

ALLEN COUNTY COUNCIL MEETING MINUTES
SEPTEMBER 18, 2013
8:30 AM

The Allen County Council met on Thursday, September 18, 2013 at 8:30 am in the Discussion Room at Citizens Square. The purpose of the meeting was for Non-Binding Budget Review of Tax Units.

Attending: Robert A. Armstrong, Larry L. Brown, William E. Brown, Roy A. Buskirk, Tom A. Harris, Kevin M. Howell and Darren E. Vogt.

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

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

Darren Vogt: Today, we are here to do our non-binding budget review. We have all of the taxing units and there are three that will come before us, the Library, Wayne Township and Grabill. With that, I will open it up for Nick to give us an overview.

Nick Jordan: Good morning, Council. Just to follow up with what Darren said, the Library, Wayne Township and Grabill are voluntarily coming before you. They are not required to because they are subject to the non-binding review. On the second page of the electronic document, and on the page that I gave you this morning, there is an overview of what we are doing. To go through it again, I am going to read it "In an effort to provide more transparency to the overall financial impact to taxpayers of overlapping tax jurisdictions, I.C. 6-1.1-17-3.5 provides that County Council shall perform a non-binding review of all civil units' budgets within the County that have a majority of elected members on their governing board. Additionally, County Council shall perform a non-binding review on the budget of a public library that does not exceed the assessed value growth quotient." The Library does not anticipate that and that is why they are under the non-binding review this year. As you can see under the first bullet, "Civil tax units must submit their proposed tax rate, proposed tax levy and proposed budget for the upcoming budget year. Schools corporations are not required to submit their proposed budget, only proposed tax rate and levy." The schools have submitted their budgets, as you will see in the documents. "These items must be filed before September 2nd of a year. County Council must review and issue non-binding recommendations regarding taxing unit's proposed or estimated tax rate or tax levy or proposed budget before October 2nd of a year. County Council is not required to provide a recommendation to School Corporations. The recommendation must include comparisons to Statewide and County six-year average increase in non-farm personal income and comparisons to increases in budgets/tax levies of other units within the County." Throughout the rest of the document, what you are going to see if you flip to the next page, this is the County Council worksheet as prescribed by the DLGF. Up in the left-hand corner you will see the State Growth Quotient and the County Growth Quotient. For 2012 pay 2013 it was

ALLEN COUNTY COUNCIL MEETING MINUTES

2.8 and 2.2 percent. For 2013 pay 2014 it is 2.6 and 2.5 percent. In the upper right-hand corner, you will see each fund of the respective unit. There is also the 2012 pay 2013 assessed value and the 2013 pay 2014 net assessed value and the change from one year to the next. Also on the left-hand side of the page below the State Growth and County Growth Quotients, you are going to see the County Average Total Proposed Budget Increase Percentage and the County Average Total Proposed Levy Increase Percentage. In compiling those, I tried to just use funds that were on the DLGF budget order however even in doing that, you are going to see that a lot of the units used their advertised figures. Therefore, they are greatly skewed if one unit budget is very high. For example, if you look at Grabill's, they have increased their MVH by 300%. So when I factor that in, it skews the rest of the figures. Just taking that into context, that is part of the reason that the 10.46 percentage is higher because of the outliers use the advertised instead of the adopted budget figures. In the middle of the section you will see, depending on the unit, some are just the DLGF budget order funds and others have put all the funds that they have. You will see the proposed budget and the proposed levy and the proposed tax rate and also the 2013 certified budget figures. Directly below that is the County Council review question box. That has the three questions that you asked in the letter. I put the answer for each individual unit and if they did not respond, I noted that. If they elaborated on their answers and I could not fit it into the box, I put "Please see attached" and it should be on the next page after the review form for that unit. That is the high level overview but we can go into detail of units as you would like. I would like to mention that in years past, County Council has asked Washington Township to lower the Board Members' salaries and their budget has a lower figure this year around \$2,500 per member. If I recollect, that is in line with other Townships.

Darren Vogt: Persistence pays off. Go ahead, Tera.

Tera Klutz: Nick, in the overview that you just gave us and the fact that the new items on the form are the County Average Total Proposed Increase of 10.46% and the Average Total Levy Increase, how do you propose that Council use those when they evaluate other units or do you think that they should not?

Nick Jordan: I don't think that they should be used even though the statute says that you should make a comparison to them. I don't know how you could especially to the extent that they can pick and choose funds to remove. For instance, Adams Township has a fund that they left on here that they are not going to receive money for. That is an example of one that should be pulled out. At the end of the day, I don't think it is a good figure to make a comparison to even though the way that the statute reads that we need to.

Tera Klutz: I would tend to concur with you and the statute is vague because it talks about budget. Allen County's budget is technically \$160 million. It doesn't differentiate between property tax funds and other funds. That is the trouble that Nick has when he is going into and calculating these numbers. Other units may include those other funds in their budgets and the ones that the DLGF has to approve. The bottom line is, to stay in line with reviewing budgets and comparing them, I think you will want to pay attention to the units individually and to the County-wide Growth Average and levy. That is the

ALLEN COUNTY COUNCIL MEETING MINUTES

actual property tax increase. Budgets can increase and decrease depending on cash balances. They may have cash balances over the last four years to buy a new fire truck and so now their budget is four times what it was last year but the tax increase will stay flat. I want to thank Nick and I think he did a good job putting all of this information onto one page. It is a lot of information but it is a requirement that if we do not do this, we will not get our budget approved at the increased growth factor. We would revert back to a flat levy. The 2013 levy would automatically become our 2014 levy if we do not go through this process.

Darren Vogt: The question that I have really is how do we address this with the State and the Legislation or is it worth addressing with the State and Legislation? As I look at it, what we have is really incomplete information, or maybe not incomplete, but isn't the whole picture.

Tera Klutz: It is a double-edged sword. The Legislators and all of the County Officials, I am on the AIC Legislative Committee this year, and it is one of our struggles. We do think that though this is a lot of work, no Council is taking the time to go line item by line item even on the ones tomorrow that we will be hearing for the binding review. It is very hard because doing our own is hard but doing this non-binding takes a lot of time. As Nick alluded to, Washington Township took the recommendation that we have been making for three years. It is not all useless. There is some usefulness in having a body review the budgets. There is still talk about eventually going to a full binding review for all of these units. I think that would be a really hard thing to do because everybody else has separately elected officials overseeing those budgets. The talk is still there and that is why this is not going away.

Darren Vogt: I just want to make sure that the process is refined so that ...

Tera Klutz: I think they are still working on the process. There was legislation put in last year to allow the DLGF to select three pilot Counties. We were not one of the ones selected but I think Vanderburgh was selected and they are going to take all of the information to try to make sure that we have a model that works and the information that we need.

Darren Vogt: Council, are there any other questions? If not, it looks like we have about fifteen minutes before the Library is scheduled to be here. We could take a look at the other units that are not attending. I hope all of you did your homework. Nick, I will ask this question, when you prepared this were there any that appeared to be out of the pattern and that we should really look at?

Nick Jordan: It is hard to say because some of these are advertised figures.

Darren Vogt: Let me rephrase that question to you. There weren't any that were going to go over the growth quotient of 2.6 or 2.5?

Nick Jordan: You will look at a lot of these and see that a lot of them are over the 2.6.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tera Klutz: Did you ask the question on the form?

Darren Vogt: Yes, the response on the form. I don't recall anybody saying yes on question one. I want to make sure that I didn't miss it. Do you recall any of them saying yes?

Nick Jordan: Not legitimately. I am thinking of the schools. The schools have some outlying circumstances that may allow them to go over the growth quotient and they alluded to that in some of their letters, but nothing aside from the schools that I can recall.

Darren Vogt: Yes, the schools may have some referendums at some point. Council, are there any questions? Are there any questions on the taxing units? Councilman Harris.

Tom Harris: I understand that Grabill will be in at 9:30 but I am trying to understand. They look like they are adding over \$1 million to Highway?

Tera Klutz: I want to point out that the City of Fort Wayne is definitely one of those anomalies that are going well beyond the 2.6% increase because they are going for their entire banked levy. That would be one item to note.

Tom Harris: Are there any thoughts on Grabill?

Nick Jordan: No, since they were coming I thought we could ask that question.

Tom Harris: They went from \$755,000.

Nick Jordan: It is because of MVH and we are supposed to get more but I wasn't aware to the extent.

Tom Harris: They are going from \$755,000 to \$2 million. That seemed to be a pretty good jump. They have \$1.3 million listed under Motor Vehicle Highway. That could potentially be an error?

Nick Jordan: I don't know if it is an error or a high budget estimate. We can ask them how they arrived at that figure.

Darren Vogt: With that, let's turn to the City of Fort Wayne. They are not coming before us. Here is what we worded in 2013, "Allen County Council recommends that units use existing cash balances where possible and stay within the Average Growth Quotient of 2.5.

Nick Jordan: 2.6.

Tera Klutz: The County is 2.5 and the State is 2.6.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: The average for Allen County is 2.5 for any levy increase. That is what we used in 2013. Let's take a look at the City of Fort Wayne. There are tabs within your book if you tap the corner.

Nick Jordan: In the lower right-hand corner if you are in Adobe Reader.

Roy Buskirk: Has it been like that before where the State is different from the County?

Nick Jordan: Tap in the lower right-hand corner.

Tera Klutz: What is?

Darren Vogt: Where the State is different from the County on the Growth Quotient.

Tera Klutz: Let me clarify that the Statewide one is what all of the Counties are on. Everybody has the 2.6. Nobody is held to the 2.5 and is just on there for your information.

Darren Vogt: Okay, so 2.6 is the number.

Nick Jordan: Some Counties could have four or five percent growth quotient depending on their individual County.

Roy Buskirk: Right. Economic growth within that County, I guess. In essence, they are penalized to the 2.6 even though they have been four?

Nick Jordan: I think you can make an appeal based on the actual growth of your unit. There is a levy appeal but off the top of my head I do not recall what needs to be met in order to satisfy that appeal. If you had growth above and beyond the Statewide there is a formula that they use to see if you qualify for that.

Roy Buskirk: Thank you, Nick. That is enough information that you don't need to research any further, on my behalf.

Nick Jordan: If you do want any of the units to give more detailed information, I can pull their Form 1 and 4B. With the exception of Fort Wayne, who did not enter their Form 4B information, I can get cash balances and everything.

Darren Vogt: I did notice that it was interesting that the City of Fort Wayne has taken their banked levy. Do we know how much the banked levy is?

Nick Jordan: If I recall, I think it was around \$6 million.

Darren Vogt: That is what I was going to say. The Rainy Day Fund will have a zero balance. Interesting.

ALLEN COUNTY COUNCIL MEETING MINUTES

Roy Buskirk: And they are paying for sidewalks.

Tom Harris: They have also stated that they are not sure about employee raises.

Becky Butler: The paper said 1.9%?

Nick Jordan: You will see that with a few units. They might have said yes but aren't sure of the dollar amount or the rate.

Darren Vogt: So what is the pleasure of Council when it comes to the additional tax units? Does anybody want to venture to individual motions or as a group?

Tera Klutz: I think, and correct me if I am wrong, the only unit that we made specific recommendations to was Washington Township and they complied this year.

Darren Vogt: You can make for all but these three because they are coming before us.

Larry Brown: I would like to make a motion that Council's 2014 recommendation be as follows; County Council recommends that units use existing cash balances where possible and to stay within the average growth quotient of 2.6% for any levy increase. The exception would be the three units coming before us here shortly and will be handled individually or as a group.

Roy Buskirk: Do you want to name them?

Larry Brown: The ones that are coming before us are the Allen County Library, Wayne Township and Grabill.

Roy Buskirk: I will second the motion.

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

Tom Harris: These are non-binding approvals, is that correct?

Darren Vogt: That is correct.

Tom Harris: Even though we have said that, they do not have to follow what we state, is that true?

Larry Brown: It is just a recommendation.

Darren Vogt: And that recommendation, as Tera pointed out, for at least three years we recommended that Washington Township do something different with their Advisory Board and they did that. I don't know if we can take credit for that or not but at least someone was pointing it out.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tera Klutz: I think you can for pointing it out year after year.

Darren Vogt: I guess that is one benefit that this process has in a non-binding review. Is there any further discussion? **Not hearing any, all in favor signify by saying aye, opposed, same sign. The motion passes 7-0.** With that, we have the Library, Wayne Township and Grabill. None of them are here, at this particular point in time.

Tera Klutz: While we are waiting on the Library, I know that Nick went around and helped some of you this morning but I wanted to double check if anyone needs some help. There are three different packets for tomorrow's meeting. Do any of you need any help getting those on your iPads?

Nick Jordan: Kevin needs the rest of them.

Darren Vogt: They are on the website.

Tera Klutz: We can help you load them now and that way tomorrow, when you come...

Darren Vogt: You will be ready to go.

Tera Klutz: The current format is we have the regular meeting in the morning and have the binding review for the Airport, Southwest Fire District and Solid Waste. Then we would go to lunch and come back and do our own departmental hearings.

Bill Brown: As I mentioned earlier, and so that everyone else knows, the Board meeting for the DID changed from Tuesday to Thursday due to the Chair being out of town. I will have to be gone from about 10:00 until 1:00. Sorry about that.

Darren Vogt: The good news is that if you are back around 1:00 that is the time that our County stuff will start. That will work out relatively well. We are ready for you so please come to the table.

Jeff Krull: I am Jeff Krull, Director of the Library.

Dave Sedestrom: Dave Sedestrom, Chief Financial Officer of the Library.

Darren Vogt: The floor is yours, gentlemen.

Jeff Krull: Here we are again. We have developed, as we have in the past years, the official budget which maximizes our levy. Of course we have the working budget where we strive to keep our expenses in line with our actual revenues. As we know, the actual revenues are affected by the property tax caps and so forth. I would say that there is really not much remarkable in the numbers. We are trying to do as much as we can with the resources that we have. Some of the issues that we are dealing with would be E-books. We are in a position where we have had to take our book budget, which in the past years

ALLEN COUNTY COUNCIL MEETING MINUTES

was spent on books, and use that to buy a whole variety of media. We buy CD's and DVD's and audible books and now E-books because people are asking for those. All libraries have had some problems with publishers on the E-books. They have been reluctant or a little bit nervous about providing E-books to libraries to lend out to people. The position of libraries is that this really doesn't threaten sales but the publishers are not quite so sure. Different publishers have had different approaches to this. One of the publishers charges us \$85 for every E-book. We can lend that E-book out but we pay a lot more for it than we pay for the physical book. We can really buy as many copies of the E-books as we might like. The model for E-book lending is one user per copy. That is fine with us and the publishers are comfortable with that. Because of the pricing, we are not able to buy and loan as many of those as we would like. Other publishers have a different approach. One publisher, I think it is Harper Collins, will sort of license us an E-book but they limit the number of loans to twenty-six loans and then we have to buy another copy. It is all this kind of thing. E-books are not a huge part of our usage, at this point, but it is growing. This is something that we are sort of struggling with but there is still a tremendous demand for traditional physical books as well. As always, libraries tend to be trying to serve the traditional users and at the same time adapt and evolve so that we don't become obsolete. That is one of the overriding challenges that we have and we are certainly not alone in that. When we look at our budget and how we are going to spend the dollars, those are big issues for us. Other things that we spend a lot of time thinking about, looking at and reviewing are our capital needs, repairs and upgrades and this type of thing. We have a ten-year or more capital plan but there are things on there that probably aren't going to get done because when you look at the bottom line, the number is bigger than what we have available. In the last several years, our senior staff group regularly looks at some pretty minute issues. Are we going to repair that mirror or are we going to buy this new thing over here? We have managed to deal with it but I think the concern there, like all entities, think of our facilities as new but they are aging. Some of our new branches are ten years old now. We are now getting into traditional needs of replacing roofs and HVAC systems. I didn't mean to catalog all of our problems but those are some of the main budgetary issues that we reflect on as we go through the process.

Darren Vogt: Let me ask you this. You opened it up on the capital, how do you plan on dealing with that? If you have a list of capital projects that we are planning on doing and need to get done and yet there are no funds available. There is some point where the rubber is going to have to meet the road where the AC is going to need to be fixed or whatever the case may be. How do you plan on dealing with that? What is your senior leadership doing on that?

Jeff Krull: We have, over the past twenty years, accumulated some cash balance. We have a library improvement reserve fund and we have unappropriated assets in the General Fund. We kind of like to keep that for our operating balance to avoid short-term borrowing and so forth. It is not an eminent crisis but long-term is a challenge. Bonding is going to be more difficult, of course, and we would rather not do that anyway. We are trying to find ways of being more efficient. We replaced a relatively new HVAC system at our Woodburn branch. I don't know that we replaced but added an economizer that

ALLEN COUNTY COUNCIL MEETING MINUTES

makes the use of outside air an integral part of the cooling system. That is saving us some operating funds. If you save something on the operating side, the money is potentially available for capital projects down the road. We are not in a crisis by any means.

Darren Vogt: Do you do anything with your unspent funds? I assume that you have unspent funds every year. Do you put a percentage of those aside for those types of capital projects?

Jeff Krull: We have done that for many years but in the last few years we haven't done much of that because the outgoing is about equal to the income and that expenditure does include about \$1.2 million that we have spent for capital things over the last three or four years. It is not that we are not doing anything. The essential things are getting done. There is a mirror in one of the public restrooms at the main Library that has some black stuff and it looks cruddy. Every time I go in there I would like to fix that but then we talk about it and how high of a priority is that going to be when you have other things to do? Sooner or later I would hope that we would do it because it is driving me nuts.

Tom Harris: As far as that long-term planning, how far out do you look?

Dave Sedestrom: Twenty years.

Jeff Krull: But the farther out you go, the less precise it is.

Tom Harris: It is fascinating, as a published author, getting into the E-book process. That whole industry is just moving and there are all kinds of controversy and arguments going on with publishers. Could there be a day where we would start shrinking bricks and mortar because everything is electronic.

Jeff Krull: That is a good point. It is something that we talk about a lot. We keep giving people more and more reasons not to come to the physical libraries. Not that we want to do that but that is the trend. Why do people come to physical libraries? Some of our branches, we had a discussion about this two years ago, we said E-books, databases and digitized text, are people still going to come? One of the Branch Manager's is where the circulation of books has not been that high. It is a socio-economic correlation. She said that they hadn't really been checking out a huge number of books for a long time and yet we are busy. The door counts are holding up or even increasing. What are they doing? They bring the kids, for sure and that is a huge clientele for us. More and more we focus on that and try to help parents and caregivers to help the kids be ready to learn to become readers. Kids come after school. Public access computers are huge usage there. We still have this digital divide that we have heard about for so long and you would think that it would start to close and maybe there are some trends in that direction. There are still an awful lot of people who do not have access to technology and that is the only way that they can do some things in their life. The only way you can apply for a job and the only way you can apply for certain government benefits. It is the only way they can write a resume. Our branch staff tells us that it is amazing how many people come in who don't have rudimentary skills. They have to be shown how to use a mouse or that kind of thing.

ALLEN COUNTY COUNCIL MEETING MINUTES

That demand is going to stay. We've got community rooms that are heavily used. I went to a Knight Foundation conference in February and it was for libraries. Knight Foundation is pretty interested in libraries. They sold all of their newspapers and now they are sort of a big think tank and offer grants and things. They are in the information and knowledge business. That is what they were always in and that is why they have an affinity for libraries. At one of the sessions, this kind of thing came up for discussion. A Library Director from Columbus, Ohio said that they had done some type of a survey of some of their users. They asked them to think of all of the words that came to mind when they thought of "library". They then did a display with the words. The word that got the most hits was the biggest so that graphically you could see which word was dominating. They told them to do that thinking about today. Then they said to think about ten years from now. On the current display, the biggest word up there was books. Ten years out, books was still a big word but the biggest word was community. That is revealing but not too surprising. When we think about what libraries are all about, I think libraries have done a pretty decent job over the years evolving and reinventing themselves. We think not about our brand being books but a brand as learning. We want to be a place where you learn things. You learn things by reading books and you learn things by using computers. You learn things from other people. Beyond that, you have heard about the Maker Movement. We are kind of dabbling into that with our partnership with Tech Venture. Libraries have had this image or metaphor of a supermarket. You have all kinds of stuff. You have books and periodicals, databases and picture books, CD's and DVD's and so forth. So, we are a supermarket but what if we also provided some aspects of being a kitchen. You use the stuff to create things. That is where the Maker idea comes in. We have always provided the public with things that they couldn't afford on their own. You couldn't afford the Allen County Public Library book collection. We take your tax dollars and we put together a resource that everybody can use. We don't care who you are, where you came from, how much money you have or anything like that. You walk through the door and you have access to it. The sky is the limit and you can learn as much as you want. Now we are saying that maybe there are other things we could provide like that but with a little bit of departure. That is why the Tech Venture thing. We are saying that here is a new technology. An example is 3-D printing. People have heard about it or maybe they haven't heard about it. We can expose them to it and beyond that, we can give them access to it and it doesn't cost that much for us while it is prohibitive for an individual. In a couple of our locations, we are developing spaces where people can come in and we will show you how to use a 3-D printer. You can create something using software and we provide the software and you can make it. We are talking about sewing machines. We had somebody at the Georgetown Branch and they were asking the Branch Manager if they could learn how to sew. I was thinking, why not! Offer a couple of sewing machines and people can use their creativity. We are not going to have a production facility but you learn how to do it. We are doing the same kind of thing with computers relating to media. We call it the Digital Media Lab. Kids come in with their instruments, they can do live music and we provide access to all of this high-end professional level software that they couldn't get on their own. They can exercise their creativity and learn from each other. You see that is what starts to happen. Some of the kids hang back and then they start to see that the kids will share knowledge with each

ALLEN COUNTY COUNCIL MEETING MINUTES

other. They can do music or video and edit that stuff. Those are new roles that we are exploring. All of this is rolled up in the notion that libraries are a place to learn things.

Tom Harris: I think that is healthy and I applaud you for that. That paradigm shift is happening and you are probably in the middle of it. Without some kind of change, we are probably a generation away from people perceiving the library as something different. I was at a Google seminar and their idea on everything from education to libraries, everything is changing. You can sit in your front room and explore the world and you don't have to move. The paradigm can be exciting or it can freak everybody out. I applaud you and stay ahead of that curve as best you can because I think it is upon us. We are watching a little bit of that with the Coliseum and they have worked to stay right at the cutting edge of their field and I would challenge you to do the same in the Library world.

Jeff Krull: I think another thing that we have kind of gotten a head start on is the idea of local public libraries offering something that you can't get through the commoditized version of E-books everywhere and that would be locally specific resources, the work of local authors and a special collection like the genealogy center. I am sure that there is a lot of genealogy data out there but you can't find anywhere else where you can come and have access to not only some unique things that aren't digitized but also the human factor. The librarians that we have are vastly experienced. That is why this conference that we had a few weeks ago, the Genealogical Society loves to come here. We extend the hours and are open to midnight. They just swarm into the place. Even experienced genealogists will set up appointments with our librarians to sit down for an hour and go over the stuff that they have done and get expert advice on how to get past this roadblock or find some sources that they may not be aware of.

Darren Vogt: Councilman Brown.

Bill Brown: I know we are getting short on time but being on the Board and understanding the unique scenarios that the library does, I am familiar with Tech Venture and the concept of making movement and manufacturing. One might think that a sewing machine at the library or a 3-D printer, when you expand that to our clusters of manufacturing and fashion which is a huge cluster that is developing here, if someone has a fashion idea and want to put it together but don't have the resources that can explode into multimillion dollar businesses. At the Maker Faire last weekend, seeing them take a 3-D printer and create something from a model and then making a mold can take five or six hours but making the mold can take minutes.

Jeff Krull: I saw that too.

Bill Brown: There is an example. If someone could go into a manufacturing model simply by taking that printer, making the object and then making the mold, you know they are in business. While we also have to look at all kinds of energy costs or anywhere to save money through modernization, I applaud you.

ALLEN COUNTY COUNCIL MEETING MINUTES

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

Kevin Howell: I have a question. A comment on what you guys have been doing over the years, I am a teacher which is one of the three or four jobs I hold these days and I am in the classroom basically Monday through Friday all over northeast Indiana. For sure, for a lot of kids, it is a gathering place and they do read books. Also, home life or lack thereof, it is a respite from the day-to-day pressures of what is going on. They are learning something even though they may not know it. They are learning from their friends and neighbors and they are indeed reading books. They are working on the computers, of course. More importantly, as far as I am concerned, they are getting away for a couple of hours of a bad situation at home. Just keep doing what you are doing, working in the urban neighborhoods, teaching in the rural neighborhoods also that is the place for a lot of these kids.

Jeff Krull: That is a great point, Kevin. I remember back when we were promoting our project and explaining reasons why the community should invest in this and that was one of the points that we were trying to drive home. When you create an environment like that and provide a really attractive facility, you send a message to kids that our community believes in this and it is an important thing for you to have available to you. We spend a lot of hard-earned dollars to provide this to you and it is valuable.

Darren Vogt: Are there any further questions, Council? Gentlemen, we appreciate your time.

Jeff Krull: Thank you and we appreciate sharing some thoughts with you.

Darren Vogt: We will take these at the end, Council. I see our Wayne Township Trustee, Mr. Stevenson. Come on up. Introduce yourselves and then the floor is yours.

Rick Stevenson: I am Rick Stevenson, Wayne Township Trustee and with me today is Curtis Whitaker, CPA and Financial Advisor. I would like to say good morning to each one of you. Look how time has changed. I think I know everyone but Nick and am glad to meet you. I must say, before I get started, I remember a few years ago when a Township was not in the position to present a budget as we are today. It was this Council that came to our aid and I want you to know that it was a historical moment that Council aided Wayne Township and we were able to do some things. As a result of doing things and meeting with some of you one-on-one, your suggestions were not over our head in vain. You were right and there was no person or one party has any absolute guard against the truth. When I heard the truth, I was able to respond to it and we were able to do some things that brought us here today. I think if you look at it and you are probably looking to share with others how you do it, there were some policies and procedures that we changed. We changed some program evaluations and revisions and we also changed our eligibility standards. Those things allowed us, a few years ago we didn't know how it was going to be, to be able to measure them now and they have been beneficial for us. As a result, I will let you decide for yourselves how beneficial. Mr. Whitaker.

ALLEN COUNTY COUNCIL MEETING MINUTES

Curtis Whitaker: You should have the County Council review sheets in front of you. This year, the Trustee's Office is proposing from the budget perspective to reduce the budget by 1.55% and the levy by 9% for a \$277,000 decrease. The tax rate will change, as you know. We estimated 10% reduction in the assessed value but it probably won't go down that low. That number is anticipated to be lower than the 1.43% increase that is here. Most importantly, as the Trustee mentioned, he has been working at the Township to make the Township more efficient. It is an uncertain reality of business that the Township is in just because you don't understand when a person will have a need. The Township provides burial assistance and you never know when someone is going to pass away. If they don't have the resources available, the Township is there to assist individuals who may have fallen on hard times or may have lost a job or had some other catastrophic event occur in their life. The Township is there to assist them if they are eligible in their time of need. We are just happy to come before you, as the Trustee said, and present to you. We had the opportunity, over the years, to evaluate our budget process and we thank Auditor Klutz who has been very helpful in working with us in the past. We are just happy to come before you today just to say that we are reducing the burden on the taxpayers. Although \$271,000 doesn't sound like a lot, it is a lot for the amount of budget that we have. That is really why we are here today to let you know that and as the Trustee said, we appreciate the support that we have received from the Auditor's Office and the Council. The Trustee is going to do what he can to continue to be a good steward of the financial resources that he is provided. I will say that, over the years, his fiscal management and what he has done we have been able to go from seeking loans every year and emergency loans year after year. We had to seek TAW, Tax Anticipation Warrants, every year. The last several years we have not had to do either of those. We have saved interest to taxpayers by not going out for borrowing from the outside. The Trustee has been working and has rolled up his sleeves to ensure that the clients that come are treated in a fair and respectful way. We can't help everybody. There are guidelines in place that are statutorily driven and the Trustee abides by those statutes and guidelines. He works to not only provide the assistance that is needed for individuals but last year there were over 200 jobs that were obtained for individuals. They had come in seeking assistance and he was able to move them from dependence to independence. Those are the things that the Trustee has done and programs that he has implemented to try not just to give people a handout but also a hand up. He helps them to move to a different place in life. They may come to the Township and most times some of them don't even want to be there because they feel bad being in the situation that they are in. The staff has worked incredibly to try to assist people when they are in need. They try to let them know that this isn't the end for them and if they continue to work hard and do the things that they have been doing they won't always be in the place that they are. The Trustee just wanted to come and share some of the things that he has done. He mentioned policies and procedures and programs and those kinds of things. He didn't really want to dive down into the details because it would be all day. We just want to say thank you for hearing us and we would be happy to answer any questions you would have.

Darren Vogt: Councilman Harris.

Tom Harris: It appears, and please correct me if I am wrong here...

ALLEN COUNTY COUNCIL MEETING MINUTES

Tera Klutz: That is not theirs.

Tom Harris: Oh, never mind. I was looking at the wrong screens.

Darren Vogt: Councilman Buskirk.

Roy Buskirk: Is Wayne Township still participating in the Veteran Officer's expenses?

Rick Stevenson: No, we are not. That is one of the ways that we have been able to save roughly \$23,000 to \$24,000. This is the first year that we backed away from that.

Roy Buskirk: Okay, thank you.

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

Kevin Howell: Just a brief comment. I want to commend you on what you have been doing all of these years. A testament publicly that you are re-elected every four years and you are obviously getting a lot of things done there. In particular, the innovative programs for kids, families and single mothers. Wayne Township is the largest Township in Allen County, is that correct?

Rick Stevenson: Yes.

Kevin Howell: I am starting to see the results of the innovative programs that you have started and your willingness to help veterans out. We appreciate that a great deal. We want to make sure that the public knows what you have been doing.

Rick Stevenson: I appreciate that. With the absence of supplementing the Veterans Administration financially, it doesn't mean that we have forsaken the veterans in Wayne Township. We have stepped up even further. I would like to take this golden opportunity to say that the Township has also stepped up its efforts in education. It all came about from last year, and we will do it this year as well, and that is from our holiday party. We had a holiday party that was just off the hook. We hoped to have about 800 but we ended up with better than 2,000. We wanted to make the holiday a little better for those unfortunate people. We used no tax dollars. The community came out to us and we were able to give bicycles away and every five minutes we were giving gifts away. It was so successful that it dawned on the Trustee that we wanted to make a greater impact and this year and in 2014, we would be putting more emphasis on education. We realize that education is the civil rights issue of today. It is not a black or white thing, it is an educational thing. In 2013, we gave out two \$500 scholarships, from not taxpayer money but from money that we received from the community. We hope to do a bigger thing and maybe come up with 2,000 participants and instead of the holiday, have it be educational for 2014.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: Are there any further questions? Thank you. We appreciate your time. Now we are ready for Grabill.

Roy Buskirk: Are they out in the hallway?

Darren Vogt: Okay, we are going to give you some time here.

Nick Jordan: Do you want to wait for Wilmer? We can.

Darren Vogt: Is he on his way?

Paula Walker: He should be.

Nick Jordan: Does he know his way around this building?

Paula Walker: Yes.

Tera Klutz: Considering that Wayne Township dropped their budget and their levy, you may want to adopt as proposed. I am just going to throw that out there.

Darren Vogt: Does everyone understand that? Wayne Township dropped their levy and they reduced their budget and so we would want to do a separate recommendation for them. If someone wants to go ahead and make that motion that we would adopt their information as proposed. That is not going to be relevant. Councilman Harris, it looks like you have something in your head that you could make work.

Tom Harris: Motion to pass the recommended budget and levy of Wayne Township for the amount proposed as a result of dropping the levy and reducing their budget.

Bill Brown: Second.

Darren Vogt: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. We also need one for the Library.

Larry Brown: The Allen County Council recommends that the Library use existing cash balances where possible and stay within the Average Growth Quotient of 2.6% for any levy increase.

Roy Buskirk: Second.

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

Roy Buskirk: While we are waiting, that is a challenge for the Library with electronics and everything.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: What I don't get and I am not literate enough to know but if they download it, can they copy it and put it permanently onto something else? Is that the concern? I would think that it would be protected in a way that they couldn't happen but I don't know.

Bill Brown: I think the concern is way more ability to check them out. For example, if someone is going to buy an E-book and if they could go to the Library and just download it rather than buying it, there would be a concern that the book is just out there in the Library and you could have unlimited downloads.

Darren Vogt: Maybe that is my ignorance. If you downloaded it, someone else can't go and get it.

Bill Brown: I think that was the restriction.

Tera Klutz: They have just so many copies and you have to place a hold for your electronic copy if it is not available. I love it because you don't have to turn anything in. At three weeks, it comes out and you can never access it again.

Bill Brown: So it is not unlimited and that is good.

Tera Klutz: It is for a certain period of time.

Bill Brown: Just like a regular book.

Roy Buskirk: But you can check it out again, right?

Tera Klutz: Yes but if someone has a hold on it...

Roy Buskirk: Right, I understand that in case you didn't get quite through it and phoom, it went out of your iPad or whatever.

Tom Harris: I mean, think about it. This is an entire industry that is changing. Ultimately you won't need the shelving and the parking lot because you can sit at home and check out your book.

Tera Klutz: And you can leave your library card logged in so that you don't have to worry about it. There is no risk.

Roy Buskirk: They just have a certain number of E-books that they can do or otherwise they could send out thousands of them.

Larry Brown: The challenge that is going to be for that industry is that you have the traditional book reader and you have the Kindle or E-generation or whatever. I will share with you about my family. There are some really good readers in my family, I am not one

ALLEN COUNTY COUNCIL MEETING MINUTES

of them, and most of them are traditional and want the book on their lap and flip the page. They've all got Kindles and they have all done it and they still prefer flipping the pages.

Tom Harris: Even in our day, though, I am the same way actually. Even in our day, do we work with the desktop or the laptop? I would rather have a desktop and all of a sudden there is a laptop and over time, there will be laptops and a few desktops. Everyone will take them with them. I think in our day and our lifetime, we are going to continue to see that trend. School systems are moving to all of their books on here. That day will come when a new generation will be reading everything from an electronic device.

Darren Vogt: Kind of like the cell phone and the original bag phone.

Tom Harris: The bricks and mortar thing should begin to reduce in their strategies going forward.

Larry Brown: What is inside those bricks and mortars is going to change though. You are going to have a building full of servers.

Darren Vogt: It is interesting to see, as Councilman Buskirk has an iPad, electronics is trans-generational. In my daily operations, the girls in my office get concerned asking someone who is 85 years old if we can have their email address. They are okay with it because they get emails all the time. They are learning that this is how their family wants to keep us with them instead of writing a letter. I have clients in their 80's and 90's that use and know how to do it.

Larry Brown: You just said that it is their grandkids and great-grandkids that have drug them along. They want to stay connected.

Darren Vogt: They realize that it is a great tool and an easy way and nothing to be afraid of. It is definitely a good tool. Technology is not something to be afraid of, though it is intimidating at times.

Roy Buskirk: Can we talk about something else that will come up tomorrow?

Darren Vogt: Wait one second and see what she comes back with. Did you figure anything out?

Paula Walker: I don't see him.

Darren Vogt: Do you want to go ahead?

Paula Walker: Yes, we can.

Darren Vogt: Let's go ahead and roll. Can you please introduce yourself?

ALLEN COUNTY COUNCIL MEETING MINUTES

Paula Walker: I am Paula Walker from O.W. Krohn and Associates. I work with Cindy and she had another meeting today and couldn't be here. Going over the budget real quick, we tried to advertise high and we have tried to stay within the 2.5% to 2.6% increase. We reestablished our CUM CAP Development. That will give us a little money off of our working max. The town is great. I can see growth coming in. All of the houses are clean and the yards are well kept.

Tom Harris: I have a question on the Motor Vehicle Highway. It is going from \$300,000 to \$1.3 million. I just wanted to ask about that.

Paula Walker: It is a Second Street grant. They spend so much and get reimbursed for it and so we wanted to include that in our revenue.

Darren Vogt: What are you doing on Second Street? What is going on there?

Paula Walker: Sidewalks and street repair. I guess INDOT reimburses them. It is a State and Federal grant.

Darren Vogt: An 80/20 kind of thing.

Roy Buskirk: Yeah. Most of them are 80/20.

Paula Walker: And that is the case with them.

Darren Vogt: One comment that I find interesting is the answer to question three, "No raise for employees but Council has not decided for elected officials yet. "

Paula Walker: We allowed for an increase in salaries but Council has to approve that by ordinance.

Darren Vogt: Okay, so you did allow for it. Are there any further questions? Thank you, I appreciate your time. We need a motion for Grabill as they were not in the last one.

Roy Buskirk: So that is what throws off their percentages is the road project and the 80% reimbursement.

Darren Vogt: We don't know that it is 80%.

Roy Buskirk: More than likely.

Larry Brown: For 2013, the Allen County Council recommends that Grabill use existing cash balances where possible and stay within the Average Growth Quotient of 2.6% for any levy increase.

Bob Armstrong: Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

Darren Vogt: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Councilman Buskirk, you had a question?

Roy Buskirk: It's about budgets.

Larry Brown: Let's close this meeting out first.

Tera Klutz: Let's not close the meeting because then we can't meet and talk about other things. If you guys have some discussion, talk about it now.

Roy Buskirk: The Assessor has a request for a pay raise for the Deputy Assessor and it is already in the 2014 budget. If the pay raise or a portion of the pay raise is not approved, should her budget be reduced by that amount?

Darren Vogt: I think let's hold that. Go ahead Tera.

Tera Klutz: I think that is a great question. Two opportunities, one is she has already submitted a cut and you could just cut her further. Or, she could use that money in other places in her budget. It is going to be completely up to you guys.

Darren Vogt: I think it is a discussion for tomorrow.

Tera Klutz: We like that it is submitted with their budgets because it is a lot easier to take it back than to re-appropriate it in January.

Darren Vogt: Are there any further questions on today's actions?

Roy Buskirk: I just wanted to other Council members to know that this is something to consider.

Bill Brown: Move to adjourn.

Bob Armstrong: Second.

Darren Vogt : 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 9:45.