

**ALLEN COUNTY COUNCIL MEETING MINUTES**  
**AUGUST 21, 2014**  
**8:30 AM**

The Allen County Council met on Thursday, August 21, 2014 at 8:30 am in the Discussion Room at 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, William E. Brown, Tom A. Harris, Kevin M. Howell, and Darren E. Vogt. Roy A. Buskirk was absent.

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:** Councilman Buskirk is not feeling well this morning. He had an accident and is recovering from that. I have seen him and he is doing okay but this morning he wasn't doing too well. He is at home so keep him in your thoughts and prayers. First on the agenda is the approval of the July 16<sup>th</sup> and 17<sup>th</sup> meeting minutes. Are there any additions or corrections?

**Tom Harris:** Move to approve the minutes from July 16 and 17.

**Bob Armstrong:** Second.

**Darren Vogt:** All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). I will remind you before Larry comes out to remind you to speak into the microphones today so that we can have our voices heard. With that, the financial report.

**Tera Klutz:** Good morning, Council. Through the end of July, our revenue and expenses are on target. I don't see any significant fluctuations that would require any action from you. I do want the opportunity later, during discussion, to give you a budget update. With that I will answer any questions.

**Darren Vogt:** Are there any questions on the financial report?

**Tom Harris:** I will make a motion to approve the financial report.

**Larry Brown:** 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 6-0-1 (Buskirk absent). Nick, can you highlight our unemployment rate, please.

**Nick Jordan:** Good morning, Council. On the agenda you see May and June. July's rates came out on Monday and so I am going to update those. In June, Allen County was 5.7%. In July it was 6.1%. Indiana went from 6.1% in June to 5.8% in July. The national went from 6.3% in June to 6.5% in July.

**Darren Vogt:** Okay, that is a negative trend in reality. When you look at it from month to month, you are going to see fluctuations. Are there any questions for Nick on that? With that today we have a total appropriations request in the General Fund of \$27,056 and in Other Funds of \$362,124. Up first, we have Economic Development and the Redevelopment Commission 2013 Tax Increment Financing (TIF) report.

**Scott Harrold:** Scott Harrold, Department of Planning Services, here on behalf of the Redevelopment Commission. Every year, it seems that the State Legislature decides that we need to have some new reporting requirements and I guess this is another time. That is not necessarily a bad thing. It is a good thing to make sure that everyone is aware of what the Commission is doing. The Commission typically covers most of this information in the annual report. I believe you get a copy but if you don't, you are welcome to one. Basically, the newest requirement is to report the revenue, expenditures and balances for each fund as well as the outstanding obligations. If you look at the worksheet, there are quite a few funds that we provided you. The only actual bond issues are the General Motors ones and as you can see, there are multiple General Motors ones. That is the way that the bond ordinance is set up. There is one fund that the taxes come into and then you have separate ones for Reserve Funds and for making the principal and interest payments and that sort of thing. I would also note that if you would look at the Nestle I469/Bluffton Road, that was paid off at the end of last year. That is a few years early. We had enough funds in the account to do that and save a little bit of interest. The rest of the obligations are either to repay the Commissioners or the Highway Department for roadwork or other infrastructure or waterlines or that sort of thing that are done for projects or to make land more developable. There are also a few cases where there was incentive to a company that we would pay for a certain thing such as onsite infrastructure. One thing you don't see here is the Coverdale which is Franklin Electric because that fund didn't exist last year. We can discuss that more on the next one. That was another case where it was sort of where TIF will be used as an incentive for the company. In that case, it is to help pay for their bond payments on the new building. I am not going to go through this in detail but if you have questions on a particular item, I will answer them.

**Darren Vogt:** Scott, one of the things that I think might help is in the column where you have Maturity Date of the Bond/Loan, something that might be helpful there is to note whether it is a bond or just a repayment to a different fund or something.

**Scott Harrold:** Right.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** When you read it, you might look past it and think it is a bond and in reality it is just paying out other funds.

**Scott Harrold:** Another thing is with the intergovernmental loans. We do a formal loan agreement with the Commissioners to make it all formal. Usually there is an amortization schedule attached to it but that is more of a guesstimate. They don't really have a maturity date.

**Darren Vogt:** Can you explain why there is a guesstimate?

**Scott Harrold:** Mainly it is because we don't know for sure how much revenue is going to come in and when it is going to start coming in. It depends on when the building is completed and when it is assessed.

**Darren Vogt:** Can you explain how the revenue comes in? I am trying to make it so those folks around us understand it.

**Scott Harrold:** It is basically tax increment filing and are property taxes that are redirected to the Redevelopment Commission instead of going to schools and townships and that sort of thing. It is a method of financing one of the tools that we have for financing infrastructure and that sort of thing.

**Tera Klutz:** Maybe explain the increment.

**Scott Harrold:** It is not taking anything away that previously existed but is the additional taxes generated from a new construction or that sort of thing.

**Darren Vogt:** Right, exactly. Once they are used up and the debt is paid, they go away.

**Scott Harrold:** Right. Another new State law says that you can't stockpile money without the approval of the legislative body. You can't collect revenue in excess of 200% of what you owe the next year.

**Darren Vogt:** Of what you owe the following year, right?

**Scott Harrold:** Right.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** Scott, you mentioned that there is one that is not on here and should be.

**Scott Harrold:** Franklin Electric.

**Tom Harris:** It is not that it should be it is just not on here because of the year. Are there others that are not on this or is this the total list? What comes to mind for me is the Maplecrest Road. Is Maplecrest a TIF?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Scott Harrold:** This is only the ones that we have set up a fund and are collecting actual increment. Adams Center and a few others like that don't actually have an allocation area. It is an economic development area and it is confusing because under State law we designate an economic development area which can be a broader area. Within that is an allocation area where you collect taxes from. In other parts of the statute, they refer to TIF Districts and you don't know if they are referring to the EDA or the allocation area. I think they generally refer to the allocation area. For the reporting, they just wanted reports on the funds that are under the control of the Commission. For ones where we have never set up allocation areas, we have never collected money and we didn't set up a fund for it.

**Tom Harris:** And that is because it is through someone else, isn't it?

**Scott Harrold:** No it is because we don't collect any money.

**Darren Vogt:** There is no money coming in.

**Tom Harris:** Oh, I see, okay.

**Scott Harrold:** There are a few cases like that where we hope to eventually collect. Every year, we try to take a look at whether there is something out there that we can get rid of and doesn't need to be on the books anymore.

**Darren Vogt:** Are there any further comments or questions, Council? Do we need something official here?

**Scott Harrold:** No, this is just giving you some information.

**Darren Vogt:** Okay, wasn't sure. The next is an appropriation in 843 Coverdale TIF Fund.

**Scott Harrold:** I don't think we established this fund last year unless it was late in the year. We didn't expect to collect tax increment. They got a partial assessment about a day or two before we submitted our budget and I didn't see that. Basically we have an agreement with Franklin Electric that any tax increment generated from their new building is collected and sent to the escrow account that is set up to pay the bond payments. It is not going to pay for the whole payment but it is a little bit that helps. It was something that they wanted when they were looking to move their headquarters to here or perhaps somewhere else. Basically we just turn over anything we collect. This \$101,224 is what we are due to collect from that district this year.

**Darren Vogt:** In 2014.

**Scott Harrold:** Right.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** Then it will move onto the list for 2015.

**Scott Harrold:** Yeah. I did submit a budget for it this year.

**Darren Vogt:** Does everyone understand that?

**Tom Harris:** Just for the record, what is the total bond?

**Scott Harrold:** I don't know but the building was around \$30 million.

**Darren Vogt:** Are there any other questions on that, Council? We do need a motion to approve.

**Tom Harris:** I will make a motion to approve the debt service appropriation for \$101,224.

**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 6-0-1 (Buskirk absent).** With that we have the Election Board. I think Tera is going to handle that one.

**Tera Klutz:** The Election Board was approached by the Secretary of State letting them know that they still had money available so if they had expended any money for accessibility for the polling sites, making it easier to access or signage, they could be reimbursed for that. They have gone through all of their expenses and found about \$400 worth. They would like permission to apply for the grant so that they can be reimbursed.

**Bill Brown:** I spoke to Amy about it and bringing money back to Allen County without strings attached is a good thing. She assured me that was the case. I would like to make a motion to approve the request for the Election Board to apply for the HAVA Grant from the Secretary of State.

**Tom Harris:** Second.

**Darren Vogt:** **We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent).** With that we are onto the Commissioners. They are requesting an amended salary ordinance for Extra Deputy Hire and a transfer from the Attorney line to the Contractual line.

**Chris Cloud:** Chris Cloud, Executive Assistant to the Commissioners.

**Dawn Rose:** Dawn Rose, Controller for the Board of Commissioners.

**Chris Cloud:** Both items are related to a common occurrence that is happening in County government, State government and Town government with the PERF changeover. It is

## ALLEN COUNTY COUNCIL MEETING MINUTES

striking fear in the soon-to-be retirees. I shouldn't say fear but there are people taking advantage that the change has been made and maybe they were around the fence but now deciding to retire. George Jarboe, our outstanding Veterans Service Officer, is retiring at the end of this month after 19 years with the County. Given the level of expertise that he has and the amount of knowledge that he brings, we want to be able to bring him back one or two days a week as the new person comes on. He will help to get him up and running. Our old salary range went up to something like \$16 and was for the Security Guards that we have. That is about a 50% cut from what Bo was earning and we didn't think that was fair. I think what we are doing with Bo is somewhere around \$19 an hour. We didn't want to have to come back again if we ever did something in the future. We took guidance from other departments. A number of them have large ranges just to prevent coming back one time if they have a person for a while. We felt that the \$25 was in line with what some other people had done. There are about eight departments that have that number and it seemed like a fair range.

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

**Tom Harris:** I will just mention that I was involved in him being hired all those years ago. He has gone on to win all kinds of State awards, national recognition and all kinds of things. He has done a tremendous job and I appreciate everything that he has done for the County and such. With that I will offer a motion to approve the consideration of a salary ordinance amending the pay for an employee within the budget of the Allen County Commissioners Office, 100-4001-411, Extra Deputy Hire, appropriation 11-03, moving the salary range from \$6 to \$16 to \$7.25 to \$25.

**Bill Brown:** Second.

**Darren Vogt:** Is there any further discussion?

**Bill Brown:** I want to second what Tom mentioned. Bo is a great example of a top shelf kind of employee of which we have many.

**Darren Vogt:** All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). Tera, will you make sure that is reflected in our budget going forward?

**Tera Klutz:** Absolutely. We will change the salary ordinance for part-time.

**Darren Vogt:** You also have a transfer.

**Chris Cloud:** One idea that we threw around in our office was in the future, moving our County Attorneys from the Commissioners' budget to contractual arrangements. With the ever increasing PERF percentage and raises, that increases the cost for our attorneys. While they do a great job, a contractual arrangement might make more sense going forward. What we have decided to do is as people roll off and new people come on, we make that change. John Feighner has been an Assistant County Attorney for 38 years and

## ALLEN COUNTY COUNCIL MEETING MINUTES

has kept us out of a lot of trouble with the Sheriff's Department. He understands that area of law very well and has been a great asset to the County. He is not retiring from law but wants to take a step back from the day-to-day Sheriff work. We are going to assign a contract, hopefully tomorrow, with Haller and Colvin. They will still represent the Sheriff's Department and John will be available for trial work which is where he is most beneficial to the County. The contract that we have proposed to them is \$35,000. With pay, PERF and benefits to John of \$53,000, we have a savings of \$18,000. I will also tell you that in next year's budget, County Attorney Fishing even though he is not retiring is moving to a contractual arrangement as well. It was sort of his idea and so he is taking the lead on doing that. That will leave two County Attorneys as employees and as they change, roll off or decide not to be County Attorneys anymore, we will move to contractual arrangements there.

**Bill Brown:** That sounds like a good move and I will make a motion to approve the transfer of \$12,000 from the Attorney line to the Contractual line.

**Kevin Howell:** Second.

**Darren Vogt:** We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent).

**Chris Cloud:** One final comment is that those who are on contractual will not be offered benefits and so there will be savings with people coming off our insurance plan.

**Darren Vogt:** Great, thank you. With that we are onto Human Resources with two transfers.

**Janette Jacquay:** My name is Janette Jacquay and I am the Human Resources Director. I am asking for a transfer of funds in two different requests. The first one is for \$450 to replace our refrigerator. We have been having temperature variations with it and it will not keep the 40 degree temperature. It has been going on for about six months. We have asked Maintenance to take it and look at it but can't get it quite right. I talked to an outside vendor to see if they could repair it but that is costly in itself. I have an employee that is expecting and she will be doing some pumping and will need the refrigerator to store milk. Not that we are required by law to do that but I think it is the right thing to do. Now is the time because I do have some money to transfer.

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

**Larry Brown:** Yes. Did you get an answer to my question? You remember that I emailed a question to you?

**Janette Jacquay:** Yes. Charity Murphy, the Attorney in my department, had commented that the liability is going to be similar to any other type of accident that happens within the County. Your issue was if there was spoiled or any type of issue with the refrigerator and if we had some type of liability because of the malfunction with an employee.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Larry Brown:** Correct.

**Janette Jacquay:** She implied that the liability is the same whether we have an employee that is hurt on the job and comes to us or an employee that is storing food in our refrigerator.

**Larry Brown:** I don't disagree with that analysis of that answer. My concern was are we creating another exposure and is it an unnecessary exposure of liability?

**Tom Harris:** You already have it, a refrigerator that you have had in the department for quite some time.

**Janette Jacquay:** We have always had one.

**Tom Harris:** The law does state that the employer is responsible for those kinds of things to make sure that they are safe. With that I will make a motion to approve the transfer of \$450 from HR Manager to Office/Computer Equipment.

**Kevin Howell:** Second.

**Darren Vogt:** We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 5-1(L Brown) -1 (Buskirk absent). You have another transfer?

**Janette Jacquay:** Yes. The second request is for \$1,100 and I would like to transfer that money in order to purchase dual monitors for the employees in the HR Department. As we continue to work with multiple systems and multiple programs, in looking at other County departments that have purchased dual monitors, it would help us to become more efficient. We work within the payroll system, the HTE system, we now have our HRIS system and of course we are in Excel and Word. We are helping citizens on the phone when they call in with application questions.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** These are coming from the HR Manager account, meaning that it is coming from a 100 Series and money that was set aside for salaries. Why is that money left over? Why is there money that is not being expended on salaries?

**Janette Jacquay:** That is a good question. Unfortunately I have had some turnover. Chris Cloud had alluded to retirements and I have had one employee retire also. This particular line, the employee was at an advanced step and he has transferred out to another County department. Another HR employee has transferred into that position and she is at a lower step. That is where the excess is.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Darren Vogt:** One of the questions that I would have is whether or not this is an expense that would come out of our capital line versus a transfer. It is six of one and half a dozen of another. It doesn't really matter to me either way. One of the questions I have is I don't know how anyone does their job without dual monitors. I assume you are working with Purchasing to figure out the best pricing.

**Janette Jacquay:** Yes, with Purchasing and IT.

**Darren Vogt:** Great. Council, are there any other questions on this?

**Bill Brown:** Move for approval of transferring \$1,100 from HR Manager to Office/Computer Equipment.

**Larry Brown:** Second.

**Darren Vogt:** We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). With that we are on ACJC. They are requesting appropriation out of our Capital line and into their Vehicle line and the JDAI grant fund.

**Judge Heath:** Judge Heath from the ACJC and David Korus our Budget Director. We are here to ask for another vehicle. We have had several bite the dust. The Maintenance Garage has red-lined a couple of them. If you have any questions about those vehicles, I have Steve Doster here. We use these vehicles for very specific purposes and use them a lot. As I have shared with many of you, we share the potential liability that we never really want and that is if a kid needs to get somewhere, we don't really want our Probation Officers using their personal vehicles. That is a liability nightmare. For those reasons, we need these vehicles. I should also add that enforcing court orders about curfew and transporting kids, our orders are meaningless if we don't have vehicles to get them accomplished. It is a bit of a public safety issue and a court enforcement issue.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** Is this due to a vehicle being wrecked?

**Judge Heath:** I think one was.

**David Korus:** If I could offer a brief summary. We have had a flurry of activity and I think this would help with everybody understanding. In our budget last year, we built in one vehicle for 2015 and it was going to replace a gold Jeep Cherokee that has been limping along. However, we have lost three vehicles this year. In the last snowstorm in April, we lost an Escape that was totaled in an accident. We lost our 2002 Cherokee that was red-lined by the garage. We recently had a 2002 Chevy Impala that was red-lined by the garage. We have lost three vehicles this year. We used our budgeted money to replace one of those vehicles. We were here in April and asked for an additional appropriation and thank you, we received that and replaced the second vehicle. We are here to replace

## ALLEN COUNTY COUNCIL MEETING MINUTES

the third vehicle. Please keep in mind that the gold Jeep Liberty that we originally intended to replace is still on the road. To provide some historical insight, prior to 2014 ACJC had not acquired a new vehicle since 2009. In light of this, it is not completely unexpected to hit such a rough patch.

**Tom Harris:** When you say red-lined, it was due to an accident though?

**David Korus:** No, the red-lines were mechanical issues. Internal engine issues, a bent piston on one of them.

**Darren Vogt:** If you look in our packet on page two at the bottom, it tells you that it had a broken valve spring and a bent valve inside the engine cylinder. That means you are not going to do anything with 116,000 miles and it is a 2002. Councilman Brown.

**Bill Brown:** There was a memo out, I believe, the Commissioners wanted to be involved with new vehicle purchases. I imagine that they are through Bob.

**Darren Vogt:** Have you worked with Bob and the Commissioners?

**David Korus:** We have been in close contact with Bob and have had some conversations with Nick on other alternatives. Even if we do receive this appropriation, we still have more needs in our fleet.

**Bill Brown:** I am assuming that means that the Commissioners have approved the purchase.

**Darren Vogt:** I am guessing. Bob is an employee of the Commissioners and that would go directly in line with what they would want.

**Bill Brown:** Very good.

**Darren Vogt:** Can you please check with them to make sure that is the line that they want to have? I am assuming it is. Are there any further questions on the appropriation?

**Bill Brown:** Move for approval of the reduction in the County Council Other Capital line for \$27,056 and the appropriation of \$27,056 into the Vehicle line.

**Bob Armstrong:** Second.

**Darren Vogt:** We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). With that now the JDAI grant.

**David Korus:** We are pleased to report that we have been awarded a \$92,440 grant from the Department of Corrections pertaining to JDAI. What that will mean is between July, 1 2014 and June 30, 2015, we will use those proceeds to cover 85% of our JDAI

## ALLEN COUNTY COUNCIL MEETING MINUTES

Coordinator's salary and benefits. We will also have funds available to cover 57% of our Check and Connect Mentor salary and benefits.

**Tom Harris:** What was the original request for the grant, by the way?

**David Korus:** We originally were awarded about \$21,000.

**Tom Harris:** I guess request. You were requesting a total amount of what? You received \$92,000 but I was wondering what you requested or does it go in as a request?

**Judge Heath:** If I may, just for a second, we joined the JDAI Program. There is a lot of work down-State with the Annie E. Casey Foundation and the four major statewide groups that are involved, the DOC, the Criminal Justice Institute and the Legislature and the Governor's Office. They all had to get together and figure out what they were going to do with this funding. Getting it approved was not an absolute certainty. It all worked out and the money was appropriated and the Legislature and the Governor's Office approved. We got an initial set of funds from them to help with the expenditures for a JDAI Coordinator. Out of the blue came the Annie E. Casey Foundation and the State said they had an additional \$42,400 something for the Counties that are involved in the JDAI. You can use it for detention alternative programs. Fortunately for us we already had the Check and Connect Program already up and going. You recall we had this conversation where you encouraged me to look for any kind of grant funding that I could to replace anything we are doing whether it is Probation User fees or County money or whatever. When we were asked to make a grant application for the use of that \$42,400, we were ahead of the game. Most of the Counties were shocked and had to come up with an alternative program. We already had ours in place and so we just simply took all of our data concerning Check and Connect and gave it to them. They approved it very quickly and we got \$42,400. In addition, Councilman Buskirk encouraged me to go to roundup programs with the local REMC's. We got two small ones there, \$500 and \$1,000. All of this has happened quite quickly. While we are at it, I should also tell you that I have informed many of you that in an effort to aggressively seek grant funding we hired, on a contract basis, a grant writer to seek more Check and Connect funding for us. They advised that we should send a concept letter to the community foundation. We hurriedly and diligently put together the concept letter and it was sent to the community foundation. They told us that at some point in time we might get \$10,000 from somebody. The normal proceeding is you send a concept letter and someone with the community foundation expresses interest says for you to apply for a grant with us. We like your concept letter. We didn't even need to do that. Somebody came forward and said here is \$10,000. That was just out of a concept letter. We didn't have to make a grant application. I am here to advise you this morning that we got another \$10,000. I won't even have to make a specific grant application to that entity. They are going to give us \$10,000 out of the concept letter. In the meantime, there is another foundation that watched our progress in Check and Connect and they are going to give us more money as well. That is the Waterfield Foundation. They have sent me a grant request form. They have not told me any dollar amount that they will give us. We have to have a 501(c)(3) form in order for them to send us money. That is a specific policy within their foundation.

## ALLEN COUNTY COUNCIL MEETING MINUTES

In the midst of all of this I have also been putting together a foundation. We have various people who have come forward saying that they want to be a part of our foundation. Dr. Darrell Yost, who used to be Superintendent of East Allen County Schools and is now with the Innovation Center, is going to be our President. Jerry Noble, who is retiring from the Court system, is going to be on the Board. There are a number of others that have stepped forward and said they want to be a part of this and we will announce the full Board at some point in time. Jim Posey put our legal documents together and sent it off to the IRS to get a determination letter. As soon as we get a proper determination letter from the IRS that we are a proper 501(c)(3) foundation, we can make application to Waterfield for yet more money. That is all of the grant knowledge that I can give you right now.

**Tom Harris:** And it is tremendous. I applaud you for all of those grant requests. One of those you might want to request \$27,000 but that is just a suggestion. With that I will make a motion to approve the \$92,440 for the JDAI Grant.

**Kevin Howell:** Second.

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

**Bill Brown:** I just want to say thanks for all of your proactivity. It is obviously bearing fruit.

**Darren Vogt:** All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). With that we are onto the Highway Department. They are looking for an appropriation in CEDIT Fund 329 for the Bass Road project.

**Kim Yagodinski:** Kim Yagodinski, Finance and Personnel Manager.

**Bill Hartman:** Bill Hartman, Allen County Highway Director.

**Kim Yagodinski:** We are here today to ask for an appropriation of funds in CEDIT. This is for reimbursements that have come back. We have had a number of reimbursements come back in the last couple of months for Flutter, Gump and Bass Roads. We are appropriating this to the next phase of the Bass Road project. We are asking for \$168,460.

**Bill Hartman:** What I have handed out is a map that shows the different phases of Bass Road. It has evolved over the last four or five years and we have finally gotten all of the phases tied down. It shows the limits of each project and the approximate bid date for each one of them. It will be about a \$36 million project all together and stretches out from this year to 2020. It gives you an idea of the scope of it. Mike Thornson, Highway Engineer, put this map together last week and I thought this would be a good time to pass it out. We can then all get a better understanding of the scale of this project.

**Darren Vogt:** I am glad you have this timeline because I have had a lot of comments. Everybody keeps saying that they hear Bass Road and they hear Bass Road and when is it

## ALLEN COUNTY COUNCIL MEETING MINUTES

going to be done. Is this on the Commissioners' website or on your website? I know this is always subject to change.

**Bill Hartman:** This was just published last Friday and so we'll see that it gets put out.

**Darren Vogt:** That would be great because I know that people want to understand where and how.

**Tom Harris:** You mentioned Flutter Road project and you said you were transferring funds from that to this?

**Kim Yagodinski:** It is actually reimbursements that are coming back and so it is not really a transfer. This is new money that has come in from those reimbursements.

**Tom Harris:** Help us understand a little bit about where Flutter Road is too. From the other side of the County I have had questions on Flutter.

**Bill Hartman:** Its completion date isn't until next year. It will eventually be connected to St. Joe and Maplecrest and then go onto Wheelock. All of the stone base is down and they were fine grading that yesterday. They are going to start paving binder on Saturday. Monday, Tuesday and Wednesday, they are hoping to get all of the binder down on the first mile stretch.

**Tom Harris:** That is coming from Wheelock.

**Bill Hartman:** Coming from Wheelock to Schwartz but we have the Parade of Homes coming up and so we may stay off that for a while until the Parade of Homes gets complete because if we completely tear that up, it would make quite a conflict.

**Tom Harris:** The builders are interested in seeing Flutter come to be because they are looking at options up and down that road.

**Bill Hartman:** The contractor is hoping to have completion this year however the actual completion date isn't until next year. It is well underway.

**Darren Vogt:** Council, are there any further questions on the Bass Road appropriation in CEDIT?

**Bob Armstrong:** I will make a motion to appropriate \$168,460 out of CEDIT for the Bass Road project.

**Larry Brown:** Second.

**Darren Vogt:** We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent).

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Bill Hartman:** Thank you very much.

**Darren Vogt:** With that we are onto the third page of our agenda and the Department of Health with a transfer in the Clinic Donation Fund.

**Mindy Waldron:** Mindy Waldron, Administrator of Fort Wayne/Allen County Department of Health. We have two items on the agenda. The first is to ask for a transfer within the Clinic Donation Fund. We provide a budget each year for the Donation Fund but we don't usually utilize much but for a couple of lines for a couple of events. We have it there in case there is an urgent need but we often just let that roll. It is dwindling because we aren't receiving donations anymore because we are billing and charging. As we were preparing our 2015 budget, we have some significant IT changes that need made, refreshes and so forth. Our thought was to minimize some of the overages in our 2015 budget and try to utilize some of the remaining money in the Donation Fund for that. It is to make us more efficient and those types of things. We would like to transfer within some of the existing lines that wouldn't be expended this year anyway. Our plan is to purchase some of these more efficient tablets than what we have been using. We went paperless a couple of years ago and we are nearly there in all divisions. We would like to repurpose the ones we have from one division to another and refresh with that initial division. We are using Accela in all of them and so we are getting there. That is kind of the reason that there is money there and why we would like to transfer it yet this year.

**Darren Vogt:** Council, are there any questions on the transfer?

**Tom Harris:** I will make a motion for the approval of the transfer within the Clinic Donation Fund in the amount of \$5,600 from Meds/Vaccines, Travel and Schools and Seminars into Computer Hardware.

**Larry Brown:** Second.

**Darren Vogt:** We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). You also have a grant request.

**Mindy Waldron:** Just a few weeks ago we were notified by the Indiana State Department of Health, as were all 92 Counties in the State of Indiana, that they had received a significant amount, \$2.3 million, from the CDC. This was to do sub-grants to local health departments or to utilize it as they saw fit to increase vaccinations in children throughout the United States. What they had typically done in years past were smaller amounts and were very specific like for flu vaccinations or something like that. We have always been a recipient of those. This particular project that they are spearheading is a competitive grant for these Federal pass-through monies. It is for all vaccinations. They have specific goals and you have to meet specific objectives. It is more of an activity based grant that they would be funding. It doesn't replace anything that we do. It would cover things like providing training or clinics or materials to educate or advocate for those types of things in terms of vaccinations. You can increase the efficiency within an

## ALLEN COUNTY COUNCIL MEETING MINUTES

existing clinic such as going wireless so that you are not going back and forth between rooms to get shot records or to input data. You can use a tablet or something along that line. It can also pay for interfaces between existing software programs so that at any time you wanted to obtain your child's vaccination record or even yours, it would be very seamless to do that. You could do that from your home, from a website or those types of things. Those are the things we are proposing to meet their goals as well as well as upgrading some of our IT equipment. That is a significant savings for us if we were to be a recipient. The grant application is due next week. We have been working very hard and it is broken down by population. Unfortunately, even though we are the second most populated County in Indiana, we got lumped in as a middle-size County. Although the amount is high, Marion County can apply for the highest amount and we along with 40 other Counties can apply for up to \$250,000. That is a great amount and what it does is bring work that you need to do to accomplish the activity and so we focused on low-hanging fruit to make us more seamless and more efficient with IT upgrades and making things available to customers. There is the potential to have two years of the grant funding if you receive it but it is a one-year-to-one-year grant. It would only be for 2015 and everything would have to be accomplished within that timeframe. We hope to submit the application by Monday or Tuesday in case there are issues by the Thursday deadline. We would hear in October and hopefully be effective in 2015. They hope to award twenty grants in Indiana which means that 72 health departments would not get the grant. There is no in-kind, nothing. It is an activity based grant that you complete like a deliverable and they reimburse you for what you did.

**Darren Vogt:** Great. Councilman Harris.

**Tom Harris:** This is an interesting graph that you have in our notebook. In other words, what you are saying is that we are probably hitting in our immunization objectives, all of the marks. What these additional monies would do is pay for additional things in the department and not necessarily to increase the immunizations.

**Mindy Waldron:** One of the major things is to increase immunization rates. Unfortunately our immunization rate that is utilized is a skewed rate. It is only based on providers like doctors' offices, us or those types of facilities enter into what is called CHIRP. That is Children's Healthcare Immunization Program. It is a database. If you don't utilize that and we have several large practices that do not enter their immunizations into that, the rate is based on the number of births and the cohort that you have for that year. We enter into CHIRP and some providers enter into CHIRP but some don't. Our rates are relatively low. It is not accurate. Kids wouldn't be getting into school if that were the case. What this is supposed to do also is work through those interfaces between those outside agencies, they did make it a law that takes effect next year, and they have to enter the data. It is targeted towards that as well. We are to help facilitate that and we did write a goal in that respect. It does not replace anything that we do. It kind of allows for us to do it even better. The things that we have always wanted to do were these interfaces or become wireless or have websites where folks could access their immunization rates or whatever of their data. We want to upgrade our electronic medical

## ALLEN COUNTY COUNCIL MEETING MINUTES

records but we don't have the funds to do it. When this type of thing comes, it meets their goals and allows us to achieve what we couldn't with existing funding.

**Darren Vogt:** Councilman Howell.

**Kevin Howell:** This is a different question but still in the same area. Have you had any discussions amongst yourselves about the illegal alien kids coming up from South America to our school systems? Have you set up anything to get them immunized before they get into the school system?

**Mindy Waldron:** It is sort of a program that is already in effect. If we have refugees or otherwise, they make it to school entry and they have timelines in which they must be vaccinated under Federal Law. That is to be done in a certain period of time or they are excluded. Most of them that come into the country, whether legally or illegally, they somehow make it to our office for either attempted citizenship, for school entry or as a refugee. Some of the laws require that within 30 days they see us so that the kids are immunized and that we provide testing for all of the potential communicable diseases that they bring into the country. Most of them make their way but the school systems, under State law, cannot allow entry or keep them in there without the appropriate vaccinations. The system is set up for that. It is kind of a little more reactive instead of proactive but it does get it done within a certain amount of time. That would be within a couple of months. Does that answer your question?

**Kevin Howell:** All right, so kids come here and they have no records whatsoever. What do you do?

**Mindy Waldron:** Re-immunize. There is no risk in doing that. If they can't produce a record, it would be the same for you. If you wanted to take a job in a nursing home and they required that you have X, Y and Z vaccinations and you didn't have the records, we could re-immunize you or your primary care physician and it is fine. It would provide booster coverage but that is the only thing we can do in lieu of records. If refugees make it to our office or anywhere and they cannot produce records for any number of the 72 things that we are responsible for, we have to do that. There is Federal funding for that. The County does not bear the cost. The County does for what we do but not for the actual vaccine. They are children and are covered under VFC, Vaccines for Children. That is where this grant is coming from. They are trying to increase the programs across the United States for that very thing.

**Kevin Howell:** Gotcha thanks.

**Darren Vogt:** I would argue that the graph is a little frightening.

**Tom Harris:** We were just asking a question on that. On this graph, the left side represents had the immunization not occurred, this number of folks would have died?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Mindy Waldron:** You are talking about the visual that I gave you that if there hadn't been vaccine developed, those number of diseases would have occurred. We sometimes forget what it used to be like. When I look back through the 1800's Board records, I see all of the disease and how we were posting quarantine notices. It is very different now. In some of the news that you hear throughout the year, a measles outbreak and that is very significant and can cost sometimes upward of hundreds of thousands of dollars to respond to one child. These preventable diseases have curbed what used to be the main thing that County Councils and Health Departments talked about each week, diseases. That graphic was trying to reemphasize that we don't all remember that. That would have been the norm without vaccines.

**Tom Harris:** The right side represents?

**Nick Jordan:** The most recent report of cases in the U.S.

**Mindy Waldron:** These cases are minimal.

**Tom Harris:** Yes, 61 with measles. That is huge.

**Mindy Waldron:** If you were to have one in the State of Indiana, it is a large incident. We are immunizing thousands because it is wherever you went. We have to make sure everyone has records to be prevented. That is just a graphic so that people remember when there was polio and all these things that you couldn't prevent and how we forget that. It is a powerful graphic and shows the money savings which is a big deal.

**Tom Harris:** I will make a motion to approve the request to apply for the Indiana State Department of Health Immunization grant.

**Bob Armstrong:** Second.

**Darren Vogt:** We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). With that we have Discussion and Other Business to Come before Council. We do have some discussion on that. Nick, do you want to start talking about that?

**Nick Jordan:** I will pass out the sheets.

**Darren Vogt:** Council, what we are going to talk about is maybe you have read in the paper that we have been in discussions with the Commissioners and the Auditor's Office about this for a little while now and that is the 457 plan versus the PERF plan. This is a potential and significant long-term savings to the County. I will let Tera walk through that. Keep in mind that we have tried to look for holes in it from an overall standpoint. These are some general numbers and if you have some questions, feel free to speak up.

**Tera Klutz:** I don't know if he mentioned that the Commissioners, our office and Darren have been continually looking at ways to possibly save money in the future or do things

## ALLEN COUNTY COUNCIL MEETING MINUTES

more efficiently. One of the ways that came up during our discussion was that a lot of companies don't offer pensions anymore. They offer more of the 401k's with possible matches. Back in September of 2012, we started looking at this. Over the course of a couple of years we found that you really can't withdraw from PERF but you can say that any new employees, after a certain date, would not be offered PERF as an option to them. We started running those numbers. We have about 8% turnover or almost 9%. That is about 116 employees a year. My analysis is just going to show an average starting wage of \$30,000. You start getting some of these people turning over year after year and those wages start adding up. Right now we are paying 11.2% of the employees' wages towards their pension in the future. The Commissioners are reviewing 457 plans where we would match up to five percent. They want to incentivize employees to save for their retirement and a match of five percent would still be very competitive in today's market. A lot of employers reduced their match, some down to zero, during the last five years. We feel that it would put us at a competitive advantage by offering up to five percent. With that, over ten years we would save \$10.7 million. Ten years seems like a long time but it also goes like that (snapped fingers). Savings would continue to add up until eventually the employees that we have now would roll off and most of our new employees would be under the 457 plan. The Commissioners get to make the decision and are considering it next month to go into effect for January 1, 2015. It will not affect anyone currently employed. After ten years you are vested in PERF and are eligible for your pension. We are talking about anyone who is hired after January first. They are also considering if you had prior service with the County that would exclude you. If you used to work for the County and were covered under PERF and came back in 2016, they would still count that as PERF.

**Darren Vogt:** Tera, one of the numbers that we didn't talk about the other day and maybe would be helpful is the total number if you looked at it today with a total payroll and what the number difference would be, would that be an easy number to calculate? If you took the entire payroll and did 11% versus five percent, would it be that simple?

**Tera Klutz:** I believe it would be that simple. I don't know exactly how much we pay PERF off the top of my head so that I could divide it by two. I said \$10.7 million but it is actually \$13.3 million in savings.

**Darren Vogt:** Councilman Harris, you had a question?

**Tom Harris:** Some questions and some thoughts. The 457 will allow employees to take that money with them or move that money should they leave the County? They will have better access or more access?

**Tera Klutz:** There are some vesting mechanisms that you would want to put into the match. Probably five years would be the maximum that you would have to work for the County to be vested. The five percent that the employees put in is similar to the three percent currently with PERF and you can always take it with you.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris:** And this is moving from a defined benefit to a defined contribution. This concept has been going on with the private sector all over. I didn't realize that we were able to do that in the County government structure. That is tremendous. Basically it is saying that the County is responsible to determine what we put into your account rather than what you will be guaranteed coming out of your account. Those pension systems are looked at as dinosaurs across the country. I have had some experiences in moving people from DB's to DC's and it makes sense. What I have often looked at though is allowing employees the ability to manipulate their own money. I don't know in this 457, will they be able to pick and select where they invest their funds? And that is different than the PERF piece where you give it to the State and hope somebody out there takes care of your money. You will have the ability to move your money around. It does a couple of things, one, it gives the employee the ability to do it but it drives education to the employees. We become more educated about our own retirement funds and what we need to do to keep working to grow that fund. Short-term, it makes sense. I think long-term it helps employees become more educated in terms of their own retirement.

**Darren Vogt:** Councilman Brown.

**Bill Brown:** You know it would be interesting to know how we compare to other governmental entities. For example, I serve on Park Center's Board and what the VA pays in benefits and as a Federal entity as compared to Park Center or some of these other agencies. It might be enlightening actually to look at what the Federal, State and Municipal i.e.: Fort Wayne, what their retirement plans look like.

**Tera Klutz:** I can say pretty confidently that they are all in PERF. And they are all staying in PERF.

**Bill Brown:** Okay so when it comes to the County, would the intent be to pave a new path, so to speak, for government employees?

**Darren Vogt:** From a County standpoint, yes.

**Tera Klutz:** For County employees and to save taxpayer money and act very responsible with the current trend. We still want to be up there when it comes to benefits when we attract employees.

**Bill Brown:** I want to make it clear that I am not saying this in opposition but as we look at various things that County government does, it operates in a very efficient model when you look at the way that we are structured as far as the workforce and some of our leadership capabilities of Elected Officials. This appears though that the County is setting out a new path. My point is we all know the Federal government can print money, they have a unique ability, and a part of that are entitlements and a part of that is pension plans that are funded because there is an open checkbook with the Federal government. The State has made strides to get more in line, I think, with the private sector. I think Fort Wayne is making strides in that direction. My point is that I think it would be interesting

## ALLEN COUNTY COUNCIL MEETING MINUTES

to see what that looks like. It is not to say that we won't move in that direction that we are discussing here.

**Tera Klutz:** I think that is very valid. I think this would be new. I don't think that many governments have taken that courageous step even for new employees to say that we are going to switch the path because it makes the most sense. Right now with pensions, that's why California the pensions are going bankrupt and when GM's pension went bankrupt, we want to be responsible to the people that we are offering the pension to today that we can fund it. With the increasing percentages of our current operating dollar, so now we are submitting 11.2% of your current salary as an operating expense, we have to fund today and doesn't allow us to use it for more Civilian Officers or more Police Officers. It is just a way to look at how we are using our current revenue and if we continue to push more of it for someone's retirement, it is less able to be used for the things that we need to operate today.

**Bill Brown:** Just one follow-up on that. I think it is GASB, the State Legislature created statute that basically said we have to account for anything that we provide and do it within our balanced budget as the State is, as Municipal is and as is County government. We have to live in this world where the Feds...

**Darren Vogt:** We have to live within a balanced budget, the Federal government, now go ahead.

**Bill Brown:** The Federal government does not have to. I think, as these measures are brought forward by entities like Allen County government, it is important to help folks understand that there needs to be pressure put on various other forms of government to get this stuff under control. I know that you are going to be serving on a regulation committee that Senator Long put together and that is another example of how we, locally, push back. As we talk about local government being closest to the people, you can't do a whole lot against the Federal government when it comes to things like pensions. When you move like this, potentially with Allen County, it is making a statement that we want to get our house in order for the future. We all know that there is debt that is looming. My point is that this analysis of what the Federal, State and Municipal looks like.

**Tom Harris:** One of the concerns in pension systems is that as people start to elect to get out of the pension plan, the amount of money that is in there slows down, right? You don't have as much money going in. You have already guaranteed that you are going to be paying all of these people out. As that pool gets smaller, where people are putting less in, the people that are in the plan have to pay more, as a percentage, out. The risk that this could happen is if we stay in this kind of system, the State is now moving towards outsourcing the PERF system, if you have a trend where people are jumping out of the PERF thing, you don't want to be last. What will happen is that you will pay a higher percentage, if I am correct.

**Darren Vogt:** That is exactly what we have been talking about.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tera Klutz:** You are correct. That is why we want to be first.

**Tom Harris:** You want to be first and start moving your people out of there. I do think this makes sense. I like it from an employee standpoint. It allows employees, when we pay into pension systems you can't touch it until you are a certain age or later in life and such. The 457 or programs like this, defined contribution plans, allow you to take your money and do something else with it if you leave. I think that is better for employees overall.

**Darren Vogt:** Depending on your age, you can change the risk and allow yourself to have more reward, potentially, or more loss. My thought, Council, is that originally when we talked we thought Council might have some sort of vote in this and we do not. It is a Commissioner call. I would like to see us draft a letter of support, if Council is in agreement, to have me sign and get to the Commissioners so that they know we are behind this from a financial standpoint in thinking this is the right thing. Is Council in favor of something like that?

**Tom Harris:** Yes, I would be.

**Darren Vogt:** All right. I see heads nodding. Is anyone opposed? Okay.

**Bill Brown:** My only point is, I think it is a good move but being a reflective person, to have something like this presented and then vote to support it, I am not too crazy about that to be honest with you. Just in general, this is a huge step. I think we are making a good move here. I would like to talk about consensus on this analysis so that we can look at the bigger picture.

**Darren Vogt:** I am not sure what analysis, and I don't mean this the wrong way, but if we know that every other City is in PERF, we know what the analysis is. They are in PERF. I am not following what you want analyzed. Help me understand that.

**Bill Brown:** A lot of these PERF-type pension programs, when you look at retirement ages, many times these government pensions and someone retires at this magic number of 85 for age and time of service that turns into a 70%, 80% or 90% pay for lifetime. I think those are the types of things that people don't really realize, the generous plans that are out there. It seems like this would be a good time to take a look at that. I, for one, just don't think that people really understand that and what an awesome pension system that we do have in these government areas whether it is military, Federal, State or many of them are sacred cows, if you will.

**Darren Vogt:** So you are saying the analysis of the benefit that they get.

**Bill Brown:** Yes, exactly.

**Darren Vogt:** Whatever their retirement. Now I follow you.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Bill Brown:** When we look at jobs and we look at compensation, if you can retire in your early 50's and get 70% or 80% of your pay for the rest of your life, we have people living into their 80's and 90's and we have a situation now for spouses, these are going to be getting larger and larger.

**Darren Vogt:** You are making the case to just say yes.

**Bill Brown:** To be clear, on this particular one, I do agree with this. My point is to be presented with something that says we are going to change the County pension structure, the Commissioners are going to do it and we want you to support it, now. This is the first that I have actually seen this. That is my only point. It is not that I don't support it in general.

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

**Larry Brown:** In the analysis that you are asking for, how are you going to determine which ones are under or unfunded? My point is that it is great to say that you reach this magic 85 years of service and age and you are going to get 70%, 80% and 90% or whatever for the rest of your life. That is all fine and good but how many of these programs are unfunded or underfunded? We know that there are hundreds and hundreds if not thousands of them. They just don't want to advertise it.

**Tera Klutz:** We have to show it in financial statements now and almost everybody is underfunded.

**Larry Brown:** Right.

**Tera Klutz:** I guess we would be able to show what we are taking away. I don't know if that would be good. I think if you want to communicate what people have now...

**Bill Brown:** I think this is an area where I think many of us are aware that it is there and especially on the Federal side it is unfunded. Frankly, maybe my interest here is a little larger than this particular vote and letter that we are talking about. These are the types of things that people just don't understand. They don't understand how prior generosity has created these scenarios for us in the future that are crushing especially for the next generation. I was just looking for something basically a light version if you worked for the State Highway or if you work for teachers or what have you.

**Larry Brown:** To give a real example of what you are saying, beating around the bush...

**Bill Brown:** Maybe not articulating well.

**Larry Brown:** No, you are doing great. A real example is East Coast and West Coast Fire and Police. There are retirement plans out there that when they reach the magic number it is 100% for the rest of their life. Where is that money going to come from? Both of those States are already bankrupt. They don't want to admit it yet.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Bill Brown:** A State like Indiana will become a donor.

**Larry Brown:** This will stop us from being a donor.

**Darren Vogt:** Councilman Harris.

**Tom Harris:** I would agree to that. One of the challenges too is the population bubble. We've got more and more people retiring and more people trying to pull from that system than actually paying into that system. One of the challenges, and Bill it is good to see your point, for Human Resources is to communicate your benefit package when you are hired in somewhere. Pensions are not something that is easily understood. A 457 can be, because you tell the employee that this is the money that the employer is putting on the table and putting into your account and you will be able to do X, Y and Z with it. Pensions are really out there. No one knows where that money goes. We don't know when we get it and HR has real difficulty in trying to communicate it. The 457, in terms of trying to recruit people, you can say that you are going to give them X amount of dollars and you can take it and do whatever you want with it. The pension, we simply put money in your account and it just doesn't communicate well. From a recruitment standpoint, administratively and communication with employees, there are a lot of benefits.

**Darren Vogt:** At this point, we don't have a say in this. We look at the statistical analysis of it over a ten-year period we are saving the taxpayers of Allen County \$13 million. If we had the number we could tell you that today when we are fully through the system and everyone is off and on. The letter would be just more of we encourage the savings of \$13 million over time and it will be even more than that once we are fully through the program and all of those that are retired are out of it. I think we ought to send that encouragement to the Commissioners. I don't think they are waffling one way or the other. I think the issue is that they have to get into the timeframe of picking a 457 and do some certain things to get done. I think they are all onboard with that.

**Tom Harris:** We are going to grandfather some though?

**Darren Vogt:** It would be only new employees.

**Tom Harris:** Oh, it starts just with new.

**Darren Vogt:** You can't get out of it or flip-flop one way or the other. If you are in PERF, you are in PERF. If you are out of PERF, you are out of PERF.

**Tom Harris:** Okay.

**Darren Vogt:** Is there any further discussion on that, Council?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Bill Brown:** The only point, one more time, is you do know if you are in PERF, you can contact PERF and they will tell you when you retire at a certain date that you will get X amount of money guaranteed for the rest of your life. It is a system...

**Darren Vogt:** ...that is archaic and out of date and not happening much anymore because it is a financial burden and does not make sense. It was at a time when you retired at age 65 and died at age 68. It was a three-year window, I am using those numbers anecdotally. Now, with today's life expectancy, it just doesn't financially work. With that I do have one descent.

**Bill Brown:** This conversation has been good. To save \$13 million over ten years, that is our responsibility and I have no problem.

**Darren Vogt:** I know they are going to start talking about it and hope to vote on it next week. It's a letter and not an actual spending or anything like that.

**Bill Brown:** I do support it.

**Larry Brown:** Did you get all of the nods that you needed?

**Darren Vogt:** I have all six nods now. Is there any other business to come before Council? Tera, if the Commissioners do this will this be anything we have to do differently from a budget or salary ordinance?

**Tera Klutz:** I would not recommend changing anything for this year's budget process because even the annual savings in year one, \$215,760 is going to be different depending on when people turn over, when people start and we start saving. I commit to tracking all of these savings and periodically updating you especially at budget time next year.

**Darren Vogt:** I was really thinking more along paperwork-wise from salary ordinances and those kinds of things.

**Tera Klutz:** No.

**Darren Vogt:** They all stay the same?

**Tera Klutz:** Yes.

**Bill Brown:** The Commissioners will look at this from the standpoint of talent attraction because we will be in a different model.

**Darren Vogt:** Are there any other discussion items?

**Tera Klutz:** I have two more. One is a budget update. On August first at 9:00 at night, we received estimated income tax dollars from the State Budget Agency. I just want to let you know that it came in a million dollars less than we had predicted. We got on the

## ALLEN COUNTY COUNCIL MEETING MINUTES

phone with them and talked to Eric who is there data guy at the State Budget Agency. He walked us through the whole scenario and was able to show us that the income tax return reported was 1.8% lower than last year. As a result, our certification came in at 1.8% lower. We had taken the State-wide economic outlook and the increase in employment as maybe possibly projecting a three to five percent increase in income and so we projected a three percent estimate in our budget. After adjusting for the new estimate of income tax, we had to decrease the amount of money available in the General Fund. Basically, we have zero for appeals. We also decreased our insurance. We had budgeted insurance at \$11 million for next year but have reduced it slightly but feel very confident in, we had a couple of more months to track and our claims are running very low. Our fund balance is very good in health insurance. We still feel confident that we are matching expenses for next year by budgeting \$10 million for insurance. I wanted to let you know that it was going to change things when we go through budget hearings next month. If we need to find more money, our options are going to be to zero out the raises or see if we can go any further down on insurance. Nick, Jackie and I will look to see if there is anymore that we can take from insurance. I asked Eric to follow-up because the Department of Revenue, we always have questions about. He just got back with me yesterday with the number of returns that were processed. They only do income reported on returns. There were actually more returns processed this last fiscal year than the year before. The amount of income reported was unfortunately lower. We are starting to hear that. Employees are getting hired but the wages are not high. That is being reflected in our income certification.

**Darren Vogt:** Okay. Do you have this summarized in any bullet form for us to think through in the process of the budget?

**Tera Klutz:** Yes. Jackie is still compiling the budget prints. Those should be available in a couple of weeks and we will get those out to you.

**Darren Vogt:** Council, is there any other discussion on that? She has one other item but I am not sure what it is.

**Tom Harris:** Quick question, we do not have retiree insurance, is that correct?

**Tera Klutz:** We do offer retiree insurance however they really pay the Cobra rate. It doesn't feel like a good benefit because they have to pay what we've calculated as our cost. We have an early retirement incentive for employees hired before July 1, 2010.

**Tom Harris:** Do we know how many people are on retiree insurance?

**Tera Klutz:** Deb Hudson knows.

**Tom Harris:** The reason I am asking that is projecting that those costs are in line with the balance for medical. If PERF is driving more people to retire, I just wanted to understand how many people would be electing or choosing that.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tera Klutz:** They are in the same plan and everybody rolls off when they turn 65.

**Darren Vogt:** Tera, you had one other item?

**Tera Klutz:** One other brief item I wanted to mention is that Jackie and Nick were able to present a seminar to all of the Elected Officials and Department Heads this last Tuesday and there is another one next Tuesday. A lot of the presentation was on internal controls and all of the fraud that we are hearing about with government officials. It was very well received and very thorough and I just wanted to pat Nick and Jackie on the back for spending extra time to put those presentations together and educating our staff and managers on how to mitigate some of the opportunity to commit fraud.

**Bill Brown:** I was tied up last Tuesday. When is this Tuesday's time?

**Tera Klutz:** One to three in the HR Training Room.

**Larry Brown:** Was it decent participation?

**Tera Klutz:** Packed house.

**Larry Brown:** Good.

**Tera Klutz:** There were no more seats left and we had them all the way up to the front.

**Darren Vogt:** That shows the concern that Allen County does things right and continues to do things the right way. Council, is there anything else? Are there any recent or upcoming meetings? I know there is a ribbon cutting for Stonebridge next Tuesday morning at 9:00 a.m. That is something that this Council has dedicated some funds to and if you can be there, it is a great project that is doing really good things.

**Tom Harris:** Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of August 21, 2014.

**Larry Brown:** Second.

**Darren Vogt :** **All in favor please signify by saying aye. The motion passes 6-0-1 (Buskirk absent).**

**Larry Brown:** Move to adjourn.

**Tom Harris:** Second.

**Darren Vogt :** **All in favor please signify by saying aye. Opposed like sign. The motion carries 6-0-1 (Buskirk absent).** There being no further business the meeting was adjourned at 10:01.