

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

The Allen County Council met on Wednesday, September 21, 2011 at 8:30 am in the Council Chambers at Citizens Square. The purpose of the meeting was for review of the Tax Unit Budgets and County Council Budget Hearings.

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; Nelson Peters, Commissioner; Therese Brown, 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:** We are working from the clip bound packet of information today. What we will do is go through the non-binding review of the taxing units. You have a list of the folks that are going to come before us. We will then move down through the hearings for the Southwest Fire District and Solid Waste and then the Allen County overview by the Auditor. We will then break for lunch and then restart at 1:00. If we get finished with our morning session and break early, we will then reconvene at 1:00 and not start the department budget appeals until then. With that, Allen County Library is on the board first and they are not here. If you look at the tab after Citilink, there should be the Aboite Township. We have a non-binding review of these and the Auditor has given us what our responsibilities are. If you look to the second page of that packet, it tells what our responsibilities are for the non-binding review. Do you want to go over those?

**Tera Klutz:** Sure, thanks. A couple of years ago, the legislators wrote into the statute some legislation that would require one body to oversee all of the different budgets and levies in the County and see the impact of all of the overlapping jurisdictions. For example, if we go to Huntertown, they may want to redo their building and raise bonds. They are also located in Northwest Allen County Schools and they may also be undergoing some construction projects. Other layers on the Town of Huntertown include Allen County, the Airport and the Library. They wanted one body to look at the total impact on the residents of Huntertown and likewise, the residents of Fort Wayne and total residents of Allen County. They thought County Council, because you are elected County-wide, would be the best body to do

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that. They developed a non-binding review and recommendation process. Nick has coordinated all of the budget and levy information with the units and there is an information sheet which is the second sheet of the packet. On the back are the budget increase percent and levy increase percent for all of the units. This year, you can make a comparison to County averages. That is a new comparison this year. You are required to compare all of the units' budgets and levies to the State-wide growth factor which is growth in non-farm personal income. That is 2.9%. You are also required to compare it to the County growth which is 2.7%. That is our six-year average in income.

**Darren Vogt:** On the backside of that page, the County Average Total Budget and Levy Increase, can you briefly explain how you would have a negative budget increase and yet an increase in tax levy?

**Tera Klutz:** Sure. I am going to use Allen County's budget as an example. We have a General Fund budget, actually I think what I can do is pass around a sheet that will help explain this. This is Allen County's budget and certified levy. Our overall levy next year is going to increase by three percent. The levy is the amount of property taxes that you can collect and it helps fund your budget. It is not the only source of income to fund your budget. For example, in the Allen County General Fund, we have about \$46 million funding the General Fund for 2012 and about \$30 million of other revenue, income tax revenue and other fees that we charge for services. You may have a budget increase or a budget decrease and have the opposite happen on your levy.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** Correct me if I am wrong but in part, it is because the assessed value has also decreased which would make your increase in levy go up.

**Tera Klutz:** No. Our levies, the maximum amount we can raise is set by statute. The rate that Roy brought up, will change depending on the assessed value but the amount of money that we collect in taxes is set by statute, the maximum amount, but we can always go lower. The maximum amount of money does not change based upon the assessed value.

**Roy Buskirk:** So the levy is referred to the amount of money and not the rate.

**Tera Klutz:** Yes, that is correct.

**Darren Vogt:** Council, are there any further questions?

**Paul Moss:** The maximum is based on a percentage of prior year?

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**Tera Klutz:** The maximum was set by statute, I believe, in the 1980's under the Bowen Tax Reform. I am not very familiar with that legislation but I believe they set some parameters that said after the max is frozen, we will allow you to grow for certain reasons. One is that you can grow by that six-year average in non-farm personal income or six percent, the lesser of each one. If you are a City or Town, they allow you to grow your levy for annexation. They allow you to grow your levy for Poor Relief. In 2003, they met in December and decided that there was a lot of banked levy. Before 2003, I am going to use Fort Wayne as an example; you were allowed to increase your levy the amount you raised in property taxes for annexation. Fort Wayne didn't raise the amount of money they were allowed to raise. They kept it all in a bank. Lafayette Township, one of the ones on our list today is in the category where they might have been using cash reserves and didn't need to raise the levy. The Senate met in 2003 and created a new maximum levy at the rate that you were charging the year before. Any levy that you were allowed to raise but didn't the year before was lost. All of a sudden everybody became at a new maximum. That maximum could only grow by that six-year average in non-farm income. Lafayette, I am going to use them as an example, was pulled off to the bottom because even though their budget is not increasing or decreasing at all, their levy is increasing by 770%. It is a very small dollar amount and that is why that percentage is so high but during 2003, they were charging the taxpayers hardly any money because they had a large cash balance. They were just paying for cemetery expenses, paying their Trustee and all that with the cash balance that they had. Now, they need to re-raise their levy just to continue those same operations.

**Roy Buskirk:** So, in essence, for me to understand it is the fact that this year you can raise it 2.9 percent.

**Tera Klutz:** Yes.

**Roy Buskirk:** And if you only raised it 2.5%, that .4% is lost.

**Tera Klutz:** The legislators met again in the spring and you know how they change the laws, and technically now you can bank your levy again. That is good news for fiscal bodies because if you would want to reduce your levy, the excuse that you heard before that it is lost forever is not true. I would caution you, our General Fund says \$55 million and that is going to be our certified levy. This calculation and the thing you see in front of us doesn't include Circuit Breaker. Our certified levy is going to be \$55.9 million but we are only going to collect in the higher forties because of the Circuit Breaker. If you reduce the amount that we certify our levy, we will even reduce that further.

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**Darren Vogt:** Right. Councilman Buskirk.

**Roy Buskirk:** I was just going to say that the Library has shown up.

**Darren Vogt:** Does anyone else have any questions in general? We will jump back to the agenda and move to the Library. Councilman Howell.

**Kevin Howell:** Just for clarification and for my residents in the southeast, there have been questions that we do not have veto authority over this, right?

**Tera Klutz:** Correct. You have no binding authority whatsoever.

**Kevin Howell:** So again, for clarification, why are we doing this?

**Darren Vogt:** Statute says we have to do it.

**Kevin Howell:** Okay.

**Tera Klutz:** I would say that the very first time we did it was the most beneficial and educational for all of the units and our County Council. I believe that the budget makers put responsible budgets together. Since this is our third year and they don't have to take your recommendation but it is still the process that we have to do, I would say it is losing its intent.

**Darren Vogt:** I would say that it has lost its intent. The only thing that it did shed light on is something that really scares me more than anything else, it doesn't scare me but needs to be changed, and that is the fact that we have to publish things and it costs the County and Taxing Units a lot of money. Obviously the general public does not pay any attention to those publications when you look at the amount of increase that they project just to protect the levy and the amount some of them are much more than the 2.9% just to make sure that they grab all they can, they advertise high. It obviously shows that the average taxpayer doesn't understand it and there needs to definitely be some change in legislation and why we do that. Right now, if you go through, you can see that the percentages that are increased are not at 2.9% but they say they are going to be at 2.9%. Are there any further questions on that? If not, we will move to the Allen County Library. Please come up and introduce yourself. Please speak directly into the microphones. The audio system in here needs to hear you and it can sometimes be a challenge if you don't.

**Jeff Krull:** I am Jeff Krull, Director of the Library, and with me is Dave Sedestrom, our Treasurer and Chief Financial Officer. Whether we need to be here or not, we always enjoy coming over and communicating what is happening in our place.

**Darren Vogt:** You may be the only ones who enjoy that.

**Jeff Krull:** We are very friendly at the Library. The message we have is that we continue to look at the money that we have available and how to match that with the money that we are spending. It gets harder and harder to do, as we all know. Over the last three years, we have made a significant number of adjustments in order to do that. We did anticipate looking down the road, that the property tax caps would have a major impact on our revenues. We started to shrink in a couple of areas, primarily in staffing because we all know that is the biggest area of expenditures. When we started the process of shrinking, we had the equivalent of 330 full-time equivalent employees in the Library system. That is the main Library and all thirteen branches and the processing center. At last count, we have 313 full-time equivalent staff. That is a reduction of 27 and constitutes almost 11% of the staff. In order to do that, we have tried to find better ways of operating. We have automated a number of things, primarily our checkout system. We used to have a staff member standing behind the desk and when someone came up to check out a book or other item, that person would check it out. At the Main Library and three of our largest branches, we have self-check. It is kind of like the grocery store and I know not everybody loves that. We have patrons who don't particularly love it either. The acceptance, at this point we have been doing it for about a year and a half, has really increased. We've got 96% to 98% of our checkouts via self-check. Many people actually like it a lot because it kind of enhances privacy and nobody has to see what I am checking out, what my reading tastes are, et cetera. It certainly does allow us to not replace people as they leave. That has been our strategy. We haven't done any layoffs and we hope we never have to. We consider our staff our principle resource and the most valuable asset we have. We have also had to do some reduction in service. Just recently we decided we would have to consolidate our information service. At the Main Library, we've had a General Information Desk that we staffed along with Service Desks and the Readers Services Department, Business, Science and Technology Department, Art, Music and Media, Young Adult Services and Children's Department. It is a large building and we want to serve the public as conveniently as possible. We found it impossible to maintain a staff at the General Reference Desk and the Readers Services Desk and so we are consolidating that to one location. We think it will not be quite as good but it will still be acceptable. Those are the kinds of things we have been doing. We have also, regrettably, had to freeze our expenditures for books, periodicals, media, databases and all of those information resources that are really the heart and soul of the Library. Again, you have to restrict your expenditures to your revenue. Those are the two main areas we have to work with, Personnel and Materials. We have done as much as we can and continue to work on things like energy efficiency and operating as economically as we can. I don't know if Dave has anything

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he wants to add but I wanted to give a brief introduction and if you have some questions, we would be happy to respond to those.

**Dave Sedestrom:** The only thing I would add is echoing what Tera already told you. Darren, I couldn't say enough that the publications really are sometimes almost misleading. We are publicizing a levy request that is going to be higher than allowed. The State will cap it at 2.9% but you have to advertise it to capture that. As far as this meeting, we like coming and telling you that we do a pretty good job of holding down the budget and making sure that it is balanced. I think what Jeff said is entirely the picture of what has happened for the last three years. We just looked ahead and made sure that our budgets were balanced. I think the only thing we are looking ahead to is more technology. He already mentioned the self-check but we are going to be implementing more solutions as far as cutting down. We are looking at reducing postage by \$125,000 just through the use of email and phone renewal and things like that. Then we would be able to reduce the staffing as well as the postage. Those are just some of the other things that we are looking forward to. I didn't mean to steal Jeff's thunder on that though.

**Jeff Krull:** That's great. I hadn't thought about that.

**Darren Vogt:** Council, any questions? Councilman Buskirk and then Howell.

**Roy Buskirk:** On the automatic checkout, do you have any problems with people not checking out the book and just walking out with it?

**Jeff Krull:** That is an interesting question. There are certain things I would like to say but I can't because we don't want to reveal the exact kinds of security that we have in place. I can tell you that we did a study to give us some background information for a couple of decisions we were trying to make. We took 1,400 items out of our catalogue at all locations. It was a random mix but we made sure that we had something from all of the branches. Then we went to see if we could find all 1,400 of those. Was it on the shelf, checked out, is it in transit or is it unaccounted for? It was a very small percentage of unaccounted for items which to us was very gratifying. Frankly, I thought we would have a much higher rate of missing things because of the fact that it is not that difficult to get something out of a place if you want to do it. Even with our media, which we have now made self-check, the person comes up, scans the library card, scans the CD case or whatever it might be, runs it through the automatic opener and takes the lockbox off of it and then is able to leave with it. People seem to comply with that. I don't know if we have an exceptionally honest populace around here or that this would be typical. I don't have any library industry data to compare it with. We were very happy to see that the loss rate is small.

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**Roy Buskirk:** My next question is I noticed in the paper that you are anticipating giving the Library employees a one percent raise this coming year.

**Jeff Krull:** We have built into the budget funds for a two percent raise. We did one percent last year and one percent the year before. Every year, we do our own salary survey. We survey about forty peer libraries around the country to see how our salaries compare to theirs. The Library Board reviews that, usually in October and November and we make a decision on what we are going to actually do. We have funds allocated to it but it doesn't mean that the Board will necessarily do that. We feel that we have the capability of giving that kind of pay increase if conditions warrant it and if the Board decides to do it.

**Roy Buskirk:** Thank you for your answer but I wasn't done with my question.

**Jeff Krull:** Oh, I'm sorry.

**Roy Buskirk:** That's all right. The Library does not have a step system similar to what the County has in which automatically it varies three to five years that County employees automatically receive a step increase. It is basically equal to a one percent raise. The Library does not have that system, is that correct?

**Jeff Krull:** That is correct. We do not have that.

**Roy Buskirk:** Okay. I noticed that you are using half a million dollars from the Rainy Day Fund. What is the current balance that you have in your Rainy Day Fund?

**Jeff Krull:** We have about \$850,000 in the Rainy Day Fund. We do not anticipate using that \$500,000 appropriation. It is kind of in there as a safeguard backup but is not part of the spending plan for 2012.

**Roy Buskirk:** Okay. The Rainy Day Fund is not currently growing or anything. It will reduce if you have to use some.

**Jeff Krull:** The Rainy Day Fund has money that was required to be deposited there when we had the COIT excess distribution.

**Roy Buskirk:** Okay. Do you still have the program in which people can checkout pictures and items of that type?

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**Jeff Krull:** No we don't. That was discontinued quite some time ago. It was really popular at one time among libraries but the popularity fell off and we discontinued doing that.

**Roy Buskirk:** Okay.

**Jeff Krull:** I have a bunch of stuff at my house if you would like to check it out.

**Roy Buskirk:** Okay. That is the bottom of my list.

**Darren Vogt:** Councilman Howell.

**Kevin Howell:** I am involved in education and I have dozens and dozens of parents who talk to me about the kinds of books that their kids are bringing from the library. They are kind of, since we are public here, risqué. I am concerned too. Who determines what books are taken out and what level, in terms of explicitness?

**Jeff Krull:** We have two primary people that do selection for the Library. We call them Bibliographers. We have one for adult materials and one for juvenile and children materials. We also have input from all of our Branch Managers and Department Managers. The question of what is appropriate, what crosses the line and where is the line is always a tough one. I always like to say, with regard to children's material or adult material, there is a line but the line keeps moving. I don't know that there is any scientific way to determine where that line is. I think it is a judgment call. You are going to find many titles and many books and films that get vastly different reviews from different people. One person will think it is perfectly all right and that they would like their child to know this stuff because it is part of their growth and education. Another parent will look at that and say that they don't want their kid going near that. It is against their principles and religion and we don't agree with it. We have to rely on parents to make those decisions. We can't, in any practical way, develop criteria that will satisfy everybody. It doesn't come up all of the time but it does come up from time to time.

**Kevin Howell:** What is the process if parents have objections to it? Who do they contact? Where do they go?

**Jeff Krull:** We have a process by which a person who disagrees with an item or objects to it fills out a two or three-page form. We ask if they have read the entire book and we ask them what they find objectionable and what they would like us to do with it, et cetera. We convene a committee, depending on the request, if it is from a Branch, we get a Branch Manager. If it is a

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children's book, our Juvenile Bibliographer is there. I am involved with it and our Public Service Manager. It is a committee of four people who will review it and determine if there is anything that we feel needs to be done in response to that request. Frankly, most times we say thank you for your opinion but we feel that it is up to individual people to make that determination. There have been times, with children's books, where we felt that maybe this book belongs somewhere else in terms of where it is displayed. We had a book on model rocketry that was in the kid's department along with books on model airplanes and things like that. Someone picked that out and said they didn't really feel it was appropriate for the children's collection. We reviewed it and realized it really wasn't and was much more of a sophisticated kind of book. It didn't belong there so we took it to the adult section. If a kid found it there, that could also happen. Generally, the kinds of things that you display in an area are intended to be appropriate for that kind of audience.

**Kevin Howell:** When does the Library Board meet? Can the public attend?

**Jeff Krull:** All of those meetings are open to the public and the regular meetings are the fourth Thursday of every month at 3:00 p.m.

**Kevin Howell:** At what time?

**Jeff Krull:** 3:00 p.m.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** Just to follow up on that point, one of the things that I get hit with is that the Library is a wonderful asset for our community and northeast Indiana but that one piece that Councilman Howell is talking about is the piece that I keep getting questioned on. I guess the challenge, and we won't go further into that, is that it is public money. I think being public money; morality does take a piece of that. We do have to think about that. People can do anything they choose to and buy whatever they want but when it is public money, we need to be thinking about that. I trust that it will continue and to use conservative and great discretion in those decisions. The question that I have is on the budget. You mentioned that you have \$800,000 in the Rainy Day Fund. Please correct me on this but in the 2012 budget, you have set aside \$500,000 in Rainy Day. What happens with the difference?

**Jeff Krull:** The \$500,000 is the amount that we are currently proposing to appropriate so that during the course of the year, if we wanted to spend money from that fund, we could spend up to \$500,000. If we wanted to spend more, we would have to appropriate additional funds. For the sake of just

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having a number available there, we are proposing to appropriate \$500,000. We probably won't use that. Most likely we will not.

**Tom Harris:** All right.

**Darren Vogt:** Are there any further questions? Thank you very much, I appreciate your information.

**Nick Jordan:** Just a real quick note, Council, those Rainy Day Fund questions will be answered on the back of each one. We have asked them their balance and the possible uses of it for 2012.

**Roy Buskirk:** Sometimes our questions are to make it public comments.

**Darren Vogt:** With that, next on the agenda is the City of New Haven. I see the Mayor is back there so please come on up. They will be followed by St. Joe Township, the City of Fort Wayne, the Town of Grabill and then Citilink.

**Becky Butler:** Darren, St. Joe will not be attending.

**Darren Vogt:** Okay, so we will skip past them.

**Terry McDonald:** Good morning, Terry McDonald, Mayor of the City of New Haven. Along with me are Brenda Adams, our Clerk Treasurer, and Greg Guerrattaz, with Financial Solutions, our financial advisor for the City of New Haven. Thank you for allowing us to come before you and to answer any questions you may have about our budget. The City of New Haven continues to maintain all of the services that we have throughout all of the fiscal issues and tax caps. In the last year, we had one firefighter retire and we have not replaced that firefighter. We have recently lost a Police Officer due to death. Right now that position is on hold until we get our 1782 Notice back to see how we are doing. The number one goal for our municipality is to maintain all of the services that we provide. We don't have an over-abundance of employees with 89 servicing nearly 15,000 people. We have a great dependence on our volunteers from our fire and EMS and our police services. We run a pretty lean budget. We are proposing a two percent increase to our employees who have not had an increase in the last two to three years. While that may be outside the norm for some folks, we don't have the opportunity to give annual step increases as I know the County does. Other municipalities may do that as well too. I am trying to head off any questions that I heard earlier. We do that in consultation with all of the department heads that the pay increases are coming from their departments. As you know, funds are getting tighter and tighter. They have cut their two's, three's and four's as much as they possibly can. The 200's, 300's and 400's are non-personnel line

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items in our budget. To cut those as much as they have cut them, to continue to cut is going to be next to impossible. You don't put Police Officers in cars and not give them gasoline. It is the same thing with all of the departments that depend on automobiles and trucks for the services that they render to the citizens. I don't want to monopolize the time and I am not sure if Greg and Brenda have prepared statements or not but we would be willing to answer any questions.

**Greg Guerrattaz:** I would just reiterate what the Mayor has said. We have been going through this and planning this through a sustainability analysis for quite a while. We know exactly where we are and where we are going.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** I would just appreciate it if you would emphasize that we see the Library and the City of New Haven giving the employees raises and the County is not. Basically, New Haven does not have a step process as the County does. A large majority of the County employees have received wage increases over the last three years. You are saying that New Haven has not over the last two.

**Terry McDonald:** That is correct.

**Roy Buskirk:** The other question is concerning the Rainy Day Fund and how much the current balance is.

**Terry McDonald:** Right now our balance as of August 18<sup>th</sup> was \$650,000.

**Roy Buskirk:** You have the possibility of, or placed in the budget, \$200,000.

**Terry McDonald:** I believe that is the correct number.

**Roy Buskirk:** You have not, in the last few years, been able to apply any more to that fund.

**Terry McDonald:** I think Brenda has a good answer for that and what we ask the department heads to send back to us.

**Brenda Adams:** Are you talking just about the Rainy Day Fund?

**Roy Buskirk:** I am talking about the Rainy Day Fund. I think the Mayor referred to rollover at the end of the year.

**Brenda Adams:** Yes.

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**Roy Buskirk:** Are you putting some of that into your Rainy Day Fund?

**Brenda Adams:** No. What we are doing, through the sustainability analysis, is aligning all of our budget line items and tweaking our budget better and better every year. Our department heads, we kind of demand that they give us a cash balance at the end of the year because of all of the different laws that have been coming into affect. We have been planning and planning and planning through the sustainability analysis and we haven't given our employees a raise since, they have had the same pay rate since 2009, 2010 and 2011. They got their last raise in 2009. With us utilizing our cash balances, in our planning, we now have decided that we can give them a raise, depending on the 1782 Notice, and sustain it.

**Roy Buskirk:** Okay. On the funds that you have in the Rainy Day account, how did those funds come about?

**Brenda Adams:** Those came through the State overages, I believe in COIT. We have just never spent them. We have kept them in the Rainy Day Fund for a rainy day or a disaster or something like that. That is what that fund is for.

**Roy Buskirk:** The reason I am asking you that is many people are stating spend the Rainy Day Fund and you can build it back. I say that the Rainy Day Fund, in most cases, was a fluke in the fact that the State said they had underpaid us and so they gave us a large lump sum three or four years ago or whenever it was. Now they are saying that they have overpaid us and that is not going to increase because they are using any increase that might occur to pay off what they overpaid us. We are not going to see any increase in COIT for five or six years or so, even when the economy turns around.

**Brenda Adams:** We agree with you and are planning for that too. We have planned that in our sustainability analysis.

**Roy Buskirk:** Okay, thank you.

**Darren Vogt:** Councilman Howell.

**Kevin Howell:** Mayor, I want to commend you on what you have done. I am obviously aware of it and been involved in it. I want to give you some opportunity to talk about what you are going to do in the future vis-à-vis streets and roads repairs as well as communications. There are going to be issues that have to be dealt with and I want to get your ideas, in general, about what you want to do with that.

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**Terry McDonald:** Local Roads and Street dollars are getting harder and harder to come by and being stretched further and further. We have gone from a little over fifty miles of roads in 2000 to currently 72 miles of roads in the City of New Haven this year. We have been taking a tremendous amount of steps, properly analyzing our streets, and without being too blunt about it sometimes in the past it became a political issue. We have taken more of a scientific look at how our streets are weathering, the freeze and thaws and the wear and tear. We are trying to program those monies as much as possible. I think Council is well aware that the Federal government has not passed and we don't see a forthcoming Highway Funding bill and that is going to be problematic as well in the major projects. We are trying to hold back as much of those funds as possible. I will ask Greg to correct me if I step astray here for a minute but the Maplecrest Road project, as it nears completion, was underbid by quite a bit which is very beneficial. Those bonds will be paid back, we took a bond to help pay for that, with the TIF District that was created for that. The revenues from that TIF District will help to pay for that. We use a lot of CEDIT dollars for our roads too. That is another funding mechanism. What was the second part of your question?

**Kevin Howell:** Communications.

**Terry McDonald:** Emergency communications is always a very interesting topic. When the Statehouse determined that there should be two PSAP's within any one given County, New Haven was a PSAP, Fort Wayne and Allen County were PSAP's. That is the Public Safety Answering Points for the 9-1-1 calls. With Fort Wayne and Allen County merging and becoming just one answering center, it falls upon New Haven to be the backup. I can give you personal experience many, many times throughout the last twelve years that I have been Mayor and I have stepped into Communications and our dispatchers are answering County and City of Fort Wayne 9-1-1 calls. That is without a disaster going on. I personally answered, during the ice storm a few years ago, 296 9-1-1 calls from Fort Wayne. I used my police training and put it back into service. As far as communications going, we have the same problems that the County Fire Departments have upgrading the 800 radio system. We put a sizable investment in our Communication Center to upgrade our system. It was eleven years old and those systems don't last forever. Those are all up to speed with the new 800 and the narrow banding for our UHF radios. Our communication system and center is a lot different than Fort Wayne's and Allen County's. Ours is the front door not just to the Police Department but is also an after-hours call for the Utility Department. After 4:00, if a water main break happens, everybody in the community knows to call the Police Department because they will call the Utility Department out to fix the water main break. It is also used for Code Enforcement. I hope that answers your question. We are planning for the

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Fire Department side of communications for the 800 system and the narrow banding of the UHF radios. We are sharing that cost with Adams Township, Jefferson and Milan Townships as well. Those are members of our coverage area. We have divided that out on an equal basis. Proportionate basis is the proper word.

**Darren Vogt:** Are there any further questions for the Mayor? Thank you very much, we appreciate the information.

**Terry McDonald:** Thank you and have a good day.

**Darren Vogt:** With that, our 9:15 is St. Joe Township and they elected not to come before us. Did anyone have any questions or comments that they wanted to make on them? Go ahead.

**Tom Harris:** I was just going to mention that it looks like, unless someone can correct me here, the only Township that is reducing both their budget and their levy, on this list that we have. From that standpoint, I would say, that is the right direction.

**Darren Vogt:** The only concern that I had was the answer to question two which was using the Rainy Day Fund to asphalt a gravel parking lot. That doesn't seem to be a Rainy Day Fund type of expenditure. I wish they were here to talk more about that. That is one of those things that I would be concerned about if I was a taxpayer.

**Tom Harris:** A comment that is a little bit broader than that and being a former member of the Township Board, there is recognition that the Township continues to be and the Taxing Unit continues to be covered by the City of Fort Wayne. As such, the vision is that the Township has to reduce its cost and has to reduce its budget and should consider reducing its services as the City continues to take over most of that area. I think it is the appropriate thing to do and the Trustee should be commended for that.

**Darren Vogt:** I think that is the question. Looking at the cost for coverage and the cost per constituent, if you will, is the City doing a more efficient job and effective job while being taxed twice for it. That is an important distinction that I am glad to see that he is addressing. The other point that I wanted to make was that I think we need to adjust our question number three. Some of the answers to question three, "Does your taxing unit foresee giving your employees raises?" we have seen a variety of answers to that question. Some have been one-word answers of yes or no to others being very elaborate and detailed. I think we need to define that question a little bit more with some "If yes, what" and "How was it determined?" The answer for

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St. Joe Township is that they will be giving increases in 2012. We don't have any idea what those increases are and I would like the public to know what those increases are. I think we need to do some tweaking on that question. Does anyone else have any comments for St. Joe? That question didn't just go to St. Joe; it went to others as well. Since they are not here and we are filling space before the City gets here, I thought I would throw that out there.

**Tera Klutz:** Maybe you could take some time to kind of discuss how the recommendations have gone in the past for some of our new members.

**Darren Vogt:** Generally, we have done these three years now and we have really held the line on the growth quotient of 2.9% or whatever it is for that year and asked them not to go outside of that. As far as specific recommendations, the only specific recommendation that we had made was to Washington Township. We recommended that their Advisory Board reduce the pay of their Board members and that was ignored. What we would have to do is advise the Auditor of what our recommendations would be. They can be as broad or as blanket as don't go above the growth quotient. As we have seen from past experience, the recommendations that we make may or may not be adhered to and frankly, they have been ignored. The process would be to come up with that language and we can use similar language that we used before and then get that out to the DLGF.

**Tera Klutz:** I believe last year and maybe even the year before, you made the general recommendation and there were always a couple that would be specific. I know that Lafayette Township, last year, had permission to increase their levy above the 2.9% but the State denied their levy. There was special legislation, this last spring, to allow them to appeal so that the DLGF could not deny it. I believe the DLGF is on the same page with Lafayette Township. I think there was a lack of understanding because they were all new, down at the State, and didn't understand how the levy had gotten so low in the first place.

**Darren Vogt:** Okay. Are there any questions on that? Pat, if you want to come on up, we are actually a little ahead of schedule. We now have the City of Fort Wayne. Please introduce yourself for the record.

**Pat Roller:** I am Pat Roller, the City Controller for the City of Fort Wayne. I am not sure of the format.

**Darren Vogt:** Just give some introduction as to what you have going on and what you presented to us.

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**Pat Roller:** We would like to highlight a few things. The Mayor has held spending flat. We have had a balanced budget the last three years and will continue to have one in 2012. We also have come in under budget every year. We are scheduled to pay down the debt by 40%, which is related to the annexation bonds, in 2015. We have a healthy cash reserve. We continue to deliver high quality service to our citizens and expect to do so in 2012. The levy will not exceed the 2.9%. We have used the Rainy Day Fund to balance our budget for the last two years; however, we haven't had to tap into it because we have found offsets. We will use that same strategy in 2012. Also, there are no increases for employees in 2012. Those are my comments.

**Darren Vogt:** Council, I will open it up for any questions you might have.

**Roy Buskirk:** I've got one. You made reference to the cash reserves. Is that the Rainy Day Fund?

**Pat Roller:** No we have cash in our funds, the property tax supported funds, and then we have a Rainy Day Fund. There is about \$3.5 million in the Rainy Day Fund. There has never been a large amount. I think it has only been in the last couple of years, and maybe the Auditor would know this better, that the excess income tax funds have come in the January or February timeframe. It is deposited directly into the Rainy Day Fund.

**Roy Buskirk:** Okay. Thank you.

**Darren Vogt:** So would it be similar to say that you are using up your cash balances in all of your funds?

**Pat Roller:** Actually we have come in under budget and so we haven't had to dip into the cash reserves yet. The cash reserves are still there. They are at the \$20 to \$22 million range.

**Darren Vogt:** And that is total and not per fund.

**Pat Roller:** Yes, but that is the property tax funds.

**Darren Vogt:** Correct, okay. What we have done, on the County side, is to ask the folks that have control of funds with cash balances, to use those up. Is that the same process that you are doing?

**Pat Roller:** No. The departments do not have cash balances. That is all controlled at the City level, the Controller's level.

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**Darren Vogt:** Okay and then you say you are using some Rainy Day Fund to balance the budget. Can you help me understand that? You're not using it and I am confused on that part.

**Pat Roller:** For example, last year when we rolled out the budget, we estimated that we would need to use \$1.4 million to balance the budget. However, we came in under budget and did not need to tap into the Rainy Day Fund and so that money remained in the Rainy Day Fund.

**Darren Vogt:** Okay, so you would use Rainy Day Fund before cash balances?

**Pat Roller:** We would not use Rainy Day Fund before cash balances.

**Darren Vogt:** Okay, that is what I was trying to get to. Councilman Moss.

**Paul Moss:** I want to make sure that I understand what you stated. Did you indicate that your budget was going to be flat?

**Pat Roller:** The budget has been flat for the years of 2008, 2009, 2010.

**Paul Moss:** Oh, okay.

**Pat Roller:** The actual spending. The budget will come in flat.

**Paul Moss:** But your proposed budget is 11.65% higher.

**Pat Roller:** The advertised rate is always the higher rate. Everything is high, as I am sure everyone knows, just to make sure that we are sufficiently covered. In my opinion, it is an anomaly in the statute.

**Paul Moss:** But you are confident that you will end up spending last year's certified budget, or this year's, of around \$164 million.

**Pat Roller:** We will be under budget in 2011.

**Paul Moss:** For the City employees, when you say that there are no raises, how many employees do you have, 1,800?

**Pat Roller:** Approximately, right.

**Paul Moss:** Out of that 1,800, how many are in a union?

**Pat Roller:** Seventy-five percent.

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**Paul Moss:** So is it safe to assume that they will have raises? Have you already negotiated those contracts?

**Pat Roller:** The contracts have not all been negotiated. Let me correct that. The contracts have been negotiated, I probably shouldn't speak to this because I am not the expert on this, but I believe the contracts only have a wage opener in them. The administration is not proposing any increases.

**Paul Moss:** So for the City and Fire for 2012, there is nothing already negotiated?

**Pat Roller:** I know they are in negotiations but nothing is complete.

**Roy Buskirk:** Can I rephrase that a little bit? Some of the union contracts are multiple year contracts.

**Pat Roller:** Yes.

**Roy Buskirk:** In those contracts, don't they have raises each year already stated in the contract?

**Pat Roller:** No. Again, I am a little uncomfortable speaking to the contracts but I believe they only have a wage opener. If the administration was to recommend a one percent increase, that would be permitted under the contracts. This administration is not recommending raises for any employees for 2012.

**Roy Buskirk:** Okay. I thought most of the union contracts had a raise each year already in the contract. That is an existing contract so I can see you feeling uncomfortable talking about one that might be in negotiation. That is why I was trying to refer it to ones that have already been signed.

**Pat Roller:** Historically they have had the wages identified. When we negotiated these contracts for the four-year period or the three-year period that was the only item that could be opened up. Normally you wouldn't open up a contract. That was the only item that was left to negotiate each year.

**Roy Buskirk:** I understand now. Thank you.

**Darren Vogt:** Councilman Moss.

**Paul Moss:** Nothing.

**Darren Vogt:** Councilman Harris, do you have anything?

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**Tom Harris:** No.

**Darren Vogt:** Anyone else?

**Tom Harris:** I just wanted to reiterate that piece that there were no increases for City employees and Paul got that answered.

**Darren Vogt:** I want to reiterate because you are one of the larger Taxing Units, your budget in 2011 will come in under the \$164 million and that your proposed budget for 2012 will be flat. Is that compared to what the 2011 budget was or expenditures? Those are two different items. If you are going to come in under, I would expect it to be flat based on the 2011 expenditures and not the budget. That is what I am trying to figure out.

**Pat Roller:** Say that again.

**Darren Vogt:** Okay. In the information you provided, your certified budget was \$165 million. You stated that you were under that \$165 million.

**Pat Roller:** We expect to be under budget in 2011.

**Darren Vogt:** In 2011. When you stated that you are going to be flat for 2012, is that flat from the \$165 million or is it going to be where you are under for 2011?

**Pat Roller:** We are going to be flat from where we were for budgeted 2011.

**Darren Vogt:** Thank you. That is what I was trying to get to. Council, are there any further questions for the City of Fort Wayne?

**Tom Harris:** One more question. In terms of the moving in and where we are at in the process of payments and such, I understand that there is still an amount that the City owes the County in that process. It is nearly a million dollars or is that not accurate?

**Pat Roller:** We are still negotiating. There were some excess costs into this building. The Commissioners and I have been discussing how to deal with that. We will see how that comes out.

**Tom Harris:** Is there any timeline for that process?

**Pat Roller:** We are wrapping up. I am getting some pressure from our own Council about rolling that out. Although it is not quite as apparent as when

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we moved in, we still have contractors working on the building. I am hoping to give out those final numbers around the November timeframe.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** I am glad you brought that up because the half a million dollars that you owe the County for rent is out of this Council's budget. We would appreciate if you would pay that as soon as possible.

**Pat Roller:** Okay.

**Darren Vogt:** Council, are there any further questions for the City of Fort Wayne? Thank you very much.

**Larry Brown:** Sorry, I couldn't hold it back.

**Roy Buskirk:** I am sorry. We have medical costs at the jail that we are going to have to take out of the Rainy Day Fund to cover until the end of the year unless the City pays their rent that they owe us.

**Larry Brown:** I hear you and I don't disagree with you.

**Darren Vogt:** Council, we are ready for the Town of Grabill. We are running a little ahead of schedule, which is perfect.

**Larry Brown:** This Town Board President has been on time all his life.

**Darren Vogt:** Good. Tell us a little bit about what is going on.

**Wilmer Delagrance:** I am Wilmer Delagrance and I am the President of the Town Council of Grabill.

**Cindy Barhydt:** I am Cynthia Barhydt, Clerk Treasurer for the Town of Grabill. What do you want me to say?

**Darren Vogt:** If you want to just give us an overview of what is happening. We have the answers to the questions and will follow up with a couple of questions of our own. It looks like you are planning on staying within the 2.9%.

**Cindy Barhydt:** No, we are raising it a little bit. We had excess levy of \$11,000 and something back in April of 2010. We have put that into the budget this year.

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**Darren Vogt:** So that makes your percentage...

**Tom Harris:** According to this it is 9.16%.

**Roy Buskirk:** I hope you can appreciate you working with one budget and we are working with twenty plus.

**Cindy Barhydt:** You have my sympathy.

**Tom Harris:** Just a question in terms of the increase in your budget, is that due to the growth and some of the different challenges in your community?

**Wilmer Delagrang:** That and we have gone over quite a bit on our streets and the infrastructure that was put in for that.

**Darren Vogt:** Council, are there any questions? You are planning on doing a three percent on salary and wages? I am going to beat Councilman Buskirk to the question. The County has step increases where they gradually go up. Do you have anything like that at all or is it whenever Council sees fit?

**Wilmer Delagrang:** We are not taking any salary increases this year. We voted on that after she advertised it.

**Darren Vogt:** Oh, okay. Councilman Buskirk.

**Roy Buskirk:** What you are saying here is in 2010 you came underneath the State allowed increase in your levy amount.

**Cindy Barhydt:** Right.

**Roy Buskirk:** So now, this year, because of additional costs with some road improvements and some other things, you are going to have to recapture the portion that you were under in 2010 for your 2012 budget.

**Cindy Barhydt:** That is correct.

**Darren Vogt:** Council, are there any further questions? That's it. We appreciate you coming down. Citilink is not here so we could move to Southwest Fire. They are not scheduled to be here for almost another hour. With that, we will go back to our discussion of the other Taxing Units which are just behind Citilink. We will open it up for questions on those. Again, we have to come up with recommendations. If we see anything that we feel needs to be in the letter, Councilman Harris.

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**Tom Harris:** Just a general comment. It does appear that a considerable amount of Townships are above the 2.9%. Does the Auditor have any thoughts on that? It seems kind of widespread throughout.

**Tera Klutz:** Could you repeat the first part of that?

**Tom Harris:** Sure. There is a considerable number of Townships that were going above the 2.9% recommendation. Are there any general thoughts as to what the reason is that it is happening?

**Tera Klutz:** I am going to let Nick answer this.

**Nick Jordan:** Are you talking about the levy?

**Tom Harris:** Yes.

**Nick Jordan:** The figures that you have in that spreadsheet are the advertised levy. I don't know if historically they have advertised above the 2.9% to make sure that they get that or if it is promoted by the DLGF. That is the advertised figures that you have and so even though they are advertised at that, Council recommends that they be at the 2.9% growth or if they are recommending a levy less than that.

**Tera Klutz:** I will just add that we have tried to formulate three questions because of the process over the last few years. The very first question is "Do you anticipate going over the 2.9%?" Most of the units, on the back of all of the review sheets, said that they did not anticipate going over the 2.9%. I believe a few of the units did say that they would. They gave reasons that they may be doing a new debt issue or build something at the park. Only a handful is planning on going over the 2.9%.

**Nick Jordan:** Grabill is one of them and Lafayette. George Helton noted he has not received the paperwork for the excessive levy appeal for Grabill. Lafayette has submitted their paperwork and they are still waiting for information back or confirmation back from the DLGF. Aboite Township, there was some confusion but I am still trying to clear this up. She noted that they were going over their 2.9% but I think she meant in one fund. They are really only increasing 1.54%. On the back, she had said no but in further discussion with her, she said yes but was compensating in other funds by decreasing those. I think she means no, not in total is she trying to go over the 2.9%.

**Roy Buskirk:** Even like Grabill, they had a reserve in their levy amount that they could pull on, they still have to go and file that?

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**Nick Jordan:** Per George, he thinks Greg Guerrettaz has them doing an excessive levy appeal based on growth and annexation. You can go back three years on this. That is due to the cost of annexation. I don't think he has received the paperwork yet. That is just his thinking of what they are trying to do.

**Roy Buskirk:** My concern is that if they bank some of the increase in the levy, do they have to go to the DLGF to take it out of the bank?

**Tera Klutz:** No but they don't have banked levy because they never got approved for the increase by originally going for an annexation increase.

**Roy Buskirk:** Okay, all right. For the new members on the Council, it's 2.9% this year and since I have been on the Council I think four percent was the highest. It varies, based upon the increase in income not including agricultural for the last six years. That percentage amount varies on how much they can increase their levy.

**Darren Vogt:** Did you have any conversation with Huntertown on their MV&H? I was a little confused.

**Nick Jordan:** I did not.

**Darren Vogt:** I just wasn't sure. They didn't answer the question but said that they were going to create an MV&H for that area. I was just a little confused on what they were trying to do.

**Tera Klutz:** If they do create an MV&H, it will come out of their maximum levy. Their overall increase would still not exceed 2.9%.

**Darren Vogt:** Okay, that makes sense.

**Tera Klutz:** I am almost positive that the MV&H is within their maximum levy.

**Darren Vogt:** Councilman Moss.

**Paul Moss:** Since we have to make some sort of recommendation, I can't recall specifically what we have done in the past and I realize it is non-binding and all of that. Using the City as an example, I am pretty confident that there are probably some raises already negotiated. There are just too many union contracts out there for there not to be some raises. Obviously the County employees will have step increases. I don't know if anybody else thinks this way but it is kind of all over the board. I am not saying that those raises are

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justified or aren't justified but I do believe it is probably appropriate for us to at least send the message that everybody should be feeling the same pain that the County employees are feeling in terms of any additional raises beyond those that are already specified either via step or union contract or something along that line. Given the economy and the position that all units of government are in, that is a message that we should convey to the DLGF that we are not supportive of raises. It is frustrating for the one Township, St. Joe Township, what those raises are. That would have been nice to know. If we are going to provide a fairly broad suggestion on these that would be one that I would like to see incorporated in it, if everybody is agreeable.

**Darren Vogt:** Council, are there any further comments on that particular question as to whether we want to include some broad-based statement about salary raises? We will go to Councilman Harris and then Buskirk.

**Tom Harris:** A technical question first. The timeline that these were submitted, they would have known the amounts that they were going to propose for increases, correct? St. Joe Township is listed but there are a few others that said they were going to have an increase but it is not on here.

**Nick Jordan:** For the most part but there are still some in deliberation with the Boards. For example, Leo-Cedarville is one of them that still think there is going to be a raise but they are not sure of the percentage yet.

**Paul Moss:** They have to have the money so if they are creating that budget and the one percent or three percent is there.

**Tom Harris:** That wasn't necessarily to negate what you were asking. I just wanted to know the timeline because in the future, there is something we can do to understand the timeline a little better in order to get the accurate information.

**Tera Klutz:** The nature of this timeline is given so that your recommendation has to go to the unit at least fifteen days before the Board adopts their final budget. You will never know for sure what the Board will do. They are supposed to take your recommendation into consideration while they do the adoption. I can tell you that many of the budget processes are unlike Allen County in which everything is done in a public meeting. For example, in the Fort Wayne process the Mayor, through the Controller, will have had all of the conversations with all of the different Department Heads. She will tell them what she expects their target to be, will determine that budget number and her recommendations before the Fort Wayne City Council gets it.

**Tom Harris:** Right.

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**Tera Klutz:** She may know what she wants but she can't know what they want or what they are allowed to do. As far as knowing what they are going to do, the answer is no. They may have an idea but that is only the one person filling out this form.

**Tom Harris:** I guess I wanted to get to that point. To get back to the question at hand, I would be in favor of sending some kind of message that Councilman Moss has suggested.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** My comment wasn't on this topic.

**Darren Vogt:** Let me just word it this way, are there any objections to that type of a scenario where we make a recommendation to hold the line on salaries?

**Roy Buskirk:** I don't really think that is our call.

**Larry Brown:** I question that myself. These are separate Taxing Units and we may have an opinion but we have no input or control.

**Tom Harris:** Maybe it is an opinion that is sent out.

**Paul Moss:** That is exactly what I said that it is just an opinion that we, as a body, provide. Traditionally, the DLGF has taken our opinion into consideration.

**Roy Buskirk:** I would not support that because, in essence, the County has given raises to everybody that is receiving a step.

**Darren Vogt:** That is part of the compensation formula, if you will. That is what the recommendation was that if you have it as part of your formula or system, our grid system, and if they have that, it is okay. If it was part of a contract, it was okay. Is that what I heard?

**Paul Moss:** That is correct and we can't correct that there is a variety of mechanisms in place and throughout all of these units, for providing raises. If we could do that with a swipe of a pen or whatever, that would be great but we can't. Understanding that, I am just saying that this is just more of a philosophical statement. It may be unfortunate if they are all blanket across everything, in some respects, but I don't see any alternative given the different ways that raises are provided. I just think it is an important

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philosophical statement for us to make that we are not supportive of any raises in the coming year other than what is already guaranteed.

**Roy Buskirk:** I feel that if you support that, then are we going to do away with steps within the County? We are providing raises.

**Paul Moss:** That is not what I am saying at all. I don't know how I could be more clear, I am not saying that at all.

**Roy Buskirk:** No, you're not saying that but you want to do it onto other government units within the County. You are recommending it.

**Paul Moss:** You're right, it is a recommendation. It is just a philosophical statement. I am not suggesting that we do away with step increases. I am not suggesting that we interfere in the City's contracts with the labor unions or anything along that line. I am just saying that as the County's fiscal body, we are recommending that other entities not provide any additional raises to their employees that are not already contractually obligated or obligated in some other manner. Similar to what we are doing as a County.

**Darren Vogt:** Councilman Brown.

**Larry Brown:** I guess I would rather see a philosophical statement, in general terms, that we do not support any increase beyond the 2.9% and leave it at that. How they do it is up to them.

**Roy Buskirk:** I'll drink to that.

**Darren Vogt:** That would be contrary to what we have done in the past. We have analyzed those folks who are looking at the excess levy appeal. If we want to do that, and I am not advocating either way, we did not make blanket statements where those folks were specifically asking to recapture levy or go outside that. We addressed those specifically.

**Tera Klutz:** Right, but you would start with a blanket statement and then say "Except for".

**Darren Vogt:** Is that what we did?

**Tera Klutz:** Yes. I wrote them. It is the exact same statement on everybody's. It was the general one that you said and then you said "Except for".

**Darren Vogt:** I am going to give a little bit of opinion on the raise. I tend to agree with Councilman Moss on this especially since we have some that we

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don't know what the raise is going to be. Some of the Township Advisory Boards positions, or the ones we don't know, we don't know what that raise could be. It could be five percent, ten percent or fifteen percent. We don't know what mechanism they use to justify that increase and we have already had concerns with one Township Board being paid what we thought was in excess. I would support a freeze on salaries given the statements that we have made, at this point in time. Right now, we have to get a consensus. Right now, we have a two-to-two from a conversational standpoint. Councilman Harris, I can't remember where you were on that.

**Paul Moss:** How have we done this in the past? Did we have to make a motion in order to move things forward?

**Darren Vogt:** Yes. We will have to, at some point, make a motion.

**Paul Moss:** Okay, then to move things forward, I move that we recommend to the DLGF essentially what I said. Do I have to repeat it?

**Tera Klutz:** Yes because I don't think it was clear. I want to make sure that we get it the right way.

**Paul Moss:** I move that we recommend to the other Taxing Units, that we are charged with non-binding review of, that there be no increase in employee salaries other than those that are already obligated via labor contracts or step increases or something to that affect.

**Darren Vogt:** We have a motion.

**Bob Armstrong:** Second.

**Darren Vogt:** We have a motion and a second. Is there further discussion? Not hearing any, all those in favor please signify by saying aye. All those opposed same sign. The motion passes 5-2 (Brown and Buskirk). Moving past this, let's move to any other discussions for recommendations regarding the levy. Councilman Buskirk.

**Roy Buskirk:** I'm sorry but this isn't with that. I've got to get it while my little pea brain remembers it. I have a real problem with or a question with the City when I tried to ask the Controller why they have \$20 to \$22 million in cash savings and \$3.5 million in the Rainy Day Fund. I would think that it would all be one.

**Paul Moss:** It's called Aboite Township.

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**Roy Buskirk:** Pardon me?

**Paul Moss:** It's called Aboite Township. I am being somewhat facetious but if you look back, historically that is why they have because of the annexation.

**Roy Buskirk:** But why wouldn't that money be put into the Rainy Day Fund?

**Tera Klutz:** I can weigh in a tiny bit about why some units carry their reserves in their General Fund. Once it is in the Rainy Day Fund, it becomes more public and I don't want to say this the wrong way but when you have several labor unions and you are in negotiations with them, the Rainy Day Fund is a very big piece of the pie. The balance is well known. I noticed that some units carry their cash reserves in their General Operating Fund because it is easier to hold the reserves there. I have heard that from schools and other large units. I just wanted to explain some of the tactics and the planning because the money is needed for unforeseen expenses but if it is sitting in a Rainy Day Fund, you cannot negotiate as well.

**Darren Vogt:** Unless you have a set policy as to where and when you can use that Rainy Day Fund.

**Tera Klutz:** Right.

**Darren Vogt:** If you have an adopted policy by the fiscal bodies, you wouldn't have that type of scenario. I think to Councilman Buskirk's point, I was trying to ask the Controller as well, as we ask all of the other departments and the Elected Officials to use up their cash balances it doesn't seem that this is what the City is doing.

**Tera Klutz:** The County is very unique in having several other statutory funds. Many of the other units do not. Most of their funds are just the property tax funds and they kind of operate as a CEO. Instead of having a lot of other Elected Officials like we do, they have two and they operate primarily in property tax funds. When you say that to them, that means to use the reserves in the property tax funds but when you say it to us, it means go out and use the User Fee Funds.

**Darren Vogt:** But those property tax funds are still property tax funds. They are still taxes collected and if you look at their portion of the \$80 million and yet they have a \$20 million cash reserve.

**Tera Klutz:** Right. I am not sure that you would want to recommend that they use that cash reserve versus cutting expenses. That is all I am trying to say.

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**Darren Vogt:** Yeah. I am just trying to make sure that they are doing both. As we heard that the budget is going to be flat on 2011's number but they weren't going to expend all of 2011 and they are going to collect the 2.9% increase. It just seemed fuzzy to me. If you don't need it, don't collect it but they are going to collect it anyway. Councilman Moss.

**Paul Moss:** My comment was a little flippant but the point is that if you look historically at the City, they are flush with cash for a reason. To your question, Roy, it is fairly typical in the private sector and the public sector that if you are in contract negotiations with a labor unit and they have a clear idea of what cash you are sitting on and how easy they can get at it, we have dealt with the same thing. I am sure that you have had plenty of Department Heads and/or others say "How can you deny us this when you are sitting on that money?" It is the same thing without the contract negotiation.

**Roy Buskirk:** Right. We've got it all in Rainy Day Funds, basically. They have it in two accounts and that was my question. I know that some of you thought I was being very strong but the half a million dollars that the City owes us for the first quarter rent goes into the General Fund. That is one reason why this Council is sitting here with \$45,000 or something like that for us to approve through the end of the year without pulling money out of another fund.

**Tera Klutz:** That isn't the reason. The \$500,000 that we should be getting from the City has already been accounted for.

**Darren Vogt:** If we don't get that, we won't have the cash to pay what we currently have appropriated.

**Tera Klutz:** Right if that was the only bucket. I am hoping that with the ins and outs of all of the revenue, we will still be able to meet our 2011 budget. I am not saying that we shouldn't receive the money that is due us.

**Roy Buskirk:** Right.

**Darren Vogt:** Right. Councilman Brown.

**Larry Brown:** Is it not part of the reason for that difference, whether the balance being cash reserves or Rainy Day, simply the difference between City-style government and County-style government? If it goes into the Rainy Day Fund, at least my understanding, City Council has to get it out. If it is cash reserves, City Council has nothing to do with it.

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**Tera Klutz:** Either way, the City would appropriate the funds. Whether they budget within the City's General Fund, the Council is still responsible for it the same way.

**Larry Brown:** Okay.

**Darren Vogt:** Council, let's stick with recommendations.

**Tera Klutz:** Citilink may not be showing up.

**Becky Butler:** They are here.

**Darren Vogt:** We will go ahead and go to Citilink. Please come up and identify yourself for the record and tell us a little bit about what is going on.

**Robin Strasser:** I am Robin Strasser and I am the Controller at Citilink. We just wanted to make ourselves available for any questions regarding our budget and what we are doing. It is our goal, every year, to stay within the average growth quotient and to keep our operations running on a conservative basis which I think we have done in the last few years. We are very excited about the fact that we have been able to start to rebuild a Rainy Day Fund. We had used all of those funds in the last few years. I take a little bit of interest when the cash balances are talked about. Ours is very small compared to the County or the City. We are in the rebuilding phase of trying to have cash reserves. To be able to do that within the framework of a conservative budget and seeing our local, State and Federal funding cut each year, I feel that we are staying on top of things. In the midst of that, we are also in the process of building our new transfer facility downtown that I am sure everyone has read about in the newspaper. This new facility will provide much better accommodations for our passengers. They will actually have heat in the winter, cooling in the summer and restrooms. Obviously it is going to cost more money to operate that than our current facility on Superior Street. We are also trying to make sure that we incorporate those increased costs into our current funding plan. We don't anticipate large increases overall however; labor and fringe benefits are a huge part of our budget. Some of those fringe benefit costs are out of our control. We have to be very creative in keeping our budget in line and keeping it conservative. I just wanted to make sure that everybody knows we are working very hard at doing that. We are looking for new funding sources and being creative with the ones that we currently have.

**Darren Vogt:** Council, are there any questions? I believe that it was last year that you had the contract negotiations for union. Is that a two-year contract?

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**Robin Strasser:** It is a three-year contract and we will be renegotiating it next year.

**Darren Vogt:** Can you talk a little bit about ridership? Is it up or down?

**Robin Strasser:** Ridership has been up this year. We are out in the community trying to educate people about riding the bus. It may seem, what do you need to know, but there are people that need to be educated. We have been making a lot of effort with the Burmese and the Spanish community. We are doing a lot of things in different languages. We are budgeting that next year it will be up slightly again.

**Larry Brown:** Can you speak a little bit or give us an update on the service that was created to transport between Ivy Tech, IPFW and housing facilities and how that is going?

**Robin Strasser:** We are very excited about that and it has been very successful. We have seen great increases in the number of passengers each year that we have done it. That was done through a SEMAC grant that expires after the spring of 2012. We have found some other funding and we have applied for a grant. We don't have that all worked out and hasn't been approved and finalized yet. We are looking to get another grant to continue that for at least another one or two school years. Our original agreement was that after our initial three-year pilot program, Ivy Tech and IPFW would take over funding that. In an effort to help them ease into that, we have gone and looked for other funding. That is what this funding will do, help them ease into it. So far, it has been a success.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** There is no fee for ridership under that program, correct?

**Robin Strasser:** That's correct.

**Roy Buskirk:** What percentage of your revenue is through grants and what percentage would be through the actual ridership fee?

**Robin Strasser:** Overall, fees represent about ten to twelve percent of our budget. Fees don't make up a large portion of our funding.

**Roy Buskirk:** So the balance of it is through Federal and State grants and everything else. The ridership is actually paying only twelve percent of the total cost.

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**Robin Strasser:** Yes.

**Darren Vogt:** Council, are there any further questions for Citilink and Robin? Thank you very much for the information. Mr. Kleine, do you want to come up and address us at all?

**Harold Kleine:** Not really.

**Darren Vogt:** Okay, thank you very much. Ellis, is everybody here with you? Are you coming up?

**Ellis McFadden:** We are waiting on one of the other Trustees but I imagine we can go up.

**Darren Vogt:** If you want. We are a little ahead of schedule.

**Tera Klutz:** Do you guys want to finish up with the units?

**Darren Vogt:** We will give you a few minutes in case he gets here. We will have some other discussions while you wait for the Trustee. Moving on with that discussion of recommendations, so far we have a motion that passed for no raises, to give the short version of that. Are there any other suggestions for recommendations across the board?

**Roy Buskirk:** I think we need to, as we have in years past, do the broad brush in the fact that they should stay under or not exceed the 2.9%. Then we could add any exception to that which would be Lafayette Township. We are not through it yet so I am not sure all that exceed that. There are logical reasons why.

**Darren Vogt:** We need that in the form of a motion.

**Roy Buskirk:** Oh.

**Darren Vogt:** If you want to stick to the easy part of that motion and then we can add the exceptions. Let's try it that way.

**Roy Buskirk:** So moved. I'll make a motion that all of the budgets that we are reviewing stay within the 2.9% in the levy.

**Tom Harris:** Second.

**Roy Buskirk:** With exceptions to come at a later hour.

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**Darren Vogt:** We have a motion and a second. Is there any discussion on that? Councilman Brown, you have a furrowed look and I will take that as a question.

**Larry Brown:** I think the exceptions need to be identified before the motion is voted on. I support the motion but the exceptions part needs to be identified specifically before we proceed forward.

**Darren Vogt:** We can gladly pull those out.

**Nick Jordan:** As of right now, it is just Grabill and Lafayette.

**Darren Vogt:** Grabill and Lafayette are the only two. Huntertown is the one that I had a question on but we think that is within the levy.

**Roy Buskirk:** Continuing on with my motion...

**Darren Vogt:** Let's do this officially. Withdraw that motion and withdraw the second, if that is okay. Then we will restate.

**Roy Buskirk:** I withdraw my motion.

**Tom Harris:** I withdraw my second.

**Darren Vogt:** Great. Now go ahead.

**Roy Buskirk:** I make a motion that we make a recommendation that the Tax Units stay within the 2.9% increase in the levy with the exception of the Town of Grabill and Lafayette Township.

**Tom Harris:** Second.

**Darren Vogt:** I will recap the motion. The motion is that all Taxing Units, except for Grabill and Lafayette Township who are allowed to recapture...

**Tera Klutz:** That is going to be a separate motion. You just made them exceptions. That is what it was.

**Darren Vogt:** Then we will make motions specifically for the rest. All those in favor please signify by saying aye. All those opposed same sign. The motion passes 6-1 (Moss).

**Larry Brown:** I do have a question. On the Townships, the form that we are receiving this year is the simplified summary review form, I will call it. What

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we had in the past had considerable detail including Advisory Board compensation.

**Tera Klutz:** We have assembled a spreadsheet, in the past, with the Advisory Board compensation. Sometimes the budget forms included it and sometimes they grouped them together.

**Larry Brown:** So, that information was not made available this year or just not asked for?

**Tera Klutz:** It was not asked for on the basis of the previous history of nobody taking your recommendation. It is available but was not included in your packet. We went for the summary form but would be happy to switch back if that is what you want or if there is anything in particular that you would like to see.

**Larry Brown:** The reason I bring it up is that when we are making recommendations, it is hard to do it since we don't have the information in front of us. I think we should repeat the recommendation that we had last year particularly for Washington Township that their compensation for the Advisory Board be brought in line with other Townships of similar size. Something to that affect.

**Tera Klutz:** That is exactly what it was last year.

**Darren Vogt:** Was that in the form of a motion?

**Larry Brown:** I don't think I can because I don't have the information in front of me.

**Darren Vogt:** We didn't specify a dollar amount the last time. All we did was make the motion. You just stated that they need to be brought in line with other Townships of similar size. That's all we did.

**Larry Brown:** All right, so moved.

**Paul Moss:** Second.

**Darren Vogt:** All those in favor please signify by saying aye. All those opposed same sign. The motion passes 6-0-1 (Harris).

**Roy Buskirk:** I think we owe it to the people that are sitting here and the people who will watch it on television that Washington Township's Advisory Board are paid \$4,500 each. They meet about three times a year. You can do

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the math. They meet for an hour to an hour and a half. That is probably about four times as much as what any other Township Advisory Board member gets paid.

**Darren Vogt:** I would be careful using the analogy of the number of meetings. I have seen newspaper articles referring to us and the number of meetings that we attend as twelve per year. Those of you know that is absolutely ridiculous. I will just say that we have to be careful with that. I would just make the statement that they are paid differently from anyone else within a Township Advisory Board in Allen County. Your points are very well taken and I do not disagree. There may be other work outside of the official meeting capacities as we do as well. Council, are there any further recommendations that we want to make?

**Tera Klutz:** You still need to do Lafayette and Grabill.

**Darren Vogt:** Yes, we didn't make the actual motions for Lafayette and Grabill.

**Roy Buskirk:** I am not sure what kind of increase in the levy that they need.

**Tera Klutz:** They advertised a zero increase in their budget. That may lead you to believe that you just want to support the excess levy as submitted to you.

**Roy Buskirk:** Grabill has an increase in their budget.

**Tera Klutz:** I was talking about Lafayette. Grabill, I can't explain or talk for them. You have singled them out and so you can do whatever you want with their levy.

**Roy Buskirk:** I think they need to be handled in separate motions.

**Darren Vogt:** So, Lafayette Township, if you look on the back of their sheet it talks about 2009 or 2010 when they went for the excess levy and was denied by the DLGF. Legislation has been written so that they can recapture that because they were caught on the short end of it by using current funds. What they are trying to do is get back to where they were. They have spent down those cash balances and now need to recapture that fund.

**Roy Buskirk:** What Lafayette Township did, on the advice of the State, was spent down their reserves instead of raising their levy increase. Now, when they need funds, they are way behind the eight ball. I will make a motion that we go along with the recommendation from Lafayette Township of

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increasing the levy so that they can have additional revenue to cover expenses. And it is not increasing their budget.

**Darren Vogt:** Is there a second?

**Bob Armstrong:** Second.

**Darren Vogt:** Discussion, Councilman Brown.

**Larry Brown:** Would a better way to put that be supporting the return to their original levy of 2003 or 2004 or whichever.

**Roy Buskirk:** I don't think they can. When are you now able to use banked levy? What year did that take place? It has only been in the last year or two, correct?

**Tera Klutz:** That you could use banked levy? Yes, that is a new law. I believe that they have done all of the analysis on the proposed levy of \$46,200. I am not sure how that compares with the 2003 maximum levy was. This will fund them for 2011. Right now, they are all working for free. It will also give them money for next year.

**Roy Buskirk:** I understand that they are working for nothing but why is this showing a budget increase of zero? They are not asking for the budget to be increased?

**Tera Klutz:** Their budget wasn't certified. They don't have a budget for 2011.

**Darren Vogt:** The DLGF denied them.

**Roy Buskirk:** Right, so the budget increase for 2012 over 2011 is zero?

**Tera Klutz:** That is because the math is zero. You can't divide by zero.

**Roy Buskirk:** Okay. I had in the motion that their budget would be as they submitted.

**Tera Klutz:** That is fine. Their budget is \$35,200 and their levy is \$46,000.

**Larry Brown:** I don't see any zeroes. I see N/C's, not calculated.

**Darren Vogt:** Look at the summary sheet. Is there any further discussion? We have a motion and a second in front of us.

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**Tom Harris:** Can you repeat the motion?

**Darren Vogt:** The motion is to approve their budget and levy as requested which would fund them for 2011 and 2012. Is there any further discussion? Councilman Brown.

**Larry Brown:** I was looking at the guy who seconded it to make sure that was the right motion.

**Darren Vogt:** Was that right? Okay, we are on the same page. **All those in favor please signify by saying aye. All those opposed same sign. The motion passes 7-0.** They are here and I am going to get them in and out.

**Tera Klutz:** They are a different process.

**Darren Vogt:** Oh, you are right.

**Tera Klutz:** You have to open up the Budget Hearings so if you could just finish up the review.

**Darren Vogt:** You're right, I apologize. Ellis, we have one more motion to make. I apologize. We actually open up the hearings when you guys come up. That is a completely different process. Just sit right there. We need two seconds to do a motion for Grabill.

**Roy Buskirk:** I make a motion that we approve Grabill's budget as submitted.

**Larry Brown:** Second.

**Darren Vogt:** A motion and second for Grabill's budget as submitted. Do we need the levy piece in there or not?

**Tera Klutz:** Go ahead and add that.

**Darren Vogt:** Technically we are certifying the levy.

**Tera Klutz:** It can die for lack of a motion.

**Roy Buskirk:** Okay. Grabill's levy that was submitted was 9.16% increase. That is added to the previous motion. Do we have a second?

**Larry Brown:** Okay.

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

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**Bob Armstrong:** Does the gentleman there have anything to add for Adams Township?

**Greg Guerrettaz:** Brian Yoh called me last night to represent Adams Township which I assisted them in the budget. He is sick with the flu. We have a two percent increase in wages that we are going to try to do. We increased our General Fund because Brian is anticipating having some needs at the Fire Station of which he is in with the City of New Haven. That is why the General Fund went up but everything else pretty much remained the same. We understand that we have to stay within the 2.9% and we have about \$17,000 in our Rainy Day Fund. We only use it in the event of an emergency.

**Darren Vogt:** Council, are there any questions? I will ask the step increase question. Do you have any kind process or system for your employees to take annual, three-year or five-year step increases?

**Greg Guerrettaz:** No sir. There are no contractual and I heard you have that discussion with New Haven. We do not enter into contractual agreements on increases. Therefore, it is a process of when money is available, we try to grant when we can.

**Darren Vogt:** Are there any further questions? Thank you very much. We have officially opened the Budget Hearings.

**Bob Armstrong:** Are we done with all of the Townships?

**Darren Vogt:** Yes. We are done with the non-binding review unless we have any further recommendations; we are done with the recommendations. We are on to the Budget Hearings for 2012 budgets. We will open with the Southwest Fire Department. Now, for the third time, come on up.

**Ellis McFadden:** I am Ellis McFadden, the Fiscal Officer for the Southwest Allen County Fire District. I guess I am here to answer your questions.

**Darren Vogt:** Ellis, could you speak up a little bit into that microphone? Can you give us a brief summary please?

**Ellis McFadden:** Well, the three questions that I was requested to answer, "Has your unit experienced any unique financial issues that would cause you to raise levy greater than 2.9%?" The answer is no because it is less than it was last year. The second question is "What is the balance of the Tax Unit's Rainy Day Fund and how do you anticipate using it?" It is zero. The third

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question is “Does your Tax Unit foresee giving employees raises in 2012?”  
Yes, we give them a three percent increase. They did not receive an increase in 2011 or in 2010. The two percent payroll tax that the powers to be in Washington said they were going to put back on can’t make up their mind what they are doing. At budget time, that was our thinking.

**Darren Vogt:** Councilman Armstrong.

**Bob Armstrong:** How many employees do you have?

**Ellis McFadden:** We have eleven full-time.

**Bob Armstrong:** Thanks.

**Ellis McFadden:** Presently, one of those is on a disability and so it creates a problem. We have to fill in with part-time. We hope to resolve that in the near future.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** The three percent raise increase is still under consideration as far as what the Federal is going to do with Social Security? What I am reading is that they are going to increase that to three percent deduction for employees.

**Ellis McFadden:** Last January, the employees got a benefit of two percent less of paying in. At budget time we were under the impression that it would be put back on. In our way of thinking, to make that up and then it would be a one percent increase.

**Roy Buskirk:** So if the Federal increases that to three percent, because that is what the discussion is now, then you would not increase their wages?

**Ellis McFadden:** That is not our plan, no. We have built into the budget a three percent increase.

**Roy Buskirk:** Okay.

**Darren Vogt:** Council, are there any further questions? Do you have anything else you want to add? Thank you very much. We are supposed to start with Solid Waste at 10:45. Be back here at 10:42 so we can start. How does that sound? We are in recess.

Recess.

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**Darren Vogt:** We will reconvene our meeting of the 2012 Budget Hearings. With that, we are on Solid Waste. Mr. Burrus, come on up and introduce yourself.

**Tony Burrus:** Tony Burrus, Allen County Solid Waste District Director.

**Darren Vogt:** Go ahead if you want to give us a brief description.

**Tony Burrus:** As you know, the District is responsible for promoting recycling and reducing the amount of waste that goes to the landfill. Having said that, I guess technically we are working ourselves out of a job because our funding comes from landfill tipping fees. In all due respect the 2012 budget, which has gone before the Solid Waste Board, is proposed for \$1,494,898. This is actually a decrease of three percent over last year. We have made some programming changes and we have made some staffing changes and that is why the decrease over last year.

**Darren Vogt:** Council, are there any questions? You said a three percent decrease but the proposed budget is actually an increase.

**Nick Jordan:** That is what is advertised.

**Darren Vogt:** So you will decrease.

**Tony Burrus:** Both budgets have been passed by the Board at \$1,494,898.

**Darren Vogt:** Okay.

**Tony Burrus:** We advertise higher.

**Tera Klutz:** We will need to know exactly what your proposed budget is because the Board doesn't adopt the budget, the Council does.

**Tony Burrus:** We can't go back to them now. They have finished their process. All I can do is bring before you the \$1.4 million, \$1,494,898.

**Tera Klutz:** Okay. As long as we have that paperwork, that is what it will be.

**Tony Burrus:** That is what is in Gateway.

**Nick Jordan:** It is noted in the notes on the DLGF review sheet.

**Tony Burrus:** Right. We have gone before the Department of Local Government Finance with the same amount. Like I said, we advertise high so

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that as you are making a proposal, you have no idea but you don't want to exceed your advertisement.

**Roy Buskirk:** We understand that, Tony. I hope you appreciate the fact that the Council has to approve...

**Tony Burrus:** We understand the current statute reads that the Council has to approve it.

**Roy Buskirk:** I have a question concerning the revenue and you mentioned that it is the tipping fee. Are we seeing an increase in the tonnage that is going into the landfill or a decrease?

**Tony Burrus:** We currently have seen a decrease in the last couple of years of about 12% to 20%. The tipping fees are based on, obviously, the volume that goes to the landfill. It is also receptive to the recession and everything else because 60% of your waste stream is industry. Twenty percent is commercial and twenty percent is residential. Industry is not producing and they are also not disposing. That makes the difference and why there is a decrease. We currently show a surplus, for us, of \$2.4 million. We have projected to utilize \$800,000 but we will probably only utilize about \$400,000, if that, to make our budget.

**Roy Buskirk:** So it is a combination of the recycling promotion and program, which you are involved in.

**Tony Burrus:** The things we are programming are, eight out of ten, statutorily required such as Mercury, E-waste, the subsidies that we provide for certain recycling activities, tires, Toxaway Day and a few others that we have.

**Roy Buskirk:** Of all of the recycling programs, of that type, the one that occurs constantly is the fluorescent bulb recycling program and that is every day of the week. Are there any others besides that?

**Tony Burrus:** Electronics is every day of the week. The only one that is on a single day is the Tox-away. On tires, we work with the municipalities as well as others for the collection of tires. Even though they are trailer spotted, we pay for those. Many times the municipalities, including Allen County, will collect those along right-of-ways and we pay for the recycling and disposal of them.

**Darren Vogt:** Council, are there any further questions? I have a couple and I don't want to micromanage but when I look at expenses, a couple of them

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jump out at me. Under Communication and Transportation, you have a telephone bill of \$7,731. That is \$640 a month. I am trying to figure out what all of that includes. It might be more than just telephone service.

**Tony Burrus:** It is telephone, internet, cell phones and pagers. They are things that we have to respond to from the State's requirements.

**Darren Vogt:** And how many employees are there?

**Tony Burrus:** Total of eight plus myself.

**Darren Vogt:** All of them have cell phones?

**Tony Burrus:** We have two pool cars and there are phones in those. There are four cell phones.

**Darren Vogt:** Okay, not everybody has a cell phone. It is a rotation-type scenario.

**Roy Buskirk:** That seems high.

**Darren Vogt:** It does.

**Tony Burrus:** I can't tell you if we have utilized that total budget each year but we have seen it increase because we maintain the website and part of that comes off there.

**Darren Vogt:** If you could just give me a breakdown of those expenses for that line that would be great.

**Tony Burrus:** Sure.

**Darren Vogt:** The other is Dues and Subscriptions of \$3,500.

**Tony Burrus:** Because we monitor the commodities of the various recyclables, we have to buy certain subscriptions. There are very few of them that we can find and we can't just pick those numbers off of free services. We have tried that but some of those are very expensive.

**Darren Vogt:** Okay. Council, are there any further questions? Thank you very much. Council, we are now at the 11:00 Allen County Budget Overview. The Auditor is going to give us that.

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**Tera Klutz:** There is a summary coming around of a recap of what we've done at our last budget meeting in July. On the front side is a budget recap and on the back is a list of all of the allocations that were given and submitted budgets by the Departments. I'll recap in saying that we estimated that the revenue in the General Fund will be approximately \$77 million. We do expect the revenue to remain flat over the next three to five years. Primarily that is the result of stagnant property values and also, if the economy does start to pick up and we receive more income tax, the State is going to use our excess income tax to pay off our negative \$20 million in the COIT Fund. We have a negative \$20 million in COIT and a negative \$13 million in CEDIT. COIT money is used to fund the General Fund. The balance that affects the General Fund is the negative \$20 million. Even if the economy recovers, the amount of income tax that the County will be able to use for its budgets is going to remain flat. Part of the reason that we have a negative balance is that they over-distributed to us, in prior years, and we placed a lot of that money into the Rainy Day Fund. It is still okay to use the Rainy Day Fund because that is the income tax that we would normally be getting now.

**Tom Harris:** Can I ask a question on that without getting in too deep on that? How does the State overpay us? Ultimately what I am getting to is that if this is a systematic error that could occur again, how do we prevent that from happening?

**Tera Klutz:** That is a very good question. I know that the current amount that they provide to the Counties around the State is set by statute. It is income reported on income tax returns processed during a twelve month period of July 1 through June 30. Unfortunately, income tax reported doesn't always correlate to income tax received. They don't have a lot of wiggle room with the amount that they are required to certify to us to allow for those ups and downs. I believe that they are changing legislation to try to keep this from happening in the future.

**Tom Harris:** Is that on the docket or coming up?

**Tera Klutz:** They changed the legislation this last year to allow more of a reserve down in our fund. Basically the current law said any balance remaining in the fund, after a given time, all of it had to get sent to the Units and put as an excess distribution into their Rainy Day Fund. Now I believe you are allowed to have 150% of the current year's certification in the balance before they send us money. That way, it will allow cushion.

**Tom Harris:** So they are allowed to keep those funds at the State level.

**Tera Klutz:** Yes.

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**Tom Harris:** But it also prevents them from overpaying us.

**Tera Klutz:** Right. When we first came in nine years ago, the opposite happened. The balances at the State were so high that local governments were arguing that they shouldn't be allowed to hang onto that money. A statute was written that they had to give it to us. Nine years later, the opposite has happened and we are going back to now they can keep some of it. Because of the lag in the income tax processing, I am not sure if this will be the true answer. If those balances start getting big, I can hear Counties asking why they are hanging onto it. In our case, it would be \$36 million.

**Darren Vogt:** That \$20 million, let me just clarify, is County-wide. That is not just Allen County. The \$13 million is County-wide as well.

**Tera Klutz:** That is correct, it is County-wide. Our portion is generally around 40% of the COIT.

**Darren Vogt:** Councilman Buskirk, do you have a question?

**Roy Buskirk:** Councilman Harris, a couple of years ago as an employer, when we would send in our withholding taxes to the State, we had to start showing a breakdown of how many employees were from what County. Prior to that time, I don't know how in the heck they figured it. I thought this would solve a lot of the questions because, in my case, I have an employee from Wells County and I have to show her withholdings. They still get it messed up and I think part of the fact is that the State is on a fiscal year from July 1<sup>st</sup> to June 30<sup>th</sup> and the actual income forms are from January 1<sup>st</sup> to December 31<sup>st</sup>.

**Darren Vogt:** Did you have a question for the Auditor?

**Larry Brown:** Just a statement. I really appreciate Tera pointing out, and I want to say it again so that it is highlighted, the County's portion is 40%. The reason that I bring it up again is that the Cities, Towns and the other taxing units amount to 60% of which the City of Fort Wayne is probably the biggest.

**Tera Klutz:** They are about 40% as well. That is about \$8 million of COIT.

**Roy Buskirk:** Oh, of the \$20 million, the additional fund that they overpaid us.

**Tera Klutz:** The CEDIT? That is different. That is allocated differently and there are different proportions because it is based on population. But for the

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COIT and the General Operating money, the City of Fort Wayne is about 40% and the County is about 40%.

**Darren Vogt:** Do you want to go ahead and move on down?

**Tera Klutz:** Sure. I just wanted to reiterate that we are expecting flat revenue for the next three to five years. The next line is the 2012 submitted General Fund budgets and these include the amounts that departments have asked for additional money. I have a paragraph that explains the last time that we met to discuss budgets. You voted to set the General Fund budget equal to the projected revenue of approximately \$77 million. General Fund departments had the opportunity to appeal their respective reductions if they felt they could not operate within the lower allocation. So, the amount that we are showing that the submitted allocations exceed the revenue and the budget that you have set is \$1.2 million. Below that, I have broken out the departments that have submitted appeals and that equal \$2.27 million. Then there are the departments that submitted additional allocation reductions beyond what you had asked them to cut and that is \$99,000. The net appeal amount, you can use those reductions to offset some of the appeals, is the \$2.2 million. I have also included the Rainy Day Fund balance projection at the end of December is expected to be \$17.4 million.

**Darren Vogt:** Council, I want to interject quickly that there are departments that I want to highlight. Those would be the Auditor, the Recorder, the Assessor, County Services, County Council, NIRCC and Youth Services. All of them actually came in and submitted allocation reductions below what we requested them to submit. I just wanted to take a moment and thank those folks who did go above and beyond what we asked them to do and to realize that if they savings, they can take advantage of those savings. I want to publicly thank them and their employees for doing a great job and making sure that we are fiscally sound in times when we need to make sure that we can keep County government in operation. Did you already go through the backside?

**Tera Klutz:** The backside has all of the General Fund departments listed by name and number. The first column shows the allocations that were given at the July 20<sup>th</sup> meeting. The second column shows the budgets that were submitted by the departments. The last column shows the difference. Also on the agenda, if you flip it over, you will have the same departments that are appealing and the amount that they were initially asked to cut.

**Darren Vogt:** Council, here is the rest of the plan. The budget hearings will go like this. We will have a brief conversation here regarding if this Council is willing to take funds out of the Rainy Day Fund in order to fund our 2012

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budget. We will then recess for lunch and we will be back at 1:00 and hear department appeals. The order that you have in front of you there will be one modification to that. Department 55, the Allen County Juvenile Center, the Judge has a conference in French Lick and actually needs to be there today. He received approval from the Supreme Court to miss that and be here before us. We will move him up and then go right down the line. The only exception is the Sheriff. He requested to be tomorrow. If we get through all of our budget appeals, the Sheriff will be tomorrow after our regular Council meeting. He requested some time to work on his budget.

**Roy Buskirk:** He did not request that.

**Darren Vogt:** Okay.

**Roy Buskirk:** It was agreed upon because I felt we weren't going to get through all of these anyhow.

**Darren Vogt:** Right. I am not sure that we would either but the question would be that we told him he would be here on Thursday. With that, before we break for lunch, none of the conversation at 1:00 matters if this body is not willing to consider using Rainy Day Funds. At this point in time, we need to have discussion not necessarily on the dollar amount of the Rainy Day Fund but that we are willing to consider spending dollars out of the Rainy Day Fund. If there is consensus that we are willing to have that conversation, then we will move forward at 1:00. If not, we will recess these and adopt a budget was originally submitted and make the cuts that we need to make. With that, I will open the floor for discussion as to whether or not we are willing to move money from the Rainy Day Fund to balance the 2012 budget. Councilman Howell.

**Kevin Howell:** As a matter of education for me and probably Tom too, how have you guys done it in the past in terms of making that determination?

**Darren Vogt:** We have not used dollars out of the Rainy Day Fund to balance the budget until this year. If we do, we will hear appeals and make the decision based on the appeals that we feel are granted and based on the information that is provided and the answers that we get.

**Tom Harris:** I guess I will throw out that philosophically what the point of the Rainy Day Fund is and how it came to be. We know that history, a little bit, and we didn't just create this thing and it actually became funds that came back to us and all of a sudden we had this fund. The thought was that this was to be used for a time of emergency crisis or something beyond the norm and not for maintaining normal regular services. The flipside to that

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argument is, which I have heard from a number of people, they are County funds or taxpayer funds. Should we not use those in a time where we need to provide and maintain services from the county that the public expects, trying to balance that and take into consideration concerns on both sides of that argument; I will argue that we probably need to use some. My recommendation would be to limit that and to really challenge departments and Elected Officials to begin to think about smaller budgets and smaller services in the future as our revenues continue to shrink.

**Darren Vogt:** Councilman Brown and then Buskirk.

**Larry Brown:** To piggyback on Tom's comments, I think the process needs to be started now to identify what core functions County government is supposed to do, required to do or are expected to do. I think we have all seen examples where County government is involved in and spending money on things that don't fit the criteria of core function. Those are the things, in my opinion, that we begin to identify, discuss, evaluate and perhaps eliminate.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** You mentioned some of the history, Councilman Harris, in 2002 Darren Vogt, Cal Miller and Paula Hughes were elected to this Council and I was appointed through the caucus system. At the time that we came on the County Council, we owed the State \$8 million for housing juvenile delinquents. We aggressively looked at other funding revenues to be able to pay the State back. They gave us a four-year period of time to pay that back and we were able to accomplish that. Then the thing came about with the Rainy Day Fund. That was the fact that the State had underpaid us, as our Auditor pointed out earlier, on the COIT Fund. We received right around \$7 million. Wasn't it \$7 million?

**Tera Klutz:** You guys started the Rainy Day Fund with a \$7 million transfer from the County General Fund. That was based on Cal Miller saying that it would be so nice to get ten percent. Twelve million dollars came from the General Fund. You made two contributions, one in 2006 and one in 2007.

**Darren Vogt:** The reason was that we had a very large rollover do to the fact that jail was opened and we had increased the levy the prior year.

**Tera Klutz:** Yes. And then after that, we started getting bigger excess COIT and CEDIT distributions.

**Roy Buskirk:** Right. Then the one year, when the sales tax was increased from six to seven percent, we got the Child Psychology Fund which the State

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took over for paying for that. We figured that the State would want any revenue that we had in that fund but instead the State told us we could put it into the Rainy Day Fund. That amounted to around \$4 million.

**Tera Klutz:** It was \$2 million.

**Roy Buskirk:** Okay. Some of those funding revenues that went into the Rainy Day Fund are never going to happen again. That is a little bit of the history of it. I do feel that we need to continue to look at our expenditure items. As the Commissioners mentioned yesterday, they feel that there is the possibility that in some of their budgets are excess expenditures that can be cut. It is going to be interesting to see what they can add to this on being able to save money. I think that we need to use a very limited amount of the current Rainy Day Fund for this year's budget. I believe that last year we used \$4.5 million of the Rainy Day Funds to make our budget for this year. We can't continue to withdraw anything near that and hope to have a Rainy Day Fund.

**Darren Vogt:** Last year, we agreed on the front end how much to use but this year we are doing it a little bit different.

**Roy Buskirk:** In summary, I think we need to use some of the Rainy Day Fund but a very limited amount. We need to look at the possibilities of cuts.

**Darren Vogt:** Councilman Howell.

**Kevin Howell:** Obviously I am learning a lot on this being my first time up here. I am really following Councilman Moss' lead because he is a hawk on this. I have heard that all over the community.

**Paul Moss:** Great.

**Kevin Howell:** How can I word this? We have roughly \$17 million or \$20 million. Do you project, over the next three to five years, that the economy will turn positive, negative or stay the same?

**Tera Klutz:** Even if it goes positive and we start drawing more income taxes, this County won't receive any new money for the next three to five years. That is because of the negative income tax balance at the State. If the economy doesn't turn around, we will just carry that negative balance with us, five years from now. And there would possibly be less revenue because we are dealing with less income tax.

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**Kevin Howell:** Okay. Basically \$20 million divided by four or five would cap us at roughly \$4 million that we could give out, technically?

**Tera Klutz:** Yes. Last year we were unaware of our negative balance at the State and it looked like the recession was officially declared over. The Council chose to use \$4.5 million in 2011 to supplement the General Fund expenses. That will bring us to about \$17.5 million left at the end of this year. The new information is that our revenue isn't going to increase much over the next three to five years.

**Darren Vogt:** And the Circuit Breakers could kick in even more.

**Tera Klutz:** Right. I am hoping that the values start slowly going up but I have heard from the County Assessor not to expect an increase in values next year. Even if values remain flat, that means that we are not going to collect much more property tax because the amount we collect is tied to the assessed value now that we have the caps.

**Roy Buskirk:** If the amount that we collect, if the assessed value does not go up, the amount we collect goes down. Assessed values are not increasing so there will be more people hitting the tax caps.

**Tera Klutz:** If the assessed values stay the same, we will collect the same. They will just have a larger credit on their bills.

**Roy Buskirk:** Right. We will collect the same but not what we have proposed.

**Tera Klutz:** Correct. The Circuit Breaker credit will grow.

**Roy Buskirk:** Right.

**Darren Vogt:** Okay, the question before us is, and I have heard from three of us, the willingness to take money out of the Rainy Day Fund. I guess we just need to have consensus on that. Councilman Moss.

**Paul Moss:** What was the original amount for the submitted budgets? Now it is \$79.172 million or something like that. What was it originally?

**Tera Klutz:** It was originally almost \$83 million. We have accomplished something.

**Paul Moss:** I just want to point out that we started out at \$84 million but the fact of the matter is that just simply by doing that, we haven't had any discussions or gone through any appeals and we saved the taxpayers roughly

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\$4 million. It was that simple. Intuitively, that tells me that it wasn't that difficult and painful for departments to do that. It was the right thing for us to do. As far as the \$2.1 million remaining, I think we are putting the cart before the horse in terms of saying that black and white, yes and no, do we use the Rainy Day Fund. I am not necessarily opposed to that after going through these appeals. Understanding what we wanted to do was look at the departments and to make a collective decision of what is critical and what is not critical. Frankly there are a whole lot of departments that are not doing it and are just going to stay under the radar. That's fine because they abided by our previous direction. At least we will go through these, about a dozen departments, and scrutinize those. We will then decide if we need to use some of the Rainy Day Fund for any of those appeals. I am not opposed to that. We have already accomplished a lot. Would I like to accomplish more and see that \$2.1 million drop even further? Yeah, absolutely. I have asked the Auditor to provide the prior years, how far back did it go?

**Tera Klutz:** We have ten years for you. You asked for five.

**Paul Moss:** Okay. Just even going back five years and looking at the expense is a great way to look at things. The budgets and the levies and particularly for folks that might be watching this and trying to understand it. I think the easiest way to look at this is how much did the County spend and how much did it cost to run County government. I can't remember what the trend is based on that information but for me personally, that is the way that I try to look at it. I am hoping that we can keep it truly at least flat this year. Those are the things that I kind of take into consideration as we look at this. I don't think it is appropriate to just slam the door shut. That is my position.

**Darren Vogt:** Great. Councilman Brown.

**Larry Brown:** I think what you are asking for is philosophical opinions.

**Darren Vogt:** Basically, yeah.

**Larry Brown:** And not necessarily dollar amounts.

**Darren Vogt:** Correct.

**Larry Brown:** I agree with Paul. I think that once we hear these twelve or so appeals, then we can decide the nuts and bolts of it. Philosophically, I have no problem taking some, a little perhaps, out of Rainy Day.

**Darren Vogt:** Great. Is there any further discussion? We've got consensus to move to consider using money out of the Rainy Day Fund. I am not saying that we are going to grant all of these appeals but we had to have that

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agreement on the front end. If we didn't, there was no need to have this and we could all go back to our day jobs and be done with it. With that, unless anyone has any further comments, we will recess until 1:00 where we will start with the Allen County Juvenile Center.

Recess.

**Darren Vogt:** Good afternoon and welcome back to the 2012 Budget Hearings. As we stated before our recess, we have the department appeals that will now come before us for the 2012 budget. We will start with the Allen County Juvenile Center and then move back to the top of the list. With that, Department 55 please come up and introduce yourself for the record.

**Judge Sims:** Judge Sims, Allen Superior Court for the Juvenile Center. Thanks for taking me out of order. There is a mandatory meeting and the Chief Justice is aware that I am here and has given his consent. I appreciate it and didn't want to be driving at 1:00 in the morning. Your accommodations are very much appreciated. We have submitted two budgets to you and I am not sure, in the information that was given to you, that you see two budgets. In the original budget, you asked us to cut \$689,190. That represented a 7.42% cut. In looking at the budget for the Allen County Juvenile Center, approximately 68% of it is tied to the maximum security facility. Consequently, due to the fixed costs of a maximum security facility, whether it be lights, running three shifts, food or medical expenses, there is not much fat to go there. We have made some cuts in addition to the 100 Series and have made cuts in the 200 Series and 300 Series. The proposal that we have asked you to consider cuts six employees. To bring ourselves into compliance, which candidly I don't know if I could have possibly done without the PERF cut. The PERF cut allowed me to be able to submit a budget to you at all that complied with your guidelines. I don't know where I would have gone. I know that was a painful decision for you. The second budget that picks up the \$190,000 and brings us into compliance is a cut to three in the DAP Program. In looking at the Juvenile Detention Facility, we have a current bed rating of 142. We need to control that population. The duties of the Detention Alternative Officers are 24 hours a day, seven days a week. They screen every incoming case. Last year, when children were brought to the Center, they screened almost 3,000 kids. The result of that is within 4 hours the children are returned to their parents with a promise that they are going to appear in court, they have anklets put on or are put into other forms of supervision. Some children cannot be released unless they are on an anklet due to statutory prohibitions. Bottom line is that we haven't had a lawsuit with regard to the Allen County Juvenile Center because of over-population. One of the reasons that we haven't is that because 24 hours a day, seven days a week, these officers screen and we have 48% release. When they release

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them, they don't simply release them. If you have a young person, for example, that is a suspect in several house burglaries, you don't want to OR (Own Recognizance) them without supervision if there is probable cause to believe that they did it. On the other hand, you don't want the population of the Juvenile Center going up 40 or 50 and is out of control. Besides doing an initial screening to keep the population in, they are released on specific conditions. They meet with the parents and they may be checking with the school to see if they are attending. If it is not a school time, they may be talking to the employer or the parents or they may be confined to home arrest. They have made over 30,000 contacts to make sure that the community is safe. If there is probable cause to believe that a child committed a delinquent act but the trial hasn't happened yet, the question is how to handle that population as it comes to the Juvenile Center. There is a case of Hillsdale versus California, a current lawsuit in the adult division where cases were not reviewed within 48 hours for probable cause. For the past fifteen or sixteen years, I have done probable cause hearings on juveniles at the Center. The Juvenile Probation Officers and the DAP Officers examine the case. We rotate my two Judicial Officers. They will come out on Saturdays and Sundays. If it is a Monday holiday, then I may be out twice. We have been in compliance with the Hillsdale case for fourteen or fifteen years. I would respectfully ask you to not cut the three additional staff which would be from the DAP team because they perform an essential function for the safety of the community when a child is released. They also prevent overcrowding and that we receive appropriate releases. That is the end except for questions.

**Darren Vogt:** Council, we open up for questions. Councilman Howell.

**Kevin Howell:** A question and a general statement. I want to commend you, Judge, on what you have been able to do out there. I worked for the Center back in the 1980's and it was a dump back then, quite frankly, and a dangerous one. It is much improved. I spent about three hours out there touring the entire facility and it is definitely needed and preventive. My question is, if we are able to possibly cut it in half, how would that help you or hurt you?

**Judge Sims:** The Detention Alternative Team, let's say they come to work. First of all, they are on 24/7. They average 151 open cases. You don't want to cut out third shift and you don't want to cut out second shift. If you have a young person that has been picked up in a series of house burglaries, particularly in the summer, do you want to keep that child in a maximum security facility because for the safety of the community it demands it or do you want to put that child out on an anklet or in home detention? We have over 30,000 contacts. That is the DAP Officer going to the house at 3:00 in the

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morning or 6:00 in the afternoon. They are going to run a drug screen to make sure that he or she is not ingesting drugs. If they are allegedly going to be at employment for four hours, they are checking with the employer. You need enough of a core team to operate the program. One of the other cuts that has already been made is from the DAP Team and so the issue becomes functionality. Frankly, if you cut it in half, we will do what we need to do but I don't know how that would function. You can't cut out third shift. If you aren't supervising them for eight hours during the morning, then you are not supervising them. If you've got a dangerous kid out there, you've got a dangerous kid. Our job is to protect the community and make sure that when we release them that they are not doing more house burglaries, that somebody isn't at risk of a physical attack and that sort of thing. You really need the basics there.

**Kevin Howell:** The officers that you have now are all full-time?

**Judge Sims:** That is true, sir. Twenty-four hours a day, seven days a week. They do the hearings with me on the weekend.

**Kevin Howell:** Is it possible if you cut it in half, is it possible that you would have part-time officers that could cover the shifts?

**Judge Sims:** No, there are about 300 regulations for the Juvenile Center. Part of the regulations specifically requires a screening process when a juvenile comes in. The staff has to be trained with regard to suicide programs and drug preventions. They have to have a protocol. We are examined once a year and I think I have told Council that we have come into full compliance. The bottom line is that now there are standardized tests that the officer has to give as a release instrument. They have to be a pretty skilled and experienced person. If they are going to release the child, there is entire protocol with regard to explaining the rules and setting up the equipment. It is kind of like aviation and you don't want part-time aviation. You want a pro handling this because they are making some pretty critical decisions and they are making them at 3:00 in the morning and times when they can't necessarily pick up a phone and get additional resources. It is a critical program for the safety of the community and with regard to the overcrowding of the facility. I respectfully ask that you leave the three personnel intact. I know your job is difficult. There is no right answer, sometimes.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** With that point of no right answer, Judge, help us understand a little bit in terms of the thought process in having to make a tough decision to eliminate this function versus a non-essential function of maybe outsourcing

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the kitchen staff. There are probably lots of directions that you could go. You mentioned in the letter that we just received that you can't cut fixed costs but there could be other ways that you could do savings. Maybe help us understand the thought process.

**Judge Sims:** Sure. First of all, unlike the adult system which has specific requirements with regard to food services, we have to feed a juvenile four times a day. Outsourcing the kitchen staff...

**Tom Harris:** That was simply an example.

**Judge Sims:** But it is an important question. Have I done the analysis? Absolutely and with the regulations and requirements to feed them four times a day, the answer is that it is not feasible. In the juvenile system, we can't start court without the Intake Officer. By way of example, if we were going on a scale of one to ten, in the adult system the Adult Probation Officer doesn't get involved until nine or ten. What do we talk about with the nine or ten? What we are talking about is a system where they are going to do a predisposition report at the sentencing and then they are going to do supervision. In looking at the fundamental functions of the court, the Intake Officers gets a report from a Police Department and they have to consult with the constitutional authority, the Prosecuting Attorney and that case is staffed and a decision made jointly between the judiciary and the constitutional authority and the Prosecutor's Office. Will you proceed? If they proceed, the Officer has to do a full investigation and then may handle the case at an informal level, meet with the parents and provide services. Or, at the direction of the court and the Prosecuting Attorney, they may be required to proceed with a formal proceeding. If that happens, they have to set up the court date and bring everyone in. All of these things are things that are happening that aren't in the adult system. They have to appear for different hearings. If there is adjudication then they would do the PDR and that kind of thing. I can't start court. That is not the case with the adult system. We have an apples and oranges scenario. So you say, are you going to eliminate anyone from the Intake Division? Wow, it goes to an absolute essential function and is complex. The other thing is that we are required, if we have a plan, to go the Executive Branch under House Bill 1001. If they disagree, then we have to have a confab with the Executive Branch as to why they disagree and whether or not they are going to pay for it or if an emergency exists and then they have to re-present it to the court. House Bill 1001 probably increased our local load by five times. It's horrid as far as the local work. If we don't dot an "I" and cross a "T", then the State could be relieved of the responsibility of paying for a child in placement. We also have to prepare the Medicaid and all of that kind of thing. So, did I do an analysis of those functions? Yes sir I did. If a child is in a cell, we are required to physically

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look in that cell and document it every fifteen minutes. Your question is very valid but I have looked at the core functions of the court, starting the court, running the court and that kind of thing. I have asked if this is an absolute core function. Is it a key function to what we are doing controlling the population and protecting the citizens when a child is released? Yes it is. Do I think it is in the interest of our community to release that child or can we do it safely? Not without the DAP Team. However, it's tough times and I respect your judgment, whatever it is. I would ask you to consider not pulling those personnel.

**Tom Harris:** Thank you.

**Darren Vogt:** Council, are there any further questions? Councilman Moss and Buskirk.

**Paul Moss:** I just want to clarify something to make sure that I understand it. The \$190,862, what was the original number?

**Judge Sims:** The total that you asked for was \$689,190 and we brought ourselves into compliance with the exception of the \$190,862. That would be the three DAP personnel that I am asking you not to do.

**Darren Vogt:** The \$689,000 is before PERF, I am assuming. Without the PERF, it is \$485,208. PERF is the difference.

**Paul Moss:** Okay but your letter indicates that you used the 7.42%. What would the \$190,000 actually represent?

**Judge Sims:** I am not sure that I understand your question. I just took it from the original, when you gave me \$689,000 and put in what you had allocated for PERF. I then made our cuts from the first proposal and then consistent with the County request that if we want to come into full compliance with the 7.42% that we needed to take three more positions which were the DAP positions that I am respectfully asking you to reconsider.

**Darren Vogt:** And that total is \$190,862 for those three positions, FICA and PERF.

**Paul Moss:** The point I was making was the \$600,000 and some was 7.42% of what we requested.

**Darren Vogt:** Correct.

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**Paul Moss:** That is no longer 7.42% essentially if you look at the PERF piece and pull that out of there, correct?

**Roy Buskirk:** Right. It is only \$485,000.

**Judge Sims:** But of that, two-thirds is with a fixed maximum security facility. What happens is that we have to take that and disproportionately put it into that facility. The lights are the lights. The gas is the gas. Three shifts are three shifts. We are not able to meet all of the requirements and take from a maximum security facility. Consequently there is a disproportionate shift to one-third of the ACJC budget so it gets to be significantly disproportional.

**Paul Moss:** And I understand the reasoning behind that.

**Darren Vogt:** I appreciate the fact that you did not under-budget the utilities and the things that we asked.

**Judge Sims:** This is a real budget. I don't expect to be back in to you to ask for money. This is not a smoke and mirrors budget.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** I guess one thing, Judge Sims, is I was a little confused in the original presentation because the letter that you gave us, as far as the capacity in the facility, is 142 children. That is the maximum capacity and the average, in 2010, was 102 with a high of 134. So far, in 2011, the average has been 101 with a high of 133. Maybe I misunderstood you. It sounded to me like you were trying to state that you were very near or over capacity because you mentioned about the other facility having the lawsuit.

**Judge Sims:** That is a good question. Part of the reason that we don't have the lawsuit and we are in compliance is because 24 hours a day, seven days a week, when they bring a child in, we have the Detention Alternative Team that immediately does the interview. Forty-eight percent of the young people are released within two to three hours and with supervision. The bottom line is, if we take that DAP team out of there and there is no one screening them, when we have a release rate of 48%, then we spike well beyond a rated capacity and hit the potential for a very serious overcrowding issue.

**Roy Buskirk:** What is the average daily cost per person?

**Judge Sims:** Off the top of my head, I don't know and I don't want to tell you something that I don't know.

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**Roy Buskirk:** I think the last figure that I heard was \$148 a day.

**Judge Sims:** That sounds in the ballpark.

**Roy Buskirk:** Well, this is the one thorn I've had in my side for several years. There are only four or five other juvenile centers in the State. When I originally came onto this Council, the State was charging us \$60 a day for each juvenile that the State was housing. They have since done away with that fee and do not charge Counties for housing juveniles. What I would like to see and I would appreciate if the Judges Association, or whatever it is called, would participate with the County on trying to get the State to reimburse us some for the cost that we have on this. They were charging us \$60 and they told us we had to build this facility and so we did. Now they have stuck us with all of the cost. I don't care if it is \$30 a day or \$60, that is what they were charging before, but you can see with a 101 average population that is a pretty good number per day.

**Judge Sims:** It is.

**Roy Buskirk:** That would help offset some of this cost. The other question I have is that you stated that we have to feed the juveniles four times a day.

**Judge Sims:** Correct.

**Roy Buskirk:** What are the timeframes for those four meals?

**Judge Sims:** What time is the fourth meal?

**Joe Brita:** I am Joe Brita, Superintendent of the Allen County Juvenile facility. There can only be so many hours between when they get up in the morning until they are fed the next time. In order to make that work, it goes in a 24 hour rotation; we have to feed them four times a day. We feed them before they go to bed. They get a snack before they go to bed.

**Roy Buskirk:** Okay. I know you have said that you've checked on this cost. I recently noticed in the paper and under Maye Johnson's leadership, that the Coliseum was able to get their concession food reduced from what it was last year. I wondered if you could possibly work with the Sheriff, because of your facilities being in such close proximity, on being able to get a contract with reduced rates from what is currently being paid.

**Joe Brita:** Councilman Buskirk, I look at that every year. You can't compare us and the Sheriff. If the Sheriff and I don't think he would, wants to give his inmates baloney three times a day, he can give them bologna three times a

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day. I can't do that with juveniles. They have to have certain proteins and certain everything and I have to stay in compliance with that.

**Judge Sims:** We do submit for reimbursement federally and it does go back into the General Fund. Chandra, do you have that amount?

**Chandra Reichert:** \$200,000.

**Judge Sims:** Because last year, and they are children and we can get some Federal reimbursement, we got about \$200,000 that came back into the General Fund.

**Roy Buskirk:** Okay. I just thought that might be one place to put out for bids and seeing what the bids actually came in at.

**Joe Brita:** I think we all buy from the same place. Purchasing gets us the deals.

**Judge Sims:** However, we have no problem looking at everything.

**Roy Buskirk:** That is what we are all doing even with our personal finances.

**Judge Sims:** Absolutely.

**Roy Buskirk:** Again, I would emphasize and would appreciate it if you would lobby the State Legislature to pay us something. A token amount is better than none. Again, they were charging us and told us to build the facility. Now they are not charging and we still have the facility that the taxpayers of Allen County are picking up 100%.

**Judge Sims:** I philosophically agree with you 100%. All of our local funding was taken to the State. When an adult is committed, the State pays for them. I do understand what you are saying and I am philosophically in sync with you.

**Roy Buskirk:** I am not saying that this is the best for the juvenile but you, as the Judge, could possibly turn a lot more of these juveniles over to the State than what we currently are.

**Judge Sims:** We cannot with House Bill 1001. In order for them to pay for it after our whole team does the investigation and predisposition report, we have Big Brother, so to speak, the Executive Branch looking over our shoulder. We have to give them in writing, all of our proposals and every penny that they could possibly spend and if they disapprove it, then we have

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to come back and explain why we are not following the plan, we have to modify it or we have to have an emergency. If we find that we have been wrong, then we could get tagged with the bill locally again. It is a very complex problem which is what the Probation Officers are involved in with the juvenile system. It is not what a Probation Officer is involved in with the adult system. The amount of work, with 1001, at the local level is incredible. Is it important? It is and we understand the reason for it and we are complying to the best of our ability.

**Roy Buskirk:** Do you know, off hand, what the charge would be from the State because we sent a juvenile down there that we weren't supposed to?

**Judge Sims:** If we put a child in placement, it would be 100% of every penny that they felt wasn't comfortable. So, if it was \$200 a day, it would be \$200 a day. That is one of my nightmares. There is no statute of limitations on it. They can go back and do a review three years ago. Dotting the "I's" and crossing the "T's", making reasonable efforts, we want to make sure that our orders are complete to protect the local budget.

**Roy Buskirk:** If it is less than the 148, we would be better off paying.

**Judge Sims:** My gray hair will tell you no. We don't want that liability. We want to make sure that when we do send that child for placement, they pay pursuant to the laws that went into affect with 1001.

**Roy Buskirk:** Okay, thank you.

**Tom Harris:** Just a quick question. In the letter that you had given us, you mentioned that due to the DAP process 48% of the children are released. What is that number, 48% percent of what number?

**Judge Sims:** They screened about 2,700 to 2,800 last year. You know, the Police car shows up, here is the child and what are you going to do with them? So it is a pretty good percentage.

**Tom Harris:** So 2,700 to 2,800. Okay, thank you.

**Darren Vogt:** I have one question. On the shift piece of that, have you done any analysis of when the juveniles are brought to the Center? What times of the day? You say it is a three-shift operation. The question may be, is there a way to analyze when. Second and third shift kind of makes sense. They get out of school and then in the evening. Is the daytime shift necessary or could it be covered by someone internally who is already there?

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**Judge Sims:** There are two things that are happening. One is an initial screening process taking place. However, let's say it is summer or where is the high crime area when school is in session? When the kids get out of school, from 3:00 to 6:00, it is one of the highest crime areas if you want to have a house vandalized or that kind of thing. The DAP Officers aren't necessarily in the building. If we know that is a high crime time and we have 151 children out there, they know we have had 30,000 contacts with that kid and they know that the kid is not supposed to be out there vandalizing a house and is supposed to be at home. The officers are checking. They are also checking with schools to see if they showed up. They make urine drops to make sure they are not violating. If there is a violation, they are picking them up and doing an analysis. At any one time, the caseload is 151. That is going to be shifted from Officer first shift to second to third but the caseload isn't going away. You don't want those 151 kids in the Detention Center but you surely don't want them out when there is probably cause to believe that there is some serious stuff going on.

**Darren Vogt:** I guess I am a little confused on what they do. They don't always do the intake piece of that.

**Judge Sims:** They do the intake.

**Darren Vogt:** Okay.

**Judge Sims:** In short, if a Police Officer rolls in at 3:00 in the morning, that officer will have been going out and doing different checks of the 151...

**Darren Vogt:** ...and they will do the intake as well.

**Judge Sims:** Right.

**Darren Vogt:** I guess my point was, from an intake standpoint that is probably the most critical time to analyze whether they need to be in the facility or outside the facility.

**Judge Sims:** Yes because otherwise you hold them.

**Darren Vogt:** Right. So I guess my point was from an intake standpoint, has the analysis been done of when they are intaking more juveniles at a given time? The reason that I am asking that is if we decide, as Councilman Howell said cut it in half, has there been an analysis done of when you really need them?

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**Judge Sims:** You need them 24/7. For example, Friday stops and Monday is a holiday. The Police can't control their caseload. If there are fifteen burglaries over the weekend, they have to respond to them and if they are kids, they have to bring them in. There is a lack of predictability about some of that. If you have 151 young people out there and you have made a decision that you don't want to hold them in a maximum security facility but there is some dangerous activity going on, they know when there are holes in your network. If there are holes, that is when they go and act out. You don't want to leave a window of opportunity open. If they put as much time towards something productive as they do about slipping out at 3:00 in the morning, a lot of parents don't know that their kids are gone until our DAP Officers tell them. But have I done an analysis of exactly what time have, no I haven't. I need to process that a little bit. We have the whole function that would need to be done 24/7. I haven't done an analysis of that but I will.

**Darren Vogt:** Okay. Councilman Howell.

**Kevin Howell:** Following along the same lines that the President mentioned here, do you have floating officers or ones on call or anything like that?

**Judge Sims:** No.

**Kevin Howell:** So everybody is either first, second or third shift. Could you deal with floating officers?

**Judge Sims:** Off the top of my head, not to my knowledge. I don't know how that would work. If they're not on duty...

**Kevin Howell:** ...they are on call.

**Judge Sims:** But the Police Officer is sitting there with three juveniles, if they are called in it could be six of one and half a dozen of the other but I think it would be dangerous and inefficient. My gut reaction is that it would put holes in the network. I think it would be grossly inefficient. I think the coverage that I am recommending to you is the coverage to protect the public when a kid is out there and is the right thing to do. To avoid the overcrowding, when they hit the door, I think it is the right thing to do. It is a balancing and I think you need the three full-time people to make this program run.

**Kevin Howell:** I don't disagree with that but you have been in the military and I have been in the military and we always had coverage overlap. What I am trying to get to is to avoid an all or nothing scenario.

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**Judge Sims:** If we have to pull someone from another shift there is going to be an overtime scenario.

**Kevin Howell:** But you wouldn't be comfortable with possibly having someone on-call?

**Judge Sims:** The other thing is, with the 300 regulations that we have, there are specific things that have to be screened and one of the things that we have to make a determination about is do we have a lawful hold. If they blow that, there are issues there. We are regulated as to what we have to look at. I was Army Air and I was uncomfortable with the part-time Army Air guys. The juvenile probation functions, in certain areas, are now the most complex that they have ever been in the history between the interaction with the Prosecuting Attorney's Office, the Executive Branch and the rules and regulations which have a lot of minutia in them. If I come in on a weekend, I come in every third weekend. If I have the Probation Officer there who has a Police case and I put him under oath, he briefs me on it and if I don't cover certain aspects of it, I can't say that yesterday I missed it and I will fix it today. It is forever gone and the consequences for the County are that we can never recover a penny of any State money that is paid. They perform a very complex function with regard to the juvenile and the families and the supervision when they are out there.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** The one thing and I can sympathize with you, as far as time of day that arrests are made or problems occur. Having the holidays and the Spring Break week and summer vacation and everything else, it is going to affect that. It is not only the 151 that have been released with the bracelet or whatever but also the fact of new juveniles being booked in to the facility.

**Judge Sims:** You paraphrased it absolutely correct.

**Roy Buskirk:** The one thing I would appreciate, if you could get back to the Council, is the per-day cost.

**Judge Sims:** Will do. I am sorry that I don't know that off the top of my head.

**Roy Buskirk:** Fine.

**Judge Sims:** I think your memory is pretty good.

**Darren Vogt:** Councilman Moss.

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**Paul Moss:** You are referring to the per diem that the State pays, correct?

**Roy Buskirk:** The State doesn't pay anything now.

**Paul Moss:** I know. It's what they used to pay.

**Roy Buskirk:** They used to charge us.

**Paul Moss:** Doesn't the State also, is there some sort of per diem or am I just confused?

**Darren Vogt:** Adult prisoners, we get for the State and Federal but not for the juvenile side.

**Paul Moss:** Okay.

**Roy Buskirk:** And for your information, we haven't housed any State prisoners for quite a while. We do house Federal.

**Darren Vogt:** Are there any further questions for the Judge? Thank you very much.

**Judge Sims:** Thank you very much and I hope your day goes as well as it can.

**Darren Vogt:** Council, we will move to the Election Board, Department 34.

**Beth Dlug:** My name is Beth Dlug; Director of Elections for the Allen County Election Board. I'd like to thank you all for giving me the opportunity to talk about our 2012 Budget. I know Council is faced with decreasing revenues and difficult choices regarding severe cuts in the county budget. My mission today is to give you as much information as I can about the type of election year we face next year, and why our budget needs are different from other county departments. As a reminder, we went into the 2012 budget process requesting \$970,717. This request supported the operations necessary to continue the types of programs that make Allen County a shining example across the state in the conduction of fair and accurate elections. The request supported our efforts to continue a popular new initiative, starting with this election, to offer early satellite voting for voters. We planned for this initiative to take pressure off our downtown voting location and provide a foundation for vote centers, all a part of our strategic plan to introduce Vote Centers in 2014. It also gave us some flexibility to handle unexpected costs without coming back to Council for additional funds in 2012.

I must admit that Council's response to that initial request, an allocation of \$689,000, 29% less than my request, shocked me. I have since come to

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understand that Council announced across the board cuts of 7.42%. Even so, our cut was nearly 18% from the 2011 budget, a higher percentage than any other department except for Voter Registration. In talks with a few of you after these cuts were announced, I believe the Council intended to send us a message that you want us to introduce Vote Centers in 2012. I plan to give you answers today about why that is not a possibility. As I am sure you are all aware, we have already begun the 2012 Presidential Election cycle. Local candidates are beginning to create exploratory committees and announce their intentions. Statewide candidates are attending political party chicken dinners and county fairs and we are already watching Republican Presidential candidate straw polls and debates on TV. There is recent talk that the Republican primary could extend to June 2012, making Indiana a critical state in deciding another presidential primary. Current predictions foresee an even higher turnout in 2012 than in 2008, which was a year of record turnouts across the country. Even as we see all of this approaching, we are faced with making a decision about reducing local election funding. I want to make sure that Council is aware of some of the consequences related to a lack of resources for elections: fewer poll workers and voting machines resulting in longer lines, possible mistakes in serving voters at polling sites and less ability to communicate with voters via informational mailings. In addition, we will have less opportunity to recover from election problems and implement new legislation. Small problems can escalate into major problems unlikely to be resolved before an election. These kinds of problems are unwanted in any election, but especially in a federal election. During a Presidential election, mistakes are magnified by national media attention, and may result in costly special elections and recounts. A microscope focused on Allen County's election process could result in speculation as to whether there was underlying political motivation to cut the elections department's budget more than any other county department. As I pointed out in my appeal letter, elections run in 4 year cycles. 2012 is a presidential election year and our biggest election in terms of volume. 2013 will be a non election year. 2014 will be a countywide election and is second in terms of volume. 2015 will be a municipal election year, and then the cycle starts all over again. Here are some differences between a municipal and presidential numbers that affect our budget: We will have a 17% increase in the amount of voting locations, a 50% increase in the amount of voters expected to participate, 47% increase in the number of machines required and 36% increase in the number of poll workers we will need. Our budget requests are always adjusted to reflect the election cycle. We will always need more money to run a Presidential election than a municipal election. That is why our 2012 request was so much higher than our 2011 request. I believe that Council is anxious to see promised savings that Vote Centers may bring. We are also excited about the promise of Vote Centers, not only for savings, but voter and election administration convenience. But the increase in the

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volume of voters who will participate in the 2012 election is both the reason that we need additional money to run a Presidential Election and the reason it is not a year to make major changes to our election administration process. Our small full time staff is stretched to its capacity to handle the extra workload of a presidential election. We have no time to properly plan and execute new initiatives. At this point, we are not even sure where we will be housed for next year's election. If we are still at 1 W Superior, our hands will be full simply accommodating an estimated 20,000 early voters in that space. So why didn't we offer Vote Centers this year? We've been talking about it since 2009, why aren't we further along? Legislation was just passed in February of 2011 allowing Indiana counties a choice to implement Vote Centers. Until then, we didn't know what would be required. It would have been unwise to make any investments in plans or infrastructure until the legislation was in place. For those counties that do choose Vote Centers, a detailed plan must be filed with the Indiana Election Division. This plan must include locations of vote center sites, floor layouts, number of poll workers at each site, hardware and software to be used, security and contingency plans and the number and type of ballot variations that will be provided at each Vote Center. Each Election Board must vote unanimously to adopt this plan; the County Council and Commissioners must adopt resolutions of support; and the public must be allowed to attend and comment at public hearings on the plan. Even though everyone seems to be on board with this idea and we have other Indiana counties to learn from, our plan will take months to develop. The first hurdle will be to decide how many vote centers will be in the county and where those centers will be. Each political party will see advantages and disadvantages to the location and number of these sites. Earlier this year, it took our Board several months to come to an agreement about how many early satellite voting locations we would have and where they would be placed. And this is just one fragment of the plan that must be developed. Another major hurdle involves our voting machines, which are not ready to handle vote centers. A representative is here from our vendor to discuss this in more detail if you like, but the short version is the machines are programmed to handle precinct level voting. The machines would need software, firmware and hardware modifications to work effectively in a Vote Center model. Although the technical aspect of these modifications can be done in a timely manner, any change to a voting system requires recertification at the state and federal levels, a process which can take months, even years, and a significant amount of money to accomplish. Once we have a Vote Center plan and our machines are ready, the implementation can start. Hardware and software must be procured and tested. Qualifications, recruiting and training of a new breed of poll workers must be deployed. Policies, procedures, and security plans must be put into place. We must get this right. Many Vote Center implementations are successful, but Denver Colorado had a negative experience when they

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attempted vote centers in 2006. Their technology failed, causing long delays at the vote centers. Can you imagine the ramifications of a similar failure in Allen County during a highly visible federal election? Do we really want to take that risk? We must be confidently and fully prepared before we move forward with Vote Centers for all the reasons I've described the conventional election wisdom that dictates not to make any major changes during a presidential election and the lack of time needed to adequately prepare for the changes involved, Vote Centers are just not possible for Allen County in 2012. This takes us back to our 2012 budget request, which continues with the traditional precinct based voting system. In an effort to contribute as much as possible to reducing the county's expenses in a responsible way, we looked to our last presidential budget and cut 7.42% to be more in line with the cuts other county departments were asked to make. In order to meet that target of \$780,646, we will nevertheless make following cuts to voter services. There will be no early voting satellites other than one main downtown office. This will require us to handle all early walk in voters in our office, wherever that may be. There will be a 12% decrease in the amount of poll workers at the polls. Allen County voters should expect fewer election workers to assist voters in the voting process, increasing the size of the lines waiting to vote. Voters can expect a 15% decrease in the amount of voting machines at the polls. Although we will have machines available, we will not be able to afford to have them delivered to the polling locations. We will also plan for fewer machines because of the decrease in poll workers available to operate and supervise the machines on Election Day. We will not place greeters at polling locations to help direct long lines of voters. Many of the voting locations have multiple precincts voting at the same location. Greeters assist voters to confirm their address and ensure they are directed to the proper line to vote. Without this assistance, many voters will experience longer waits in the wrong line, or wrong polling location. We will also be forced to eliminate a mailing of polling location information cards that are sent to registered voter households. This will result in more voters going to the wrong location and taking the poll workers attention away from assisting voters in their precincts to helping lost voters find their correct polling location. Other materials we will no longer print and mail include sample ballots, absentee ballot applications and campaign finance materials. Although we will eliminate any funds to pay the estimated 300 hours of overtime that will be accumulated by two full time non-exempt staff members, if one or both of them leave before taking the time off, we will be forced to pay out their time. The Council's proposed allocation provides funding for a 40% turnout. This allocation would require us to make the following additional reductions to voter and candidate services in 2012: An additional 20% decrease in poll workers, an additional 20% decrease in voting machines at the polls and the elimination of funds for voting machine maintenance. Some of these cost reducing strategies might look good on paper, but voters will be frustrated by

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the loss of these services. Voters have high expectations and a low tolerance for errors or lack of services. Am I confident the appeal budget will adequately cover the most minimal of expenses we need for next year's election? No. In fact I must warn the council against making the cuts I've proposed during a Presidential Election year because they will affect so many more voters than during any other type of election. Other unintended consequences of these reductions in services may actually end up costing us additional money. It is likely that when voters anticipate longer lines they will turn to mailed absentee ballots. This is a very expensive way to vote in Allen County. This method increases our paper and postage costs substantially. In addition, we must process and mail these ballots within 24 hours of receiving an application, increasing our labor costs to meet this statutory deadline. These are costs that are not included in our revised budget request and would require me to come back to council asking for more money next year. My original strategy to reduce the budget to \$780,000 was to reduce services as much as possible during the primary election, leaving us more flexibility for the general election. But I now doubt our ability to do that, based on the new predictions that Indiana will again be involved in picking a presidential nominee. This revised budget gives me no room to react to changes on the ground, something our budgets have always included in the past. I believe the council has the choice between three budget proposals for elections next year. First, the original request of \$970,000 that will allow us to confidently meet the budget needs for next year's election. This amount will give us the flexibility we need to handle the challenges we know about and address the unexpected if we are challenged to do so. We have a long standing history of cost effective operations and returning money to the general fund if we do not use it. Second, the appeal budget request of \$780,646. In an honest attempt to work with Council to realize as much cost savings as possible, we will do the best we can within this budget. But please understand we expect these cuts to have the type of consequences I have outlined here. If we run into unexpected issues outside of our control that affect our statutory ability to conduct an election, we will come back and request additional funds to meet our needs to conduct fair and accurate elections in Allen County. The third choice is the current allocation approved by Council of \$689,691, which we believe may put the viability of the democratic process at risk for the 2012 election in Allen County. Thank you again for allowing me to present some facts to assist you with your budget decisions. If you have any further questions, I would be glad to answer them at this time.

**Darren Vogt:** Council, I open up the floor for questions. Councilman Howell.

**Kevin Howell:** You and I met earlier about this situation. Two things, first of all is thank you for your passionate presentation. I worked in Voter

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Registration and with the Election Board and I understand that. Two things that you mentioned and I find very interesting is if we were able to give you half of what you requested, how would that work for you?

**Beth Dlug:** Which one?

**Kevin Howell:** \$90,955.

**Beth Dlug:** I will take whatever I can get but the \$780,000 budget, as I said we will do whatever we can do. But if we run across any unintended or anything that is unexpected, we will be back in front of Council. Those are the things that I hope you will understand. We do everything in our power. We are constantly reviewing how many people we need to come in and help us. We do not schedule people to come in until we find out how many absentee ballot applications that we have and how many we need to process the next day. At that point, we start calling people and telling them that they need to come in tomorrow so that we can process these. We are very, very efficient in not bringing in more people or more resources than we need. We do need the flexibility to be able to make those decisions without having to come back to Council and ask for additional money each time we have a huge increase in absentee ballots. We just got a mailing this Friday that went out to many people in the City for this municipal election. It has absentee ballot applications and that has a dramatic effect on our work. We have to have the people and have those processed immediately.

**Kevin Howell:** Okay, that rolls into my second question. So 2012 is the big show and you need more money.

**Beth Dlug:** Right.

**Kevin Howell:** Can you come to us then and ask for it? I am trying to meet you halfway in terms of when you need it in 2012 or project that you need it in 2012 and you come and ask for it rather than us just saying yes or no right now.

**Beth Dlug:** If that is what Council would prefer. If you want me to come back in October and tell you that I need money to run the rest of the election.

**Kevin Howell:** I am talking about 2012.

**Roy Buskirk:** That is what we are working on right now.

**Kevin Howell:** All right.

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**Beth Dlug:** I am not sure I understand your question.

**Tera Klutz:** She is talking about a year from now.

**Kevin Howell:** Okay. Go ahead.

**Beth Dlug:** I am not sure that I understand the question. You want me to come back in 2012 when I need additional money rather than asking for it upfront?

**Kevin Howell:** I feel comfortable with that, yeah.

**Beth Dlug:** If that is what Council would decide.

**Darren Vogt:** Harris and then Armstrong.

**Tom Harris:** That is one alternative. There may be others. Beth, thank you for the information and the ability to articulate the entire problem and challenge thoroughly. The piece that comes to mind for me, and this is a challenge for all departments, everyone is trying to work and become more efficient. I work for a company that produces books and we have lots and lots of books that we sell all over the country. Right now we are being faced and challenged with getting these things into E-books technology fast enough. Everybody wants E-books and not the ones on the shelf. We don't have the luxury of writing a letter or telling our customers that we are not ready and we can't do it fast enough. We just have to figure out how to do it. We are pressured daily to figure out how to become more efficient and more effective. In 2008, we and the country were run over from the standpoint of voter turnout. Allen County had a nearly record or might have been a record turnout. What have we done since 2008 to prepare for the 2012 election? Minus the voting centers, what other things are we doing to get better at this?

**Beth Dlug:** We try to put as much as we can out on our website. We have an award winning website. We are delivering our ballots that way. We try to deliver our precinct manuals that way. The problem is that a lot of voters are not in the E-book status. We have people who contact us all the time that do not have access to the internet. These are the types of people who need to vote and we cannot disenfranchise them because they are not able to get to the internet. We have cut our expenses quite drastically as far as communicating with candidates. We used to send out these big, huge candidate finance manuals spending two dollars apiece to mail those out. We don't do that anymore. If a candidate wants them, they are available on the internet.

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**Tom Harris:** The budget you are submitting sounds like it has to deliver everything you delivered in 2008. You are basically measuring against what happened in 2008.

**Beth Dlug:** I guess the types of cuts that we are looking to make, I would not suggest making in a Presidential election year. We have made strides in delivering information to the public, a lot of strides. To make some big changes in the administration of elections during an election where many more people participate that are not participating in the other elections and they are not use to any kind of changes like this is, in my mind, a little dangerous.

**Darren Vogt:** Councilman Armstrong.

**Bob Armstrong:** There was a report out this week that said Indiana ranks 48<sup>th</sup> in the United States, in voter turnout. My question is, if we would go to the satellite voting, if we can't get them to vote now, what would satellite voting do for us? Is it going to make us move up in the ranks? Second of all, one way or the other, at the end of the day, we are going to have a Presidential election next year, right?

**Beth Dlug:** I believe so.

**Bob Armstrong:** One way or the other, the bills are going to have to be paid. I am like Mr. Harris, we have to be more efficient and maybe a Presidential election is not the time to fine tune to get there. I just have a hard time, I understand the shortfall and the cuts that we are looking for but my scenario, in this instance, is that one way or the other we are going to pay for this. It's that saying, pay me now or pay me later. The point I am trying to make is that we can beat this to death but at the end of the day or the end of the election, the bills will come in and they are going to have to be paid.

**Beth Dlug:** The only difference is Council has the choice to accept the consequences of not having poll workers and machines at the polling locations as we think we need to have them. As far as the 48<sup>th</sup> ranking, there is very little we can do to affect turnout in election administration. It depends on who is on the ballot, what the issues are and how fired up the voters are about them. All we can do is react.

**Bob Armstrong:** My key thing is if they are not beating down the door to get to the library to vote in their precinct, is satellite polling places the way to go?

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**Beth Dlug:** Satellite polling places were a part of our whole strategic plan. In the end, be more efficient and save money doing elections with vote centers. That was our whole initiative. The satellites work with the vote centers in that the satellites will bring people in to the early voting so that the vote centers are not overwhelmed on Election Day. Our strategic plan was based on a tri-partisan steering committee that came together last year and studied the whole vote center concept. They came back to the Election Board and told them you can investigate vote centers and we think vote centers may be a good thing. You need to go slowly to this model. Allen County is very conservative and they are not going to want to see you jump into something. They are going to want to go very slowly. You need to test your policies and procedures and make sure those are all in place before you go ahead and introduce vote centers in Allen County. Based on the information that we got from that committee, we developed a strategic plan to go to vote centers and our plan was to be there in 2014. Those satellite centers were our first step to doing that.

**Bob Armstrong:** Okay. In 2008, do you know how many precincts we had?

**Beth Dlug:** We had 279.

**Bob Armstrong:** Then in 2010 we had an election?

**Beth Dlug:** Correct.

**Bob Armstrong:** Do you know how many we had then?

**Beth Dlug:** In 2010, it was 313.

**Bob Armstrong:** So it grew.

**Beth Dlug:** And that is population-wise. Obviously we are constantly redrawing precincts based on the statutes that we have from the State about how many people can be in a precinct.

**Bob Armstrong:** I have no other questions.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** Following up with what Bob was asking you, that is precincts and not voting locations

**Beth Dlug:** Correct.

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**Roy Buskirk:** Beth, I know we talked six weeks or a couple of months ago, I will take some of the blame myself, but Council should have realized with next year being a Presidential election that we should not base any cuts on last year. It should be on the previous Presidential election. I personally apologize for that not occurring. The other thing is and I get these confused, Voter Registration was anticipating that due to the new State legislation there would be two positions eliminated. That amount was deducted from your proposed budget. That has not taken place and is something that we need to reconsider when we are looking at the amount of the appeals.

**Beth Dlug:** Okay.

**Roy Buskirk:** I know the one thing we talked about is the fact that with the vote centers sometimes you have to spend money to save money. You said that 2014 as being a date to try to attain this. I was wondering, as you were just talking, is there the possibility of trying that in part of an area of the County and not County-wide the first time?

**Beth Dlug:** Again, it depends on what Council ends up with as far as what the final budget amount is. If there is any way possible that we can put early satellite locations in, we would be more than willing to look at that. It is the first thing to go out of our budget because it is not statutorily required and it is an expense that we would not need to incur. It is the last thing that I would bring back into the budget.

**Roy Buskirk:** I am not looking at the early satellite locations. I am looking at the voting centers and not possibly doing it County-wide the first time we attempt it and just doing a portion of the County and the balance of the County would still be on the current precinct type voting.

**Beth Dlug:** I don't know if the Legislature would allow us to have a hybrid like that. I think they want us to declare ourselves as a precinct based County or a vote center based County. I don't know if it gives us any wiggle room there. The closest thing that we could come to is the satellites. That would allow us to test how a vote center would work along with all of the technology, policies and procedures. I don't believe, as the legislation is written now, would allow us to do that.

**Roy Buskirk:** You have had, for several years, the early voting and come down and vote from any precinct. I assume that was done manually and nothing electronically as far as showing that the individual had voted before.

**Beth Dlug:** We actually do enter that into the computer system. The difference is that you have people out in remote locations and how do we

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connect to that database from a remote location and securely? How do we secure any balloting so that it isn't tampered with when those people go home at night? These are all of the security and contingency plans that we need to put into place.

**Roy Buskirk:** I would suggest in this particular situation that we look at these numbers and give her new numbers. Who is the liaison?

**Beth Dlug:** I believe it is Paul.

**Roy Buskirk:** Paul is? You can possibly work with her. We don't have to make a decision today or tomorrow, as far as the exact funding but I think we need to look at the numbers again.

**Beth Dlug:** Great.

**Darren Vogt:** Councilman Moss.

**Paul Moss:** The whole point of this exercise is to identify what the essential functions are that we have to pay for. I am all for easy access for voting. No question about it and I think we are all interested in that. The vote center is a great concept. We have gone through two appeals. The first one with the Juvenile Center, we are talking about if we are concerned about overpopulation at the Juvenile Center and are we willing to reduce some staffing. That is a difficult question. This one is a lot easier but it is also a roll of the dice because many of the numbers that you present are numbers that could move one way or the other. We just don't know. It seems like the last Presidential election was pretty unusual in terms of the turnout and who knows if that will be the case this time around. I think Councilman Howell's point is a legitimate point in terms of do we front the money now or do we deal with it on down the road. The way I lean, a little bit, is that if you front the money, it oftentimes gets spent. If we do that, it's okay and I am fine with that. You have a record of returning that money. If we choose to go the other way, frankly I am okay as well. I am not trying to ride the rail too much here but I would hope that we, as a Council, would commit that if there were issues in October or November of 2012 that we would commit to funding that. Again, that is the purpose of this exercise, to decide if this is a core function and it certainly is.

**Darren Vogt:** Councilman Brown.

**Larry Brown:** Beth, I appreciate your presentation. It was very eloquently done. Is it possible that you were reading or briefed by some written notes?

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**Beth Dlug:** Yes.

**Larry Brown:** Is it possible that we could get a copy of what you read from so that we could review it again?

**Beth Dlug:** Certainly.

**Larry Brown:** That is number one. Number two is that I don't see that we have at our disposal, at this moment, your 2008 actual. I think we are in agreement about the statistics but we don't have a budget breakdown.

**Darren Vogt:** The breakdown on actual expense was \$843,214.

**Roy Buskirk:** It is on page two, the expenses. We don't have a breakdown as to how much was for poll workers, for staff or other things.

**Larry Brown:** I guess I have totals and I have stats. I am asking if we can get a copy of the 2008 actual.

**Tom Harris:** Details.

**Darren Vogt:** Details. It is in the budget book.

**Larry Brown:** If you have it in that book, I should have it.

**Roy Buskirk:** There are times that we are blessed with too many numbers.

**Larry Brown:** Never mind, I am done.

**Darren Vogt:** Councilman Armstrong.

**Bob Armstrong:** Can you get for me a list of the polling places in 2008 and the polling places we had in 2010?

**Beth Dlug:** Yes.

**Bob Armstrong:** When you get time, you can email it to me or whatever.

**Beth Dlug:** Certainly.

**Darren Vogt:** Councilman Moss.

**Paul Moss:** Are you trying to get at the number of polling places? The number of precincts, there has been a significant combination over time. I assume

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that the trend has been to go downward, as far as the number of polling places.

**Beth Dlug:** Yes but the number of people who are voting doesn't really change. By combining them, we have some savings as far as poll workers. For instance, in 2008, it was \$236,000 in poll worker expense. For 2012, we are looking at \$220,000. It is less than 2008 as far as the poll worker portion of it.

**Darren Vogt:** Let me ask a couple of things. As I am looking at the letter with the years and the expenses, as we try to get more and more efficient, I'd hope we would spend less and less. What I don't understand is that the County side of elections and the municipal side have stayed pretty consistent. Presidential elections have increased in the last two cycles that you have here and you are asking that they increase in this cycle as well. That is what I don't understand. Can you try and briefly describe that?

**Beth Dlug:** It has to do with turnout.

**Darren Vogt:** So 20,000 more people create \$70,000 more in expenses. That is what I am trying to figure out. It is the same number of locations and the same number of everything, it is just more people going through the turnstiles. Where is that increase cost?

**Beth Dlug:** A lot of it has to do with absentee ballots. You have a difference of 5,000 people voting absentee instead of 11,000 voting absentee. It is a tremendous expense.

**Darren Vogt:** That is what I am looking for, those kinds of things. I am hoping to see that we gain some expense savings and we are not. All we are doing is going the other way. That is what I need to know because if I am going to sit here and try to make a decision on whether to give more money or not give more money, I don't know why if we put the processes and computer equipment and things in place to save money, we keep going the other direction.

**Beth Dlug:** If we put early satellites in, we are hoping that it will take that mailed absentee ballot away because we are going to be out in the County. If they don't want to come downtown to vote early, but they still want to vote early, then they are going to do it by mail. The early satellites are another way for us to capture that early vote without it being the more expensive way of doing it with the absentee ballots.

**Darren Vogt:** One other question, and you may not be able to answer it, but you analyzed the tri-partisan committee came up with this being what we

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need to do. That is what I want to know because as we look at the 2014 election, I want to know that if I spend \$970,000 this year that compared to an election in 2008 at \$660,000 that I am going to spend \$500,000. That is what I really want to know, the savings that we will see in going to vote centers. I don't want to go to vote centers to spend more money. If we are spending the same amount and getting better voter turnout, that is great. But to spend more and get nothing out of it, that doesn't make any sense.

**Beth Dlug:** Absolutely. We all believe, after looking at the facts in the other Indiana Counties that have gone to vote centers, that we can save money. If at any time we realize that it is not going to save us money, we would not move forward with it. As far as the process, we are going to go back to the drawing board. As I said, we had hoped to put these early satellite centers out in the municipal election this year. Because we had concerns about what our budget was going to be, we stopped the process of getting those early satellites out. We are not going to be offering those this year. We didn't want to offer it even though we could afford it this year and then not next year. It would be too confusing for the voters to have something like that available to them in 2011 and not have it available in 2012. Because we cannot have it in 2011, again, we are looking at a Presidential election in 2012 and for us to enter another process into that big election year we just don't have that ability. That means that we are going to start all over again, from square one, looking at what we can do to get to vote centers in 2014. It may be that we are going to be a year delayed. We may have to wait until 2014 to put the early satellite vote centers in and then go to vote centers in 2015. I don't want to do that if there is any way that we can stop that or work our way through that. I can't tell you where we are in the process because the process is at a standstill right now.

**Darren Vogt:** Council, are there any further questions?

**Roy Buskirk:** The one thing on the vote centers that I would be a little concerned about, what are you talking five or six locations County-wide?

**Beth Dlug:** That is what we were looking at for the municipal election.

**Roy Buskirk:** Okay. There is not going to be voting centers three blocks down the street and there would be the possibility of more people voting absentee because of the location of the vote centers.

**Beth Dlug:** That's true but that is why the early satellites work in conjunction with the vote centers. You have satellites that are open for two weeks prior to the election, where people can go and vote absentee early and at their convenience wherever is the most convenient spot for them to do

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that. They found that 80% of the people that vote at the early satellite centers actually vote at the location that is closest to their home. It all works in conjunction. The thing about early satellite and vote centers is you saved the money in vote centers and that makes up for the cost of the early satellite centers. Early satellite centers, by themselves, all they do is cost us money. They don't bring in a total savings until you add in the vote centers on Election Day.

**Darren Vogt:** Unless it reduces absentee ballots. If it reduces absentee ballots, then it does reduce the cost because that is your biggest expense. In reality, the best thing to do is try to eliminate absentee ballots.

**Roy Buskirk:** There was a reference earlier about better efficiency but the only place on better efficiency and costing you more money is in Washington, D.C. It happens quite often.

**Kevin Howell:** Were either satellite centers or early vote centers tried in 2004? Was any of this stuff tried in 2004? I mean 2008.

**Steve Shamo:** I am Steve Shamo with MicroVote Corporation. I have been servicing Allen County since 1996. There were three Counties in Indiana in the last Presidential and they were Wayne, Tippecanoe and Cass Counties. The three of those did vote centers almost out of default and necessity. They kind of got caught between voting systems and they got caught between certification and the ability to buy additional equipment to facilitate precincts. In doing so, they appealed to the State and created the vote center concept and then plowed forward with it. They have since fought to retain the vote center concept. The reason that Tippecanoe, for instance, went to the vote centers was because they fought tooth and nail for it or they had to buy additional voting equipment for a half a million dollars. They kind of backed into it a bit. Has it been a cost savings for them in one direction or another? In those situations, it was about a breakeven. To convert to vote centers from this point forward, it becomes a much more difficult challenge. As you start reducing your precincts, your vote center is required to still have a minimum of 10,000 registered voters. You would have to have a minimum of 25 vote centers in the County. Then it kind of goes to a whole different ration and as you pointed out, the real cost savings is in reduction of the mail ballot absentee. That is a three dollar plus transition to voter in and voter out as opposed to the person spending their own money to get in the car and go to vote on an electronic machine. There is no cost in the processing of that vote. When you look at your County right now, the requested budget of \$1 million or so and you base that against your 250,000 registered voters, you are essentially looking at \$3.90 per registered voter for the cost of that Presidential election and divided by two for each election. It is pretty efficient

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in terms of what is involved and what is at stake in terms of trying to reach that point. The reason I feel a little passion about it is that I don't know of any County in the State that runs better elections than Allen County. In the last fifteen years, I am in Lake County on every Election Day. It is a very interesting dichotomy about how you guys do it. Your bi-partisanship in this County has been the strength in keeping those costs in line. If you are talking about a reduction from \$1 million to \$750,000, you are going from \$3.90 per registered voter to \$3.10 per registered voter to pull off a Presidential election year. I have yet to see the evidence that the vote center is actually a cost savings because you have to notify each and every voter that their vote location has changed. That is by postcard which is forty cents times 250,000 voters. As the Councilman mentioned, you do have to sometimes spend money to save money. The true projection is that it is down the line. As Beth mentioned, from my perspective, the voting system isn't going to do everything that you need it to do. This system was built in 1998 and so you have some restrictions in terms of the number of precincts that you can put on an individual panel and still have the individual tally card be the medium to transfer the votes. Currently when you do your walk-in voting, you have fifteen machines and at the end of the day, each of those machines is plugged into a computer to download those votes. That takes several hours just for those fifteen machines. If I am going to take all of the voting machines for twenty-five vote centers, your results will come out sometime around Saturday or Sunday. Unless you truly look at each machine and say that you can put 50 precincts on this machine, 50 on this machine and 50 on this machine, the tally card will still continue to work; however, I have to then decide of my 30 machines that I have in this vote center, how heavy do I make these precincts compared to these precincts. Do I have to worry about the guys from the south part of the County in this precinct? They have to be represented but not necessarily on every machine. To answer the question about why this has gone like this, we are learning this process too. I have been running computer simulations on your County for the last three months for vote centers. I still can't come up with the exact number of precincts to put on a panel and still be able to use the tally card and every election changes. It is based on the number of precincts, number of activations, Republican, Democrat, School Board Only, Democrat 17, Republican 17 and that is fine if everyone votes Republican or Democrat. As each activation gets voted, the data that comes over on that card mushrooms and balloons. Right now I can do 55 precincts if everyone is voting the same ballot. If I go to two ballots, it goes down to about 38 precincts. But if every ballot and activation is voted, I might only get ten precincts out of that. If you come up with the vote center concept, as Beth mentioned, you may have to go shopping for a voting system to accommodate the overall system and plan that you are looking for.

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**Beth Dlug:** That is why we keep going back and forth.

**Steve Shamo:** By way of comparison, Marion County, in their first paper ballot election threw away \$500,000 of unused ballots. That is the difference between the system that you are operating on and the one Marion County is operating on. Your entire budget is their waste.

**Roy Buskirk:** So when you are talking about the different ballots and everything, on the even years the Republicans elect Precinct Committeemen. The other year, the Democrats do. The numbers that we were being told here, 313 precincts, you have to have 313 ballots.

**Steve Shamo:** A lot of the ballot styles are shared but they are uniquely able to being voted on. In order for you to do your data and have a unique percentage breakout for each and every precinct, you will have a Republican, Democrat, Republican 17, Democrat 17 and potentially School Board Only.

**Beth Dlug:** That is going away.

**Steve Shamo:** Yes, that is going away. The Precinct Committee race and your Convention Delegates add the two additional ballot styles per election. In your voting system, the additional ballot style doesn't cost you anything. It does complicate the vote center and vote accumulation.

**Roy Buskirk:** Give her the money.

**Darren Vogt:** Councilman Brown.

**Larry Brown:** I forgot my question. Beth, have you looked at all, if you are lucky enough to get the budget that you requested, and with the Board's consent to continue toward the plan of implementation in 2014, what do you anticipate 2013 looking like budget-wise?

**Beth Dlug:** All I have is my salaries for my full-time staff.

**Larry Brown:** So if 2013 is a preparation year and because it is not an election year, can your current staff handle the necessary preparation to be ready for 2014?

**Beth Dlug:** I anticipate that over the next year we will be looking at the things that we need to do to go to vote centers. I can't answer that. I don't know. I believe there is going to be some infrastructure that we are going to have to put into place. Yes, I believe my current staff is capable of putting all of the policies and procedures together but I may need additional money to go

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out and buy electronic poll books. That is software that we don't have. We may have to purchase some hardware. I think I put in a projection for our strategic plan that, without going into every little detail, \$300,000 in infrastructure costs that we would need to actually get going. Steve and I have these talks back and forth as far as what the savings will be. One of the biggest savings that I think we would see would be when we go to replace voting machines. Voting machines are about \$4,000 apiece and have about a ten-year lifespan. In 2016, our current voting machines will be ten years old. As I put in our strategic plan and our capital expenses, we are looking at over \$1 million coming up in voting machine replacement. If we are able to reduce the amount of voting machines that we need by 80 times the \$4,000, that is where you are going to see some significant savings when you go to vote center model. Right now we have to put at least two machines in every precinct. At least two machines. In vote centers, you can do it a little more strategically placed. We don't have to have two machines in Scipio and in Grabill. We would have something that is a little more centralized.

**Darren Vogt:** Are there any further questions? I am going to ask one quick question. I want to make sure I understand what you said. If this Council would decide to give you \$970,000, did you say it is too late for 2012? What I don't want to do is give you more money and you can't use it. During our discussion phase, if we decide that we really want to move toward vote centers for all of the reasons that you have outlined, this might be the time that we need to spend the \$970,000. I thought I heard you say that you have put things on hold so that it wouldn't happen in 2012.

**Beth Dlug:** That is correct. It is very unlikely that we would be able to put satellites, the way that we anticipate putting them in, in 2012 even if you gave the full amount of \$970,000. That is probably something that Councilman Moss and I would have to talk about as far as what that decrease might need to be.

**Darren Vogt:** Okay. Council, are there any further questions? Councilman Howell.

**Kevin Howell:** Can you have the gentleman come up again, please? In terms of mechanics, of those Counties that changed over because they had to, what was their turnaround time to get set up to go and what was the cost savings, if any?

**Steve Shamo:** The cost savings, I don't know if it was necessarily a savings. For instance, in Tippecanoe County they had purchased X number of voting machines that they thought that they needed for a year and then they could not purchase any more. Where they were fortunate was that a group from

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Purdue University helped them with their Voter Registration package which allowed them to make certain that every vote center was live and in touch with one another. That is vote centers, the heart and soul of it. You can't vote at this one and go down the street and vote at that one. The problem is that the freebies are gone on it. We don't sell it but the prices that I have seen on that, you are talking about a substantial IT investment. That is to not only get the software in place but also ongoing maintenance of that product and then the physical location of IT and tech staff to maintain it is a live internet fed system that rotates through. Dekalb County was the only County I saw that was potentially going to save money. It was all because of poll worker reduction but they were also talking about going from 38 to 7 polling sites. In Bartholomew County, it was a substantial increase. The irony was in Dekalb County. They actually would have had to buy more voting machines to go to vote centers. The reason being because the ratio of the number of voters you can put on a voting machine in a day, 350 registered voters per machine, gives everyone their legal three minutes on the machine in a 70% turnout. Anything less than that and you disenfranchise the voter and the County Commission could be put at bay for not putting enough out in the field. By repackaging and moving things around, they didn't have enough machines to facilitate three vote centers and get enough machines for the 10,000 registered voters. The reason that I drove up today was kind of on that one point. My biggest concern is if this County goes into a Presidential election and has even a single voting machine sitting in the warehouse on Election Day and being unused. I witnessed a catastrophe in Wichita, Kansas in the early 2000's with the best Election Director that I have ever met. She didn't put out 150 of the 750 voting machines and she was accused of vote manipulation, incompetence and everything across the board as lines grew in the precincts and there was equipment that wouldn't have cost that much more to get out in the field. That is my concern and why I am here today. But savings, I have yet to see it and the County is working at it and trying to figure their angle on it.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** Beth, this is a question to you in regards to the Board and such. As far as best practices, are you looking State-wide or nationwide in this process?

**Beth Dlug:** For vote centers?

**Tom Harris:** Best practices in carrying out elections.

**Beth Dlug:** We look nationwide. I belong to the Election Center and just got certified as an Election Registration Administrator. In talks with people

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across the country about the different ways that they do elections, everybody does it differently. It's amazing.

**Tom Harris:** It is a paradigm shift. The paradigm shift for me was to find out that Montana has thirty days to vote. My point to that is there are so many variables in this process. There has got to be room for more efficiency. We are going to have to find it. Your biggest challenge is that you have got to move forward on finding those efficiencies while maintaining your current system and not screw it up. To sit still and not move or not try to get faster or more efficient and bring in new technologies is an error.

**Darren Vogt:** Council, are there any further questions? Thank you very much. I appreciate your information. Council, we have been sitting for an hour and forty-five minutes. We are going to take five minutes.

Recess.

**Darren Vogt:** We are going to go ahead and get started. We will move on to Voter Registration, Department 35.

**Barry Schust:** I am Barry Schust, the Republican Board Member for Voter Registration. I would like to introduce you to the newly appointed Democrat Board Member, Maye Johnson. Our appeal has two components. The first is that next year is a Presidential election and the challenges that it presents with its magnitude and wider impact. The second is the 27% cut. While other departments were given 7.42% ours was 27%. Quite frankly, if we had gotten that number initially, I probably would not be here right now. We presented three budgets, our original budget and a second one which was the dollar amount that Council had requested. Then a third budget that had the 7.42% cut from the 2011 adjusted budget. You should have that information in front of you, in the packet that I provided. Beth spoke about difference between the Presidential and other elections and so I am not going to dwell on that too much. I will reinforce that it obviously impacts Voter Registration also. In a Presidential, more registrations are going to come in and if you look at the first sheet, you will find that number in the row titled The Number of Transactions to Active Records. You can see that it is 71,000 plus compared to what otherwise might be 21,000, 28,000 and 24,000. Also, voting is up. The 2008 Presidential, in the general, we had nearly 153,000 people voted. That is over 60%. The primary had over 83,000 people and that is over 34%. That exceeds even most general elections. Another number that I would like to bring to light is the part-time money that we spend. That is the last column and it is an actual budget number. In 2008, you can see that it is two or three times greater for Presidential. That simply means that we have to bring in more part-time people just to perform our typical functions of data entry,

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scanning, filing, addressing the outgoing mail and so forth. Another final number that I want you to take a look at is the BMV transactions. Since that has started, it has steadily increased and it is getting to the point where it is two-thirds of registrations are coming through the BMV. We still have to do nearly the same amount of work on those. It saves key strokes but we still have to print out the card, we still have to do some scanning and it has to be filed. We still have to go through the pages when we do data entry. In a Presidential year, we get quite a few more from the BMV however the percentage is less. That is because people are out there doing registration drives and so we are getting registrations in from other sources. A thing to be aware of is that next year the BMV has two million people that are going to be renewing their Operator's License. If you do the math of Allen County being about 5.5% of the State population that means it could be about 110,000 people. The BMV is required to ask all of those people if they want to register to vote. We could be looking at a number coming from the BMV of being in excess of 100,000.

**Tom Harris:** Is that two million an annual number?

**Barry Schust:** I think it is because, at one point, the BMV adjusted how long an Operator's License was valid. I think they went from four to six and back to five.

**Tom Harris:** And it is landing next year.

**Barry Schust:** Yes and I am one of those that has to renew next year. I believe that Maye said she is also. We are looking at possibly over 100,000 that we might have to process through the BMV Hopper.

**Tera Klutz:** Is that just for new registrations or all?

**Barry Schust:** It could be new or updates or duplicates or whatever.

**Tera Klutz:** If they say no at the BMV because they are already registered, do you still have to process that?

**Barry Schust:** We still get a declination which we don't necessarily have to process but we still have to track. Obviously with the more registrations that we process, every registration that comes in, we have to send out an acknowledgement card. Oftentimes that is that they haven't provided all of the necessary information and so we might have to send out other notices before we can actually get that finalized. It does drive up our mailing cost. The more we process, the more we spend in mailing. This brings me to the second component and that it is the 27% cut. There are three major impacts

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that the cut would have in our office. The first would be the elimination of full-time employees. We are an eight-person staff. If you cut us down to the number that you suggested, we would eliminate half of them. If it is a 7.42% cut, we will eliminate two and then be a six-person staff. That would mean service cuts and a reduction in office hours in terms of our exposure to the public. We would still work the necessary amount but the hours that we would be open to the public are going to be greatly reduced. We would probably look at the BMV model of being closed on Mondays and perhaps closed on lunch hours and things like that. Also, it would probably mean that phone calls would be generally directed to a voicemail and then we would respond to them when we had time. The same goes for requests for information. They can be public information requests, requests from candidates or whomever. What we would probably do is to set a time, like the first Monday of each month, to address those. There is going to be a delay in that service. We are also looking at changes in office procedures. We would probably eliminate, we call it Maintenance, a verification process where the day after we do the data entry we check to make sure that the information was entered correctly. A lot of Counties don't do that but we do and I think it is one of the reasons that our data is pretty clean State-wide. If we only have four to six employees, we are probably going to have to eliminate that. We would also probably change our filing. Right now, all active files are kept together alphabetically. We would probably have to look, in the short term, chronologically filing them alphabetical but within that day or week. Then at some point, we would try to combine that with our active files. If we are reduced to four or six full-time employees, there will be an increased reliance on seasonal workers. It always takes time to train them and get them up to speed. You always run the risk of more mistakes, a decrease in accuracy and so forth. Now I am going to turn it over to Maye and she is going to have a few comments about that.

**Maye Johnson:** Good afternoon, Council. As a recently appointed Democratic Board Member for the Allen County Voter Registration Board, former member of this body and veteran Voter Registration volunteer, I think I bring a somewhat unique perspective to this budgetary process. I have only been on the job for two and a half days now and I can certainly appreciate the responsibility of this body to not only protect the taxpayers' investment at a time when you, as the elected County financial steward, are in the difficult position of providing a continuum of effective services with reduced revenue. However, I am concerned that a budget cut of 27% will severely limit the efficiency of services currently provided by the Allen County Board of Voter Registration. Also, I remind this body that Voter Registration is not asking for more money. A budget cut of this severe will certainly result in reduced staffing. A major concern is that there has been no time to provide or implement an effective plan for Voter Registration for the Presidential election coming up in 2012. I defer to my colleague, Barry Schust, for

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numbers related to the 2008 Presidential election. The severity of a 27% budget cut to Voter Registration will have a negative impact on providing the level of service that Allen County voters have a right to expect and I emphasize the word “right”. A 27% cut will reduce staffing responsibilities that will limit follow-up, voter correction, troubleshooting, training and leaves very little time for planning with a two-member staff on each side. That will have a negative impact on providing an efficiency of services especially at election time. I reiterate that Voter Registration has had no time to devise or implement a strategic plan dealing with the 27% budget cuts for the upcoming Presidential election. To put it in the right vernacular, I would strongly urge this body to slow your roll on imposing a budget cut of 27% and instead consider the same roughly seven percent cut to Voter Registration that other departments are receiving. This will result in an immediate cost savings and also provide the opportunity for strategic planning that will result in a more effective streamlining of the Voter Registration process and will also ensure an efficient bi-partisan voting process in Allen County. At a time when voter turnout is at an all-time low, I think all of us are concerned about reducing the level of efficiency in Voter Registration. I am sure that we will all agree that Allen County voters deserve better. Thank you.

**Darren Vogt:** Council, are there any questions? Councilman Howell.

**Kevin Howell:** I do remember 2008 and the near ambush with the number of voters that turned out. With the 27% proposed reduction, would it have the same affect or similar affect, in your professional opinions?

**Barry Schust:** I am not sure I understand that question.

**Kevin Howell:** Well, if the cuts came through and the amount of folks that turned out in 2008 turned out again in 2012.

**Barry Schust:** It would have a crippling affect on Voter Registration.

**Kevin Howell:** Okay.

**Maye Johnson:** I concur, based on the numbers that I have seen.

**Kevin Howell:** So 7.42% would be able to get you by and you would be able to do your job?

**Barry Schust:** I am not sure that it can get us by but we are willing to move forward with that number. We can't control what comes in. What we have to react to is, much like Beth talked about earlier. We have deadlines. When

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something comes in, it has to be processed and things have to be done. Poll books have to be printed. With the 7.42% cut, we will definitely give it a shot.

**Kevin Howell:** You say that you are losing two people already?

**Barry Schust:** With the 7.42%, we would lose two full-time system operators.

**Darren Vogt:** Council, any further questions? Thank you very much. With that, we will move to Department 31, Cooperative Extension.

**Mike Talbott:** Mike Talbott, County Extension Director in Allen County. Also in attendance is our Extension Board Advisory President, Jeremy Reidy. He is here to answer questions about some of the decisions and the process that the Board went through in putting together the budget proposal that we are presenting to you. In a nutshell, the \$20,668 consists really of three items. One is for \$12,918 for Extra Deputy Hire and keeping that funding at level funding for that position. The other two items are to restore the postage and travel expenses that we had to cut in half in order to make the initial \$20,942 cut that you requested. Items that we are leaving or changing basically saying that we will cut and live with include the fact that our fuel cost for our building has actually gone down or moderated enough for the NIPSCO bill that comes into our building. We are also eliminating, out of your expenditures, the cost for equipment maintenance and building security. Security will not be on County General Funding. We will probably do without. If and when the equipment breaks we will probably be in asking you for additional help, maybe, on that. We will keep our fingers crossed because you have been nice to us and given us new equipment that is fairly modern and fairly new. We are keeping our fingers crossed that we are not going to have undue maintenance expenditures on those pieces of equipment, primarily the Rizzo machine and the photocopier that we use heavily in our office. The personnel item is a part-time Extra Deputy Hire who averages about 20 hours a week. Actually it is the remnants of a third Youth Educator position that was downsized about ten years ago. These are the dollars that the County still put forth to that position. Purdue, at that time, deemed that they could not continue to support that third Youth position. Instead of keeping it as a full-time position, we opted to keep those dollars and it has been slowly dwindling down. That individual is a key partner in our functions in our office. She is one that orchestrates and handles our Teen Junior Leadership program which has about 70 kids in it. She is the glue behind a lot of our events such as the 4-H events, Ag events, horticulture events or the military appreciation events that we do out of our office. She is the person that gets a lot of those things done and makes sure that the events and communications happen. That allows us, the five educators, to concentrate more on the educational programs and not worry about the nuts and bolts of

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getting tables set up and making sure that everybody is there and those kinds of things. Her role has been that support role and if that position is eliminated, services will be such that educators will have to worry more about those nuts and bolts and spend less time on actual education delivery of our programs. The mileage cut, based upon numbers that I had done, it would mean that educators would not be going out to on-site visits when people called in, going out to do presentations. Off-site would probably be curtailed by half. If we use our own personal cars and this is mileage reimbursement for travel out and about the County. We would end up eating some of that cost ourselves. In terms of postage, we think that we can probably get by for a year with about half because of the money that is still in our postage account. Beyond 2012, we will not have any cushion whatsoever. We will be relying on electronic mail or not be able to mail out letters or correspondence to individual families. We may have to have them send us a self-addressed envelope in order to be able to process that. Those were the three areas that the Board felt were areas in order to meet your budget cut and with the hope that we can come back in on the appeal and request and appreciate additional dollars to get back into those line items.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** In terms of Purdue's participation in this process, help me understand a little bit in terms of how they have been able to assist in funding and what is that trend with them? Are they increasing, maintaining or reducing?

**Mike Talbott:** They have been maintaining. The primary area that Purdue assists with is that they are paying approximately 65% of the contractual cost for the five educators. You are paying approximately 35% of that cost. They pick up for the staff benefits and the salaries and for training, essentially the expenses it costs to have me do my job. In addition, we have a half-time Family Nutrition Program Assistant who is on a Federal grant that is administered by Purdue University. That is equivalent to about \$60,000. We are currently looking at the potential for a couple of other grants that would be federally funded. At this point, I am not at liberty to say what those are because we don't know if we are going to get them. They are looking at trying to bring additional dollars in on grants to be able to give us other program assistants and other assistants.

**Tom Harris:** You say "they". Who are they?

**Mike Talbott:** The State Extension Service.

**Tom Harris:** Okay.

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**Mike Talbott:** That is administered through the College of Ag at Purdue.

**Tom Harris:** That percent of 65 and 35, is that the same percent throughout the State?

**Mike Talbott:** It is probably within a five percent range. That is also based upon the fact that we have a very tenured staff in our office versus some Counties that have staff of one or two individuals that may have been on staff for under five years. Our average tenure in our office is over twenty-five years.

**Tom Harris:** So in other words, Purdue is funding nearly 65% throughout the rest of the State and at the other Extension Centers.

**Mike Talbott:** It is a fairly uniform system across the State.

**Darren Vogt:** Councilman Moss.

**Paul Moss:** What is the \$139,000, roughly, contractual? What is that?

**Mike Talbott:** That is for the five educators to Purdue University, the 35% that you kick in.

**Paul Moss:** Is your salary completely covered by Purdue or where am I just missing it?

**Mike Talbott:** My salary is part of that contractual line item. All five educators are covered under that. They are Master Degree educators who are working contractually to deliver services, programs and educational activities in Allen County.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** On the Master Gardener program and Ricky, how are his wages paid? He actually administers that program for a couple of different Counties.

**Mike Talbott:** He is now exclusively Allen County and is part of the contractual line item.

**Roy Buskirk:** Do the Master Gardeners, through dues or anything, pay part of his wages?

**Mike Talbott:** No.

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**Roy Buskirk:** Do they pay part of the Master Gardener program expense?

**Mike Talbott:** No. Some of those expenses are for the gardens and the class that they do. For some of the workshops, there are fees that are assessed and paid to Purdue University. Those are funds that are usable back in our office that we are using to pick up some of the other expenses that we are taking off of your line items.

**Roy Buskirk:** For supply items and things like that.

**Mike Talbott:** Yes, it is to be used for supply items only. It is not to be used for staff line items.

**Roy Buskirk:** One other thing that you made reference to was the fact that for this year you were going to be able to pay postage because you have some in the fund but next year it would be a problem.

**Mike Talbott:** In 2013, there would be a problem.

**Roy Buskirk:** Right and that makes me nervous because 2013 isn't going to be any different than this year is.

**Mike Talbott:** I understand that.

**Roy Buskirk:** I wish there were some items that you would be able to cut so that the savings would also carryover to 2013 and henceforth. That is why I was trying to look at fundraising and stuff. I know I have mentioned it in years past.

**Mike Talbott:** One of the things that we are definitely going to be doing and we have started doing is with major mailings, newsletters and those big items we will find a way to have the programs, such as 4-H, pay for. They charge a ten dollar fee to the 4-H members. They are then going to reimburse the Extension Office for the paper, ink and maintenance, on that equipment, to make those newsletters.

**Roy Buskirk:** When did they start the ten dollars?

**Mike Talbott:** They actually started doing that last year. I just worked on that bill because we are closing out the books for the 4-H Corporation and it amounts to around \$1,000 to \$1,200. It is not major and will not pay a \$12,000 part-time staff person.

**Roy Buskirk:** You are saying that the ten dollar fee for each 4-H member only generated \$1,000?

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**Mike Talbott:** No. What I am saying is that the bill to the 4-H for newsletters and postage is about \$1,000.

**Roy Buskirk:** Okay.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** Mike, you have probably been challenged with the thought of when you look at all of government services and that the County is going to have to make some tough decisions, how do you respond to your service that you are providing? How would we respond to maintaining this appeal versus the challenge at the County?

**Mike Talbott:** I think long and hard about that. We are not one that if you don't fund us, somebody is going to sue you. If you don't fund that, people aren't going to be able to go to the voting polls. The Extension service is one of those entities created by the Federal government and State government over 100 years ago to provide educational resources and take educational resources from land grant universities, i.e.: Purdue, out to the masses. So I don't have to enroll and pay X number of dollars to get a degree or whatever and go on West Lafayette or Fort Wayne or wherever there is a college. The wisdom, way back then, was that we need to educate all people, in this case 300,000 and some people in Allen County. That is the way the State mission and mandate is stated, that we are to serve all people. It is not that we only serve those that can pay us. There is the public good aspect of what we do. To educate those individuals on improved financial management, improved food nutrition, improved gardening and on improved youth leadership and development so that they become better citizens and taxpayers and take on civic responsibilities. It is that feel-good program that you, in County government, have control over. We are not an agency that is coming to arrest you or whatever. You provide the funds for us to do good things for people in Allen County. We are here to protect people with our certification programs with the pesticide training, safe food handling so that when you go into a restaurant the food has been prepared and handled safely. We meet the restaurant handling certification laws they are required to have. We are teaching those lessons and providing that service to that clientele.

**Tom Harris:** On the 65/35 split, if that relationship changes to 70% Purdue and 30% County, does Purdue come back? Based on the rest of the State's Extension services, would they reduce that based on that ratio?

**Mike Talbott:** They don't do it that way.

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**Darren Vogt:** Councilman Moss.

**Paul Moss:** This is where it gets a little difficult because we are here trying to set priorities for the County and for how we spend other people's money. Mike, you are a good guy and you do a good job and you are passionate about what you do. As we have talked in the past, my daughter has participated in the 4-H Fair and so I have benefitted from the Co-op. Philosophically it is a very tough question and we have dealt with this before. I know you have pretty strong feelings about that and so I am going to put you on the spot in a different way. What sort of economic conditions do you believe would make you rethink the value and need for County government to fund the Co-op? Are there any or do you just believe that it always should be? You mentioned that it was created 100 years ago. Do you believe that it should always be funded by government and taxpayer dollars? Are there other alternatives?

**Mike Talbott:** I would counter and say that we are that informal or non-formal education system that should be tax funded because we can be impartial that way. If all of a sudden we were supported by Monsanto and that was our major funder, we will be asked to present facts that would benefit Monsanto. That would be in our responses on what to do with this field of corn or soy beans or these plants out here. Because we are tax supported, we have to be non-committal. We are non-committal. We give them the information and tell them to make the best judgment as to what you are going to do in your own home and in your own farm. Here is the information, based on the research from the land-grant university and we are not going to tell you exactly what product to put on or what exactly to buy. If all of a sudden we become a sponsored program, that says we are sponsored by this entity or that entity, then you are giving the perception that you are going to push their products and their ways. Secondly, because we reach out of the university, I would point out that the State supports the State universities. Land-grants are State supported universities and also, the fact that my children go to public supported public schools, I liken us to be somewhat of that education system in that those public schools are supported by tax dollars. We are the informal side or post high school in the case of 4-H after school type of scenario. That is why I still think that tax dollars should go towards the Extension services.

**Paul Moss:** So you don't believe that any of your services could be provided by the private sector? There are folks that would argue that government shouldn't be involved in competing with local venues such as the Grand Wayne Center competing with other venues, such as that. I am not trying to pick on the Co-op but it is just a broader question but I am interested in your perspective with regard to the Co-op. Is it something that could be provided

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by others or even within your other services that you believe might be opportunities to be provided by other private entities?

**Mike Talbott:** I think that there could be opportunities where, instead of doing public good, we say that we go in and work with the HR Department at a certain entity. We are going to charge you \$20 a person or \$50 a person. The problem is that we still have a lot of people who aren't part of that organization or company. If I become the exclusive contractor for a company to provide Human Resources information, then I will spend all of my time doing work for them. In the public good, the other 300,000 and some people aren't going to be served. That, I think, is wrong. That is one of those questions, at the university level, that the Extension is trying to balance. Public good, private good and saying yes, we can start doing some private good entity activity but it has to be in balance with that public good where we are provided basic services at basic cost versus trying to make a profit that can support everything else.

**Darren Vogt:** Council, any further questions? Thank you very much. With that, we will move to Parks and Rec, Department 74.

**Jeff Baxter:** Jeff Baxter with the Allen County Parks Department. I am representing the Allen County Parks and Recreation Board. Thank you for the opportunity to appear before you today. Beavers and butterflies don't vote in Presidential elections and so I can't use that excuse. Hopefully we provide some programs and services that will keep kids out of jail or the juvenile center. Our only General Fund allocation is in the 100 Series. Any cuts that we hope to make will be out of the Extra Deputy Hire line. Through some management that we have done in the last couple of years, we have been able to return a little bit each year to the General Fund. I am quite confident that it hasn't caused us too much of a problem. I am confident that we will be returning some this year and absorb a lot of the cut that you requested from us. The additional amount that we are asking for would bring back the Seven Week Summer Camp program and provide some necessary customer service and maintenance that we would have to cut back on if we don't get the appeal. That, in a nutshell, is where we would be. We wouldn't have the Seven Week Day Camp and we would be cutting back on some maintenance. The changes that we have made, sometimes you will find me on the back of a tractor mowing. I was scheduled to be on a roof helping to repair it, this afternoon. We have Naturalists sometimes answering the phones at the Nature Centers that we have, as well as doing all of the programming besides that. We've moved the Receptionist staff out to the Gate House and not hired Gate Attendants. I would be happy to answer any questions you have.

**Darren Vogt:** Councilman Harris.

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**Tom Harris:** As far as the shortage you are looking at, what is it \$8,000, there is a lot of support for the parks and there are donations, I'm sure, that come in. What kind of dollars comes that way?

**Jeff Baxter:** It depends and many times, unfortunately, it depends on death. Many of the contributions come when someone dies and asks that it be sent. Many times the donations are in-kind and earmarked by whoever is donating the funds. Those go into our non-reverting gift fund to be used for specific purposes.

**Tom Harris:** Is it things like the Seven Week Summer Day Camp?

**Jeff Baxter:** Normally those are not.

**Tom Harris:** Why wouldn't they be?

**Jeff Baxter:** Normally they are giving more for capital improvements, planting trees and those kinds of things.

**Tom Harris:** Can you give me a rough idea of how much comes in annually?

**Jeff Baxter:** In the gift fund last year, I think we got around \$1,500. Obviously it changes year to year.

**Tom Harris:** You do fundraising for the parks though.

**Jeff Baxter:** We do fundraising for general programs, yes. It doesn't affect any staff level. It is usually trying to get what we need for a piece of equipment or an added exhibit that we have at one of the Nature Centers or supplies for a program.

**Tom Harris:** Just as with the Extension service, the parks are huge for our community and it means a great deal to the taxpayers and citizens of Allen County.

**Jeff Baxter:** I would be remiss if I didn't mention our volunteers. Our volunteers provide an enormous amount of time and energy. Many of them are on fixed incomes and when the gas prices go up and down, they are still coming out. So far we haven't been able to get people who are willing to commit for a day camp program because that is from 8:30 in the morning until 5:00 in the afternoon. We haven't been able to get those kinds of volunteers who have been willing to that for a seven-week period of time.

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**Tom Harris:** I may be a bit naïve on how much of the revenues that come in but it might be the time to look creatively for additional fundraising. People love the parks and they love to give to the parks and we would be remiss if we didn't look that way for additional revenue.

**Jeff Baxter:** We are continuing to do that. I have made the changes in our operations and we constantly look at those. Initially I took a huge gulp of air when I saw the requested cut. Realizing that we had done our homework and done what we needed to do, it wasn't going to be devastating to us this year. We are always looking for different ways to do things. We are always looking for better programs to get more people into the parks. We are always looking for another way of doing things.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** When did you come into this position? Was it like a year and a half ago?

**Jeff Baxter:** No, I have actually been here four years now.

**Roy Buskirk:** Oh my gosh. We asked you to cut your budget \$29,364. With the PERF, that was \$15,000. That comes off the \$29,000.

**Tera Klutz:** No, it is added to.

**Roy Buskirk:** Oh, okay. That blew up some of my math. Anyway, your appeal is for \$8,800. The last five years, you have rolled over at the end of the year, 2010 was \$26,000; 2009 was \$22,000; 2008 was \$26,000; 2007 was \$32,000 and 2006 was \$32,000. I realize that the last two years was before you came here. Your rollovers have been substantially greater than what your appeal is for.

**Jeff Baxter:** A couple of those years before I got here plus the year that I did get here, some of the rollover was due to positions that weren't filled. The last few years we had done that by the changes that we had made. I have been able to roll that back and still stay open seven days a week.

**Roy Buskirk:** Okay. That is the only point I wanted to make.

**Darren Vogt:** Anyone else? Do you have numbers on the attendance? You said that if you don't get the \$8,000 you may be forced to close one day a week.

**Jeff Baxter:** Yes.

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**Darren Vogt:** That least day, what is your approximate attendance? I would guess a Monday or Tuesday.

**Jeff Baxter:** We try to keep track of that as well as we can because we are not always out at the gate to catch everybody that comes in. It's odd but right now Friday is the slowest day we have at Fox Island. Thursday is the slowest at Metea. We would look at the last couple of years that we have been keeping track of that and try to pick a day.

**Darren Vogt:** If you close on a daily basis, on that day, what is the attendance? Is it ten people, twenty people, 100 people?

**Jeff Baxter:** Depending on the season, as many as 50 to 60 at Fox Island and 25 to 30 at Metea.

**Darren Vogt:** Is that on the high side?

**Jeff Baxter:** No.

**Darren Vogt:** On the Summer Day Camp, how many people do you have attending that?

**Jeff Baxter:** We can take up to thirty children a week.

**Darren Vogt:** So you are going to eliminate the program all together?

**Jeff Baxter:** We would eliminate the part-time position so we would need to eliminate the program.

**Darren Vogt:** It is 30 kids for how many weeks?

**Jeff Baxter:** Seven weeks.

**Darren Vogt:** Does anyone else have anything else? Councilman Howell.

**Kevin Howell:** Do these kids pay for the seven-week program? Is there a charge or is it free?

**Jeff Baxter:** I would say that 80 to 85% of them can afford to pay and the rest are on scholarships from the scholarship event that we do. That is during Sol Fest. They meet the requirements for a reduced lunch and financial hardship. We give scholarships to about 15% of our kids as well as our school groups.

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**Kevin Howell:** So if you raised a certain amount and cut back to five weeks, would it make a difference?

**Jeff Baxter:** Obviously I wouldn't have to pay the additional two weeks of part-time help.

**Kevin Howell:** How much do you think you would save?

**Jeff Baxter:** Two thousand to \$2,500. We are not paying a lot of money for these people.

**Darren Vogt:** Anyone else?

**Roy Buskirk:** Following that line of questioning, what is the fee that each camper pays?

**Jeff Baxter:** One hundred dollars a week.

**Roy Buskirk:** So you are generating \$3,000.

**Jeff Baxter:** If we fill the class.

**Roy Buskirk:** So \$3,000 a week time seven is \$21,000.

**Darren Vogt:** If they pay. You have the scholarships.

**Jeff Baxter:** That money goes in our non-reverting operating fund.

**Darren Vogt:** It doesn't go into the General Fund.

**Jeff Baxter:** It pays all of our costs that are associated with keeping the parks open. We don't ask for any money from Council. With the capital needs that I have and I don't see any money becoming available from this body or the Commissioners, I am going to have to start using that money to perform maintenance tasks that haven't been taken care of for awhile.

**Roy Buskirk:** The scholarships for the campers, are those actually from gifts or corporations?

**Jeff Baxter:** We cover their costs with the benefits from the Sol Fest Music Festival that we have in May each year. All of that money is put into a separate part of the non-reverting operating fund just to cover scholarships for school groups. A lot of schools can't afford to come out for fieldtrips anymore and we are giving away at least the cost that we charge them to come out and do a program.

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**Darren Vogt:** Council, are there any further questions? Thank you very much. Next is Department 6, the Surveyor.

**Al Frisinger:** Thank you very much for your attention this afternoon and for your service to Allen County. I know it is tough to sit up there and listen to all of this. I will try to be right to the point. I did submit a letter that I hope all of you got. I can read it into the record if you would like. It is relative to my thoughts on the operation of the Allen County Surveyor's Office and our overall look at what we do. Before I do that, I will say that by and large, what we do is statutorily required and nothing over and above. I think that is what the effort of every elected officeholder is supposed to do and that is to do what is statutorily required. I would like to take this opportunity during the submittal of the proposed 2012 Budget for the Allen County Surveyor's Office to offer a backdrop to my budget proposal. As indicated in my August 8, 2011 pre-allocation letter, I believe my department can operate on the same General Fund allocation as in 2011. Over the last 14 years that I have been in office, I have returned \$1,368,166.82 back to the General Fund, an average of \$105,243.60 a year, through sound fiscal management while increasing service to the public. My office has brought in an additional \$214,956 over the last three years through fees established under the storm drainage ordinance. We are currently offering up storm drainage design services for the General Mills project on Bluffton Road and the SDI/Lafarga project on Ryan Road. Under normal circumstances, both of these projects would be the responsibility of the project developer at approximately \$75,000 per site. During the two and a half years we have moved and provided engineering and permit services to facilitate storm drain system reconstruction along US 24 and SR 3. This has resulted in infrastructure improvements to watersheds at no cost to constituents, by virtue of my office providing engineering design and overview of these projects. The fall of 2010 resulted in the culmination of an effort to reconstruct a portion of the Flat Rock Creek, a regulated drain north of Monroeville, paralleling SR 101. SR101 was at the point of collapse into this drain. My office again provided all engineering services for INDOT with payment for all reconstruction by INDOT of a cost of around \$350,000. Again, these costs should have been an assessment to the watershed but no County dollars were expended for this construction. The Allen County Water Quality Program, operating out of the County Surveyor's Office, received the top award in the State of Indiana from the Indiana Department of Environmental Management for its overall performance adhering to State and Federal guidelines, this past year. With all of the projects and programs, my office has been able to reduce our overall review time from 28 days to three and a half days, a true benefit to the development community and the general public. For these reasons, I request that the Allen County Council allow the Surveyor's Office budget to remain as presented. My secondary

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budget proposal that you have in your hands, would be to eliminate one position, if necessary.

**Darren Vogt:** Council, are there any questions?

**Tom Harris:** The question I would have is on the form that was handed out on the unexpended budget appropriations. Help me understand that a little bit. Last year was \$150,000 that was returned and the year before that was \$200,000. In 2008, it was \$67,000 and 2007 was \$197,000. Help me understand that a little bit.

**Al Frisinger:** Those were probably unfilled positions or expenditures in specific funds that I did not make. I had a problem getting some positions filled. In these times, it is a little easier. There is a better pool of applicants out there. We have filled the positions that are available and I think we are operating very efficiently.

**Roy Buskirk:** Do you currently have any vacancies?

**Al Frisinger:** I do not believe so.

**Darren Vogt:** Councilman Moss.

**Paul Moss:** Over what time period has the review time been reduced from 28 days to three and a half? That is significant.

**Al Frisinger:** Yes. That has probably been within the last two years. We operate a little differently and we are moving forward with this whole permitting issue that has been presented. That will probably further reduce our review time with Accela and noticing the availability for the community to look at project progress. If it doesn't reduce that time, it will give them a better idea of why a specific project is being held back or not progressing any further. We have taken some steps to improve our efficiency and it has come together a lot better. Obviously there is less work going on too. When we had 2,000 houses being built a year and we are down substantially from that, it is the top of the curve and we are kind of down on the curve a little bit now.

**Paul Moss:** What is the ideal time for review? At three and a half days, it doesn't seem to me that you wouldn't be able to get a whole letter lower than that. Do you anticipate cutting that further?

**Al Frisinger:** I would doubt so, Councilman Moss. Review time is in my office and is not so much review of a permit application or that all of the lines are filled in. It is whether the engineering application for their storm water

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quantity and quality design has been taken into account so that it doesn't affect the adjoining property owners upstream or downstream. We take a really solid look at not affecting any land owners in the County. It is a little policy called No Adverse Effect. Whatever you do on your property is fine as long as it doesn't do anything to adversely affect those that are upstream or downstream of your development or whatever you are doing.

**Darren Vogt:** Councilman Buskirk.

**Roy Buskirk:** I'm sorry Councilmen but I have to butt in here on this. I think part of the improvements on the reduction of days is that the volume of subdivisions is being applied for plus the fact that with the Permit Committee Board, currently the Surveyor's Office is not on the Accela program. They are working to be on the Accela program pretty soon. Also, with the educational program that is coming out, the developers and architects and everything else, his office can expedite the permit system if better product is turned into the Surveyor's Office. It is a two-sided street. We need to get better product turned in to him for his review and everything and that will also expedite the timeframe.

**Al Frisinger:** There are specific guidelines for submittal under our Ordinance and Technical Standards Manual. Sometimes people don't adhere to those. They are set forth so as to protect the rights and responsibilities for all parties involved. When they are not adhered to or someone makes a submittal that is less than acceptable, it extends the time for review. It is coming together a lot better. The ordinance was adopted back in 2008 and I think everybody has taken a good look at it and asked how we best move forward with it. The community, as a whole, is accepting everything that is going on and it is betterment for everybody. I applaud the Permit Committee for what they have looked at so far and where we are moving. I think it is an excellent opportunity for the County to shine throughout the State.

**Darren Vogt:** I do have one, not necessarily a question, but a clarification in the statement that you just read regarding the Monroeville SR 101. You mentioned that it would have cost around \$350,000 to the watershed. Explain that to me. I don't quite follow.

**Al Frisinger:** We have, under Indiana law, all drainage system improvements are paid for by the watershed, those who live in the area where the water drains from or to. That means that we, at the County Surveyor level, and the Drainage Board and County Commissioners set forth an assessment range for properties that are benefitted from the work that would be done on a regulated drain. Those assessments then are levied on the tax bill as either a maintenance fee or a reconstruction fee. In this particular venue, Flat Rock

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was actually collapsing SR 101 into the drain as it was paralleling SR 101 for about a quarter of a mile. It's kind of an odd situation. As you go throughout the County, you will see a lot of open ditches that are paralleling open roads. They were built that way for a lot of different reasons. This one was built back around 1933 to 1936. It was rerouted to allow for the road to be straightened out at that point in time. They felt, at that time, that probably if we built this in a straight line and paralleling SR 101, it allows for more farmable land which was probably the business back then. Over time, Mother Nature has a real tendency to follow the path that was created originally. It began to wash the road in. What I did was to go to the Indiana Department of Transportation and negotiated a contract with them to pay for the reconstruction of the drain. If we would not have gotten that done, and did the design for the reconstruction in-house through my office and submitted to IDEM, the DNR and the Corp of Engineers for all of the applicable permits, if we would not have done that, the watershed of about 50,000 to 55,000 acres that drain into and through this particular point and would have been assessed for that work. And that would have been over a five-year period and at ten percent per annum. There is not a good way to do those types of jobs. When you bring that forward and tell people that there is an assessment of \$1,000 an acre or \$500 an acre or ten cents an acre, they get a little exasperated with that issue. It was kudos for us to get that work done in concert with the State. They've paid up about 75%. We are going to run a final change order on the project in the next month so that we can get the final payment in on that. I didn't mean to get too windy with that but that's something we do on a regular basis with INDOT. They have funded another project out off of 69. We took 28 homes out of a floodway, lowered a lake by nine-tenths of a foot and reconstructed a regulated drain at no cost to the watershed there. That was about \$960,000. With SR 3 and 24, every time you drive over a bridge or you drive next to the river, think about the areas that are off to your right when you are going to Ohio. Those are all watersheds that go to the river. They all have to have conduits of flow that go to that arena and those were most generally old farm agricultural type tiles and drains. We have worked diligently with the State to make sure that those get rebuilt in a fashion that facilitates not having two feet of water standing on a farm field. I wanted to illustrate that and not get too far into everything but to give you an idea of where we are at with what my department does.

**Darren Vogt:** Council, any further questions? Councilman Buskirk.

**Roy Buskirk:** Do you consider that being fair to the total taxpayers of the County in the fact that people in that watershed, according to Indiana Burns Ditch Laws, should be paying for the improvements in that watershed? The way you are doing it here, it is being paid for by all of the taxpayers throughout the County?

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**Al Frisinger:** Throughout the State.

**Roy Buskirk:** The engineering fees and wages and everything else are being paid for by the citizens of Allen County.

**Al Frisinger:** My own personal?

**Roy Buskirk:** Yes.

**Al Frisinger:** I look at it as a privilege to be able to offer up those professional services to the taxpayers of all of Allen County. We do it on a regular basis. It is not so much just for them. If Roy Buskirk comes in, I will do it for him. If any member of the constituency comes in, we offer those services. It is not exclusively.

**Roy Buskirk:** To all projects?

**Al Frisinger:** To any constituent that comes in and has a problem with drainage and if there is a way that I can have it done and built and facilitated at no cost or a low cost, I am certainly going to do that. As with the General Mills project and SDI, that looks like a good opportunity for me to participate in the economic development attitude of Allen County. That is what we are doing. That is all being offered up for those particular projects.

**Roy Buskirk:** I thought your letter said that you saved the cost for that assessment into the watershed.

**Al Frisinger:** On the Flat Rock. The State of Indiana, the Indiana Department of Transportation under agreement came forward, they didn't come forward until I talked to them, and offered up to pay for the construction work on the relocation of the drain. We provided the engineering design services and inspection, permit applications and everything else.

**Darren Vogt:** Council, are there any further questions? Thank you very much. Council, before we bring up our Prosecutor, I am well aware that the time is 4:00. We have been sitting here a long time. What I am going to suggest is that we continue along until 4:30 and then we will recess until tomorrow. Or we could take a certain number of departments and then be done. What is the Council's pleasure on that? Work until 4:30 and get as many done as possible and then break?

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**Roy Buskirk:** I think we should do the next two departments so that those in the audience, the Building Department and IT know that they will not be on before 4:30 and they can leave if they want to.

**Darren Vogt:** Okay, we will take the next two departments, the Prosecutor and the Building Department. Everyone else, IT, Human Resources and Building Maintenance can go about the rest of their day. With that, we will go to the Prosecutor's Office, Department 8.

**Karen Richards:** Good afternoon and thank you so much for taking me yet this afternoon. Thank you for the opportunity to talk about the appeal letter that we wrote. Out of the amount that you asked me to cut, I was able to cut a little over \$107,000. What I am appealing is a little over \$101,000. For the record, I am Karen Richards with the Allen County Prosecutor's Office. I am trying to be quick and that is difficult for lawyers. I am handing out a little bit of information. I do these things a lot better if I take everything down to the absolute basics. In doing and talking about my appeal, I wanted to give you some basic information. I took office in 2003 and since that time our office has never had an increase. In fact, when I came into office in 2003, the first thing that hit me in about May was the Council's request for a huge budget reduction. We had a \$232,000 budget reduction request that year and I made that by trimming seven individuals out of my budget. When you are looking at the County general budget for the Prosecutor's Office, you are basically talking about all personnel. There is less than two percent of that budget that isn't personnel. I am talking about people here. The rest of my budget gets paid for in different ways, which we can go into later. The first year I was there, I had to cut out \$232,000 which was seven people. Years have gone by and I have made additional cuts. In the past couple of years, I have made a cut almost every year. In 2010, I cut out a little over \$76,000. This year I will have cut out \$93,000 and \$27,000 of that is a position that I chose not to fill because when I got your information that we were going to have to do a budget cut, I saw no reason to fill a position for six or seven months just to have to lay them off or fire them later. I will be giving back \$27,000 at the end of this year and maybe you could take that into consideration as you look at my appeal. What that has meant is that every single year we have cut people out of our budget. In 2010, you've got what is listed but 2011, I want to talk about a little bit because there are several parts of our office, if everyone knows this already and you have heard it 400 times please tell me and I will stop. Our office is made up of a lot of different sections. One of them is Child Support. We are mandated, by State law, to collect child support, establish paternity and those kinds of things for children in our community. Our money comes to our office from you but also money funnels through the Federal government for us. Out of the money that we get in child support, for every dollar that we spend, we get sixty-six cents

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back in reimbursement from the government. If we do a really good job in Child Support and we collect lots of money and we establish the correct number of child support orders and we get child support in on a basic number of cases, we also get a bonus which is called an incentive. In years past, it is about \$300,000 a year. In years past, we would get reimbursed for every dollar of that bonus with the sixty-six cents. For the first time this year, the Feds cut that out. We are no longer getting reimbursement on the \$300,000. What that meant is that I already have eliminated six positions in Child Support.

**Tom Harris:** I'm sorry but could I ask you a question just on that piece? That average of \$300,000 went away.

**Karen Richards:** I will get the \$300,000 but for every \$300,000, if I am doing my math correctly, I would have spent all of the \$300,000 and still gotten \$200,000 back. That, I am not going to get back any more. That necessitated me to make a whole lot of cuts in Child Support already and I also made some cuts in my Criminal Division. That brings me as to what is going to happen next year. In order to make up the money you asked me to cut, I got rid of a Paralegal, a Records Clerk and a Deputy Prosecutor. I have gotten rid of personnel. Basically, where I am now is I am finding it extremely difficult to get rid of any other personnel and that is my only option in my County General Budget. I did a little bit of numbers running and the number of cases that we file this year is going to be up from last year. If I project correctly, the number of cases that come through the office for review and filing is going to be up ten percent. Every year we seem to get given additional responsibilities either by the Court or by law or by something else. Last year we got the bonus of having to send out every single subpoena that went out of our Misdemeanor and Traffic Division. We have at any given time, we file 30,000 to 40,000 of those a year, if a fraction of those go to trial, we are sending out all of the subpoenas now for all of the hearings and trials whereas the Court used to send those out. This year, through various conversations with the Court, it has become clear that the way that Defense Attorneys are getting videotaped statements, in-car videos and other types of evidence like that, that system has not been working and so we have had to take that burden on ourselves. In every case where somebody is interviewed, all felonies have to be on videotape. The defendant has to be videotaped and they are videotaping most of the witnesses. When you get arrested for drunk driving, all of the people that have to do the tests are videotaped. The Police cars have in-car video and all of those videos are going to have to be obtained by us, copied by us and provided to defense counsel. Before, they went through the Police agency. Every year, it seems like we are taking on more burdens and in all honesty, I am running out of places to take people. I honestly don't know what I would take out of Criminal. We have gotten nothing since 2003 in the

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way of an increase in that budget. If I have to take somebody out of Criminal, I will have to figure out what service I am not going to be providing. Do I stop prosecuting stop sign cases or speeding cases? What do I do? If I take out of Child Support, I risk losing my incentive money. If I don't make benchmarks set by the State and the Feds, I don't get that bonus every year. If I take out of there, then you don't get the two-thirds back that you are giving me out of the budget. Just to give you an example, a caseworker in Child Support has a caseload of 2,000 cases. Not every single one of them is on the desk every single second but that is their assignment. I don't know how to make it any bigger and let them provide what they need to provide to the community. To put I into perspective, when I get a child support case into my office and I am successful, my office is putting money into the pocket of a custodial parent. Last year we collected about \$41 million in child support and this year I hope to have the office collect \$42 million. The more I cut Child Support, the less I am giving all of those custodial parents to raise their children with. I am at the point where I am really at a loss to figure out where else to cut. If I could cut it, I would have and that is why I am standing here looking at you for the \$101,000 that I can't figure out how to cut.

**Darren Vogt:** Council, any questions?

**Roy Buskirk:** I didn't realize that you were such an economic impact with the \$41 million.

**Karen Richards:** That is a huge program. We are one of the best Child Support offices in the State. We do a really nice job and that is why we get that incentive bonus every year. If I stop doing a good job that is \$300,000 that we are not going to get any more plus I am not going to be doing what needs to be done. Kids need fathers and we need to establish paternity. People need to be held accountable for the support of their children. Kids deserve to be supported.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** The sixty-six cents reimbursement is from the Federal government. Is there any indication that the number will begin to be questioned?

**Karen Richards:** That is almost a moving target but I can't give you any guarantees. We kind of saw the incentive thing coming but I honestly don't know what they are going to do.

**Tom Harris:** How long has it been sixty-six cents?

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**Karen Richards:** For as long as I can remember and I don't know if my Chief Deputy remembers any farther back than I do.

**Mike McAlexander:** Mike McAlexander, Chief Deputy Prosecutor. It has been the sixty-six cents since the inception. At various times, they played with the percentages. When they were pushing computers and such, we had a 90% reimbursement back in the late 1990's. I have seen and heard talk of some discussion that they would like to reduce that reimbursement down to 50%. Another thing that also comes in as a result of that is that the way the statute is created we get 33% of the incentive money. Twenty-two percent comes back to the County General Fund, 22% goes to the Clerk's Office and 22% is retained by the State for the State-wide disbursements. When you look at all of that incentive money and you total up what we are doing, about \$700,000 came back into the County this past year.

**Tom Harris:** My only concern is that from the Feds we are only hearing tough things to come. I wouldn't anticipate that number to go up and I am sure neither would you.

**Karen Richards:** I don't.

**Darren Vogt:** Councilman Howell.

**Kevin Howell:** First of all, congratulations on what you have been doing for the kids. I teach a lot of them, quite frankly. This \$107,000, would you make that cut immediately?

**Karen Richards:** One of the positions I chose not to fill so that will come immediately. The other two, I would like to give them until maybe November or even the first of the year. I would prefer not to make it immediately. They are paid for in this year's budget. The cut would come in 2012 and given this economy and the fact that I don't even know who those individuals would be, I would like to give them the opportunity to stay either until they found a new job or until the first of the year.

**Kevin Howell:** So we are talking December of this year?

**Karen Richards:** Yeah.

**Kevin Howell:** I said this earlier this morning and I will say it again was in regard to some of the other departments, come back when you need us. I am very sensitive to what you are talking about and I teach these kids by the hundreds, literally, throughout Allen County. What would be the drop dead date that you would have to know from us, one way or the other?

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**Karen Richards:** When I am looking at people and telling them that they don't have a job, I'm thinking like October 15<sup>th</sup>. I am telling people that they basically have to go out during the holidays and find a new job. That is a tough thing. I'll take whatever time you will give me.

**Roy Buskirk:** I think it is better earlier than later. I think that is what she is looking at, Kevin.

**Karen Richards:** If giving you more time gets me a better possibility of keeping them, that's great. But if you are looking to tell me that I have to tell people that they are going to have to leave, I think we owe it to our employees to try to give them as much time as humanly possible.

**Darren Vogt:** I've got one question I want to make sure that I understand. The thing that you just handed us with the dollar amounts, 2010 is kind of double counting. The elimination of the Records Clerk, is the same position twice?

**Karen Richards:** I returned \$15,000 on that position in 2010. I was going to hire that position this year and I didn't because I got your letter that you were going to ask us to cut the budget. Like I said, why should I hire somebody only to let them go?

**Darren Vogt:** I wanted to make sure that was the position that was open at the end of 2010, held over into 2011 and didn't fill it.

**Karen Richards:** Right, \$61,000 in 2010 was an actual cut. Fifteen thousand was money that I returned.

**Darren Vogt:** Okay, Council, any further questions? Councilman Moss.

**Paul Moss:** The \$107,000 is that before or after the PERF?

**Karen Richards:** Yes, that is after the PERF piece.

**Roy Buskirk:** The three positions are \$107,000.

**Karen Richards:** That is on page number two. It shows the three positions at \$107,000.

**Darren Vogt:** The amount that you are appealing is \$101,000.

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**Karen Richards:** Yes. I would love not to cut anything but I understand exactly where we are moneywise and I understand it is everybody's obligation to do the absolute best that they can. This isn't easy for anybody.

**Darren Vogt:** Council, are there any further questions? Thank you very much. With that, we bring up the Building Department.

**Therese Brown:** Good afternoon Council members. Commissioner Therese Brown.

**Darren Vogt:** You don't look like the Building Commissioner.

**Therese Brown:** And Commissioner...

**Nelson Peters:** Nelson Peters.

**Therese Brown:** What we would like to do and this is at your pleasure because you do have a time constraint, we want to tell you that this year we took an aggregate look at our County departments that are underneath our bailiwick. If you do want to adhere to your timetable and have us come back in the morning, our presentation is based on going through each of our departments as an overview and the process that we took to get to the initial cuts that we were able to make. Then we could go through individually each of the impacts to try to make the requested cuts that you sent out earlier.

**Darren Vogt:** Sure.

**Nelson Peters:** Essentially, we could do all four of them right now or if you wanted to wait and allow us to do it in the morning, we would like to do all four at once.

**Darren Vogt:** If you want to do them all at once, then let's do that tomorrow. I appreciate that and with that, what we will do is recess until after our regularly scheduled meeting tomorrow. That meeting starts at 8:30 in the morning.

**Nelson Peters:** Can I ask you whether or not you have any idea what time might be? We have a whole passel full of departments sitting here.

**Darren Vogt:** Right after our Council meeting. It is a very small agenda but every time we say that, it takes four hours.

**Therese Brown:** I will add one little caveat, we have Drainage Board tomorrow.

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**Roy Buskirk:** We would be happy to give you a call when we see it coming down.

**Nelson Peters:** That would be great.

**Therese Brown:** We may be in the next room by virtue of it being Drainage Board.

**Darren Vogt:** What time is the Drainage Board meeting?

**Therese Brown:** 9:30.

**Darren Vogt:** I would guess that our meeting will take about an hour. If we need to, we can do the Sheriff first.

**Roy Buskirk:** We have some positions in the Courts.

**Darren Vogt:** I understand that but I don't think we will be that long. We will just have to give you a call. We are recessed until tomorrow morning after our regular Council meeting. Thank you.

Recess.