

ALLEN COUNTY COUNCIL MEETING MINUTES
APRIL 19, 2012
8:30 AM

The Allen County Council met on Thursday, April 19, 2012 at 8:30 am in the Chambers in Citizens Square. The purpose of the meeting was for additional appropriations, transfer of funds in excess of the current budget, grants and any other business to come before Council.

Attending: Bob A. Armstrong, Larry L. Brown, Roy A. Buskirk, Tom A. Harris, Kevin M. Howell, Paul G. Moss and Darren E. Vogt

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

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

Larry Brown: Good morning everyone. Let's start with the approval of the March 15th meeting minutes. Are there any additions or corrections?

Roy Buskirk : Move to approve the minutes from March 15, 2012.

Kevin Howell: Second.

Larry Brown: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Brown abstained). Tera, would you like to do your financial report thing?

Tera Klutz: Good morning, Council. I have prepared a summary that I passed out earlier. Some of you may have heard that the State made an error in distributing our income tax collections over the last several years. They notified us and gave us a distribution. I prepared a summary to show you how much income tax we are going to be receiving in COIT, County Option Income Tax, and CEDIT, County Economic Development Income Tax. For 2011, on April 13th we received \$1.7 million for COIT and \$541,000 for CEDIT. Deposited along with those were January through April distributions for 2012 with the amount of \$1.7 million for COIT and \$777,000 for CEDIT. In the parenthesis, I have shown the distribution of the 2012 money. We got a one-time portion for the first four months of this year deposited in April and the remaining amount of the new estimates will be distributed May through December with our monthly distributions. We are getting about \$4.5 million of additional revenue this year that we were not anticipating. Going forward,

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I do anticipate our income tax projections to be increased by about \$1.2 million above our current year level for 2013. I believe we can allocate at least \$1.2 million to ongoing operations and is sustainable. Another important factor that I wanted to point out is that before that news, we had a negative balance at the State of \$30 million. After receiving new updated reports, our negative balance dropped to \$1.4 million. That \$1.4 million is anticipated to be paid off in full by the end of this year. Our income tax collections for 2013 can come straight to us and we will be able to use them to operate County government as needed.

Larry Brown: There are a lot of questions. Darren.

Darren Vogt: I have a technical question. On the CEDIT revenue, you said COIT was about \$1.2 million going forward. What would be, do you have any idea on the CEDIT going forward? Is that approximately half a million?

Tera Klutz: Half a million is a good estimate on going forward of additional revenue that they will be able to budget.

Darren Vogt: I will wait for everyone else's questions.

Larry Brown: Roy.

Roy Buskirk: On the \$1.4 million that we still owe them, will that be deducted from their payments? Before, if there were any increases, they were going to deduct from those. How are they going to handle the \$1.4 million?

Tera Klutz: Right now, as individuals are paying County income tax, they are being deposited and accounted for the County by the State. Right now, those collections are more than likely above the distribution that they are making to us even with this additional revenue. When I say that it is anticipated that the balance will be paid off in full by the end of this year that is what I mean. The current income tax collections from people working now will offset that negative balance. If for some reason it does not, then next year's 2013 income tax certification from the State Budget Agency, if there is an increase in the income tax, they will take it to offset the negative \$1.4 million.

Roy Buskirk: Okay, there has been some discussion in the State in the fact that when they collect these funds, they were supposed to go into individual accounts for the Counties. That practice has not occurred. Are they now doing that?

Tera Klutz: Our Association of Counties has sent a letter requesting that they start segregating, not in a separate bank account but at least in a

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separate fund account when those income taxes are collected and reported and then notifying the Counties so that they have some idea of what to expect. Knowing that when an individual files their income tax, at the end of the year, it will be different than the amount withheld throughout the year but it at least gives us an idea. We have also asked that the State be willing and helpful when we have questions to show us what they are doing and where the numbers are coming from and also other types of taxes that the County receives like Food and Beverage Tax and Innkeeper Tax. We are forming an audit committee to look at their systems and these revenues to see that we are getting all of the other revenues that we are supposed to get.

Tom Harris: I have kind of a generalized question. On the Circuit Breaker, we were watching the peaks and valleys and the volatility of money flow from the State going up and down. This correction, is that going to level this out a little bit for us over the next two or three years. I know that when we have talked before, there was concern that we were not sure what was going to happen each year and we may still be in trouble. Is this going to play it out positively for the County so that we won't have as much peaks and valleys?

Tera Klutz: With regard to income tax, I believe you are correct and this will stabilize our income tax projections. If this is true, once bitten and twice shy, it should stabilize our income and as we see the economy picking up, we should be able to see an increase in income taxes over the next few years. There will always be a gap in the amount that the State estimates that we are going to collect and the amount distributed because the statutory process in place to get those income taxes to us. It should not be nearly as wide as creating a \$30 million negative balance down at the State that was grossly overstated and our negative balance ended up being only \$1.4 million. That is a more realistic gap in the estimate of collections to actual collections.

Larry Brown: So that everybody absorbs and understands, we went from a \$30 million deficit to a \$1.4 million deficit.

Tera Klutz: Plus, they are giving us \$4.8 million.

Larry Brown: So that is a \$32 to \$33 million error.

Tera Klutz: Yes. The way that I understand this is that it is an error that has been going on for more than a few years. When they updated our trust balance reports where they go in and update every year's collections, our negative balance started changing in 2009. It definitely was an error and I guess I cannot comment as to what exactly has happened, how it happened or when it was notified because we have not been informed of any of the details regarding it.

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Larry Brown: Paul.

Paul Moss: We had better hope that the errors continue to be positive in nature because that is what concerns me the most. That was really more of a statement than a question. Looking at the COIT Funds and CEDIT and the two different revenue streams, you have provided in the past a kind of a summary that goes back a few years and shows a trend. How do these numbers affect the trend? Do you have that somewhere?

Tera Klutz: I do in the historical financial information that we provided and will be going over later...

Paul Moss: Oh, we are going over it later. That's fine, we can wait.

Tera Klutz: We handed the book out last month and have since learned this new information and have updated the graphs to reflect the revised certifications and revenue by the State. What you are going to see today is the most up-to-date as if we would have received the correct amount.

Larry Brown: Darren.

Darren Vogt: Mine is more for discussion and so I can wait for Roy.

Roy Buskirk: On the numbers that you were saying, there was a \$30 million debt and then it was over \$15 million positive. The \$30 million was the whole County including Fort Wayne and New Haven and everybody else. The whole group received over \$15 million.

Tera Klutz: That is correct.

Roy Buskirk: It was a bigger swing. My other question is that this has no impact on the Circuit Breaker, right?

Tera Klutz: No, they are not related. Circuit Breaker is property tax related.

Larry Brown: Darren.

Darren Vogt: I wanted to talk about the dollars. I know the City Council has already rushed to spend their dollars. I actually applaud the Mayor who said to sit back and see what is going on before we spend them. I know there is always a big concern about using the word earmark. I understand the concept of it not being a good thing but I also understand it being a good thing as well. It depends on what you are setting money aside for and why you are doing it. This is approximately \$4.5 million of unbudgeted revenue. Council,

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what we have to consider is looking at projects that aren't funded yet or are yet to be funded and are coming up. One of the things that we were talking with the Sheriff about before the meeting was the 9-1-1 Project 25 which is the radio project where all of the radios need to be on a certain megahertz and that is countrywide. That number has been as high as \$16 million and I guess the contract has been awarded but now it is a matter of working on the price. The current concept is to float a revenue bond for it and that obviously a debt to the taxpayer and creates an interest in all of those kinds of things that could be lessened by that. I don't want to see us rush to spend these dollars but make sure that we set them aside and have conversations with the Commissioners when they come up and ask them about the revenue bond and how that is going to work and if that is what is happening. If it is, have we been involved in the conversations if we are going to sign off on that? Should we put a revenue bond out there or should we be taking money out of the Rainy Day Fund? We need to make sure that we have those conversations. As the Commissioners come up, they may not be prepared to talk about it but maybe at least have the initial thought process.

Larry Brown: Very good. Is there anybody else?

Roy Buskirk: On the radios, Darren and I have had discussions on this before. I was told by the Commissioners that they had revenue for radios. Now, maybe that revenue was a bonding issue but I don't know for sure.

Larry Brown: Tera, is there anything else? Do you want to go through the fund balances in any detail?

Tera Klutz: No.

Larry Brown: Everything is as anticipated?

Tera Klutz: Yes. Except for getting an additional \$4 million, all of the other revenue and expenses are running as projected through April.

Darren Vogt: Move for approval of the financial report.

Roy Buskirk: Second.

Larry Brown: All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Nick, would you please update us on the unemployment?

Nick Jordan: As for February, they are trending downwards. As you can see, Allen County is at 8.5%, Indiana is at 8.8% and the National is 8.7%.

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Larry Brown: Very good.

Darren Vogt: Do we have any kind of idea on what that half of a percentage point means in terms of jobs?

Nick Jordan: Our decrease, specifically to Allen County, the labor force increased about 2,000 people. The employed increased a little over 3,000 while the unemployed decreased about 700. That is where the half of a percentage point downward comes from. The employed increased.

Darren Vogt: By 300.

Nick Jordan: A little over 3,000.

Darren Vogt: Well, net would be 300 though. Am I reading that right, two negatives going down 2,700 and 3,000 going up?

Tera Klutz: Plus the 2,000 going into the work force. There are a couple of factors going in.

Darren Vogt: Right, the 2,000 going in that are not employed yet, the 700 that are now unemployed and 3,000 now are employed.

Roy Buskirk: I think what Darren is looking for and I heard once when it was about nine percent, it would take about 9,000 jobs to get it down to five percent.

Nick Jordan: I can't comment on that. I am not sure but I can look into it.

Darren Vogt: You can do the math. If 300 jobs are half of a percentage point that sounds high.

Tera Klutz: I think everything changed when you add 2,000 people, you increase jobs by 3,000 and have 700 people coming off the unemployed rolls.

Darren Vogt: Oh, he said 700 coming off.

Tera Klutz: Yes, that makes a different dynamic.

Darren Vogt: I am sorry that I misunderstood that. It would be a net of 1,000 and that might be your 9,000 people.

Larry Brown: Next on the agenda is Economic Development. Paul, do you want to start us on that?

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Nikki Liter: Good morning, Nikki Liter, Economic Development. Our first abatement is for Exel Inc. They are requesting the abatement just for personal property. Based on our point system, they qualify for a five-year abatement. Their project is involving adding equipment out at the new General Mills facility on Bluffton Road. It is an investment of about \$1.75 million. They are looking to add an additional sixty jobs and those salaries will be around \$1.4 million annually. With their tax abatement, the company can save around \$41,400 over that five-year period. With that, I have Rob Heilig here from Exel and he can explain the project a little bit better to you and then we can take questions.

Rob Heilig: I am sure that everyone is aware that General Mills has constructed a 1.5 million square foot facility on Bluffton Road. Exel's partnership with General Mills goes back thirty some years. They contract us to provide all of the logistics, the actual physical movement of their products in and out of the building. We currently operate a 765,000 square foot facility on South Bluffton Road. We will be moving out of that facility and moving into the new facility in September of this year.

Larry Brown: Darren.

Darren Vogt: All of this is new equipment going into the new facility or is it old equipment going to the new facility?

Rob Heilig: This will be new equipment.

Larry Brown: Are there any other questions or comments?

Paul Moss: Move for approval of the resolution approving the Statement of Benefits for Exel Inc.

Tom Harris: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Thank you.

Nikki Liter: The second abatement before you today is for Crown Enterprises and Android Industries. They are requesting an abatement of real and personal property. Based on our point system, they are eligible for three different abatements. Five-year for the real property, seven-year for the personal property and an additional one-year for some special tooling. Their investment involves a little more than \$7.2 million in the improvements and equipment that they will be installing there. They are locating just west of General Motors at 13008 Fogwell Parkway and they are creating 66 new jobs

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when this project is all said and done. I have been told that they have already hired some and are training, as we speak. Those 66 jobs will bring annual salaries of about \$2.5 million. As a result of the tax abatement, they are looking at a little over \$20,000 in real property savings, \$214,000 for the equipment and \$1,200 for the one-year of special tooling. Dave Donnay is here with Android and also Dennis Donnay is here and he will be running the show out there. I will let Dave talk about the project and then we will answer questions.

Dave Donnay: This is a startup operation for us. We are going to be occupying about 55,000 square feet in a facility that currently exists. Our company actually builds and manufactures the equipment that we use. We are currently doing that up in Michigan. The folks that we have hired thus far are working with us right now building the equipment and training on the equipment so that when it is in operation, they will be totally familiar with it. We will be starting in July and be at full anticipated rate in August.

Larry Brown: Very good. Council, are there any questions or comments?

Darren Vogt: Can you tell us what you are doing?

Dave Donnay: We assemble tires and wheels for General Motors.

Darren Vogt: I knew the answer to that question but I wanted to make sure that everyone else knew.

Roy Buskirk: So the people that you have hired are from the local area and they are up in Michigan training?

Dave Donnay: That is correct. They are all local people. We have been doing job searches with a couple of local companies here. We have been working with Work One. They have been the primary source and we are having a hiring fair on April 27 and 28 here at the Work One site. It will be from 7:00 a.m. to 7:00 p.m. to fully staff the rest of the people that we need. Dennis is a Plant Manager from one of our other operations and he is going to come down and run the operation and we have one other person that has shown an interest and is going to relocate here.

Roy Buskirk: The one thing I really like about your project is that a lot of them, the employment phase is not for a year or so and in this case it is pretty rapid.

Dave Donnay: Yes, we were quite fortunate to be able to get started. We have been able to turn our equipment rather quickly. We are excited about that

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also because the longer you wait to start generating revenue, the tougher it is.

Roy Buskirk: Right. I make a motion...

Larry Brown: Wait a minute. I have a question. Can you explain the relationship between Crown Enterprises and Android Industries?

Dave Donnay: Crown Enterprises is the landlord for the facility. We are leasing the building from them.

Larry Brown: Okay. We have an earlier copy but both of the point systems have the company listed as Android. Shouldn't one be Android and one be Crown?

Nikki Liter: We can put that on the real property SB-1 because they will pass on the savings to Android.

Roy Buskirk: On the resolution, Crown and Android are both listed.

Larry Brown: I saw that. It was just confusing to me. Okay, are there any other questions? I will entertain a motion.

Roy Buskirk: I will make a motion for approval of Resolution 2012-04-19-02 approving the Statement of Benefits for Crown Enterprises and Android Industries.

Bob Armstrong: Second.

Larry Brown: **Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0.** Thank you. Next on the agenda is the Sheriff. Tom, do you want to lead us off? Is there anything?

Tom Harris: Not too much, the Sheriff is here. We have spoken but he is going to present.

Ken Fries: Good morning, Council members. Kenny Fries, Allen County Sheriff. The first thing that we have is \$17,064 in overtime. This is money that we budget and then spend. It comes back from the Federal Government. We have officers that are assigned to different groups of the Federal Government. They pay up to \$16,000 a year in overtime per officer. We send them a bill and they send the money back. The money comes back and goes into the General Fund. In 2012, we cut our budget in overtime to probably unrealistic levels. You never know how much overtime is going to take and I

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can tell you that we had a big hit at the end of December with a major case that we had. That overtime all came due in January. In the Patrol Division, we have no idea when the overtime is going to happen. We ask our officers to please take comp time instead of overtime. What we are asking is to get this money back from the General Fund and put back into our overtime account. It is money that has been reimbursed to the County from the Federal Government. We will probably come back several times this year as they continue to reimburse.

Larry Brown: Are there any questions?

Roy Buskirk: Sheriff, I thought you said a maximum of \$16,000.

Ken Fries: Per officer.

Roy Buskirk: Oh, okay.

Darren Vogt: How many officers do you send? Is this for their FBI Training?

Ken Fries: No. They are assigned to the FBI on a temporary basis for different projects. There are two of them that are assigned permanently to Safe Streets Transport and we have others that are periodically assigned. That is probably the best I can say.

Darren Vogt: Okay, I understand. That revenue, Tera I will ask you that question, we have let it roll into Miscellaneous Revenue in the General Fund? Is that a fair statement? We have never really appropriated it back to the overtime before?

Tera Klutz: I do not know the answer to that question. If he says that this has been an ongoing process, then that revenue does go into the General Fund and gets estimated already in our revenue estimates every single year when the Sheriff estimates their Miscellaneous Revenue. If this year they are experiencing a larger volume of overtime than they anticipated, an increase in their overtime would make sense. Otherwise, we have already budgeted for the revenue.

Darren Vogt: That is what I was trying to figure out.

Tera Klutz: To me, it would make sense to appropriate additional money for additional overtime work beyond what they expected. We would get an additional source of revenue than what they expected so that we can adjust the revenue higher and then offset it by this expense appropriation. Does that make sense to you?

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Ken Fries: Yes and no. This is overtime that comes from the Federal Government and most of our overtime does not. Most of the overtime that we have is from a traffic accident that happens at 9:30 at night and someone gets sent. That happens on a daily basis. This is just money from those officers that work overtime for the Federal Government. This is probably going to total, they are assigned right now, but typically we only have two. Right now there is a substantially bigger amount of officers there for a temporary basis. What the overtime will be, I don't know. That money will be reimbursed from the Federal Government back. I would not anticipate, in this account coming from the Federal Government, more than \$50,000 this year. It depends on how long they stay with this one project.

Darren Vogt: Maybe from a clarification standpoint we need to set this up differently within the budget. As I look at it, this isn't our typical normal overtime per officer.

Ken Fries: Right.

Darren Vogt: This is something completely separate based on a Federal project or Federal projects that come in. When I see the line item for your overtime line, it really isn't relevant to what this project is. Maybe I am wrong on that. It is what I hear you saying but on here it is talking about overtime and this is not where it is really coming from. This needs to be a separate line where revenues are coming in. If this happens every year, a normal portion would be in our, the two officers part, anticipated revenues. The two officers would be a maximum of \$32,000 based on the \$16,000 per officer maximum.

Tera Klutz: I did speak to Chief Deputy Gladieux and we thought to separate this, we could just set up a new fund. You can code overtime to come from a specific fund. The reimbursement from the Federal Government could be deposited into that fund.

Ken Fries: Then we wouldn't have to come back ask for that?

Tera Klutz: It would be to segregate it every year.

Darren Vogt: You would still have to ask for it but it would be an appropriation out of that fund.

Ken Fries: That is the same issue that we have with our School Resource Officers and our Town Officers. They pay and the money goes back into the General Fund and we don't get it back. That is \$270,000 a year.

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Tera Klutz: When you say that you don't get it back, it is really not true because we fund over \$20 million of your budget through those revenues and so that doesn't make sense. The revenue that comes back is to help fund those officers.

Tom Harris: Has this been done before or is this the first time?

Ken Fries: This is the first time that we have done this. We have had the officers assigned for two years, I think. This is the first time that I have requested it back.

Roy Buskirk: It is a little different situation in the fact that this is reimbursement from the Federal for overtime on a job that you were doing for the Federal. When a Sworn Officer for the County has overtime on a project that involves a traffic accident or something of that type, that is County expense. We are not going to get reimbursed for that overtime.

Larry Brown: That is all the more reason to have a separate line item.

Darren Vogt: Tera, what does it take to get that set up and done?

Tera Klutz: It doesn't take much. You can work with the Commissioners and set up a separate fund and once that is set up, we can start running the expenses through and have a budget appropriated by you. We can even do that this year.

Roy Buskirk: If you look at the County's Miscellaneous Revenue, there are several items that are generated from the Sheriff's Department. One of them is Federal prisoners and items of that type. We count on that revenue for making up our budget.

Tera Klutz: Yes and in my opinion, the Sheriff's Department estimates property tax revenue, income tax revenue and each department also estimates the amount of additional revenue that they are going to get and deposit into the General Fund. All of that money is put together as an estimate of \$80 million and then that goes to fund the whole General Fund. I can guarantee you that the amount of additional revenue that the Sheriff brings in of \$1.2 million for all of the fees and services and different sources, does help to pay for the Sheriff's budget. You get a portion of property taxes and the majority of your budget is paid from property taxes and also income tax and so is this. I think that if we went and talked with their bookkeeper and asked what she originally estimated to get from the FBI and then if we can come up with a new estimate for these new projects that would be additional revenue and we are already getting more than what we budgeted

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for the Sheriff. We budgeted \$1.2 million and we have already received \$343,000 which is 28.6% with 25% of the year elapsed. I would be in favor of this appropriation knowing that the revenue estimates are increased for the Sheriff's Department.

Darren Vogt: But should we do it this way yet or should we hold off? He's got overtime and he can pay it. Should we get the paperwork in order? I feel this is a paperwork issue and if the funding is not tracked in a way that makes sense from...

Tera Klutz: I would almost do it as part of the 2013 budget and maybe appropriate this today. In 2013, we will have a separate fund. We won't include the revenue in our estimate right now. The revenue was included in our 2012 estimate and so to make it cleaner, we can just start with 2013.

Darren Vogt: Sheriff, here is the hard part. I am not sure that you know when these projects are coming up but as they do, you can come back to us. Do you know how fast they pay that revenue back to you?

Ken Fries: They do it quarterly.

Darren Vogt: We may need to front any or not?

Ken Fries: When I talked to Jill about this, I told her I didn't like one line in here about being in the process of being reimbursed. I asked what she meant by that and she said that she had sent them the bill and it would be in the mail by the time of the meeting. I said okay. I know how the Federal Government is. We spent the \$17,000 and they have reimbursed us for that.

Roy Buskirk: The other thing to look at Darren is the fact that if they were way behind on the Miscellaneous Income, maybe it is a good thing that it still is brought before us.

Darren Vogt: I just want to make sure that we get it clean and if we can do it clean then fine. If we can get it ready for next year, I'm fine with that. I just want to make sure that we get some sort of way to track so that this isn't part of his normal officers' overtime. These are specific projects that are tied to something and not part of the budgeted overtime for things like traffic accidents where guys have to work overtime or things like that.

Larry Brown: I will entertain a motion.

Tom Harris: I will make a motion to appropriate \$17,064 for line item 100-0501-421.11-07.

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Roy Buskirk: Second.

Larry Brown: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Next item, Sheriff.

Ken Fries: The first one is the SCAAP Grant, the State Criminal Alien Assistance Program. We apply for that every year and historically, back in 2005 we only got \$4,000 and in 2011 we got \$25,000. The highest year was 2009 where we got \$38,000. There are no matching funds. The Federal Government sends it to us for housing illegal immigrants past two days in the jail. We send them the information and they send us a check.

Larry Brown: Sheriff, you may not be prepared for this and if I have put you on the spot, I apologize, is there any comparison of actual versus this reimbursement?

Ken Fries: Oh, yeah, it is not even close.

Larry Brown: Do you have any kind of a guess?

Ken Fries: I would have to take a look at the number that we have because we know it costs about \$43 per day to house each inmate. That is just an average and doesn't take in any medical cost. I would have to look at the number of inmates we have and the number of days that we have and I don't have those numbers with me.

Darren Vogt: It is a set dollar amount per day of whatever that is.

Ken Fries: Yes.

Roy Buskirk: Another thing is that it is after two days? We have to pick up the first two days?

Ken Fries: Yes, undocumented illegal aliens that have at least one felony or two misdemeanors and are incarcerated for four consecutive days. We pay for the first four days and they pick up anything after that.

Darren Vogt: Move for approval of the Sheriff to apply for the State Criminal Alien Assistance Program grant.

Roy Buskirk: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0.

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Ken Fries: The next grant that we are asking for permission to apply for is the DAC grant to pay for cameras in squad cars. It is for \$30,120 and is a pass-through with no additional funds needed. It is another one that we apply for every year.

Darren Vogt: Move for approval of the Sheriff to apply for the Drug and Alcohol Consortium grant in the amount of \$30,120.

Bob Armstrong: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0.

Ken Fries: Thank you, Council members. That will do me for the day.

Larry Brown: Thank you. Next item on the agenda, we will hear from the Commissioners.

Ed Steenman: Good morning, Council members. Ed Steenman, County IT Director. The appropriation that you have in front of you is for \$129,700. It is to replace our core network switch. The County owns one switch and the City owns another switch and they are literally the heart of our network. If you look at the diagram that I provided, down near the bottom in the largest block which is the City-County Building, are the two core switches. I realize that the diagram is really an eye chart but if you follow the dotted and dashed lines, you will see that every facility and every edge device finds its way back to those two core switches. They are about ten years old and they have reached their end of life. As of November first, they will no longer be supported. Support is integral on those two switches. If something happens to them, the entire network is affected and we don't want that. In lieu of going out of support, this is a City and County combined project where we will replace those two switches with a single switch. It reduces our points of failure and provides better redundancy and resiliency for the network. The new switch is built to be redundant within itself. For example, components can fail and they have got backup components. Where there might be a reduction in performance, there is not an out and out failure or outage. Our network has gotten rather large over the last ten years and it is necessary to have that redundancy and resiliency in place so that we don't cause failures. The City and the County are going to split this cost. The \$129,700 represents the County's portion of the project.

Larry Brown: How is that portion determined? Is it the number of users?

Ed Steenman: It is just a fifty-fifty split.

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Larry Brown: Okay. We always like to feel comfortable that this went out to competitive bid.

Ed Steenman: The pricing on this is based on QPA and we received an additional twelve percent discount off the QPA price. The vendor that we are using for this has done other projects in our environment and so they know our environment. One of the big things that will be involved with this project is trying to come up with some way to mitigate a full-on outage to do this replacement. These are rather large components and we don't have the luxury of having space to install the new device before we de-install the old devices. As it stands right now, it would be a situation where we shut everything down, pull out the old devices and install the new device, configure it and bring everything back up. In our environment, it is going to be a pretty good outage. We don't have a good estimate yet but it certainly could be a full day. What we plan to do, with the vendor's help, is to devise some way to minimize the overall outage time whether that consists of two or three short outages to put some immediate device in place, we haven't figured that out yet. That is why we are starting this process now to engage the vendor with their expertise on how to do this in a way that is the least impact to the users.

Larry Brown: Is this equipment custom built?

Ed Steenman: No.

Larry Brown: It's an off-the-shelf kind of thing?

Ed Steenman: Yes. It is a Cisco Nexus 7000 network switch.

Tom Harris: Was this part of the capital plan this year? You knew that this was going to happen last year and the year before?

Ed Steenman: Yes. I have been putting this in my capital strategic plan for the last couple of years. We knew it was coming.

Tom Harris: Okay.

Ed Steenman: This is an appropriation out of the Internet Access Fund and that money is there and available for things that have to do with the internet. Without this, nobody gets to the internet.

Kevin Howell: What is the QPA?

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Ed Steenman: QPA is Qualified Purchasing Agency or something like that. It is a State contract that the State negotiates with various vendors and sets a standard for pricing for whatever type of equipment or service. It is a lengthy list. I don't know the particulars of it but it is a standard by which government agencies can purchase without going through an RFP or quoting process.

Larry Brown: You don't have to buy it from them but you can.

Roy Buskirk: It gives you a price.

Kevin Howell: Does it give you a variety of choices?

Ed Steenman: It depends on the item. I think one vendor, for the State, holds the QPA contract for that part. We are purchasing from the vendor that holds the contract for this part.

Kevin Howell: Okay. Part two, we are going from two systems of the City core and the County core to this one right here. Is that right?

Ed Steenman: Yes.

Kevin Howell: What is the backup to the backup of this thing?

Ed Steenman: It has its backups built within. It is considered high availability which means that it has components within so that if one component should fail, it has the backup component nested within the same enclosure.

Larry Brown: Paul.

Paul Moss: What is the annual maintenance on this? You have as recurring expense, annual maintenance.

Ed Steenman: I didn't bring that with me but I think it is in neighborhood of \$15,000 to \$16,000 which the City and County would split.

Darren Vogt: And where is that coming out of?

Ed Steenman: It comes out of my budget.

Larry Brown: Tom.

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Tom Harris: Has the City passed this and if not, what is the timeframe for approval?

Ed Steenman: They have not yet. My understanding is that Jim Haley has it on the City Council agenda coming up very soon. We are not going to make an acquisition until they have passed that because I am only asking for half of the money. Since it is one system, it is not like I can go and buy one and wait for them to buy one. It is one purchase.

Darren Vogt: move for approval of the appropriation in the Internet Access Fund 318 in the amount of \$129,700.

Roy Buskirk: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Thank you, Ed.

Roy Buskirk: Before Ed leaves and I was going to bring it up earlier, does this have any effect on the Sheriff's Department or any of the law enforcement departments?

Ed Steenman: Absolutely.

Roy Buskirk: So as far as doing the switch on the weekend or something, that wouldn't necessarily work.

Ed Steenman: No. Any lengthy outage is not a good thing. That is why we really want to figure out how we can shorten those outage periods to the least that they can be.

Roy Buskirk: Okay, thank you.

Larry Brown: Moving forward next is Youth Services. Tom, would you like to lead us into that?

Tom Harris: I think the Director, Chris Dunn, is here. The bottom line is that there were some changes in the water system and they are in need of a water softener.

Chris Dunn: Good morning, Chris Dunn, Youth Services Center. We come before you today to request to use \$9,000 out of our 737 Fund. That is the fund that we put our per diems in. We split with the County and 50% goes into that fund and to the County. We currently have over \$600,000 in this fund and we use it for these kinds of purchases. We want to purchase a water

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softener to soften the water coming into our building. We have concerns about some of our equipment and the hardness of the water that we are now getting from Huntertown. I am working very closely with Dan Freck and his staff. He is the brains behind this. It is not my specialty.

Darren Vogt: Dan, can you talk through this? We basically have an agreement with Huntertown. You are getting the same water, if you will, but their parts per million is different in quality.

Dan Freck: At the beginning of this year, we turned over the water service to the Town of Huntertown. They maintain the water supply for the County buildings in the north complex. We had softened our water for our departments and other buildings out there. The hardness stood right around nine or ten.

Tom Harris: How did we do that?

Dan Freck: We softened right at the water plant. We had our own operations.

Paul Moss: Was it Huntertown?

Darren Vogt: No, we had our own utility.

Dan Freck: We relinquished that service and let Huntertown assume all of that responsibility. Huntertown does not soften their water. The hardness that Huntertown is now supplying has increased probably 50% if not 75% which will affect the kitchen equipment, boilers and anything else related to our buildings. It doesn't have as much effect on Highway, the Power Plant or smaller places like that. At the Kidder Building, we have a softener but that is basically for boiler operation. Chris had funding available to put in a softener and we gave him a couple of options. One was to install two smaller ones because we have two different water services coming into the building. The price of copper dictated that we should go to one softener in one central location and then pipe to that. The price of copper is roughly \$25 a foot and we changed that and went to general code which allowed us to go to PVC piping. Chris had offered to fund for the material but the Commissioners had offered to do the work at no charge. We have always worked with County departments at a no-charge rate. The only roadblock I see on this part is the type of softener and the Bryant tank that we have to put in, we will have to eliminate one of the restrooms for the space. We will make the other restroom a unisex restroom. That would put it in the closest spot to the main waterlines.

Larry Brown: Dan has this or will it go through Purchasing?

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Dan Freck: We have a contractor and we pulled it out. There is no up-charge on our materials.

Roy Buskirk: I am not so sure he understood the question.

Dan Freck: We get quotes on that and right now it is Lee Supply who is the least expensive.

Roy Buskirk: Will this take care of both homes and the office building and the whole complex?

Dan Freck: It mainly sets up the main kitchen area and where the boys and girls reside. The Kryder House and Yoder House have their own softeners and they are residential anyhow. There is only one of those houses being operated at this time.

Darren Vogt: Move for approval of Youth Services Per Diem Fund 737 in the amount of \$9,000.

Tom Harris: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Thank you. Next on the agenda is the Board of Health. Darren, do you want to lead us into that?

Darren Vogt: The Medical Annex needs to purchase medicine and vaccines. These are reimbursed, sort of, kind of.

Mindy Waldron: Mindy Waldron, Administrator of the Health Department. When we estimate our revenues for this particular item at the beginning of the year, a number of things have occurred since that time. We have had our multi-drug resistant TB case which is a very expensive issue to deal with as well as the contacts to that case. We have also had a higher than usual number of general active TB cases which require a lot of medicine. Also, we have had a higher demand for some of our adult vaccines. We don't predict that ahead. We predict childhood vaccines and medication but we don't predict the adult. We have had a lot of travel and we have had a lot of people request yellow fever and malaria, Japanese encephalitis and those kinds of things. There is no one else in Allen County besides us. When we have a higher number of those, we pre-purchase and then we are reimbursed and then we appropriate it. It is kind of a circular fashion so that we can get it throughout the year. We also had a couple of requests that were not known and came in this year. They were for Hepatitis-B for the Fort Wayne Fire Department Dive Team. We provide it to County employees as well. To do

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that again, we need to buy it and then be reimbursed. We don't know the load a year in advance. Further, we have had a lot higher refugee influx of Congolese refugees that we were not aware of at budget time last year. All of those things add up to needing a higher amount than we predicted for medicine as well as vaccines. I would be glad to answer any specific questions. I foresee future requests for this year. It is early in the year and we have expended what we had. Again, as Darren mentioned, much of this is reimbursed to us. We receive some reimbursement for the refugees through FSSA and RMA which is Refugee Medical Assistance. Some of that we do get back but we don't know how to predict that and so we generally expend it, get reimbursed and then appropriate it into the same line.

Darren Vogt: When you do get reimbursed, what fund does that go into?

Mindy Waldron: The Health Fund.

Darren Vogt: It goes back into 285.

Mindy Waldron: Correct. We used to be able to take money that came back in for specific vaccines and we were able to put that right back in. We can no longer do that and so you are going to see these requests as we need it.

Darren Vogt: And that was an Auditor issue from an auditing standpoint.

Mindy Waldron: Yes. I don't think that was truly supposed to have occurred. Now that we can't predict that, we allow it to happen and then we just ask for it to go back in year round.

Darren Vogt: Move for approval in the Health Fund 285 for meds and vaccines in the amount of \$40,000.

Kevin Howell: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Thank you. Next on the agenda is Homeland Security. Nelson and Bernie, do you want to come forward?

Nelson Peters: Good morning, Nelson Peters, Allen County Commissioners Office.

Tracy Mitchener: Tracy Mitchener, Allen County Compensation Specialist.

Bernie Beier: Bernie Beier, Office of Homeland Security.

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Nelson Peters: I don't know exactly where things were left at this table a month ago but I do know that we have had the opportunity to speak with a number of you and we do appreciate that chance. I do know that we were asked to look at a few options with respect to the Public Safety piece and the internal safety piece of Allen County. When I speak of internal safety piece, I am talking employee safety and that type of thing which appears to be mixed up with the external public safety piece. One of the things that you mentioned we should be prepared to do is to offer a recommendation on a salary ordinance and we are prepared to do that today.

Larry Brown: Let's open it up for discussion. Are there any questions?

Tom Harris: So that you can kind of clarify and bring this thing back, this has happened because the City had an agreement and decided not to fund this position going forward. There was a timeline that they said they would fund it, they fulfilled that and they now say that they are not going to do that in the future.

Nelson Peters: We struck an agreement with the City of Fort Wayne back in 2005 to integrate their Homeland Security Department with our Emergency Management Department. That department became one and operated as such until April first of this year. In February, the Mayor sent the Commissioners a letter saying that he didn't believe that the partnership was working as he had anticipated and that he was going to dissolve the agreement as of April 1st. We went back to the Mayor on several occasions and worked to try to salvage that agreement but were unsuccessful in doing so. We will continue to work with the City of Fort Wayne in opening the door for future discussions and recognize that there will be some cost to the City of Fort Wayne as this whole operation moves forward. The statute says that they are required to do certain things in an Emergency Management or Homeland Security capacity. They believe that they can accomplish those things within the Police and Fire Departments. We believe there are going to be other things like continuity of operations, programming and that type of thing that will compel them to come back to the County at which time they will be charged. In the meantime, we will be looking at arrangements with other cities like Woodburn who is under the same statutory restrictions in terms of how they get things done in Homeland Security. Ultimately, I do believe that there will be money coming back to Allen County from those entities.

Tom Harris: And as such, this full responsibility or function has been acquired to the County. The duties and tasks and responsibilities that fall within that function could or are being done in other departments. That is where it went to the Personnel Committee for some discussion and

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understanding of the job worth and how much it should pay as well as job description and such. I just wanted to know how that came out.

Nelson Peters: The Human Resources Department came up with a range recommendation between \$75,000 and \$84,000 for this position. That range was predicated on some analysis that they did with comparative positions throughout the State. We talked to the AIC and we talked to some State Senators and we talked to some other people who are fairly close to Homeland Security and provided some information. The analysis was also derived from a comparison with this position vis-a-vis with other Department Heads within Allen County. One of the other things we did was look at the relative comparison of an average of where our Department Heads rank to City Department Heads, hence, the recommendation.

Roy Buskirk: Did that answer your question?

Tom Harris: Somewhat.

Roy Buskirk: It was brought to the Personnel Committee and we took no action on it because we felt that it should be brought back to full Council.

Paul Moss: Took no action on what?

Roy Buskirk: As far as the recommendation on a salary. We encouraged the Commissioners to look at some of the other Boards. Most of them are Federal or State requirements. Possibly there could be some activity that would put them under one umbrella and then there could be a savings for the taxpayers of Allen County. In the information that you were given today, you see the calendar for it and I would point out that this is a little unusual of a calendar because some of this activity had to do with the tornadoes in the southern part of the State. That is another thing that I want to point out, the Homeland Security Director is in charge of natural disasters, tornadoes and floods and things like that. It is not the threat of bombs. That is also covered but there is more than that. For natural disasters, they are in charge of setting up plans for evacuation and sand bagging and things of that type. In answer to your question, the Personnel Committee felt that it should be brought back to the full Council for the salary amount.

Larry Brown: Is the Personnel Committee comfortable with the job description? I am confused on what I am hearing from you. Did you not take action on just the salary portion? Are you comfortable with the job description?

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Roy Buskirk: I think the job description needs to be possibly changed with additional responsibilities.

Paul Moss: This job description, you are comfortable with it, right?

Darren Vogt: The bigger thing that concerned me and the Commissioners agreed to, was looking at the overall big picture operation of Safety, Environment and Homeland Security. They committed to doing that but from a time constraint standpoint, they don't have time to do it before now. It would be more sensible to do that during the budget cycle. They would look at the job descriptions and that is why I asked that the job descriptions be included in packet. You will see that there is definitely some overlap in Safety and Environmental, Risk Management and they are going to look at all of that. Part of that is in Human Resources and part is in Homeland Security and they are going to look into that. The reason I wasn't really comfortable with taking action with some of this is that we got some of that information that morning and I didn't have time to make a fair assessment of it. I don't have any problem with the salary range.

Kevin Howell: I will go ahead and second it too. I am still somewhat, not queasy, but I am not clear on the delineation between what he is going to be doing and our relationship with the City. Is Homeland Security for all of Allen County including Fort Wayne? That is my only hesitancy right now. I am comfortable with the salary range.

Larry Brown: Bob.

Bob Armstrong: So what we are voting on today is the salary range?

Darren Vogt: We will need an ordinance for the actual salary. The recommendation was \$80,000. Do we even have that salary ordinance?

Tera Klutz: I have it right here to write in what you guys decide on. I will let you know that you have also adopted ranges before and it is up to the appointing authority to select to fill that range.

Larry Brown: Paul, did you have something to say?

Paul Moss: Yes. I know there was a meeting and I was not able to attend it but I have a few basic questions. I looked through here and I don't see an organizational chart for this position in terms of who is going to be reporting to the individual. As I look through this, is the title being changed to Director of Safety and Environmental Affairs? Am I understanding that?

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Darren Vogt: No, that is a separate job description. That is a different employee's job description.

Paul Moss: And we currently have someone in that position?

Darren Vogt: Correct.

Paul Moss: Are some of those responsibilities shifting to this person?

Roy Buskirk: Currently, and I think I can be safe to say that nothing is changing. There is no combining of any departments. Nothing is currently being changed.

Paul Moss: Prior to the City's action, this position basically worked for the City and the County. Frankly Bernie, it is a testament to you because I have never seen a situation where there has been so much effort to basically retain somebody in a position. Congratulations to you on that because I really believe it is a testament to what you have done in the past. My concern is that I intuitively have a difficult time looking at this and not believing that when you take in the totality of it, for the City and the County that there is going to be an increase. The City is still going to do something for Homeland Security, I assume. Is that correct?

Nelson Peters: According to them, the duties will be split between the Fire and Police Departments.

Paul Moss: But you believe that we can't do that, not disburse these duties amongst people within the County.

Nelson Peters: I don't think so. What they are talking about doing are more minor administrative duties. When you look at all that is entailed in Homeland Security, there is not enough of us to do that.

Paul Moss: What are some of the, I don't want to call them redundant, overlapping duties? Does someone know more about that and can expand on that a little bit.

Nelson Peters: I might be able to help with that. The discussion that I have heard from this table before has really been a question of delineation between Public Safety and Allen County Government employee safety. In most jurisdictions and most manufacturing operations, they have Safety Directors. They take care of the environmental side, MSDS sheets, employee training and all of that good stuff. We currently have some of that occurring under the County's Human Resources Department Risk Management function. Some of

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that also resides under Tony Burrus' Safety and Environmental Affairs function. Yes, there is indeed overlap right there. Part of our charge is and part of what Councilman Vogt spoke to was for us to go back and look at how to eliminate some of that and we are looking at that under one or the other. As far as the overlap with Mr. Beier's position, there really isn't any. It is separate and distinct from those internal, employees, Allen County government safety operations.

Paul Moss: Are you going to pull those responsibilities and they will go under Bernie?

Nelson Peters: No. Bernie would continue as the Public Safety person. Where the changes may be made would be on the employee safety portions. Right now they are housed partially under Tony Burrus and partially under the County's Risk Management Department. In all likelihood, they will move to one side or the other irrespective of what he does.

Paul Moss: Let me rephrase my question then. Will the individuals that are currently responsible for those activities, have those activities potentially moved and free up time in their workday?

Nelson Peters: That is what we are looking at. In all likelihood, yes.

Paul Moss: Will there be a reduction somewhere else?

Nelson Peters: There could well be but we haven't gotten that far at this point.

Paul Moss: It just feels like we are trying to figure out a way to justify a position. I mean no disrespect, Bernie. We have his work schedule and it just feels that way.

Darren Vogt: Let me answer that a little bit. From my perspective and someone who has looked through all of this with the Commissioners and dove into it, the redundancy wasn't at that level. The redundancy would be a step below that. Where we are at this particular point in time, the need was for this position to still be there but there may not be a need for the position at the lower level. From a timeframe standpoint, that hasn't been able to be vetted all the way through. We focused on the time that we had for this position.

Paul Moss: Would you create this position at this salary? Taking the historical piece and setting it aside, do you think it is critically necessary that we have this position right now. The activities are not being addressed.

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Darren Vogt: To coordinate the effort, yes, there are some statutory requirements that are there. Are there other positions that I would eliminate in looking at job descriptions? The answer to that is yes.

Paul Moss: Okay, so somebody is going to follow this and there is going to be some elimination, potentially, down the road.

Darren Vogt: The Commissioners have committed to figuring it out and we obviously have opportunities at budget time if we feel that those things have been done properly or to our satisfaction. The Commissioners have always done a great job of following through and working with us. I am confident that they will be able to do that.

Tracy Mitchener: There are also statutory requirements that we have to make sure that we follow as well.

Roy Buskirk: The one thing, Paul, and I don't know if you looked at this but one of the questions that I had brought up because of Emergency Management, that is Indiana Code that we have to have the Emergency Management Advisory Council. There are a couple of other ones that are either Indiana Code or Federal Codes that we have to establish it. The Homeland Security position, every County in Indiana has to have a Homeland Security Officer.

Paul Moss: That doesn't make me feel a whole lot better. It is kind of like the Health Department, and again I don't mean any disrespect to anyone, is a black hole. You can throw all the money in the world to Homeland Security and Public Health and it is never enough. I am thinking purely in the interest of the taxpayers now. We need to really think hard about this.

Roy Buskirk: I agree with you. Part of the stumbling block of going through this is the requirements that we have through the Feds and the State. Half of either his department or half of his wages are paid by the Feds.

Paul Moss: Just to think outside the box, I assume that this position has to be responsible for the Advisory Council. Why can't you do like with the Highway Department and have one of the Commissioners responsible for the Emergency Management Advisory Council or does statute prohibit that?

Nelson Peters: You actually have a Commissioner who is the President of the Emergency Management Advisory Council.

Paul Moss: But you also have to have a Homeland Security Director that does what, facilitate the meetings?

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Roy Buskirk: No, he doesn't do that. He doesn't do the Emergency Management Advisory Council. Homeland Security is handled by another. That is what I was hoping to accomplish with some of this and that some of the responsibilities could be put underneath the Homeland Security Director. It just seems to me that we have too many Directors that are so similar that they should be under the direction of one and that the staff should be combined or eliminated because they are so similar. The one place that we can make sure that this is getting addressed is when it comes to budget time.

Larry Brown: Tom.

Tom Harris: I used the terminology of acquire the function or responsibilities purposely because through that acquisition process as we combine tasks and duties, there is an efficiency process that takes place. I think based on the fact that the City quickly and abruptly ended this relationship, the County's responsibilities to the citizens of this County are trying to clean that up. It won't happen overnight either through the budget process or the personnel evaluation and analysis but we will make it more efficient for all of the citizens. My two cents on this, I shared this with the Commissioners and Bernie, is that people rely on government for certain kinds of things such as national defense and crises like these things that are beyond any one entity to fix. This particular function makes sense for the County and the citizens. I do agree with you in terms of watching the black hole concept because there is never enough because of what if, what if, what if. There is the analysis and evaluation of risk that needs to take place. I think the County has done that and we will do a good job with that in the coming months. The challenge for the Commissioners in this process is that it is hot now and is getting a lot of attention. As things happen and this moves to the back burner and people say it is not as big of a deal since we have approved it. I encourage everyone to keep this on the front burner and keep evaluating all aspects of it and see how we can make it more efficient for the taxpayers.

Nelson Peters: Can I make just one more comment? If we are looking at the best interest of Allen County taxpayers while reducing this budget and affecting the Director's salary by about \$10,000, it doesn't make us happy here but it is reducing the entire budget by \$10,000. It is reducing the tax incident for Allen County taxpayers by a proportionate amount. You are reducing tax dollars here.

Paul Moss: I want to make sure that I understand that statement. The overall budget is being reduced by \$10,000 but part of that was being picked up by the City?

Nelson Peters: That is correct.

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Paul Moss: But the County taxpayers are actually increasing.

Nelson Peters: The Allen County budget is picking up a greater proportion but taxpayers within Allen County are actually seeing a decrease.

Darren Vogt: Let me further that statement. For 2012, the City has committed their dollars?

Nelson Peters: Correct.

Darren Vogt: For 2012, there is really no effect on the County taxpayer and with some further discussion that the Commissioners are going to have and with further analysis, we may end up with a reduced budget going forward. If there is anything good to come of it, we will become a more lean operation and a more direct operation in how we deliver those services and making sure that we don't have the overlap. 2013 will be a different scenario than 2012.

Paul Moss: I will apologize for having a bit of a jaundiced view but in the real world when you are doing a restructure of this type, if there are going to be some eliminations, those are specified on the front end. Historically, and I am generalizing, government tends to put it on the back burner and then there is never that reduction. Hopefully I am proven wrong but I won't be here at that time.

Larry Brown: To that point, we are only a couple of months away from the beginning of budget discussions though. I will add that when I first approached the Commissioners in regards to this situation, I challenged them to look at perhaps restructuring so that there was more clarity recognizing that there may not be any dollar savings. If we can provide better clarity to the taxpayers, that accomplishes a lot in my mind. That being said, I will entertain a motion.

Roy Buskirk: I will make one more comment. It is the responsibility of this Council to make sure that it is on the front burner when it comes to budget time.

Darren Vogt: Move for approval of the amended salary ordinance amending the pay for an employee within the budget of Homeland Security, 100-4801-429, Director, 31-01, Executive, in the amount of \$80,000.

Roy Buskirk: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 5-2 (Moss and Armstrong).

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Darren Vogt: Commissioner, can you come back for one second? Our conversations earlier about the revenues and CREDIT and all of that with 9-1-1, do you have money set aside for that? I have heard different things. I have heard yes and I have heard no and I have heard bond or no bond. I am just trying to figure that through.

Nelson Peters: What we have encouraged the City to do at this point is to partner with us in setting aside wireless 9-1-1 funding for purposes of funding 9-1-1 communications upgrades. We have been taking in about \$1.2 million per year on the wireless side. It is our understanding that by providing wireless fees to back a bond, we can move the system through and meet the obligations that we have to by the end of 2012 but having said that, we don't have an agreement with the City yet because right now some of those dollars have been diverted to the operations side of things.

Darren Vogt: So how much of that money is being used for operations right now? All of it on an annual basis but there is some set aside already in the fund?

Nelson Peters: There is about \$3 million from what I understand already sitting in that fund. My suspicions are that we are looking at between \$15 million and \$20 million expenditures for the upgrade of 9-1-1. Without having to go back to taxpayers and have them back a revenue bond, the discussion has been to simply take it from the 9-1-1 fees that currently come in to Allen County. Now, as I said, for 2012 and 2013 what was budgeted was all of the fees. We have gone back to the City Controller, who happens to be the finance person for the Communications Partnership Board and suggested that's not the most prudent way to fund their budget and hold back money for 9-1-1 upgrades.

Roy Buskirk: But the 9-1-1 fees that we have been collecting has not been sufficient to cover the 9-1-1 costs, correct?

Nelson Peters: That is correct.

Roy Buskirk: How can you be taking funds from the 9-1-1 fees to buy the radios when you are going to have to make up that amount in the funding on 9-1-1?

Nelson Peters: It is the matter of taking it from one pocket and putting it into another. They have a budget between \$6.5 million to \$6.9 million and we have only been taking in a total of \$2.3 million to \$2.4 million a year anyway. It is a good question and I don't have an answer other than to say that if you use a revenue, property tax backed bond and go through potential

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remonstrance and referendum, we can't get on the primary ballot this year. We are past that point. The Federal Government deadline is December 31st of this year and so we have to figure out another way to do it. At the end of the day it is going to cost one way or another. It is another federally unfunded mandate.

Roy Buskirk: What is the impact on the State taking over the 9-1-1 fees?

Nelson Peters: About \$400,000 to Allen County.

Roy Buskirk: Will increase our revenue?

Nelson Peters: Yes.

Larry Brown: Only \$400,000.

Roy Buskirk: Yeah, I know. I heard that.

Darren Vogt: When will we have a more solid number between \$15 million and \$20 million? That is a huge swing in its reality. The contract has been awarded, is that correct?

Nelson Peters: No.

Darren Vogt: It has not been awarded.

Nelson Peters: Not as far as I know. I wasn't at the last Communications Partnership meeting which I understand was earlier this week. I do not believe it has been awarded.

Tera Klutz: I was and it has been determined that Motorola was the provider.

Darren Vogt: Okay, so Motorola is the provider but we don't have the number yet.

Tera Klutz: No because they are still working negotiations. That is according to Sheriff Fries this morning.

Darren Vogt: That is what I thought but I wanted to make sure. What we have to figure out is, one, the taxpayers are probably going to have to pay the bill some way or another.

Nelson Peters: They are either going to have to pay for the operations side of 9-1-1 or for the communications, yes.

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Darren Vogt: Okay, I wanted to make sure that we were on the same page. So as we have approximately \$4.5 million that came in from the CEDIT and COIT from the State, there is a significant pot of money there. We have \$3 million set aside in the current 9-1-1 wireless fund.

Nelson Peters: Correct.

Darren Vogt: So that would put us at \$7.5 million. The City received revenue because I have heard them talking about putting it on roads and streets and bridges and sidewalks and things. I shouldn't say it so negatively but when they have another looming expense that they are going to put on the taxpayers one way or another and including interest that the taxpayer would have to pay, we need to talk with our fellow brethren on City Council. I don't know if they are aware of this or understand it. Do you know if the City Council is aware of these types of expenditures?

Nelson Peters: I don't know.

Darren Vogt: I don't either. I guess for those of us that have contact with them, they need to understand that we have a major project that is due within a six to eight month period that needs to be funded and they are talking about improving sidewalks and streets and we are talking about communication between our entire 9-1-1.

Tom Harris: I think it is \$8 million back to the City of Fort Wayne, isn't it Tera?

Tera Klutz: Yes.

Darren Vogt: Now, all of a sudden, you have \$12 million for a \$15 million project. Again, the Mayor has said hold off on this and maybe that is something that he is considering in the long run.

Larry Brown: Nelson, this \$15 million to \$20 million, how would that be broken down? Would there be others beside City and County? Is New Haven a partner in this? Who all is involved?

Nelson Peters: Right now it is just Fort Wayne and Allen County. New Haven has suggested that they have everything they need to meet the Federal mandate by the end of this year.

Roy Buskirk: It was recently in the paper that New Haven and the Airport are going to start paying a fee based upon how many radios that they have. It is not very much but it will help a little bit, as far as the revenue.

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Nelson Peters: One of the other things that skews that number a little bit, we are working right now with the Northeast Indiana Regional Partnership. We have had Commissioners from ten Counties come to the table and they are all in the same boat that we are. Economies of scale might dictate some savings if we could develop a regional-wide communication upgrade approach. We've still got some of that stuff going on and it is tough to pinpoint, at this point, what that bottom line number is going to be. I was, quite frankly, a little bit surprised to just hear that the contract had been awarded based on the fact that the funding hasn't been figured out yet. Normally you award the contract after you have money in hand.

Tera Klutz: I don't know if it has officially been awarded. They just said that Motorola was the selected vendor and that they were currently negotiating the contract price.

Roy Buskirk: But wasn't there quite a discussion on whether to use Motorola in a way the RFP was submitted?

Nelson Peters: I was highly disappointed in the way that the process was rolled out. I think there were some other players at the table, other local players, who really didn't get the opportunity that they otherwise could have had. Now we are going to single source award from which my perspective, again nothing against Motorola because they have done us great in the past and they continue to do us well, it puts them in a position where they have the upper-hand in their price.

Paul Moss: I appreciate you taking that position because this is a lot of money and a very lucrative contract.

Roy Buskirk: Did they indicate at the meeting, Tera, as far as how quickly they thought they would have the amount pinned down?

Tera Klutz: No.

Roy Buskirk: How in the heck are you supposed to float a bond issue, which I don't agree with, when you don't know how much the bond is going to have to be? You don't do that overnight.

Darren Vogt: Do you know who has to approve the revenue bond? Is it just the Commissioners or is it Council?

Tera Klutz: I don't even know if there will be a revenue bond at this point. In light of the new revenue that we have but if there is, I am sure that the Councils would have to approve it.

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Darren Vogt: Would this be a good topic to have a joint meeting with our City Council brethren? We haven't had one of those for a while and we could see what their thoughts are. As I hear them talk about this, I never hear them talk about any of these big picture items. I hear them talking down to the street level, which there is nothing wrong with that but when you have the higher level picture and financial matters that come up, I just wonder if that wouldn't be a good idea to have the round table discussion on it.

Larry Brown: I would be happy to see if we can arrange that.

Darren Vogt: If once we make them aware and they can do it on their own, then okay.

Tom Harris: I trust that if this is something that they have to deal with, they will begin to deal with it and knowing what their plans are would be crucial. Coming together and discussion this...

Kevin Howell: We can be jumping off the bridge together. I think we need to get together publicly on this.

Larry Brown: Another thing that I would like to take the opportunity to express to City Council is our frustration and disappointment that the RFQ or RFP process was geared towards one vendor and not done in a generic fashion where the taxpayers would benefit from the most competitive qualified bid. All that being said I will be happy to contact City Council President Smith to see if we can arrange a meeting.

Darren Vogt: Thank you, Commissioner.

Larry Brown: Next on the agenda is establishing petty cash funds, Nick.

Nick Jordan: In front of you there is a resolution for blanket approval of petty cash funds for \$100 or less. If you remember, recently you approved a resolution for the HR Department to have a petty cash fund and we have since had another request. To expedite that request and any future requests, in front of you is a blanket approval for one at \$100 or under when those departments come to us for future requests.

Larry Brown: So that this doesn't get out of control, Nick, would you please explain in easy terms how this is monitored, what is the accountability and all of those kinds of things?

Tom Harris: And why are we doing this again? I thought we did this once.

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Nick Jordan: Yes, you did this once specifically for HR. The Surveyor has come and requested one. To prevent this from occurring for each request in the future from specific departments, we have done a blanket one here. How this is monitored is that they will do the request for \$100 or less and any money that is used for petty cash, in order to reimburse the petty cash, they provide us with receipts just as they would for other claims. We would then reimburse that petty cash from their current line items.

Larry Brown: Is there some kind of a year-end accounting?

Nick Jordan: The way that the statute is, when the custodian of the fund changes, the money is to be given back to us. The new custodian, whether that is the Elected Official or Department Head, is to request that money again.

Roy Buskirk: So it is only when the custodian is changed and not necessarily at the end of the year?

Nick Jordan: No.

Darren Vogt: Because they have to balance the fund anyway. They are balancing it on a routine basis. We don't leave them unbalanced.

Roy Buskirk: What are they spending this on? Is it COD deliveries or what?

Nick Jordan: The way that the statute is written, it is for emergency items for operations expense. For example, HR said that they needed to make change sometimes when people come to get a notary or something of that nature.

Paul Moss: In the Department of Planning, you have to pay five bucks for a map.

Tom Harris: I will make a motion for passing this resolution 2012-04-19-03.

Kevin Howell: Second.

Larry Brown: I have a question, Nick are you in tune and aware that part of this Joint Oversight Permit Committee project includes establishing credit card capability?

Nick Jordan: For payment?

Larry Brown: Yes.

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Nick Jordan: Certain departments already have that capability and I understand that other departments are getting that capability.

Larry Brown: Correct so is this still necessary?

Nick Jordan: The petty cash requests that we have gotten have not come from departments in tune with the Joint Oversight Permitting Board. They had nothing to do with that. If one of those departments comes forward, maybe it can be discussed at that time. The current requests have not come from Building Department, Planning Services and stuff like that.

Tom Harris: My only comment would be that if everybody wants one, let us know if it starts to get out of hand.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0.

Roy Buskirk: So how come the Treasurer's Office is asking for one for just them?

Nick Jordan: She is asking for one for \$1,000. She needs this money for when it is tax payment time. Currently, when they run short on making change, they have to run to the Credit Union and get dollar bills in order to make change for the payments that they are receiving. This will allow them to have a greater amount of change on hand and to save time and the risk of someone running to the Credit Union. She only really needs it for a couple of months out of the year. Since it is over the \$100 threshold, it is separate.

Roy Buskirk: I didn't realize it was for \$1,000.

Darren Vogt: Does this one end?

Tera Klutz: Whenever there is a change in the custodian, it has to.

Darren Vogt: I guess my point was that this is only needed a couple of times a year.

Nick Jordan: With the way that it is written now, there is not a definitive end except change in custodian or lack of need.

Tera Klutz: That is an opinion. People pay their taxes all year long.

Darren Vogt: That is true but it would be heavier a couple of times.

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Nick Jordan: That was the Treasurer saying that it would only be a couple of months.

Darren Vogt: I would say in normal time that is probably true. That is a little more significant cash to be lying around an office. Do they have any safety protocols? What are their checks and balances?

Tera Klutz: They have a lot of checks and balances. This is just a small amount of cash considering the amount that they have lying around. They deposit every day and they have a safe and other internal controls.

Darren Vogt: I guess my point is that this will always be around. You balance the drawer at the end of the day and there will always be a leftover amount and that would be a larger leftover amount than what they currently have.

Tera Klutz: We can also request that she turn it in because she doesn't want to have cash lying around either. She can turn it in and then come and get it because this resolution will be open so that she can come and get it as needed.

Roy Buskirk: Does the Auditor's Office have a safe and secure area?

Tera Klutz: Yes, we do. We have a huge vault.

Darren Vogt: Move for approval of County Council Resolution 2012-04-19-04.

Bob Armstrong: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Okay, we are back to the Auditor.

Tera Klutz: I know that we have been here for over an hour now. I just want to briefly go over a few things in the historical financial book that I passed out last month. You were originally going to have a special meeting to go through this information however with everyone's schedules, this ended up being the earliest date that you could all get together. I am going to use the screen behind you and the one over here.

Larry Brown: I might interrupt for just a second. We are considerably later than I anticipated. Do you guys want to rethink this?

Tera Klutz: I will take about fifteen minutes max.

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Larry Brown: Okay.

Tera Klutz: I will just kind of explain the book and how to use it.

Larry Brown: Then we can get with you individually for questions.

Tera Klutz: Yes.

Darren Vogt: Is there any way to dim the lights?

Larry Brown: There is one switch back there.

Tera Klutz: All right. I am going to go ahead and get started. Nick, Jackie and I worked on a booklet of information to provide some history for our current and newer members of Council. This is Allen County historical financial information. We have broken it out into four categories and there are four tabs in you book. I want to say that this information is also available online because I know you won't carry your book around with you wherever you go. You can always refer back to it when questions arise. You will be able to pull it up on your iPad. Nick has bookmarked it so that you won't have to scroll through all of the pages. The first section is Property Tax. The second is Income Tax. The third is General Fund information and that is our largest fund. The fourth is just Other Financial Information. The first section, Property Tax we have included a chart that shows the Allen County Certified Assessed Net Value. That is our taxable value and is the amount that we use to collect property taxes. This is County-wide. We have highlighted with numbers significant increases or decreases. You can see in number one that the big jump from 2002 to 2003 is the first time that we went to market-based value of assessing property. Our tax collections did not increase by 40%. I don't want you to think that just because the assessed value went up that our taxes also went up. The tax rate inversely went down so that we collected about the same amount of money. Number two is another big increase and that was when those first values were adjusted to market again after four or five years with trending. Number three highlights a significant decrease in the net assessed value and that is because in 2009 the Legislators implemented an additional supplemental homestead to the tune of \$2.85 billion that came off of our gross assessment. Our taxable assessment went down and that is the result of that additional supplemental homestead. The next slide in Property Tax shows the Allen County Certified Property Tax Levy to Collections. I have broken it down to the levies for Operating which are tied to a six-year average of growth and income and those are General Fund, Reassessment Fund and Board of Health Fund. We also have levies outside of our Operating Levy and that includes Major Bridge Fund, Bond

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Fund and our CUM CAP Development Fund. If we just look at the total tax collections to total certified levy, the green is the total tax collection and the purple is the total Certified Levy. I want to say that we have historically collected almost 100% of what we have billed. You can start seeing a gap in 2009 to 2011. The gap between the purple and green lines represents the Circuit Breaker Credit. It is the property tax credit that is unfunded. At that point, we began collecting less than what we billed.

Roy Buskirk: Not necessarily less than what you billed but it is less...

Tera Klutz: ...than what we adopted at budget time.

Roy Buskirk: Right.

Darren Vogt: It is less than what we adopted at budget time? I am not sure I understood that statement. I thought it would be the difference in just the Circuit Breaker and not necessarily the revenues that we anticipated coming in at.

Tera Klutz: The Certified Levy, the grand total, is the amount that we adopt at budget time, what we are statutorily allowed to adopt and pass at budget time. The green represents the collections to that levy. Now, we anticipate that gap during our budget time.

Darren Vogt: Okay.

Tera Klutz: We still pass the budget in such a way that we will still collect the green. Does that make sense?

Darren Vogt: I am following it now. I just wanted to make sure that the gap wasn't our collection. We were at 99.8% of the collected expected.

Tera Klutz: Up until the Circuit Breaker.

Roy Buskirk: It is not delinquent taxes. The gap is not delinquent taxes where up to that time, they were.

Tera Klutz: Yes.

Roy Buskirk: That is what makes it confusing.

Tera Klutz: Okay.

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Roy Buskirk: I am not sure how the heck to word that so it is easy to understand.

Tera Klutz: When I talk about what we collect, when you say that we collected 98% when I give you the financial report for 2011, what that was based upon was the amount that we expected to collect. We expect to collect the green when we formulate our budgets. That is different than what our Certified Property Tax Levy is when we adopt our budgets. It is higher than what we expect to get because of the Circuit Breaker.

Darren Vogt: Does everybody follow that?

Tera Klutz: The next slide is about the allocation of the Allen County Property Tax Levy by Fund. The blue represents the General Fund and it gets the lion's share of our property taxes. I am going to start flying through some of these slides because I said I was going to keep this to fifteen minutes. The next one just talks about the historical property tax collections. The next one is in the Income Tax section. This graph has been updated for the new information and I am going to use my pointer on this one if I can. This gap right here used to be very large until we updated the spreadsheet for the new information. Also, the negative balance here was \$30 million instead of this \$1.4 million. Here, from 2011 to 2012 estimates, it used to be flat but we are anticipating a slight increase and in 2013, the same trend of a slight increase. This is the letter explaining how our COIT and CEDIT distributions are certified to us annually. This slide is the percentage of County Option Income Tax provided to homeowners as a homestead credit. The red portion on the top is the amount that is held back and is given to homeowners as property tax relief.

Roy Buskirk: When they hit the Circuit Breaker, all of the credits for homestead exemption, mortgage exemption and stuff are done away with. They don't lower their tax payment any. The Circuit Breaker is based upon the gross assessed value, correct?

Tera Klutz: In some cases yes but in all cases, no. What happens is the assessors give us the gross assessed value and we apply the mortgage, the homestead through standard and supplemental deductions and all of the other deductions available. We will arrive at a net assessment. At that time, the lower value was used along with the budgets that the tax units passed and we come up with a tax rate. If you did away with all of the deductions, then the assessed value would be higher and the rate would be lower.

Roy Buskirk: Correct but what I am saying is the fact that when they start receiving a credit because of the Circuit Breaker, the homestead exemption,

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mortgage exemption, old age exemption and everything else is thrown out the window because the one percent is based upon the gross assessed value.

Tera Klutz: Yeah but it is not thrown out the window but it definitely does impact. What we do is calculate the gross taxes and then we apply the local homestead credit. At that time, we take a look at the net tax liability and we look at one percent of the gross assessed value. If one percent of the gross assessed value is less than the net tax liability, then the homeowner gets an additional Circuit Breaker credit. We have 30% of homes in Allen County that are at the Circuit Breaker. So for 30% of the homes that could be true. For 70% of the homes, those deductions make a huge difference.

Roy Buskirk: That is what I said, after they hit the Circuit Breaker. That would be the 30% that you are talking about. The deductions are forgotten about. If they did not have the deductions, they would get more of a credit than what they are receiving.

Tera Klutz: Yes, that is true. This slide is about Allen County's historical income tax revenue as a County unit only, our portion only. The letters following the green bar in the middle are explained on the next two pages. The decrease in the Allen County Income Tax Revenue in A is explained based upon the State again making an over-distribution. In 2001, I believe that was the year that big checks were printed and presented to the County and that was the year before I started working for County government. Lo and behold, we got all of this extra money in 2001 and in 2003 they told us that they had overpaid us again and that they were going to start dropping our income tax distribution. The first B is a result of the Aboite annexation and we lost a significant amount of revenue when Fort Wayne annexed Aboite. The second B, in 2008, is from the Northwest/Perry Annexation. I am going into the General Fund section at this point. This is a summary of the 2012 budget reductions that were made by the departments.

Darren Vogt: Is there a way to show this for a bigger length of time for this particular fund?

Tera Klutz: Yes. We also have a ten-year historical expense history by department. That is in your book later.

Darren Vogt: I think for the budget, what would help me this year is an historical on budget reductions as well as those expenses all set side-by-side.

Larry Brown: And additional appropriations.

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Darren Vogt: That is a good point, additional appropriations. That would end up in their total...

Tera Klutz: ...expenses.

Darren Vogt: But we wouldn't know budget compared to...

Roy Buskirk: Don't we have that? We might not have the additional appropriations but...

Tera Klutz: We do and also show the unexpended budget appropriations for five years and by departments. The information is all there and we will be happy to work with you on whatever you want on one piece of paper.

Darren Vogt: Or just on a big spreadsheet where you can hide and show columns. I don't know if one piece of paper can do it.

Bob Armstrong: Do you track, per year, the money that a department has to roll back into the General Fund? Do you track that?

Tera Klutz: Yes and we have included it in this packet as well.

Bob Armstrong: Okay.

Tera Klutz: The next section talks about the 2011 General Fund analysis. That is something that we do every year and we decided to show you this year. The first part is where we compare 2011 actual revenue to 2011 estimated revenue. The second section is where we compare 2011 actual revenue to 2010 actual revenue. The little red tick marks on the side are explained in the pages after. After that is what Councilman Armstrong was asking for. We include a summary of unexpended budget by department and that represents the portion of the 2011 budget that was not spent or encumbered during 2011. We also show rolled purchase orders. That represents amounts encumbered or designated for specific expenses incurred but not yet paid during 2011. The 2012 approved budget is increased by the amount of the rolled purchase orders. For example, if you approved my 2012 budget of \$100,000 but I ordered some file folders on December 25th, but I didn't get the bill until January, the money would be added onto my 2012 budget because I have a purchase order out there that would increase my 2012 budget from \$100,000 to \$100,005.50. When you see adjusted budget in your budget book, that is what that represents.

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Darren Vogt: That is where having it all on one spreadsheet you would be able to look at all of those things. It could be mind boggling to look at but it would be good at the same time.

Roy Buskirk: In that case, they are paying it out of the 2011 budget in 2012.

Tera Klutz: Yes.

Roy Buskirk: So it was a rollover at the end of the year?

Tera Klutz: We generally talk about rollover and we mean unexpended budget.

Roy Buskirk: Okay. That is what I thought it was.

Bob Armstrong: So that money is spent in 2012.

Darren Vogt: The check is written in 2012.

Bob Armstrong: Right.

Tera Klutz: On page 25, we have unexpended budget and rolled purchase order analysis. That is a five-year analysis by department showing the amount that they have not spent. That is included in our annual rollover where we say that you have \$4.5 million at the beginning of this year. The rolled purchase orders are in the second column and that represents amounts incurred in 2011 but not paid for until 2012.

Larry Brown: Some of these old PO's, if you take certain departments and go across, there are some big numbers there that just jump out. Is there some explanation that we might need to know about as we analyze all of these numbers?

Tera Klutz: I would suggest using this book as a basis for asking those questions. I will point out that if you look at the rolled PO's, in 2007 at 10.6, 2008 at 8.2, 2009 at 7.2, 2010 at 8.1 and 2011 is our lowest year ever for rolled purchase orders at 4.3 and that is a direct result of having departments list their open PO's at the end of 2010. We found that a lot of departments didn't realize how many open purchase orders that they had and they cancelled them. I would say that this 4.3 represents a true number. The Commissioners are showing \$2 million and that is probably primarily related to the co-location expense.

Roy Buskirk: They have had pretty huge numbers in previous years too.

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Larry Brown: No, they have not if you go back to 2007, 2008 and 2009.

Tera Klutz: In 2010 is when we appropriated the co-location money.

Roy Buskirk: In 2009 it was \$1.5 million.

Tera Klutz: In 2009, the \$1.5 million represented the County's Economic Development incentive money that was appropriated but not needed.

Roy Buskirk: Another department that has pretty big rollover is, oh, it is County Council.

Tom Harris: A question would be under the Sheriff as well as the Jail; you are looking at \$600,000 that wasn't spent, right? So, while the Sheriff was very concerned about reducing the budget from last year going into this year, he in essence didn't spend \$600,000 from last year. He could have made some of those cuts more in 2012 in order to not have an estimated rollover going into 2013.

Darren Vogt: Yes and no.

Tom Harris: That said, that is the question when those things are flagged like that and you can dig in a little bit deeper.

Tera Klutz: I will be able to help you with that question because the Sheriff's budget is \$20 million of which approximately \$15 million to \$17 million is for salaries. When you have a budget that big, when you have turnover and movement you do not always spend every full line item as anticipated and often you don't know the turnover that you are going to have.

Tom Harris: So in that scenario, that is a bad example if the Sheriff were to cut or make additional cuts to some of those line items and the people didn't leave and he would be out of money to pay them.

Jackie Scheuman: The cuts that he did make, he cut overtime and he is going to transfer turnover into that line.

Tom Harris: Which is really, from a budget standpoint, what we want to do, yes? To reduce those budgets is what we are ultimately trying to understand.

Larry Brown: Tera, another point, just like your department does with ten-year averages and watching trends and all of that, there is a trend or basis that you are going to have two percent turnover or five percent or whatever

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that number is. That will get you much closer than the methodology that has been used in the past.

Roy Buskirk: This is a good example where you are not cutting spending but just shifting funds.

Darren Vogt: Right, that would be correct. It would reduce the rollover.

Roy Buskirk: Right.

Tom Harris: In defense of the Sheriff, one might be able to state that you could include the rollover into what I cut and you will see the overall savings for the County. That money went into next year's budget and I didn't use it this year. I am just saying that is an argument.

Tera Klutz: The other items are a ten-year expense history by department. For example the Clerk is the first one, and this is on page 29, we have included their General Fund department, and that is Fund 100, along with any other fund that the department is in charge of. We have included their expenses for ten years and also a total. Another analysis that we have included is the ten-year fund balance history. This was requested by Councilman Harris so that you know if the departments are using the funds. You can tell if you look at the fund balance and it stays generally the same every year and if they are expending out of it. That is on page 40. At the very end, we have included on page 49, the governing authority for the special funds by department.

Darren Vogt: Can I ask one question? County Corrections has a fund?

Tera Klutz: What page?

Darren Vogt: That is on 40. It has a sizable balance in it and I wasn't sure what that was.

Tera Klutz: Is it like \$200,000 and some?

Darren Vogt: Yes.

Tera Klutz: That is annual money that we use to pay inmate medical expenses. It is an annual \$224,000, if I am remembering off the top of my head.

Darren Vogt: That would be a balance in the fund that I don't understand.

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Tera Klutz: There would be a balance in the fund

Darren Vogt: This is the history of the fund balance.

Tera Klutz: What happens is they have an appropriation in the fund for the full amount, based upon last year's fund balance, they have \$224,000 and they spend that \$224,000 and at the same time they have gotten another deposit for \$224,000 during the year and so at the end...

Darren Vogt: So it is a little misleading, in reality.

Tera Klutz: Let me find that page real quickly.

Darren Vogt: I didn't mean to derail you.

Tera Klutz: Do you see how the consistent fund balance is really close the whole time? You are going to see expenses similar to that same amount every single year.

Darren Vogt: So shouldn't the fund balance be zero?

Tera Klutz: No because we don't operate like that. Our fund balance is not zero in the General Fund because we have money and then we spend it and then we have another deposit.

Darren Vogt: From an analyzing standpoint, we have to know that because to me they are not spending their fund balance every year down to zero. They are always leaving a \$224,000 balance. In this case, they are not.

Tera Klutz: Right. You would have to go to the fund expense ten-year report, find the same fund and see that they are spending that exact same amount every year.

Darren Vogt: Will that marry if we merge all of these?

Tera Klutz: If you go to Fund 210 on page 29 and you can see that they are spending the exact same amount.

Larry Brown: In a lot of the cases, is that because of the timing of the money coming in compared to the timing of the expense?

Tera Klutz: Yes that is correct. You can't count on the money every time. This isn't a fund where you are guaranteed that money. They get it into the account and make sure that it is there before they spend it.

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Larry Brown: Also, are there areas that we should have discussion about what is a reasonable fund balance just like we always discuss what the Rainy Day Fund balance should be? Some of these balances may be higher than they need to be.

Tera Klutz: Yeah, I think that is a great conversation to have with the departments. When we put this together, Nick thought this was a great book to use to start conversations and get you guys involved in some of the details. Then when you meet with your departments, you can ask questions about their finances and we will be able to help. We don't know the details of their department but we can analyze the revenue and expenses of the fund.

Tom Harris: In essence, these funds are an opportunity for each of these departments to be able to turn to additional money if their budgets are shy or they have had to turn back. They can turn to these monies and utilize it to the statute.

Darren Vogt: Or whatever the governing authority is.

Tera Klutz: That brings us to our last piece of information. It includes the governing authority whether it is an Indiana Statutory Fund or a County Home Rule Fund and the links on where to find that specific statute or rule, if you want to look it up. I will say that in 2003 many departments, for the first time, went to those funds because the income tax dropped by \$4 million because the State had overpaid us and we had to do some major cuts.

Darren Vogt: There we some sizable balances then too.

Tera Klutz: Because they hadn't been used at all.

Roy Buskirk: So that you know, that is when Darren and Paula Hughes and Cal Miller I came onto the Council. The four of us took approximately forty different ordinances that controlled the funds and each of us took ten. We were responsible for reading them to see what they could be used for. The Recorder was the major one with over \$1 million in their recording fund. They get a dollar for every document that is recorded. At that time it was Pat Crick and she kept saying that we couldn't touch those funds. We talked to the State and found out that the funds could be used for paying wages. We just cut her budget and we wanted to make sure that the funds would carry the cuts and then we cut her budget for the \$1 million that she had. It probably needs to have another look at it.

Tera Klutz: Currently, the Recorder is paying absolutely everything out of the Recorder Perpetuation Fund except the Elected Official's salary.

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Larry Brown: Tera, this is a great piece of information. Thank you to your department and especially all four of you that helped put this together. This is more information than we have ever had before.

Tera Klutz: We did something like this seven or eight years ago but thought it was time to do it again with the new faces and as a refresher because so much has changed statutorily and economically since that time.

Darren Vogt: I am assuming that all of these things are in spreadsheets and easily workable?

Tera Klutz: Yes.

Darren Vogt: I think there is definitely some good information but what we have to be careful with is casting stones and that is not what this is designed to do. This is designed to have conversations with the departments. I think if we merge some of the reports together, in a concise way, you will be able to get a clearer picture by looking at these year-end fund balances with the year-end expenditures. What we want to do is make sure that we understand where those numbers were and know that if you need to rework them, it is pretty easy to do. I will be getting with you to figure out how to work those through.

Larry Brown: Tera and Nick, is it safe to say that if we as liaisons want to analyze a department that we can give you a holler and discuss and move stuff back and forth in excel? Maybe we can get a department all on one sheet?

Tera Klutz: Yes, definitely.

Larry Brown: Thank you very much.

Tera Klutz: Get in touch with us and we will be happy to spend some time with you getting anything specific that you would like. I would also get the department involved because they will know things that I don't know, details that will change opinions depending on what they know and how these things work.

Darren Vogt: I said this once before in an email to everyone that my liaison appointments don't involve a lot of budget items. They are Board appointments and those types of things so if anyone needs help, I will be happy to lend a hand.

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Roy Buskirk: That is one thing as the liaisons to different departments I think it is our responsibility to really check in using this information as the coming budget year approaches. Tera is probably getting tired of me asking this but are there any bonds that we currently have that would be advantageous to pay off or make an additional payment to?

Tera Klutz: I will look into it and let you know.

Roy Buskirk: I think as far as some of the Rainy Day Funds and the additional \$4 million that we received, it might be wise to use some of that money. It sounds like some of that money might have to be committed to the radio project.

Tera Klutz: I will say from my standpoint that it is very nice to be sitting in the Auditor's chair because year after year we are paying down debt. We have not issued new debt in a long time. Our annual bond fund requirements keep significantly shrinking. We paid off a couple of debts last year.

Roy Buskirk: That brings up another question. We had a bond on the garage and we paid it off. What kind of revenue are we receiving from that parking garage now? Is the City Police Department paying for their spaces that they are using?

Tera Klutz: I don't know but I can find out. We do get monthly financial statements from the parking garage management company.

Larry Brown: Okay, moving on. Are there any recent or upcoming meetings that anybody wants to share? How about liaison assignments?

Darren Vogt: I went to the last Board of Health meeting which was on Monday evening and we talked about fees and listened to some very interesting public health conversations. They are a very committed group committed to public health. I let them understand that their funds are tied to the General Fund and that revenues are shrinking and that we have to make choices sometimes. They were very receptive to that and I continue to meet with them. Other than that, I am good.

Larry Brown: Very good. Roy.

Roy Buskirk: On the permitting process, an Ombudsman has been selected and hopefully in the coming week we will be able to sign the contract on that. Also, we had four applicants for a second Ombudsman as a backup plan. That has been trimmed to two and there will be some further meetings with them. We are moving forward pretty well. I know it is longer than what everyone

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thought but with Accela and everything so that you can make applications and pay for permits electronically. This is going to be a big savings to contractors and architects and everybody so that they don't have to come here and submit the plans. It isn't online yet but will be shortly where they can even do it out-of-state. It will make Fort Wayne and Allen County friendlier towards economic development. The other thing that I might mention is a hog roast out at the 4-H Grounds and it is one of the ways that they supplement for the 4-H and County Extension Office. Last year they sold out and it is from 4:30 to 7:00 this coming Saturday.

Larry Brown: Does anyone else have anything? I will remind you and assume that all of you received an invitation to the renaming ceremony for the City-County Building. I believe it is at 11:00 on Monday. I encourage you to attend that if you are available. Darren.

Darren Vogt: Council, I have recently looked at my calendar and I have a conflict with the July budget hearings. I am out of town for the Thursday session. At some point, since it is far enough away and want to try to move that, we can schedule accordingly.

Larry Brown: Is your conflict the week of the 16th of July?

Darren Vogt: Yes but specifically the 18th and 19th.

Roy Buskirk: But the 19th is our regular Council meeting.

Darren Vogt: Right but I am telling you that I have a conflict and will be out of town on the 18th, 19th, 20th and 21st.

Tera Klutz: Oh, you are out the whole week.

Larry Brown: At that point, it also affects Tera. What if we delay one week? Then it would be the 25th and 26th.

Tera Klutz: It would not be a problem.

Larry Brown: Did I hear a comment back here?

Becky Butler: I will check on the room.

Larry Brown: Darren, when will you know?

Darren Vogt: I know now. I am good 25, 26 and 27.

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Larry Brown: Gentlemen, what is your preference? This far ahead, I would be in favor of delaying one week with this much notice. We are going to move the July meeting back one week.

Darren Vogt: Thank you. I will buy lunch on Wednesday. I heard Coney Island.

Larry Brown: I believe the July meeting is pre-allocation?

Tera Klutz: No, I think that was actually allocation meetings.

Larry Brown: So do we have pre in June or are we going to start earlier?

Tera Klutz: We don't have anything scheduled yet. We plan on giving our budget presentation next month at the regular meeting. We haven't set days at all for that.

Larry Brown: In the past, haven't we done it the Wednesday before the Thursday Council meeting and so that would be June 20 and 21?

Tom Harris: What dates?

Tera Klutz: Wednesday, June 20th.

Larry Brown: June 21 is the regular meeting and we are talking about the 20th being pre-allocation.

Roy Buskirk: So June would be pre-allocation and July would be the budgets turned in to us by that time?

Jackie Scheuman: In July you make your allocations.

Larry Brown: We do the pre-allocation and then the allocation in July and they go away and do their budgets and come back to us in September.

Tera Klutz: I do think we have them turn into us their original pre-allocation.

Roy Buskirk: And we tell them they have to come to us.

Tera Klutz: That is something that I wanted to bring to you guys to see if you wanted to change anything? Do you want to do anything different with the timeline?

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Roy Buskirk: What she is saying is that in June we give them the pre-allocation and they turn in their budget in July and then July 25th we tell them what they have to cut.

Darren Vogt: Then the appeal process is after that?

Tera Klutz: September 20th is the budget hearings.

Darren Vogt: And we adopt when?

Tera Klutz: October 18th.

Larry Brown: I think it would be better for us if we could wait just a little longer. I don't know if the September meeting is a deadline kind of thing but then backing up from that, how much time do people need? If we could wait to start the whole process in July rather than June, I think that is better.

Tera Klutz: We will do a timeline. One thing that we don't have flexibility on is the statutory advertisement. The date for that is September 2nd. I would like to streamline the process so that we are starting later in the year but we also want to give everybody time. We want to give them time to make their budget decisions and we want to give you time to determine allocations. We may be looking at something similar to last year. I will get a tentative timeline out.

Larry Brown: Okay. Are there any public comments?

Kevin Howell: You were talking about making decisions. Were you thinking 30 business days or what?

Tera Klutz: I was thinking at least two weeks but preferably four. A lot of departments are already thinking about these things, as they should be. We did just get new information and all of the departments are aware of that. Generally two to four weeks is what we consider a reasonable amount of time for vacations and bookkeepers and meetings and planning time.

Roy Buskirk: As far as next year's budget compared to this year's budget, do you see an increase in revenue, a decrease or steady?

Tera Klutz: Given the information that I can think of off the top of my head, I think it is going to be slightly up.

Darren Vogt: With the issue that we had with the state but there won't be anything earth shattering.

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Tera Klutz: Right.

Larry Brown: To me, if it is flat, it is a blessing. In my business there are some teeny, tiny, almost insignificant signs that things might be flattening off, at least and maybe starting to go the other way. Is there anything else to come before this body?

Darren Vogt: Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of April 19, 2012.

Roy Buskirk: Second.

Larry Brown: All in favor please signify by saying aye. The motion passes 7-0.

Darren Vogt: Move to adjourn.

Tom Harris: Second.

Larry Brown: All in favor please signify by saying aye. Opposed like sign. The motion carries 7-0. There being no further business the meeting was adjourned at 11:10.