

ALLEN COUNTY COUNCIL MEETING MINUTES
AUGUST 16, 2012
8:30 AM

The Allen County Council met on Thursday, August 16, 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: Robert A. Armstrong, Larry L. Brown, Roy A. Buskirk, Tom A. Harris, Kevin M. Howell, and Darren E. Vogt. Absent: Paul G. Moss.

Also Attending: Tera Klutz, Auditor; Jackie Scheuman, Finance and Budget Director 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, Council. Tera, we will start out with the financial report.

Tera Klutz: Good morning, Council. I have good news to bring you. We are on track with our revenue projections for 2012. We have collected 63% of our annual projections and we are only 58% through the year as of July 31st. We are a little ahead on revenues and our disbursements for the General Fund are right at 57%. If you were going to try to guess a rollover on that, it would be none. We have approximately \$100,000 left to appropriate in the General Fund. With that, I will take any questions.

Larry Brown: Are there any particular questions or comments?

Darren Vogt: I want to make a comment that you said \$100,000 and we have an appropriation request for \$400,000. I will move to approve the financial report.

Roy Buskirk: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Moss absent). Tera, would you want to highlight the unemployment?

Tera Klutz: Sure. The unemployment rate for June which is the most recent numbers that we have, the new ones come out tomorrow, Allen County increased from 7.7% in May to 7.8% in June. For the State of Indiana it

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increased from 7.8% in May to 8.3% in June. National increased from 7.9% in May to 8.4% in June. Between Allen County, Indiana and the National rate, Allen County is the lowest.

Roy Buskirk: I have a question for Tera or anybody else sitting here. I am always curious when they say the creation of new jobs and the effect on unemployment. Do they take into consideration an offsetting factor of the number of people that are retiring? That should open up jobs. I understood, at one time, that this was about 10,000 a day.

Tera Klutz: Is that a long time ago or recently?

Roy Buskirk: That was maybe six months ago or so.

Tera Klutz: The unemployment rate is calculated for the people that are actively seeking work. You have to be in the job market to be in the numbers. Daily, as people give up or stop looking, they are not calculated in the totals.

Larry Brown: I don't know if the 10,000 figure that I heard is the same one you are referring to but the one I heard came from Social Security. There are 10,000 a day, across the nation, applying for Social Security.

Tera Klutz: And I wouldn't assume that those jobs would be filled either.

Darren Vogt: Or that they are not still working.

Tom Harris: The flip side is that the trend is there are less people retiring because they can't. Whereas that number is still going up by sheer numbers, the ratio probably dropped because the 401K's aren't where they need to be. People are staying put instead of going into retirement.

Roy Buskirk: And in part because now they can make as much as they want, at 66, because it does not affect their Social Security.

Larry Brown: Thank you, Tera. Next on the agenda is Economic Development. Let's do the Statement of Benefits for JCR first.

Nikki Liter: Good morning, Council. We have JCR Enterprises before you this morning requesting a tax abatement. They have run out of room and so they need to add on and move a little bit. They are investing \$200,000 in 9,000 square feet of additional space and another \$300,000 in manufacturing equipment. They plan on bringing in another four to seven new hires in addition to what they already have. They are looking at about \$150,000 a

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year in salaries. Rick Johnson is the General Manager and I will let him talk and then if you have any questions, we can answer them.

Larry Brown: Good morning, why don't you tell us a little bit about JCR?

Rick Johnson: We are a fairly new company. We have been in business for a little over three years. We design and build automated equipment. We have grown substantially in the three years. We are in a smaller facility and leasing and we have outgrown that facility. We have purchased property and are looking to expand.

Tom Harris: Just a little bit about what JCR does.

Rick Johnson: Our main focus, our product line is equipment for the high speed progressive die stamping industry. It is automotive related. We also build special equipment which ranges from test equipment to any type of manufacturing equipment.

Roy Buskirk: As far as the hiring, are those machinists?

Rick Johnson: Yes, we will need some engineering staff, machinists and assembly technicians.

Darren Vogt: What is the number of total employees that you have?

Rick Johnson: Right now we are at seventeen.

Darren Vogt: Just out of curiosity, how many did you start with three years ago?

Rick Johnson: There were three of us, the three owners.

Darren Vogt: And you guys built that yourselves?

Rick Johnson: Yes.

Larry Brown: Nikki, I failed to print this off on my color printer and so it came out black.

Nikki Liter: If you have been out to see the new SDI on Dawkins, he is just right there on Ryan. There are a couple of buildings just past SDI and he is in the front there just before you get to Quick Lock. He is just across the road from the County-owned property there.

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Tom Harris: I think I read that it is a five-year abatement.

Nikki Liter: It is three-year real and five-year personal.

Roy Buskirk: I will make a motion to approve the tax abatement for JCR Enterprises.

Bob Armstrong: Second.

Darren Vogt: Just a clarification. Don't we need to say Statement of Benefits instead of tax abatement?

Roy Buskirk: Okay, scratch tax abatement and make it Statement of Benefits.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Moss absent). Thank you. Next are the LEDGE agreements.

Mark Royse: The first one is for SDI/LaFarga and we request to hold that until next month. There is not a representative here from the company.

Larry Brown: Okay.

Mark Royse: The one for R3 Composites is located in Grabill. They received their tax abatement last August and now are ramping up operations. This is a program that is split between the City and the County based on the distribution of CEDIT dollars which is 75% City and 25% County. Over the five-year period would be a total of \$332,332. Mr. Boxberger is here representing the company if you have any questions for him.

Darren Vogt: The \$330,000, is that the total or our share?

Mark Royse: That's the total.

Larry Brown: You may have said and I missed it, over how long?

Mark Royse: Five years.

Larry Brown: Equal?

Mark Royse: No it is based on the jobs created at any given time. They are going to start out with fifty and moving up, by the end of five years, to 400.

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Larry Brown: One thing I will say, this paperwork that we needed barely got here on time. For future reference, we need it here sooner. Most of us haven't had a chance to review it because we just got it this morning.

Roy Buskirk: How much of a problem would it create if we tabled it for a month?

Andy Boxberger: It wouldn't be a problem.

Mark Royse: We can do them both next month.

Andy Boxberger: I apologize. Mr. Royse and I were going back and forth on some language until the end. That was the delay.

Bob Armstrong: Do we need a motion to table it?

Larry Brown: I think we should.

Bob Armstrong: I make a motion that we table the SDI and R3 until next month.

Kevin Howell: Second.

Larry Brown: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Moss absent). Thank you very much.

Darren Vogt: Council, you will notice that on page four there is an 80% job requirement. They have to hit at least 80%.

Roy Buskirk: And if I understood him right, it is paid after.

Darren Vogt: Yes.

Larry Brown: Just a reminder that when you are cleaning out your folders, keep this and we can save on paper. Next on our agenda is an appropriation request from the Sheriff.

Tom Harris: The grant is up first.

Ken Fries: As far as the grant is concerned, this is a grant through ICJI for the Drug Task Force. We have applied for this for the last 27 years and we have been given the grant for the last 27 years. It is a total of \$28,000 that is to be used for schooling, cell phone charges for the Vice Officers and for covert

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equipment. The match that we have always used for it is the salary for the Secretary in the Vice and Narcotics Office.

Roy Buskirk: On the drug testing, how much does a drug test cost?

Ken Fries: Drug test?

Roy Buskirk: Yeah.

Ken Fries: Are you talking a field test or a test for an individual? They are all different. We have a field test that we use to see if this is marijuana or is this cocaine. Then you have drug tests for individuals.

Roy Buskirk: Test for individuals.

Ken Fries: That varies. We have a program where parents can purchase drug test kits if they think their kids are under the influence. They can buy this kit and in the privacy of their own home they can test and find out if the kids are on drugs.

Larry Brown: Can you give us a range?

Ken Fries: I am not sure what the range is. I can find it out for the next meeting.

Larry Brown: Okay.

Roy Buskirk: Do you know how much the drug test is for County employees?

Ken Fries: No idea.

Tera Klutz: I don't either. We can always find that out.

Roy Buskirk: Okay.

Tom Harris: I have a question. In terms of the \$28,000, is that the same amount that you have requested in years past?

Ken Fries: It continually drops. We max it out. It used to be up in the \$60,000 range and has continually dropped. I assume it will continue to go down.

Tom Harris: Is there any explanation? Why is that? The easy answer is the State just doesn't want to give that money out or is there a trend that they are moving away from that grant?

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Ken Fries: I think it is because it comes through the Feds to the State and the State hands it out. It all depends on who is trying to get the money. They look at the different groups and they only have a certain amount in the pot and they split it out to whoever puts in for it. \$28,000 will be the maximum that we get. We used to get enough to pay for the entire office and that has gone away over the years.

Roy Buskirk: It might be the same amount of money that they are putting up but it is just the fact that more are applying.

Ken Fries: Right.

Darren Vogt: Is all of that for Vice?

Ken Fries: Yes.

Larry Brown: Are there any other questions for the Sheriff?

Darren Vogt: Move for approval of the permission to apply for the Justice Assistance grant through ICJI.

Tom Harris: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Moss absent).

Ken Fries: Thank you and now for the fun part. I get to come before you again to ask for additional funds to pay for medical costs for the inmates which continue to skyrocket. I have been looking at the State law and as I told you before, in 1997 there was an Indiana State Supreme Court ruling that John Feighner won that said that the Sheriffs, the County and the taxpayers don't have to pay for pre-existing conditions. This law went into effect in 2009 saying that we have to pay for pre-existing conditions. I personally don't believe that we have to. My Internal Affairs Captain is going to meet with the attorneys this afternoon and I will tell them that I want to fight it. It may cost us a lot of money but this is costing us a lot of money. If we win, it will save us well over \$1 million a year. Yesterday I had one Officer tell me that there was a guy in court who convinced his attorney to put off sentencing for over the thirty days because he is getting treatment now that he won't get once he is sentenced. It happens all the time and is horribly frustrating. Our inmates are getting better healthcare and at no cost than what we are. Something needs to change. We have moved \$70,000 from utilities into this fund to help pay for it. Last winter was a good winter and we didn't spend as much on utility cost. We moved that into Medical and it

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doesn't even come close. If the projection continues the way that it is, we will be \$800,000 short by the end of the year. Just for medical cost for inmates.

Larry Brown: Tom.

Tom Harris: There are probably several different variables and prongs to attack this thing but one is the fact that demands keep coming. In this case, the inmates keep coming in with more requests for healthcare. Another piece of this equation is what are we doing to reduce cost? Companies and corporations all over the country are figuring out and strategizing on ways to keep healthcare cost down. What is your plan?

Ken Fries: Our hands are tied. We have a new contract with Diamond Medical for medical cost for the drugs and it is saving us money. There is a recent lawsuit that was just won that an inmate sued because the doctors didn't take care of his pain. It wasn't us but somewhere else. We can't measure pain. The Supreme Court said that institutions, jails and prisons have to make sure that we take care of inmate pain. There is no way to judge that. What hurts you may not hurt me. All they have to do is come in and complain of pain and we have to take care of it. We have a doctor that does sick call every day, five days a week for two hours. We have a nursing staff that tries to take care of all of the stuff. It is horribly frustrating. The pre-existing conditions are the ones that are really taking the money. We had one and I can't talk too much without HIPPA violations that had a transplant. We took him to Parkview and they said they couldn't handle it and he would have to go to IU Med Center. That would be on our ticket. The way the law is written, it used to be to OR them and get them out of the judicial system and we will re-file charges on them later. They aren't going anywhere. The way that the law is set up now, they consider that patient-dumping and you can no longer do that. If they go to the hospital with us and we get them OR'd and released, we are still responsible for the bill. The hospitals have a much stronger lobby than what we do.

Tom Harris: I guess that refers to the demand issue in terms of the cost containment, is there anything that we are doing to keep the cost down? The demand keeps coming. A bad example is that someone needs a shot or something, that cost keeps coming but how can we reduce the cost of that medication?

Ken Fries: Good question. Diamond Medical is the cheapest place we found with a contract. If we have a doctor that says this person needs A, B and C, we have to give them A, B and C. We have no choice. Currently the doctor that we have at the Jail is quitting. December 31st is his last day. He has been sued five times and he said he is not doing this anymore. We have to

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find a new doctor and my fear is that it is going to cost us more money. Nobody wants to do it. No doctor wants to do the Jail or prison.

Darren Vogt: I think what Tom's question is, and I will ask it a little differently, are we paying retail or negotiated rates with the hospitals?

Ken Fries: When they put this into effect, State law is that we pay Medicaid Plus Four. That is for what is on the Medicaid list and if it is not on the Medicaid list, I think it is 65% of their normal charge. I have no problem with that charge as long as the inmate pays for it. We shouldn't pay for it. I use an example of my mother and she will probably kill me for this but she had to have a stent put in. She should have gone to Meijer's the night before and shoplifted a cart full of stuff. When they got her to Lockup, she could have told them that she has to be at the hospital at 8:00 in the morning for a stent. We would have to take her and pay for it. The inmates know that.

Tom Harris: I was going to say that this videotape is not shown in the Jail, right?

Ken Fries: They already know. They are teaching me stuff. It is frustrating when the County doesn't have money. We all know that budgets are horribly tight and we all know that we are trying to cut back but yet every year this continues to go up. This is the most that we have ever been behind. Something has to change.

Roy Buskirk: With tongue in cheek, have you tried to raise the deductible?

Ken Fries: Yeah. I will tell you that the answer is pre-existing conditions. We shouldn't have to pay for those. We have to make sure that they don't get any worse. If someone has a heart attack, yes we will take them to the hospital. We, the taxpayers, shouldn't have to pay for it.

Tom Harris: The extent of these additional costs and the extent of the overall cost of the healthcare, the problem is the pre-existing.

Ken Fries: Yes. That is where the big chunk is coming from. It is not the emergent care. We don't have that many people that get hurt at the Jail. You are not dealing with the healthiest group with inmates. They come in and know that they are going to get treatment that they don't seek outside of the jail. They know they can get it at the Jail and we have to pay for it.

Roy Buskirk: You said about going to court and that it probably would be expensive. Surely there are other Counties that are having the same problem. Maybe they would join in on a court case or even the Sheriff's Association.

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Ken Fries: Yes and no. It is difficult to get the Sheriff's Association behind us because most of the Counties are very small. When this happened, I thought it would be good to have 92 Counties all getting together on this. In going to the conference we found out that most of the small Counties like this new law. Before the new law went into effect, they were paying full price and didn't have enough inmates to be able to negotiate a lower price. They maybe took two inmates to the hospital in a year and pay full price and now they get Medicaid Plus Four and they are happy. They are saving \$3,000 a year. The big Jails are the ones that are getting hurt.

Roy Buskirk: If they didn't have to pay for pre-existing conditions, even though they might only have one a year, they would save more money.

Ken Fries: You would think. It is different, and Tera probably sees it going to the association meetings, that Allen County is different from most of the other Counties in the State. We are so much bigger than most of the rest. It is interesting to see that.

Tom Harris: This request today for \$400,000 is that already spent or is that money that is going into an account in order to be ready for additional cost coming in?

Ken Fries: It is going into an account for additional cost. That is one thing I asked Jill today, how much is the bottom dollar that we have to have this month so that we can come back next month? I think that right now the Auditor's Office is sitting on \$19,000 worth of bills and she just got another group and it is up to \$34,000 and she has another stack. My bet is, if it continues the way it has for the month of August, you are looking at \$100,000 by the end of August.

Roy Buskirk: What is the current balance in that account?

Ken Fries: Zero. There is \$19,000 that they haven't paid yet because there is no money.

Tera Klutz: We are holding on to \$37,000 worth of claims. I agree that if you appropriate what we have available that should get them through August. We can then give opportunities to see where other funds might be available. I would be happy to work with Jill to see if there are any other lines. Traditionally they have had a larger rollover just because of the sheer size of their budget. If there would be money available in other lines, we would be happy to help them.

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Tom Harris: That might be an option. First and foremost, we should look there. Secondly to that, are there monies available in the Judicial System, the Prosecutor's or the Courts? Maybe some money that is coming in from user fees that we can consider or discuss because people are in the system and have to pay for being in the system. Could we take some of those monies and try to pay down the use of the system versus pulling money from the Highway Department to do something? I just throw that out and there may be other options.

Darren Vogt: What I hear is there are current existing fees that are collected by the Courts that could be used. The other thing is there a way, statutorily or legally, to set a Jail Medical Fee if you are in the system? Potentially you are in the system and you could need our facility and our medical expense that we have to pay.

Bob Armstrong: How many of those people that he has locked up have the money to pay for it in the first place?

Ken Fries: That is the issue.

Darren Vogt: You would have to go through that and the poverty guidelines and all of that.

Ken Fries: And that is the issue. They have to pay to see the doctor, if they have the money. Most of them don't. They know that and so they don't have any money on the commissary books. They know that once they do, we are going to start deducting. They just don't have anybody bring any money in. It surprised me the way that commissary has been with the economy downturn. There is not as much money that comes in and that makes perfect sense. If there is not the cash out there, they are not going to give Johnny money for a candy bar. The answer is really to see if we can fight this in court and win. It will save us at least a million dollars a year.

Darren Vogt: I don't know that this is the fastest answer. You can take it to the State Legislators and I have left messages for them and will continue to talk to them about it.

Ken Fries: That is the fastest way.

Darren Vogt: And it is the least expensive. I don't know, to your point about the folks in the smaller Counties that they would argue against it because they already have the discount of going to the Medicare payment. I don't know that we would get any real push back other than from the hospitals and folks like that. If this continues, something different has to happen.

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Tom Harris: Another alternative might be that there are so many different types of fee funds that are established but under statute they can only be used for certain things and possibly if the one alternative doesn't come to fruition, possibly allowing the use of certain fee funds could be used in different categories would make sense as well. We have talked about the commissary fund being able to be used for capital goods. Have the bad guys pay for the stuff in the system that needs to improve for the safety of the citizens, makes sense to me. To have people that are in the overall Judicial System paying into something that ultimately helps people that are in the Judicial System makes sense.

Ken Fries: We have tried with the Legislators before to get different things assessed, like five dollars on a license plate or something and they are very hesitant to do that because everybody is looking for that extra dollar to help the budgets. The user fee is right. They are the ones using the system, why don't they pay for it? We, as taxpayers, all have to pay something for the criminal justice system. That is what government was set up for. We are supposed to have public safety and transportation and so we all should expect to pay something. It troubles me that the inmates are getting better healthcare than the vast majority of the citizens at no cost to the inmate. It troubles me when we can't make ends meet on our budgets. Something needs to change. Darren is right. The quickest answer is to get the Legislature to change that pre-existing conditions out. Push backs come from the hospitals.

Tom Harris: Tera, do you know the percentage of increase of medical care cost from last year to this year?

Ken Fries: I think last year I came back for a total of \$200,000, I think. Right here we are looking at \$800,000.

Darren Vogt: Last year was right at a million.

Ken Fries: We are well over that. We have already spent that.

Tom Harris: You have \$1.6 million anticipated.

Ken Fries: Year-to-date we have already spent \$1,096,000.

Tom Harris: So you are anticipating \$1.6 million.

Roy Buskirk: Is this the first year of paying for pre-existing conditions?

Ken Fries: No. It started in 2009.

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Roy Buskirk: It would be interesting to see how much it was running before.

Ken Fries: The first year that it was in effect, we were \$200,000 short. It has just continued to grow since. That is the yardstick to measure by.

Roy Buskirk: As far as population in the Jail that has remained pretty steady.

Ken Fries: Right. In fact, we are down right now. Statewide, the inmate population is down. We could get one in today that is going to cost us a million dollars.

Darren Vogt: I have a technical question. All of the funds, 202, 210 and 100, I don't know what those are.

Tera Klutz: Those are other funds under the Sheriff's operating budget that are set up mostly by statute or County ordinance. Are you looking at a spreadsheet that they provided?

Darren Vogt: Yes.

Tera Klutz: They must pay some of the medical fees out of other funds.

Darren Vogt: Sheriff, do you know what those funds are?

Ken Fries: No, I don't.

Tera Klutz: 202 is the Medical Care for Inmate Fund.

Darren Vogt: Does it say how the money gets in there? That is what I was looking for.

Tom Harris: That is the \$43,249, right?

Ken Fries: That is the Misdemeanant Fund, I would imagine.

Tera Klutz: The Misdemeanant Fund is 210.

Jackie Scheuman: They took \$225,000 out of Misdemeanant for medical.

Tera Klutz: That money gets in there from the State. That is a distribution from the State from fees collected. I actually learned that this year and now I have forgotten. It is based on the population. The amount that we get annually is set to change and I believe it is set to change going up slightly.

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Tom Harris: When does that happen?

Tera Klutz: We get that distribution once a year as one lump sum. I believe it comes in the fall. What the Sheriff does is pays out annually what they got the year before. Do you know exactly when we get that deposit?

Jackie Scheuman: It will come sometime this month.

Darren Vogt: The reason I was trying to figure out what those were is that it is a State fund that is set up by population. My question would be along the lines of are we the only ones having these medical issues based on the size of our Jail compared to the population of other Counties that have been taking that money and not using it for all of their Jail expenses? I don't know that and maybe the Association of Sheriffs might. How can we get that share bigger from the State if it is divided up by population? Maybe that is not the best way to do it. Maybe it should be by the size of the Jail or something along those lines. I was just trying to think that through for other sources of revenue.

Tom Harris: And the challenge becomes that it takes that one inmate to skew those numbers.

Roy Buskirk: In California, several years ago, they had an inmate on Death Row and they had to do a heart transplant.

Larry Brown: In our Jail, is population near or at capacity?

Ken Fries: Right now it is not. It is down.

Roy Buskirk: I have a question for you, Tera. On the fact that we only have \$100,000 for appropriation and it is not only for this but for other appropriations that come from now until the end of the year, where are we going to get revenue to be able to cover the requests, besides Rainy Day Fund?

Tera Klutz: You just have to say no. You can't find money when there is no money.

Tom Harris: In regards to that question, Fund 210 has \$220,000. Is that is what is in there now or is that the number that started out at the beginning of the year?

Tera Klutz: That is the deposit that they got last August. It is like a zero account.

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Tom Harris: So, as an example, we would anticipate another \$220,000 yet this month. So that \$220,000 plus \$100,000 today would put \$320,000 towards the \$400,000 request anyway.

Darren Vogt: And then we would be short for next year.

Tom Harris: Maybe by then we can fix it.

Darren Vogt: I don't disagree with you. I am just thinking through and ahead for next year. I like the idea of using it and looking for solutions.

Tera Klutz: That is true.

Darren Vogt: We need a motion, at this point. I will make a motion that we appropriate \$100,000 in County General for medical expenses, 100-5201-421.31-08.

Roy Buskirk: Second.

Larry Brown: Is there any further discussion, gentlemen? All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Moss absent).

Roy Buskirk: In some ways, Sheriff, it feels like you put a gun to our heads.

Ken Fries: If I was going to do that, I sure wouldn't want it to be for this. This frustrates me no end.

Darren Vogt: We feel your pain.

Ken Fries: All of the taxpayers should.

Larry Brown: Real quick and in the bigger picture, it kind of concerns me that if we got our way with the Legislature and we didn't have to pay for pre-existing conditions, that is fine for our little segment of government. In the big picture, those people don't have any money and so who is going to pay? Does that mean going back to the hospitals and they have to eat it which drives up all of our medical cost?

Tera Klutz: We are paying for it one way or the other.

Larry Brown: Yes, we are paying for it one way or the other.

Tera Klutz: It is just how do you want to pay for it?

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Darren Vogt: Some hospitals are not-for-profit and so they have dollars that they have to use for indigent or certain services that they have to do. There are some things that have to be done based on whether they are a non-profit or a profit hospital. They can write it off. If they are providing a service and they don't get paid, they take advantage of every opportunity, within the tax code, to lessen that impact.

Larry Brown: I understand that.

Tom Harris: My concern is that there is almost an incentive on the street, that the Sheriff mentioned that if you end up in the Jail you will end up with medical coverage. That is the piece that needs to be changed because ultimately we are driving the wrong behavior. Even if it happens one time that someone does something to end up in Jail in order to get coverage, the system has a problem.

Roy Buskirk: The thing of it is, if an individual goes to the Emergency Room at the hospital, do you know of them turning them away?

Darren Vogt: They can't.

Tom Harris: Roy we are adding to the problem and we are all on the same page here. We are adding to the problem by providing an incentive to create crime. Somebody does something wrong in order to get into the system. Systematically, we need to fix that.

Roy Buskirk: I understand that but the counterpoint is that they are going to get medical care if they are coming from the Jail or coming off the street.

Larry Brown: I guess the reason that I bring it up, gentlemen, is do we want to join or show support? The Sheriff indicated that he is ready to fight or lobby the Legislature to get the change made. Do we want to join in that effort?

Darren Vogt: I am not sure that I am ready to spend money. A court case is a long, drawn out battle. I would hope that Senator Long, as Pro Tem, we can work with them and our local delegation to show them what our real cause is and what the problem is. I would rather work that route before we have to go into any legal battle.

Larry Brown: Let me be clear, I wasn't saying to spend any money. I didn't mean with money.

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Darren Vogt: I have a note to call both of our local Senators and I will call our Representatives to make sure that they understand what our situation is. If we need to have them join us at the Council table to understand it and walk them through the numbers, it might be what we need to do.

Roy Buskirk: I think part of the problem was in the past, when we asked them not to support that bill, there were a lot of smaller Counties that were seeing the discounts that they weren't able to obtain by themselves. Now that the discounts have been obtained, maybe they would look at it more favorably to eliminating the pre-existing conditions. I agree with you, Darren, many times the legislation is slow but in this case it might be faster.

Bob Armstrong: That could be the way because it could be a long, drawn out thing.

Tera Klutz: I am on the AIC Legislative Committee and I can bring it up at our next meeting. I was going to ask permission to possibly pursue local units of government to have options other than PERF for their employees. The State of Indiana has a State law that allows them to do some type of hybrid but right now it is not open to locals. I just think that while we are looking to the future and we are looking for sustainability and without going bankrupt, I think we need to look at the pension system and what we can do for new employees. I am not talking about existing employees who are covered under our pension. I am talking about new employees.

Tom Harris: Defined benefit plans are going away, all over the country. Corporations and companies are going to the 401K's so that they contribute a certain amount rather than pay out. As everyone knows, the stock market is not producing the growth and PERF funds come back to the taxing authorities and say that they need more money to put into PERF. That is just going to continue to grow. Defined contribution makes more sense.

Roy Buskirk: Tera sent an email a couple of weeks ago that was the June 30th AIC meetings and I highly recommend that you watch them. It is the actual speakers and one of them is Tim Berry. They are talking about all of the different retirement programs and how they are changing. Some of the Counties have changed the Sworn Officers retirement considerably over the last couple of years. I would really recommend that if you haven't looked at that email that you do so.

Larry Brown: Tera, could you send that again?

Tera Klutz: Yes.

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Tom Harris: When is that AIC meeting that you spoke of? The one that you said is coming up. When is that?

Tera Klutz: We just started meeting again because we are gearing up for the 2013 Legislative session. We meet every couple of weeks.

Roy Buskirk: That is a committee meeting.

Tera Klutz: Yes. It is made up of different Elected Officials, locally, and it is August 30th.

Tom Harris: So you try to get things on the agenda for the 2013 Legislative session.

Tera Klutz: Yes.

Darren Vogt: It is made up of all sorts of Elected Officials. It is not just Auditors.

Tera Klutz: Yes.

Roy Buskirk: How many serve on that committee?

Tera Klutz: Probably about 15 to 20.

Roy Buskirk: You have a good, widespread...

Larry Brown: Representation.

Roy Buskirk: Yes.

Tera Klutz: Our number one is road funding. That is what a lot of the focus is on right now because people are not filling up their tanks as much and because of the new electronic cars and our fees are capped at a certain amount. We don't have the Toll Road money anymore. Road funding is becoming short and I know that they are working on something.

Darren Vogt: I think that is where we may have to make sure that we are focused on our end. They may have a different direction and are trying to increase revenue and we are trying to cut cost.

Tera Klutz: We are trying to find solutions to our issues. Allen County is not an exception to needing road funding.

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Darren Vogt: I am saying that they are looking for money and we are trying to cut our cost. There is a difference in what they are fighting the Legislature to try and take more, I will say State money. I was in the NIRCC meeting yesterday and they showed graphs on the road funding and it is definitely going down. It is a problem, no doubt about it. It is a different fight that we want to make sure doesn't get lost in asking for money. I think that is the critical difference between the two. The Legislature typically likes to look at things that aren't going to cost them money differently from things that are going to.

Tera Klutz: Right. Each thing on the Legislative Agenda is different. Whether the bullet point is to cut cost or to raise revenue for something else, just like when you do your platform, they are all different.

Roy Buskirk: When you are talking about road cost, the Better Roads magazine that I get had a good article about hot patch. Now they have come out with something that they have been working on for a couple of years or so and the Federal government has approved what they call a warm patch. They do not increase the heat as much as they do on hot patch. Because of that, you are not having nearly as much impact on the environment and it is producing longer lasting than what hot patch did. There are a lot of different ways and different angles to try to be more economical.

Larry Brown: With all of these Legislative issues keep in mind that when we meet with Beth over the next couple of months, we will adjust and add to our Legislative Agenda. Moving on, the next item on the agenda is a request for a temporary salary ordinance. Mr. Bolenbaugh, will you join us?

Bob Bolenbaugh: Good morning, Robert Bolenbaugh, Allen County Purchasing Director. Thank you for hearing my request today. I have a staff member who is leaving and moving out of the State on September 21st. I brought her in about a year ago and because she was technically literate, she has changed a lot of the processes in the clerical position in my department. There has been quite a bit of improvement, as a matter of fact. Because of the changes in the process improvements, I would like to bring someone in to replace her a week early so that they can sit with this person and learn. She does have the job documented and that is probably your first question. Yes, we have a book. I think it would be better for this person to understand why these processes are done the way they are. She had done a great job of making that position more efficient. I have the money for this. It will cost nobody anything. One of my employees retired in May and so there is seven months of salary that is sitting there that I can draw from. I hope that you will consider this.

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Larry Brown: Okay, very good. Are there any questions?

Darren Vogt: Move for approval of a temporary salary ordinance for a new employee for training within the budget of the Allen County Purchasing Department, 100-3901-415, Contract/Billing Clerk, 13-55, OSS 2/2, \$25,069, effective September 17 to 21, 2012.

Tom Harris: Second.

Larry Brown: Is there any further discussion? All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Moss absent). Council, is there any discussion?

Roy Buskirk: Yes, one of the departments that I am the liaison to, as far as trying to meet the requirements of the budget reduction, wanted to know if part of the rollover would count towards their reduction.

Bob Armstrong: They already know how much they are going to have in rollover?

Tom Harris: They are anticipating it?

Roy Buskirk: They are anticipating rollover just like the Purchasing Department with an employee that retired. They know that they are going to have some rollover from that position.

Larry Brown: Excuse me. I understand what you are saying. Because of the process, the answer is no. It can't work that way. It is not a system that we created but it is the way that the State mandates that we do things.

Tera Klutz: The good news is that if they are saving money in this year's budget, then hopefully they can save the same amount in next year's budget.

Darren Vogt: I think what people need to understand is that this is a long term scenario. It is not that we have to cut for one year. It is three or four years now that we are looking at and are continuing to cut. Revenues aren't going up with the caps and everything else. We are not in a growth mode of government. We are in a less for more type of scenario. To count rollover as part of a cut doesn't help us in a long term situation.

Larry Brown: Again, because of the property tax caps, it is forever or until the Legislature changes it.

Darren Vogt: The Constitution has to change now.

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Roy Buskirk: The one thing that I will give credit to the State Legislators for is that when they passed that, their anticipation was that real estate values would continue to grow and they are not. The reverse has happened. That is one reason why the tax cap is having such an impact. It is not going to increase until the real estate market turns around and you start seeing growth in the value of real estate.

Tom Harris: It is the challenge for government, as you mentioned Darren and Tera that the gas revenue has dropped because when the society or the economy shifts downward, government has to be agile enough to be able to reduce its cost faster. That is what all companies are trying to figure out. How do you deal with variable cost and how do you reduce those costs fast when the revenues start to drop? Government has to figure that out.

Roy Buskirk: That is one thing on our budget this year is the fact of asking each department what services they are providing that are not necessary and not required by Indiana Code or such. That is what the private sector does and that is what government needs to do.

Larry Brown: Are there any reports on meetings or liaison assignments? Is there anything that anyone wants to share? Darren.

Darren Vogt: I have a few and I don't want to take a lot of time. Tera, help me with this on the iMAP Board. We are considering going into an ELA.

Tera Klutz: Enterprise License Agreement.

Darren Vogt: An ELA which would lock us into a fixed cost for some support on the iMAP system of about \$225,000. Is that the number they said, somewhere in there? It could potentially be a savings in the short run and based on the number of agreements and people so that we can bring on more people onto the system to use it. Someone at the back of the room said something about seeing some savings.

Tera Klutz: It could have been Stacey O'Day. The Assessor was there and the Board of Health was there and Beth Dlug.

Darren Vogt: I don't think anyone is ready to say what kind of savings.

Tera Klutz: It seems like maybe not necessarily money savings as much as I am going to see more utilization and more information faster. The opportunities that you have moving to the ELA will provide more interaction with mobile and tablet interfaces and the Highway Department being able to update jobs statuses at the job. It will be more efficient.

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Darren Vogt: Double-entry scenario could go away. An example is Stacey's Assessors. They go out and measure things, write it down and come back in and enter it. With the technology that they are talking about, you do it and it is updated all onsite. Those are the kinds of things, from an efficiency standpoint, that are savings in reality, if you can do more with less. This is a three-year but what happens after the three years? That is the question and it is going to go up. We had this opportunity two years ago and it was about \$170,000. I wasn't on the Board then.

Tera Klutz: They didn't have the mobile capabilities as it does now.

Darren Vogt: There was less functionality but now there is more cost. The question will be three years from now, do we want to continue on the ELA agreement. I think that once we get into it, we are stuck with it. We will put more people on and you don't want to pay per license when you do that. The issue that I am trying to bring up is that it is a split with the City and all of a sudden we will have a bigger expense but will be more efficient in what we are doing.

Larry Brown: When you refer to users, are you talking about other governmental departments?

Darren Vogt: That is one thing, yes.

Larry Brown: Private sector, as well?

Darren Vogt: No, government departments. City of New Haven is looking to come on. The Airport didn't say much about it but they may consider coming onto it. We talked about schools but they have a different agreement. This is just one of those things that I wanted to bring up. It is not a major issue. NIRCC, we are still working on funding. They showed a graph of the dollars and our taxes coming off, of the BMV and State Police coming off the top, before we get anything. Some of the conversation was how do we get those two entities off the road money for the rest of us. I think that is all that I have for now.

Roy Buskirk: On what Darren was just saying there, I think one of the possibilities is the State Tax Warrants. Those are currently being delivered by the Sheriff and to let the State Police take that over in a trade-off for the revenue from the gasoline tax that is currently funding the State Police.

Darren Vogt: One more thing is the Redevelopment Commission. We have an appointment that we need to replace.

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Larry Brown: Thank you for reminding me. Paula Hughes has resigned from the Redevelopment Commission. She was appointed by this Council. Her reason is that she has too many irons in the fire and she didn't feel that she could do it justice. We had a very pleasant conversation and I thanked her for her representation. We do need to appoint a replacement and in the same breath I will tell you that Roy has expressed an interest in that assignment. It will be to fill out the remainder of the year but it is a one-year appointment. If you are so inclined, we would ask Roy to fill the remainder of the year.

Darren Vogt: I am on there as well and so we would have two Council members on there.

Larry Brown: As I recall, it is a five-member Board?

Darren Vogt: Yes.

Larry Brown: Three appointments are by the Commissioners and two are by the Council.

Darren Vogt: Yes.

Larry Brown: Roy, I assume you are still interested in that.

Roy Buskirk: Yes.

Larry Brown: I would entertain a motion to appoint Roy.

Darren Vogt: So moved.

Tom Harris: Second.

Larry Brown: All in favor signify by saying aye, opposed, same sign. The motion passes 5-0-2 (Moss absent and Buskirk abstained).

Tom Harris: I was going to mention that Larry and I are members of the Strategic Planning Committee and we met yesterday. Darren, to your point about efficiency and effectiveness, it is a continued objective. In the discussion, we were trying to fine-tune some of the overall vision as well as the overall mission. The committee has some recommendations that we are finalizing and then those will be sent out to Department Heads and Elected Officials. On our continued strategic planning for the County and our big objectives, those efficiencies and innovations, are all key indicators if we are heading the right way. That will be marched out in the coming weeks.

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Larry Brown: Anybody else?

Roy Buskirk: Is Pat Fahey still heading that?

Tom Harris: Correct.

Roy Buskirk: As far as the Permitting Committee, the new Ombudsman has been appointed. It is Greg Yoder with Colonial Development. I don't think you will see much of a change as far as his role. I think the service will be as good as or better than what we had before. We are moving along with the ordinances. Pat Fahey is kind of heading that up along with Clarion's Assistant on changing the County and the City ordinances so that they are more parallel. The Accela software program is moving along also so that people can do more over the internet instead of coming into the office.

Larry Brown: One of the additional things, one of the hang ups, has been being able to create and find a workable solution for applicants to pay online. It has been a bit of a challenge. I think they are nearly across that bridge, if you will.

Darren Vogt: Why has that been a challenge?

Roy Buskirk: Part of it has been, for instance the Building Department previously had a trust account that builders and developers would put money into that account. When they applied for a permit, it was taken out of that. The way that the Accela program is set up, it is almost like Pay Pal in which you pay at the time. There is discussion because of the fact that Pay Pal charges and those are passed onto the customer. Some of them wanted to stay with the trust account. I think the final result is that they are going to something like the Pay Pal.

Tera Klutz: I believe that we can also invoice them because people don't want to pay the three percent. We worked through all of that and I think it is almost worked out. Can I introduce something?

Larry Brown: Please do.

Tera Klutz: All right. House Bill 1090 that was enacted this last Legislative Session of 2012 gave County Councils the ability to provide an alternative minimum bid at Tax Sales. What the options are is if the amount owed by a taxpayer is more than 75% of the gross assessed value of that property, let's say that I have a home that is assessed at \$100,000. The amount of unpaid property taxes, special assessments and civil penalties adds up to more than \$75,000, the Legislator has allowed you to adopt a resolution saying that it is

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going to be the lesser of actual taxes owed with penalties and all of that or 75% of the property's grossed assessed value. It doesn't happen often but we do have a few properties, about five to seven percent, end up going through our Tax Sale. Generally they are not purchased because the amount owed is more than the value of the property. They just cycle through. Often we remove those taxes and they go unpaid entirely and all of the civil penalties, and then they may be deeded to the Allen County Community Development Corp or they keep going back through the tax rolls and Tax Sales. I recommend that you adopt this resolution to allow taxing units to get more property tax plus to get these off the tax sale rolls and back to property owners who will pay taxes. Another entity that this is going to affect is Neighborhood Code Enforcement. I met with Cindy Joyner who heads up that department. We talked through the scenarios and she is also in favor of this because these could eventually get back to property owners who will maintain the property better.

Tom Harris: Tera, are you looking for action on this today?

Tera Klutz: It is up to you.

Darren Vogt: All you would have to read is the "Now Therefore". From an understanding standpoint, the "Whereas" don't mean anything in a resolution. "Now therefore be it ordained" is the effect. I agree that we just got it.

Tera Klutz: Here is the deal, if you pass this today, we can implement it for the September Tax Sale. If not, we will wait a year. I am fine with either one. It is your comfort level.

Tom Harris: In this case it would be a parcel-by-parcel decision?

Tera Klutz: Yes.

Tom Harris: If we see one, for example, that the cost of taxes and everything that is outstanding exceeds the value, we could waive that order for the property to be sold in advance of the auction?

Tera Klutz: No. This changes the price on the day of the auction. To redeem this property to keep it from being in the auction, taxes would have to be paid in full. This ordinance provides an alternative minimum bid, and I say minimum because that doesn't necessarily mean that is what we are going to sell it for, it is just the first auction price on the day of the sale is limited to 75% of the property's assessed value or the amount of taxes, fees and assessments that have brought the property to Tax Sale to begin with. It only

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changes the minimum bid on the day of the sale. It could still go up. Let's say that the Assessor made a mistake and the value that she put on it is low and lower than the market. We offer it for 75% of that lower value but the property is worth much more. We have a lot of bidders who would be able to recognize that and the property will get bid up.

Tom Harris: I guess that is what I was anticipating that we would want to have happen.

Tera Klutz: Right. I don't expect it to happen often but it could happen.

Tom Harris: And this would save us money, in the process?

Tera Klutz: In my opinion yes and here is why. Many of the properties are valued correctly by the Assessor. On the five percent of properties where the judgments are higher than the 75% of the value of the property, those properties are not getting bought at all. We leave the sale with zero money from those properties.

Darren Vogt: There is no guarantee that even at 75% that we are going to get money. From an investor standpoint, that may not be the best one when I can pick a property up that doesn't have the same scenario. It is not going to guarantee anything either way but at least it is a better starting point than what we have now.

Tera Klutz: I can give you some current statistics. If you would pass this for the 2012 sale, we would have about 100 properties that would fall into this category. 77% have special assessments or civil penalties that are bringing them above the assessed value. Eighty-four of the properties are vacant lots. It is really easy to get above the 75% of the gross assessed value when it is a vacant lot.

Darren Vogt: You may have a neighbor that is willing to buy it for a reasonable amount and then the grass is cut and it is kept clean.

Roy Buskirk: And they are paying taxes. When you were talking about the special assessments, one might be the removal of the house. That is put on as a lien.

Darren Vogt: Those are probably realistically not going to get sold anyway. If the house is condemned, those are probably going to have more issues and Allen County Community Development Corp is going to end up with it. I have read this and understand it and I don't have any problem moving through this.

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Larry Brown: Apparently I am a slow study this morning. Can you run through the math one more time?

Tera Klutz: Sure.

Larry Brown: 75% of...

Tera Klutz: The property's gross assessed value. When you have property that is eligible for Tax Sale it is because they haven't paid property taxes in over a year and a half. Those amounts start adding up. You have a year and a half of taxes and often they are not taking care of the structures and they will get judgments and assessments put on. If those are unpaid, they become tax liens on the property. Neighborhood Code can even start putting on civil penalties. Civil penalties can be \$1,200. They are a tool that Neighborhood Code Enforcement has just recently been using and it is making a big difference because they are really excessive. When those start adding up, let's say that I own a \$100,000 home and I have neglected to pay the taxes or civil penalties and judgments and now I owe \$80,000. My property is going to the Tax Sale because I haven't paid it. The minimum bid, as law is right now, would be \$80,000. This would allow the Treasurer and the Auditor to offer the lesser bid of 75% of the property's gross assessed value. Since \$75,000 is less than the \$80,000, the minimum bid on the day of sale would be \$75,000.

Roy Buskirk: The important thing to remember is this is the minimum bid. If there is more value there, the bidders are going to bid it up. It is mostly liens that push them up and over. If it is a vacant lot and they mow it, I personally had an experience on a house that I had sold on contract, and I got a bill for \$110.

Tom Harris: From a mechanics standpoint, the day of the sale or the moment of the sale, how does that play out? Is there discussion the morning of the sale?

Tera Klutz: No. If you would pass this today, we would immediately identify those properties that are eligible. We would comb through them to see what the current assessed value is. There will be intricacies that we will have to work out. Does the government own it and it has zero assessed value but there is really assessed value there? Sometimes not-for-profit still has to pay drain bills. If drain bills add up to more than \$25, it can put them into the Tax Sale. The Assessor may not have assessed that property because they don't pay taxes. We will have to work some of those things out. We will know before the day of the sale. The sale is very interesting because up until that property is actually sold, it could be redeemed by anybody for the actual minimum bid.

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Roy Buskirk: If you buy it at the Tax Sale, you are buying a lien against it. You don't get the property for a year.

Darren Vogt: They have a year to redeem it.

Larry Brown: Is someone ready to make a motion?

Darren Vogt: I will. Move for approval of Ordinance number 2012-08-16-02 establishing an alternative minimum bid for real property sold at a Tax Sale.

Roy Buskirk: Second.

Larry Brown: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Moss absent). Tera, is there anything else from your desk to come before Council?

Tera Klutz: No.

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 August 16, 2012.

Tom Harris: Second.

Larry Brown: All in favor please signify by saying aye. The motion passes 6-0-1 (Moss absent).

Darren Vogt: Move to adjourn.

Bob Armstrong: Second.

Larry Brown: All in favor please signify by saying aye. Opposed like sign. The motion carries 6-0-1 (Moss absent). There being no further business the meeting was adjourned at 9:52.