the Council.

Paul Moss: Move for approval of the Allen County budget, be it ordained by the Allen County Council, Allen County, Indiana that for the expenses of Allen County for the year ending December 31, 2012 the sum of \$139,363,218, as shown on Budget Form 4-A are hereby appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject to the laws governing the same. Such sums herein appropriated shall be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law. In addition, for the purposes of raising revenue to meet the necessary expense of Allen County, a total property tax levy of \$67,527,919 and a total tax rate of 0.5870 as shown on Budget Form 4-B are included herein. Budget Form 4-A and 4-B for all funds and departments are incorporated by the signing of this form and must be completed and submitted in the manner prescribed by the Department of Local Government Finance and I will add to this the changes by the Commissioners that we just discussed.

Kevin Howell: Second.

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

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Roy Buskirk: I thought we were going to have a motion on the Commissioners' budget because there are additional items to put forward as far as changes in the current budget.

Darren Vogt: We are in the discussion phase now.

Roy Buskirk: Can additional reduction in appropriations be made at this time?

Darren Vogt: The motion has been made and seconded. This is discussion. Bring your discussion items up now and if they warrant, then people will vote against it and then we would need to make another motion with any changes that would need to come before us. We would have to vote this one down and restate a new motion.

Roy Buskirk: Right.

Paul Moss: I can always withdraw the motion, if I feel compelled. I am not sure what you are talking about, at this point.

Darren Vogt: The floor is open for discussion.

Roy Buskirk: During recent Personnel Committee meetings, Superior Court came before us wanting to change their Probation Officers to Case Managers with a wage increase. During that time, the Judge stated that if we gave the increases, that two of the Probation Officers that are currently paid by the General Fund could be transferred to her Court because she would be able to pay them out of fees. That upsets me a little bit in the fact that we have asked Department Heads that if they had fee money available, they should be using their fee funds to pay wages for personnel that they could. These are two Probation Officers that she said is possible to pay out of the fee. My recommendation is that these two line items would be un-appropriated and she would have to pick up the funding for fees to cover the cost. Is that correct?

Tera Klutz: She would have to come before you next year to get the appropriation out of the user fee fund. The budget they submitted was advertised and did not include, it included several people in the department but not those two. The user fee is part of the budget but we advertised at their submitted amount.

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Darren Vogt: Okay. What would go down to the State would be zero and there would be no appropriations in the ones that are in the County General Fund.

Bob Armstrong: And then in 2012, she would have to come. It would be two unfunded positions, right?

Tera Klutz: Yes.

Bob Armstrong: She would have to come in and get the appropriation for the salaries?

Tera Klutz: Yes.

Darren Vogt: She would be able to transfer within series if those employees were still there. The pay period starts in December and so she would have to transfer money within series to make that work.

Tera Klutz: And assume that you would pass it later.

Darren Vogt: I just wanted to make sure that we were thinking that all the way through.

Larry Brown: I'm sorry but I am a little slow this morning. If we make these two positions unfunded and require that they be paid out of fees, what do we have to do today?

Tera Klutz: You have to change the salary ordinance and pull them out of the General Fund.

Roy Buskirk: Again the savings there, at the current wages, is \$87,929 and that could reduce so that we don't have to change the numbers, the health insurance fund. That is so that, as Paul suggested, we could reduce the health insurance to balance the budget.

Darren Vogt: That wasn't to balance the budget but to take less out of the Rainy Day Fund.

Roy Buskirk: Right because we are still pulling out a little over a million dollars out of the Rainy Day Fund.

Darren Vogt: Councilman Moss.

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Paul Moss: I guess I am a little confused. To make it as simple as possible, you are talking about both complete salaries, pulling them out of the General Fund and Judge Gull indicated that there was a user fee fund that she could pay out of for these. She did this at the Personnel Committee? From a chronology standpoint, I am confused as to why it happened that way.

Darren Vogt: It had to do with the Probation Officers. I am assuming that is where these came from.

Paul Moss: You are stating that she would be supportive of this.

Roy Buskirk: No, I am not. I am saying that she told us that she would do that if we gave raises to the other Probation Officers. We have asked Department Heads to pay for wages out of fees that they collect in their departments, for numerous years.

Paul Moss: Sure, whenever possible, absolutely.

Roy Buskirk: She has not come forward and done that with these two Probation Officers and she is paying seven other Probation Officers from the fee. The fee is generating enough, and she admitted that, to cover these two additional Officers.

Paul Moss: I am just trying to refresh my memory here. These raises are the ones that we talked about at the last meeting in which we also talked about red-lining them. Moving them over to the grid but red-lining them which, in my mind, meant no reduction but also not the increases. I am not particularly enthusiastic about giving those raises because it seems like this is just coming out of the blue. I would have to think a little while about what the circumstance was but my thought process, at the time, was move them to the grid which I believe was their primary motivation.

Darren Vogt: That has been withdrawn, just so you know. They agreed to leave it as is.

Paul Moss: They are not going to go on the grid but they want the raises?

Darren Vogt: No. Everything is gone. Forget that the conversation ever happened.

Paul Moss: Are these different raises?

Roy Buskirk: No. We are not talking about raises.

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Tom Harris: It is actually a separate issue. The UPROB discussion talked about moving these UPROB Officers to the PAT grid.

Paul Moss: I am basing my confusion on what Roy just said. What Roy just said, unless my hearing is really bad, is that the Judge said if you give these raises, if you do X I will do Y. The Y is to pay for it out of these fees. Correct?

Darren Vogt: Yes. The raises were transferring everyone to the grid and from the UPROB system. That has all gone away.

Paul Moss: Okay but now nobody is talking about those raises. Why would we be talking about doing the other part of that quid pro quo if the first part is not going to occur?

Tera Klutz: And they met their allocation.

Roy Buskirk: Because she said that they could.

Paul Moss: So because she said she could, as part of a quid pro quo, you still want to do the one part.

Roy Buskirk: Correct.

Paul Moss: Now I understand.

Roy Buskirk: We have been asking for eight years, at least since Darren and I came on the Council, for Department Heads to pay as much possible from user fees. She has the revenue in the user fees to cover these and she has stated that. I think we should put it in a position so that she can pick up the cost of paying for them.

Paul Moss: Now I understand.

Roy Buskirk: Going a little bit further, there are many things going on with the Court system. Our current Chief Justice Shepard has several different study groups looking at the Court systems on how to reduce cost. One of the things that is being discussed is to take all Court personnel under the State. They would become State employees instead of individual Counties. There would be a trade-off there between revenue to help cover some of the additional cost. It is more than likely that it might be one, two or three years down the pike before all of this gets completed. It is currently under study. The one thing that has been proposed and brought forward is combining Probation Office Departments within a County. When does that take affect?

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Tera Klutz: The law is already effective. The Courts can submit their plan on having one Adult Probation program and they may have a Juvenile group.

Darren Vogt: Judge Gull made the argument that this really wasn't a Probation Department and the Courts had seen that it wasn't. It was labeled that way.

Tera Klutz: She did make that but then the State Court told us it was one. I think there is still some confusion going on about that down there.

Paul Moss: I understand now. I think that the changes at the State level are not terribly relevant right now because that could be a ways down the road. We've got a budget in front of us. Based on the way that you've explained it, I understand your reasoning on it but I don't agree with it. I am not going to withdraw my motion.

Larry Brown: If I understood Roy correctly, he is suggesting that we not withdraw the motion and we don't change the numbers but internally, within those numbers, we take whatever the figure was off the \$500,000 that we selected to reduce the health insurance. Did I misunderstand, Roy?

Roy Buskirk: I think that is the way that it would be done but this might be a little different because it is a transfer from one department to another.

Larry Brown: But this motion is not departmentalized.

Roy Buskirk: I know but it is the elimination of this expense. I turn to the Auditor.

Tera Klutz: Okay. If you wanted to vote to decrease the Superior Court General Fund budget by these two employees, then that money could be used in the health self-insurance fund. When you go to vote for the salary ordinance, we will remove the language that says they are split between the General Fund and Fund 741 so that it would just say Fund 741.

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

Larry Brown: I think another element that is related to this is the compensation that was generated more than eight years ago of an amount to the Judges of \$5,000. The County Council, at that time, felt that the Judges were underpaid. A few years ago, it must be more than three, the State re-evaluated the Judges' compensation and gave them a \$20,000 to \$30,000 wage adjustment, as I understand it. At that point in time, County Council chose not to take back the \$5,000 that they had been giving as a supplement.

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I think that we are at a point in time where we ought to take back that \$5,000. I think we ought to have that for discussion. Secondly to that is \$4,000 for each Magistrate.

Darren Vogt: Council, we have a new topic but the same area. We will open that for discussion. Councilman Moss, you wanted the floor next. I am not sure it relates to this but go ahead.

Paul Moss: It's kind of the same thing. The reason that I don't want to withdraw my motion, if approved, would not do what Roy wants to do and it would not do what Larry wants to do just for simplicity sake. I continue to believe that we shouldn't do that. Part of it is an issue, for me, of fairness of the process and how, specific to Roy's suggestion. The other part is that these suggestions should have been made last month. Yours is a good suggestion, I don't necessarily argue it, but it should have been made during the budget process. I continue to support the motion that I made.

Darren Vogt: Councilman Harris.

Tom Harris: I think a little bit of the concern, when I ran for this position, was looking at the amount of dollars and the overall percent of the General Fund going to the judicial system, the Jail and the Sheriff. One of my thoughts is that we have got to get more strategic as every organization and every business across this country, when they are caught with a reduction in revenues and tight funds they look to the largest cost to figure out how to get more efficient. Where can they cut? Where can they reduce budgets? I truly feel that it is probably found within the judicial system, the Jail process. I think strategically for Council, I think we need to get there. We need to continue to drive that home and that is not necessarily done at a last minute vote or some kind of a change although it might send the signal that there is more to be looked at. My concern would be a little bit that we said X and now we are going to Y and that is a little bit of my concern as well. I think we can do even a better job in the long run. The long run is beginning next year's budget to say what can we do more effectively in our judicial system? Where can we figure out ways to tighten that up? Whereas we might save, with nine or ten Judges at \$5,000 each but I think we can find much more than that strategically looking at the entire judicial system.

Darren Vogt: Councilman Howell.

Kevin Howell: I agree with the general concept but you have to start somewhere. Refresh my mind again but you have been dealing with this issue directly or indirectly for eight years?

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Darren Vogt: No.

Roy Buskirk: Not necessarily with the Judges. We asked, when Darren and I and Paula Hughes and Cal Miller came on, we looked at the different ordinances and asked the Department Heads to pay as much of the budget out of the user fees that they are collecting.

Kevin Howell: So for those several years, did they have the money in their fees to pay for the Judges, in your opinion?

Roy Buskirk: It is my understanding and it is one thing that we have watched on these other ones. They are paying additional wages, such as the Recorders Office, who pays almost their entire staff out of recording fees. We have watched to see the balance in those fees is not getting too low to be able to carry the financial burdens that they have.

Darren Vogt: The shorter answer is yes. Most Department Heads moved money in that direction to their fees. We asked and we got cooperation and they created a plan. Some asked to come back to the General Fund because they used up some of that. The \$5,000 Judges' pay is a completely separate animal that is different and cannot be made up by user fees. That is a County Council decision on General Fund dollars.

Bob Armstrong: So the \$5,000 and the \$4,000 that is being paid just comes out of County General?

Tera Klutz: It comes out of the department allocation, the General Fund budget allocation that you give. The past practice has been that you have given an allocation, which this year you requested all departments to cut nearly 7.5%; they go and look at their user fees. Originally we were going to look at user fees harder this year and then at the allocation meeting, Paul Moss said we are cutting everyone 7.5% and so they will use their user fee funds if they need to. That is what happened. Everyone is using their user fees funds if they can for 2012. This isn't the first year that we have cut 7.5%. Over my eight years, it has probably been mostly cutting but with a couple of years we went flat. At that time, the departments will see if they can operate within that allocation. If they can, they have done what you asked them to do. If they can't that is when they come and appeal their budget. At that time, in your letter, you tell them that you will go line by line in their budget. I would say that in this scenario, Superior Court has made the allocation that you asked them. With that, they felt that they would still like to pay the \$5,000 County support for their Judges. If they would say that they can't operate with the allocation that you have given us, then the first thing that would go is that you can obviously operate without the \$5,000. They met your

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directions in the letter that you guys sent out this year. I would say that if you want to go line item by line item in a particular budget that it be shared at the beginning. We have a great communication with all of our departments and if next year we are going to start strategically having a conversation about core duties, I think you will have a better outcome.

Bob Armstrong: So in reality, I guess you can assume or look at it from making cuts and cuts, there are departments out there that get user fees and have enough money in the user fees to offset money that they would use or pull from County General.

Tera Klutz: Yes.

Bob Armstrong: They just don't want to. They want to hang onto that money and not alleviate the stress to County General? Is that the assumption?

Tera Klutz: It depends. Most of the departments are using all of the user fee funds that they can. The last thing that a department wants to do is come and appeal their budget to you. The Sheriff is using all of the money in his funds that he can. The Prosecutor appealed her budget. In the past, she has been able to cut her budget and go to those other funds but those other funds are drying up. I have a feeling that Superior Court did not need to come to appeal because they had their other funds that they were able to go to.

Bob Armstrong: I guess the thing that I like about Roy's thing is that there are dollars in Judge Gull's user fee line and if those two positions that figure out to be about \$88,000, if she can pay for those out of her user fees and alleviate that burden to County General that is what should be done. I understand what you are saying. I mean it is kind of waiting until the twelfth hour to do this but in reality if the money is there, shouldn't we relieve County General and let her pay for those two positions out of her user fees?

Darren Vogt: That is a general question and I am not sure who it is directed at but let's have that through discussion. Councilman Harris.

Tom Harris: Philosophically, I agree with the position of user fees paying for the process. If the concept of judicial is that we've got more people going into that system, anything that we can do to identify for user fees makes sense in my mind. That takes it off the General Fund overall. Councilman Brown, I guess the position that I would have is strategically I probably agree in trying to curtail or contain watching those overall salaries. Tactically I think we could do that differently or just a different approach in the coming year where I would be in favor. Also the Shepard Report might be driving some of those things coming down the pike anyway. Whether or not that happens

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next year, I am not waiting necessarily for the Shepard Report. I would be in favor of diving deeper into what we can do to find efficiencies in the judicial system. That is where I think we ought to be next year.

Roy Buskirk: Can I answer a couple of his comments?

Darren Vogt: You can have your own comments, sure.

Roy Buskirk: The Shepard Report is not going to make reference to the \$5,000. That is in addition to. Chief Justice Shepard through the State Legislation gave all of the Judges 1.3% raises this past year. The thing of it is that when the Judges get a raise, including the \$5,000, it trickles on down to the Magistrates. They get 80% of what the Judges are paid. That is where you have \$50,000 for the Judges and the savings for the County would be around \$102,000.

Darren Vogt: Councilman Howell.

Kevin Howell: Using the words user fees and County General, correct me if I am wrong but County General refers to taxpayers' money?

Darren Vogt: Yes.

Kevin Howell: Particularly for my constituents out in southeast Allen County, I want to make sure that we have this very plain. We are talking about money that the justice system has that they can pay their employees without accessing taxpayer money. Is that right? They have the money on hand from the user fees. As far as I am concerned, that is the issue right there. We can save the taxpayers \$80,000, is that right?

Darren Vogt: In reality, the way that we are doing it won't save the taxpayers anything. It is a budgetary issue where we are going to reduce a line item. It will be a further reduction of what we took out of the health fund. Instead of lowering the allocation for the health fund, we are going to increase the allocation for the health fund. The bottom line number is not going to change. I am going to make my comments here. I am going to echo the Auditor here. We had a process and we went through it. The comment I have is that this can still be done. Our liaison can work with the Judge to say that she made a commitment at the Personnel Committee and I am not sure why the Personnel Committee didn't explore it further. I wasn't there and I don't know the concept of the conversation so maybe it wasn't appropriate but I am not casting stones there. The issue is that this can still happen. We can work with the Judge and say that she said at the County Council Personnel Committee meeting that she would have two positions that she could pay out

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of the user fee funds. The Auditor has done an analysis to say that you can support that. I hate to see us derail the process and the commitment that we have made toward our Department Heads and Elected Officials. We ask for this and now because of additional information that was learned at the Personnel Committee, we are going to change that process a little bit. That concerns me from a relationship standpoint and the trust that we are trying to build with our Elected Officials and Department Heads. I don't disagree with the money coming out of user fees if it can happen but we worked hard on this process of asking them to cut and to turn around and say that we are going to squeeze you just a little bit more because we can. I would prefer to take a more diplomatic approach and work with them on both of these issues. The \$5,000 next year, at budget allocation time and the two salaries, I think we should be doing now in conversations with the liaison. Continued questions or comments?

Roy Buskirk: I understand the fact that they met their allocation. To me it is an indication that there is a lot of fluff in their budget because they didn't have to look at some issues and change them. We can give them credit for next year's cut with the additional cuts that they are incurring this year. I think some of you heard the Auditor's financial summary that stated the sooner you make the cut, the sooner you will receive the savings. I think this is the prime example of that. The sooner that we remove these two Probation Officers onto user fees and reduce the pay of the Judges by \$5,000 which is in addition to the \$127,000 that they are already receiving from the State. The State has said that they feel that this is what they should be paid. The State reviews that and that is why they got the 1.3% raise this year. It is no way near every County in the State that gives the Judges a bonus of the \$5,000.

Darren Vogt: Auditor Klutz, can you correct me if I am wrong but I want to make sure that it is clear to Council that this maneuver does not change the budget number of \$139,363,218. It does not change that. It does not change how much we are going to spend in General Fund dollars at all. Is that a correct statement?

Tera Klutz: According to the way that I asked you to make cuts, correct. You can change what you just said. You can lower the budget, if you want. Right now, the current motion on the table would keep the budget as is. You can choose to transfer the money that you are un-funding in Superior Court to the health insurance line, which is my request. Or you can choose to cut it altogether and lower the total budget.

Roy Buskirk: The one thing that it would do is, as a last resort move, we said that insurance claims were going to be half a million dollars less this coming year. That is almost the same as a Department Head turning in fewer

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utilities when you know that the chances of that are almost slim and none. If it is more than what we have budgeted for health claims, what are we going to do? We are going to pay them.

Darren Vogt: The fund balance is the issue in there. The fund balance is healthy.

Roy Buskirk: The fund balance in the health claims fund?

Darren Vogt: Right.

Roy Buskirk: I don't believe it is.

Paul Moss: It is but I think what you are referring to though is just looking at a year-to-year in the claims expense. I assume that is the way that you are looking at it and it is a legitimate statement. There is a risk there.

Darren Vogt: There is a balance in the fund.

Roy Buskirk: Well, yeah, we budgeted for it last year.

Darren Vogt: Right and that fund does not zero out. There is rollover, if you will.

Tera Klutz: To Roy's and Paul's point, they are both correct. It is a legitimate point that we are not funding the health insurance next year and we are decreasing the fund balance, the reserve. They are both correct. He is just saying that you are really not balancing the budget. You are choosing to go ahead and lower that reserve balance and if you need it, you will have to pay for it.

Darren Vogt: But it would be no different than if there is a fund balance and the user fee fund was used instead of the General fund being used.

Tera Klutz: No, there is a difference. That fund only comes from General Fund money. It is not a user fee fund. Roy was correct, if the claims are up, we will pay for it.

Darren Vogt: I don't disagree with that. I am not making my point clear and I will make it clear afterwards.

Paul Moss: I think the point of what you are saying Roy, so that I understand, is that if we make this change you would want to reduce the amount of the reduction in the health fund. I think that is correct and I

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understand that. The motion is still setting out there and has been seconded and I would like, at some point, to call the question.

Tom Harris: Point of order, I guess. One amendment, if you will, has been suggested and also another one. Are these together or separate?

Darren Vogt: At this point in time, all we have before us is a motion and a second. We are in discussion phase. At some point in time, we are going to call the question for this motion. I am letting the debate and the discussion go on longer than I normally would but it has all been good and I don't want to squash anyone.

Larry Brown: Paul called for the question.

Darren Vogt: He said that at some point he would like to call for the question.

Paul Moss: I will call for the question.

Darren Vogt: The question has been called and we are going to do a roll call vote on this. I think it is going to be close and I want to make sure that Becky gets all of the "ayes" and "nays". We will start with Councilman Moss and work this way?

Tom Harris: What about the amendments?

Darren Vogt: The only thing that we have before us is the motion to include the Commissioners' request of the \$120,000 transfer and the IT stuff and everything is as is at this particular point in time.

Paul Moss: Neither of the two changes...

Darren Vogt: Are off. We will start with Councilman Moss.

Paul Moss: Aye.

Tom Harris: Aye.

Roy Buskirk: Nay.

Darren Vogt: Aye.

Kevin Howell: Nay.

Larry Brown: Nay.

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Bob Armstrong: Can I abstain?

Tera Klutz: Yes.

Bob Armstrong: Can I ask a question before I vote?

Darren Vogt: Sure.

Bob Armstrong: If it is voted down, it's dead.

Darren Vogt: His motion is dead.

Bob Armstrong: And then where do we go?

Darren Vogt: A new motion will need to be made.

Bob Armstrong: I am going to vote no.

Darren Vogt: **The motion dies 4-3(Moss, Harris and Vogt).** We are at square one with the Allen County 2012 Budget. We have had discussions on two separate topics and I believe there are other topics. If we are going to get those topics out let's get them out now for discussion because I don't want to do this again for 45 minutes.

Paul Moss: I think that we have had a lot of discussion and so it seems to me that the prudent thing to do is for someone to make motions and we move forward.

Roy Buskirk: We don't have all of the issues out on the table.

Darren Vogt: I think there is more discussion. If there are or there aren't, we can move on. Who wants the floor? We need to discuss or make motions.

Roy Buskirk: Are you going to bring it up, Bob?

Bob Armstrong: I don't have anything right now.

Roy Buskirk: The other thing is the sworn Officers retirement fund. Currently they are paying 3% and it can be increased to 6%. The County will, as of January first, will be paying 30.5%. On an Officer making \$45,000, it is over \$14,000 that the County is paying into their retirement fund. If you take into consideration the 3% that they are currently paying, it is a third which would be \$15,000. All other County employees are giving up an additional

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three percent into PERF. I think it is only fair that the sworn Officers also give up 3%. As was previously mentioned with the Courts, they got their requested amount. The Sheriff did not. When Larry and I met with the Sheriff and went over this before the budget hearings, there was \$400,000 plus that we were asking him to cut and we made this suggestion and he said he was not interested in doing this to his boys. That is basically what I have. I think we need to increase the sworn Officers' share into their retirement fund from 3% to 6%.

Paul Moss: How does that get incorporated into the budget?

Tera Klutz: You can make a motion to do that. It would probably reduce the amount that we have to pay for the Sheriff's pension because they get a defined benefit. The \$1.9 million that is in the County-wide budget would probably be reduced by the same amount. You would just make the motion. We wouldn't really change the budget per se.

Darren Vogt: Wouldn't the salary ordinances have to change?

Tera Klutz: Yes, I have the salary ordinance. When we read the salary ordinance, the 3% will be crossed off and changed to 6%.

Darren Vogt: Okay.

Tera Klutz: There are a lot of different issues on the salaries going on and I am trying to keep track of all of them to be ready for when you do make a formal adoption. It will be the one that you want voted on.

Darren Vogt: Councilman Moss.

Paul Moss: We had significant discussion during the budget process on this issue and I am not sure what, if anything has changed between then and now. I don't really have anything that I need answered. Are you making a motion?

Roy Buskirk: I could. I wanted to allow Council to have some discussion on it. I will make a motion. My motion is that the sworn Officers' portion that is paid into the retirement fund be increased from 3% of the gross wages to 6% of the gross wages.

Darren Vogt: Is there a second?

Larry Brown: Is that the end of your motion?

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Roy Buskirk: Yes.

Larry Brown: Second.

Darren Vogt: Discussion, how will that work from a procedural standpoint? Budget-wise, we will still pass the budget and if someone votes against this, and they would vote against the salary ordinance would be the issue. The full budget would be voted on separately.

Tera Klutz: The budget is voted on as a total appropriation, levy and tax rates. You will vote separately on the salary ordinances.

Darren Vogt: And salary ordinances do not need a five-two vote as previous Councils thought. It can be a four-three vote. **We have a motion and a second. Is there any further discussion? Not hearing any, all those in favor please signify by saying aye. All those opposed same sign. The motion passes 4-3(Vogt, Moss and Harris).**

Tera Klutz: We need to do a roll call.

Larry Brown: Yeah, we need to be clear on the yeas and nays.

Darren Vogt: It was **Armstrong, Brown, Howell and Buskirk for; Moss, Harris and Vogt against.** The next item on the agenda is our budget.

Roy Buskirk: I make a motion that the two Probation Officers for Superior Court that are currently paid from the General Fund be transferred so that the Superior Court would pay it out of user fee funds.

Tom Harris: Second.

Darren Vogt: **We have a motion and a second. Is there any further discussion?** I will make this comment. This can be done without doing it through this budget process. I am deeply concerned that we are taking a process backwards from a relationship standpoint.

Paul Moss: I would like to echo that. Frankly, after that last vote, I can't recall a time where this body has done something, and I remember leading the effort to cut the Commissioners' pay and I learned a lot from that and we reversed it as a Council but to do something like this without input and to basically subvert the process is really disappointing.

Darren Vogt: Is there any further discussion?

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Larry Brown: Yes. A follow-up comment to Councilman Moss, in my opinion and from my perspective, had the allocation been met, I wouldn't be in favor of going there. The allocation was far from being met and it was very strongly expressed...

Darren Vogt: Councilman Brown, let's keep the discussion on the motion that we have in front of us. Let's make sure that we have the discussion on this one because there are people in the audience who are getting confused as to what your comments are relating.

Tera Klutz: Superior Court met their allocation, that's why.

Darren Vogt: Yes.

Tera Klutz: That is what this motion is on.

Tom Harris: While I won't go back to the previous point, I think that on this motion is there additional stress, harm, problems or any of those things that might come up with this particular change? Mr. President, you mentioned that we could still do that at another time. I am in favor of that as well but if we can do it now, that's fine too. I think the idea that we can simply provide a little bit of reduction in General Fund, while the Judge mentioned that it would not be a problem for them to pick up the user fees; I am in favor of user fees paying for judicial processes.

Darren Vogt: Is there any further discussion? Not hearing any, the motion is to move two positions, I don't know what positions those are and they will need to be identified, the two Probation Officers from County General to user fees. Do we need the dollar amount?

Tera Klutz: The positions within Superior Court are position 15.16, a Probation Officer and 16.46, an Office Manager.

Darren Vogt: An Office Manager?

Tera Klutz: Maybe it is the Senior High Risk Manager. It is 16.44.

Roy Buskirk: Do you want that in the motion?

Darren Vogt: Yes, let's amend the motion so that we have those in there.

Roy Buskirk: What was it Tera?

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Tera Klutz: I don't know the two positions that you are talking about but we need to know. We can't just pick two.

Roy Buskirk: There are only two that are not already being paid by the Courts.

Bob Armstrong: Isn't there ten all together?

Roy Buskirk: Nine.

Bob Armstrong: Somewhere you have to know that two of those people are being paid out of County General. Those are the two that we are looking at, right?

Roy Buskirk: Correct.

Tera Klutz: The Commissioners, for changes in their budget, gave us line item numbers for reduction and addition. I am going to go back to prior information that was turned over to the body to see if those positions were brought before Council and if they had line item numbers. We can know that but right here, at the table...

Roy Buskirk: Before we vote on it?

Tera Klutz: You have to know what you are voting on.

Roy Buskirk: It is just what I said. There are two Probation Officers that are currently in the General Fund and the other seven are paid by Court user fees. Process of elimination, it is the two. I can tell you what their current wages are.

Tera Klutz: Can you tell me their titles?

Roy Buskirk: Probation Officer.

Jackie Scheuman: They didn't have them titled as Probation Officers. That was whole reason why they wanted them off the UPROB grid.

Roy Buskirk: That is what their current title is, Probation Officer. They wanted them changed to Case Managers.

Jackie Scheuman: I am showing four people who are on the UPROB that are paid out of the General Fund.

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Darren Vogt: There may be some statute that says we can't do this. I am concerned about just picking positions.

Bob Armstrong: I guess from being on the Personnel Committee, it was stated by Judge Gull that there were two Probation Officers that were being paid from County General and she said they could be picked up and paid out of user fees. Those salaries would be taken off of County General. The way that I interpreted that was that there were ten Probation Officers, she was paying for eight and two were being paid out of County General. I wouldn't think it would be that hard to figure out who those two are.

Darren Vogt: I don't disagree with that. We are going to make sure that we are staying with our decorum. This side conversation is trying to figure out which two they are. Councilman Brown.

Larry Brown: If you look at the salary ordinance, there are thirteen with position number 16053...

Roy Buskirk: Okay, I have the two.

Larry Brown: There are 17 but one of those is a Supervisor and so it is down to 16. All say a split with 230. I assume that is account 230.

Jackie Scheuman: That is Circuit Court.

Tera Klutz: You are looking at a different Probation Department.

Larry Brown: Oh, I am sorry.

Roy Buskirk: We've got the numbers for the two positions. Do you want me to withdraw the motion?

Darren Vogt: Withdraw the motion and the second.

Roy Buskirk: I withdraw the motion.

Larry Brown: I withdraw the second.

Roy Buskirk: I will make a new motion...

Darren Vogt: Wait a minute. Was Tom the second or were you?

Becky Butler: Tom was the second.

Darren Vogt: Tom, can you withdraw your second?

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Tom Harris: I can, yes.

Roy Buskirk: I make a motion that two individuals out of the Probation Office for Superior Court whose payroll numbers are 16.44 and 15.16 be transferred from the General Fund to the user fees Fund 741.

Bob Armstrong: Second.

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

Roy Buskirk: The next one that was brought up previously is Judges' salaries. The State of Indiana reviewed and made a classification on the Judges throughout the whole State, compared to what Judges are paid in surrounding States, and they received about a \$20,000 to \$25,000 pay increase. This past year, they also received a 1.3% increase. In addition to their current wages of \$127,000 plus, the County has given them an additional bonus of \$5,000 each. The Magistrates' wages are based upon what the Judges' wages are and the \$5,000 to the Judges increase their wages and they get \$4,000 additional. There are ten Judges and thirteen Magistrates. There would be a savings of \$102,000 plus. If we do go through with this reduction, it can be credited to the appropriate budgets next year as already trying to obtain their requested funding amount. By starting it this year, it would be a greater savings. By the way, Judge Sims is paid out of Superior Court.

Larry Brown: Was that a motion?

Darren Vogt: I never heard any motion in there.

Larry Brown: I will make the motion to take back or eliminate the additional compensation for the Judges and Magistrates for 2012.

Bob Armstrong: Second.

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

Tom Harris: Do the Judges pay into PERF?

Roy Buskirk: They have their own retirement on their \$127,000.

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Tom Harris: My point on that is did the Judges had a reduction on PERF similarly to all County employees? So the Judges did not receive the three percent pay into PERF. What percent of the \$5,000 is that of their overall base?

Darren Vogt: About three percent.

Tom Harris: So the Magistrates may have been reduced in PERF and this would be in addition to that.

Tera Klutz: It would only be on the amount that the County pays.

Roy Buskirk: Right, the 3.9%.

Tom Harris: If I were to add a friendly amendment to the motion?

Darren Vogt: You cannot do that technically. They would have to withdraw the first and the second. Bring your point up and let those guys decide.

Tom Harris: In the matter of fairness, if we are going to consider that, I would also consider a four percent reduction in Council wages for next year. If we are going to make decisions at the last minute to save the County taxpayers some money without strategically discussing it, I think we should throw our own wages on the table.

Roy Buskirk: We are taking a three percent with the PERF.

Tom Harris: I understand that but we are also talking about an additional amount, at this point in time, and I will throw that out for the rest of Council. It would be the same as what the Judges are cut.

Darren Vogt: Is there any further discussion on the motion that is before us which is to not fund the additional \$5,000 and \$4,000 for the Magistrates as well. Councilman Moss.

Paul Moss: Two points, not to beat a dead horse but I am going to reiterate that I have really significant concerns about how we are doing this. I am not supportive of either of those. If you look at Allen County, I am all for reductions where we can get them. We have done that in the past and will do so in the future, I suspect. In my opinion, we are pretty lucky that we have two good judicial systems and if you look at those salaries relative to what could be made in the private sector, I don't think that they are grossly overpaid.

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Darren Vogt: Councilman Harris.

Tom Harris: Again, I just want to reiterate my previous position that I do think we need to have more scrutiny and possibly find ways to make the judicial system more efficient. I just don't know that this particular move today gets us in the right direction. I think it will set us back a little bit. I look forward to this next year by diving in deeper and helping the Courts figure out ways to become more efficient.

Darren Vogt: Council, is there any further discussion? All those in favor please signify by saying aye. All those opposed same sign. The motion passes 4-3(Moss, Harris and Vogt). We are still not done. Auditor Klutz, do we need to take a few minutes for you to figure out where we are? I want to make sure that we pass a correct budget. I am not sure that I am comfortable with what we have just done to make sure that we have it right in the verbiage and everything else. Are you comfortable with where we are?

Tera Klutz: I think five minutes would be good.

Darren Vogt: Okay, this is just a clerical five minutes. You can stay right here or if you need to use the restroom, feel free. I want to make sure we are okay on what we need to do. We are in recess.

Recess.

Darren Vogt: We are back. With the modifications that we have made today, the dollar amount that is associated needs to be moved, if agreed by Council, to fund 100-4010-411.12-20. That is the group health fund. If that is the agreement, we will need a motion, a second and voted on by Council. All reductions that were made today would increase the allocation or the allotment of the fund in the fund that I just mentioned. Does that make sense?

Larry Brown: Which reduces the amount out of Rainy Day?

Darren Vogt: No, it increases the dollars that we are putting into the group health fund and that we reduced by half a million dollars.

Roy Buskirk: Do we have a total on the amount?

Darren Vogt: I don't think we will have an exact total on that until we know FICA and PERF and all of those things. The motion needs to be to move that money into that fund number right there.

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Paul Moss: The motion essentially encompasses the actions that were just taken.

Darren Vogt: Correct, in deciding where to put that money. Not if you agree with those motions or not. It is whether you agree with taking the money...

Paul Moss: But you are agreeing with the affect of those motions.

Darren Vogt: No, I don't agree with that. Those motions have already passed.

Paul Moss: They are a part of the budget now, would you agree?

Darren Vogt: I would agree that they are part of the budget.

Tom Harris: The money has to go somewhere.

Darren Vogt: Yes, so that is a separate issue. This concerns where to put that money. You can vote "aye" or "nay" on the budget. This motion is just where to put the dollar amount.

Paul Moss: Let me rephrase it then. This motion is the result of prior actions. Would you agree?

Darren Vogt: Yes. I see where you are going with that. What we need is a motion to move that money.

Roy Buskirk: Correct me if this is wrong but I would say that the savings incurred by the movement of the two Probation Officers to user fees, the reduction of the Judges' bonus that they currently receive from the County and also has an effect on the Magistrates' wages and the increase participation of three percent by the sworn Officers into their retirement account be transferred to account 100-4010-411.12-20 which is the County Group Health Fund.

Larry Brown: Second.

Darren Vogt: **We have a motion and a second. Is there any discussion? All those in favor please signify by saying aye. All those opposed same sign. The motion passes 5-2(Moss and Vogt).** With that, we need to move to the salary ordinances.

Tera Klutz: No, we need to move to the first page for Allen County and the actual approval of our budget.

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Roy Buskirk: So the dollar amount on the total budget would remain the same. All of the other numbers remain the same?

Tera Klutz: Yes, all of the numbers remain the same.

Roy Buskirk: What number do you need in the motion?

Tera Klutz: You have a copy of the ordinance. Paul read it to begin with and that one got voted down.

Larry Brown: I make a motion to approve the Allen County budget, be it ordained by the Allen County Council, Allen County, Indiana that for the expenses of Allen County for the year ending December 31, 2012 the sum of \$139,363,218, as shown on Budget Form 4-A are hereby appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject to the laws governing the same. Such sums herein appropriated shall be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law. In addition, for the purposes of raising revenue to meet the necessary expense of Allen County, a total property tax levy of \$67,527,919 and a total tax rate of 0.5870 as shown on Budget Form 4-B are included herein. Budget Form 4-A and 4-B for all funds and departments are incorporated by the signing of this form and must be completed and submitted in the manner prescribed by the Department of Local Government Finance and I will add to this the changes by the Commissioners that we just discussed.

Tera Klutz: You will need to add “the Commissioners’ requested changes attached hereto”. Those are the ones that were submitted earlier.

Larry Brown: Yes, I want to add that. I might need help with the formality. This motion includes the transfer submitted by the Commissioners...

Tera Klutz: And attached hereto.

Larry Brown: And attached hereto which reflects a reduction from DPS and an increase in Information Technology.

Bob Armstrong: Second.

Darren Vogt: We have a motion and a second. We are going to take a roll call vote on this. We will start with Councilman Armstrong.

Bob Armstrong: Yea.

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Larry Brown: Yea.

Kevin Howell: Yea.

Darren Vogt: Nay.

Roy Buskirk: Yea.

Tom Harris: Yea.

Paul Moss: Nay.

Darren Vogt: The motion passes 5-2(Moss and Vogt). With that, we need to move to the salary ordinance portion of the County budget. It needs to be read into the record.

Larry Brown: Each one?

Darren Vogt: Each one needs to be read and voted on separately. The first one will be the salary ordinance. It is a rather long document and needs to be in the form of a motion. It is that one right there.

Kevin Howell: The entire thing? Move for approval of the 2012 salary ordinance, be it ordained by the Allen County Council of Allen County, Fort Wayne, Indiana that this salary ordinance includes wages and other compensation received by employees under the auspices of the Allen County Council for work performed by the employees. Other compensation includes holidays, established by the Board of Commissioners of the County of Allen plus vacation, sick days and sick day reimbursement allowed as set forth in the Allen County Personnel Manual. Full-time employees are employees who are paid from individual annual salary appropriation lines found within their respective office or department budget; provided, that any sworn officer of the Allen County Police Department who completes any portion of his first twelve months of County employment during the calendar year 2012 shall, for such period in 2012 which comprises any portion of such initial twelve months of employment be paid at a rate equal two ninety-seven and one-half percent of his salary as approved herein. Except as specifically excluded, full-time employees shall be regularly scheduled to work not less than seven and one-half hours per day on a five day a week schedule. The Auditor shall establish an hourly rate for each full-time employee. This hourly rate shall be determined initially by dividing the employee's annual salary by fifty-two, then dividing that number by the regular number of hours the employee is scheduled to work (i.e.: 40 hours or 37.5 hours per week). Once determined, hourly rates shall only be modified with the approval of the County Council.

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Departments who are required to operate on a 24 hour day may establish a four day on and two day off work schedule. Overtime payments, as required by the Fair Labor Standards Act, are hereby specifically approved.

Employees who are on a 37.5 hour work week shall receive straight time for hours worked between 37.5 and 40 hours and time and one-half thereafter. Employees, who are entitled to overtime payment in accordance with the Fair Labor Standards Act and are not otherwise compensated, shall be paid at an hourly rate as determined above. Classified employees shall have their step increase effective on the first day of the pay period beginning after their anniversary date. Departments may elect varying work weeks and hours and shall notify the Auditor of such election. Except as set forth above or otherwise specifically allowed by ordinance, no other payment shall be made to employees for compensation for work performed. A salary grid is hereby established for all classified positions as presented and approved by the Allen County Council for 2012. Said grid shall be modified in accordance with the preceding paragraphs as required. This ordinance read, considered and adopted by the members of the Allen County Council on this 20th day of October, 2011.

Tom Harris: Second.

Darren Vogt: We have a motion and a second. Now, to make sure, this ordinance is changed how by the actions that we did today?

Tera Klutz: This ordinance is changed by the sworn Officer Pension plan. It is calculated at six percent of the sworn Officers' gross pay each paycheck and each Officer pays into their pension for the first 32 years. I have made the change on the ordinance that will be going around. The other changes in this ordinance include the elimination of the Drug Court Probation Officer and the Senior High Risk DC Case Manager. Both were moved 100% to Fund 741.

Tom Harris: With that, Mr. President, I withdraw my second.

Darren Vogt: The second has been withdrawn. Is there an additional second?

Bob Armstrong: Second.

Roy Buskirk: Does it have to be read into the record?

Darren Vogt: It is already in there. I just wanted to make sure that Council was aware of it. Again we will go around the table and start with Councilman Armstrong.

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Larry Brown: One more question. Is it a separate ordinance for Elected Officials?

Tera Klutz: Yes. There are three more salary ordinances to follow.

Darren Vogt: Councilman Armstrong.

Bob Armstrong: Yes.

Larry Brown: Yea.

Kevin Howell: Yea.

Darren Vogt: Nay.

Roy Buskirk: Yes.

Tom Harris: Yes.

Paul Moss: Nay.

Darren Vogt: The motion passes 5-2(Moss and Vogt).

Tera Klutz: On this ordinance that I am passing, I have a little sign here sticker. It is not as nice as the DLGF form. Darren and Paul, remember to sign on the right side and everyone else sign on the left.

Bob Armstrong: I just want to put on here that I make a motion. Move for approval of Salary Ordinance, 2012, Non-Classified Employees. Now therefore be it ordained by the Allen County Council that the attached shall be the salaries of the Non-classified employees employed by Allen County, Indiana. They shall be paid their annual salary in twenty-six equal payments and shall receive no overtime. This ordinance read, considered and adopted by the members of the Allen County Council on this 20th day of October, 2011.

Larry Brown: Second.

Darren Vogt: And the corrections or adjustments we made to this today?

Tera Klutz: The changes that were made today, for this salary ordinance which includes Magistrates, was the elimination of the \$4,000 supplement.

Darren Vogt: We have a motion and a second. We will go roll call again.

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Bob Armstrong: Yes.

Larry Brown: Yea.

Kevin Howell: Yea.

Darren Vogt: Nay.

Roy Buskirk: Yes.

Tom Harris: Nay.

Paul Moss: Nay.

Darren Vogt: The motion passes 4-3(Harris, Moss and Vogt). We have the Elected Officials ordinance.

Roy Buskirk: I will make a motion that the salary ordinance for 2012, Elected Officials, now therefore be it ordained by the Allen County Council that the attached shall be the salaries of the Elected Officials employed by Allen County, Indiana. They shall be paid their annual salary in twenty-four equal payments and shall receive no overtime. Pursuant to IC 36-2-12-15, the compensation of the Allen County Surveyor will be reduced to \$42,571 if he is not a registered Surveyor. Pursuant to IC 36-2-14-15, the compensation of the Allen County Coroner will be reduced to \$30,548 if he is not a licensed Coroner. This ordinance read, considered and adopted by the members of the Allen County Council on this 20th day of October, 2011.

Bob Armstrong: Second.

Darren Vogt: Changes to this ordinance as of today.

Tera Klutz: This salary ordinance was changed today by removing the \$5,000 supplement that the County pays to the Judges.

Darren Vogt: Starting with Councilman Armstrong.

Bob Armstrong: Yes.

Larry Brown: Yea.

Kevin Howell: Yea.

Darren Vogt: Nay.

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Roy Buskirk: Yes.

Tom Harris: Nay.

Paul Moss: Nay.

Darren Vogt: The motion passes 4-3(Harris, Moss and Vogt).

Roy Buskirk: I have a question on this especially with the Judges. This just says he instead of he/she.

Tera Klutz: Generally, he is referred to as both but I would definitely be open to changing that language in the future.

Darren Vogt: Okay, we are onto Part-Time Hire salary ordinance.

Tom Harris: I will make a motion, now therefore be it ordained by the Allen County Council that the attached shall be the hourly salaries for part-time employees by Allen County Departments that utilize part-time hire. This salary ordinance indicates the range of pay received by part-time County employees for work performed during the year 2012. Part-time employees shall receive no more that the hourly rate established by County Council for hours worked and will not otherwise be entitled to fringe benefits. Those who are scheduled to work a minimum of thirty hours per week in a position that extends for twelve months or more are eligible for Group Health and Group Life Insurance. Unless otherwise specifically allowed by ordinance, no other payment shall be made to part-time employees for compensation for work performed. This ordinance read, considered and adopted by the members of the Allen County Council on this 20th day of October, 2011.

Roy Buskirk: Second.

Darren Vogt: We have a motion and a second. There are no changes to this ordinance, is that correct?

Tera Klutz: Correct.

Darren Vogt: All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. Unless I missed anything, we are through the budget.

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Tom Harris: 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 October 20, 2011.

Larry Brown: Second.

Darren Vogt: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0. The next regular Council meeting will be held at 8:30 on November 17, 2011.

Larry Brown: Liaison updates?

Roy Buskirk: We are moving forward on the permit process. Two of the RFP's have been decided. Fortunately they came in considerably under budget. I am not at a point to divulge any of the numbers or who the people are that were selected because they have not been notified.

Paul Moss: Is this for the Ombudsman thing?

Roy Buskirk: The RFP is going out for the second time. Some of the verbiage has been changed.

Larry Brown: There were three RFP's. One was to review current ordinances, statutes and all of that kind of stuff. The second one was the overall management of the process.

Roy Buskirk: That includes the Accela programming.

Larry Brown: Correct. Those are the two that have been decided. We had an extremely time consuming and extensive investigation of the RFP and the references, phone interviews and presentations. It was very elaborate. We all felt really, really, really comfortable with the selection. The Ombudsman is going out again for an RFP.

Darren Vogt: Council, are there any other meetings? I will tell you that we are working with the Commissioners. I know that we got an update yesterday with Moss and Buskirk on some work that we are doing with the Alliance and John Stafford to redefine that role and how we are doing it. That is coming along well. Eventually we will have the Commissioners come before us with a full update on that. They are putting together a work plan and some duties and the overall economic development plan for the community. It includes the City and the County and the towns in the County and trying to get buy-in from the Counties surrounding us. The conversation yesterday, John Stafford feels that the barriers that used to be there are slowly going away. It is now

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working much better. We are seen as a help and not a hindrance. It is getting to be a much better situation. Does anyone else have anything?

Roy Buskirk: Let me make one more comment on the permit situation. I know that some people have asked me, and some candidates in the City election have asked me, if this would add more bureaucracy to the permit process and it definitely will not. As Larry said, the one group will be studying our ordinances, City and County, and the Building Department ordinances to streamline them. It will make the City and County ordinances basically the same. The only difference is that one will say Allen County and the other one will say the City of Fort Wayne. This ought to help developers, architects and anybody else working in our community. The other RFP is for a firm that is going to oversee the process going through the ordinances and also is very strong in the Accela programming to make sure that it is expanded out to all of the different departments. Basically we only have two departments currently on Accela and those programs need to be reworked, the Building Department and the Planning Services Department. We need to get into City Utilities, Allen County Highway Department and the Board of Health. There are fourteen or so departments that we want to tie into. That is what the Project Manager will do. The Ombudsman will not be adding any kind of bureaucracy to the permit process. They are there to offer a helping hand to anybody that is applying for the permit. If they don't need any help, they will get out of the way and let the individual go ahead. They are there to help work through the many departments that they have to go through.

Darren Vogt: Armstrong.

Bob Armstrong: I will make a motion 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 12:07 p.m.