

ALLEN COUNTY COUNCIL MEETING MINUTES
AUGUST 20, 2015
8:30 AM

The Allen County Council met on Thursday, August 20, 2015 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: Joel M. Benz, Larry L. Brown, William E. Brown, Roy A. Buskirk, Tom A. Harris and Sharon L. Tucker. Robert A. Armstrong 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 Tom Harris with the Pledge of Allegiance and a moment of silent prayer.

Tom Harris: Good morning everyone. First on the agenda is the approval of the July 15 and 16, 2015 meeting minutes. Are there any additions or corrections?

Roy Buskirk: Move to approve the minutes.

Sharon Tucker: Second.

Tom Harris: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Next is the financial report from Auditor Tera Klutz.

Tera Klutz: Good morning, Council. You have the July financial statements in your packet. I can highlight the General Fund. The revenue is tracking very well with 58% of the year done and we have 61% of revenue collected. It is definitely in a reasonable period but on a positive side. If you have any specific questions about variances, I would be happy to address those.

Tom Harris: I noticed that in a number of revenue lines and funds that we are tracking a bit higher. Is that a usual occurrence at this point of the year or do we show that as happening as a result of increased activity of business or anything in the community?

Tera Klutz: That's a great question. As you glance through probably the thirty or so revenue sources, there are several that are above the 58% and several that are below. I feel that some fees are increasing and it could be due to timing because we only get certain distributions that many times in the year. I have not identified any source that has activity increasing.

Tom Harris: Not a trend, per se.

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Tera Klutz: If you have a specific one, we can look at it and talk about that. The Clerk seems to be coming back up with the fees that she has collected. Over the past few years, we have seen them drop significantly. Normally they would always be lagging and now either our revenue estimate is so low that they are above or they are...

Tom Harris: I have looked at this in the past and don't recall seeing so many above the projections. I just wanted to see if you thought there was a trend. It is obviously a positive sign. Council, are there any questions or comments for the Treasurer or on the Treasurer's report? Or the financial report?

Roy Buskirk: I am glad to see it being positive instead of negative on the estimates. I will make a motion to approve the financial report.

Larry Brown: Second.

Tom Harris: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Nick, can you give the update on the unemployment rate?

Nick Jordan: Good morning, Council. On your agenda you see the May and June non-seasonally adjusted rates. Allen County went from 4.6% to 4.5%. Indiana stayed at 4.8%. National went from 5.3% to 5.5%. I would just like to note that if you looked back at June 2014, the labor force has dropped about 200 people but the employment has increased almost 1,800 people. It is a great increase from June of 2014. July's figures should be out tomorrow or Monday.

Tom Harris: Council, are there any questions? Thank you, Nick. The total appropriations requested in the General Fund are \$96,067 and Other Funds are \$166,859. First on the agenda is Economic Development.

Scott Harrold: Scott Harrold, Senior Economic Development Specialist with the Department of Planning Services. Basically, the first two items are just finalizing the actions you took last month. This is just putting them into resolutions so that it is more formal. As you recall, D & W Fine Pack came and explained the situation with them and it turned out to be that part of it was just the way that they presented the numbers in the report. Terex did not attend and you decided to rescind their abatement. If you have any questions, go ahead.

Tom Harris: Councilman Brown.

Larry Brown: Scott, for future situations where a company is progressing through their timeframe like C & M to D & W, purchase and acquisition or whatever. Do we have or do we need a procedure in place so that we make sure because the numbers were basically half.

Scott Harrold: Right.

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Larry Brown: When I read the minutes, it reaffirmed to me that there must be some question internally if that was the right thing to do or not. It is a different company but it is the same physical assets.

Scott Harrold: Yeah. I don't think a change in ownership should change anything. It is just the way that they reported the numbers.

Larry Brown: Okay.

Tom Harris: Go ahead.

Roy Buskirk: Scott, with this resolution on Terex Advanced Mixer, what impact will that have on them?

Scott Harrold: I believe it is around \$500.

Tom Harris: Have we heard anything more from them?

Scott Harrold: No we haven't.

Tom Harris: Council, are there other questions? We have two resolutions to be acted on individually today. The first resolution is with D & W Fine Pack.

Bill Brown: I'll make a motion for Resolution 2015-08-20-03 confirming substantial compliance with the Statement of Benefits for D & W Fine Pack for the property at 7707 Vicksburg Pike.

Sharon Tucker: Second.

Tom Harris: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent).

Bill Brown: Move for approval of Resolution 2015-08-20-01 confirming substantial non-compliance with the Statement of Benefits for Terex Advanced Mixer for property at 7727 Freedom Way.

Sharon Tucker: Second.

Tom Harris: This is something that Council has not done a number of times, right?

Scott Harrold: Right.

Tom Harris: Do you recall the last time we voted against a company?

Scott Harrold: I don't think the County Council ever has.

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Tom Harris: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Next up is the Redevelopment Fund.

Scott Harrold: This is the legal line item. The Redevelopment Commission's Attorney very busy this year and apparently we did not budget enough. Basically this is the remaining amount that has not been appropriated in the Redevelopment Commission's General Fund.

Tom Harris: I guess the question would be that you did not budget enough or the demand increased?

Scott Harrold: Well, it is the demand has increased. We have been keeping him very busy.

Tom Harris: That is what I was thinking.

Roy Buskirk: It is almost a positive in the fact that there has been a lot more activity because there have been a lot more projects going on.

Joel Benz: Scott, do you see this getting you through the end of the year?

Scott Harrold: I hope so. Things seem to be settling down right now but you never know.

Bill Brown: I will make a motion for the appropriation in the Redevelopment Fund 246 for Legal for \$15,945.

Roy Buskirk: Second.

Tom Harris: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Finally is the Nestle Bond II Fund 403.

Scott Harrold: The Redevelopment Commission issued a new bond based on the TIF District where the old Nestle facility is to do some improvements to Pleasant Center Road. The first Debt Service payment is due in November. We obviously didn't have that budgeted because we hadn't finalized the deal at this time last year. The \$30,100 will cover the first Debt Service payment.

Tom Harris: Council, are there any questions?

Roy Buskirk: And this will be covered by a TIF District?

Scott Harrold: Yes.

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Bill Brown: I will make a motion for the appropriation in the Nestle II Bond Fund 403 for Debt Service Principle Interest for \$30,100.

Roy Buskirk: Second.

Tom Harris: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Next on the agenda is the Treasurer.

Sue Orth: Sue Orth, Allen County Treasurer.

Bill Royce: William Royce, Chief Deputy Treasurer.

Sue Orth: We would like to transfer \$2,500 from our Contractual line to the Office and Computer Equipment line to purchase four cameras for surveillance in our office. This will put us in compliance with a law that was just passed to have more internal controls.

Roy Buskirk: I'm sorry, I didn't hear you. What are you purchasing?

Sue Orth: Four cameras to put us in compliance with the internal controls statute that was just passed.

Tom Harris: Sue that question came up that you are in the other building with lots of Police all around you and throughout the building and why would we need to place cameras in that building since it is the Police Headquarters?

Sue Orth: It is not just for external but for internal control also. There was also a statute that was passed about bonding of everyone who touches money. Every person in our office has to be bonded next year. This will help watch and make sure that nothing happens. That was the reason for the law. There has been a lot of theft in Indiana in offices.

Tom Harris: Council, any questions?

Bill Brown: I have had conversations with the Treasurer about this and it seems like a prudent move.

Tom Harris: Are there other questions?

Sharon Tucker: I have a question. You are purchasing these because the law has changed or requirements have been put in place for you to have these?

Sue Orth: Yes.

Bill Brown: I will make a motion for the transfer within County General Fund from Contractual to Office & Computer Equipment for \$2,500 for the Treasurer.

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Roy Buskirk: Second.

Tom Harris: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Next is the Recorder.

Anita Mather: Anita Mather, County Recorder. This will probably be very short because I don't want anything. You haven't heard that today, have you? We are just looking to get approval to spend our money on our staff and necessities in our office. I have signed the appropriate affidavit and I believe that is all that is necessary. So far, we are sitting pretty good and still have over \$600,000 in our fund. We will be good for a little while yet.

Tom Harris: Anita, you might just explain that a little bit more as to why you are unique, if you will.

Anita Mather: We collected over \$1.2 million last year and a part of that money stays in our Perpetuation Fund. It was originally designed for computer technology, hardware and things like that. It was so we could stay up-to-date to keep our records current. Allen County is blessed that we have a surplus of money in our Perpetuation Fund and are able to help out and pay our staff and you can divvy the money somewhere else that the General Fund needs to do. Our expenses last year were a little over \$700,000 but we bring \$500,000 into the Perpetuation Fund each year. Our records are in good shape and there are no projects that we are ignoring due to this and we are still sitting on a surplus.

Tom Harris: The fact that not all departments and not all Elected Offices can do this but you have the ability to bring the funds in and pay all of the expenses that you have within your office, congratulations on that.

Tera Klutz: I just wanted to take a minute to explain why this process seems so formal and the Recorder is not coming in to tout her horn or pat her own back. There was a new law passed saying that the Recorder must sign an affidavit stating that all of her records are in good shape and that she has planned out the next software updates and hardware updates before she could pay all of her personnel costs out of the Perpetuation Fund.

Roy Buskirk: There is no dollar amount or anything. This is just a resolution saying that you are able to pay out of the Perpetuation Fund.

Anita Mather: Yes. That fund doesn't have to be appropriated. I do not have a budgeted dollar amount for you. Any contracts that we would do would have to be approved. You see anything we do with it anyway and we are not doing anything out of the ordinary.

Tera Klutz: The salary ordinances have to come before you. Normally there would be a dollar amount tied to this affidavit but because she takes all of her expenses out of there, we just use the word "all". That way she has flexibility in using the fund.

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Roy Buskirk: And this is all new since the legislation that was passed last year gives the Recorder more ability and because before it was very limited on what you could use that for. There was some question concerning wages being paid out of there. That is all cleared up now.

Anita Mather: That is all cleared up with this new statute that was put in place by the previous Recorder, John McGauley. He fought very hard for us to be able to spend this money this way. He put a lot of effort into that so we can toot his horn.

Roy Buskirk: I will make a motion to approve Resolution 2015-08-20-02 to fund the Recorder's Office Expenses out of the Recorder's Perpetuation Fund.

Bill Brown: Second.

Tom Harris: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Next up is the Sheriff's Department.

Dave Gladieux: Good morning, Council. Dave Gladieux, Sheriff.

Charlie Edwards: Charlie Edwards, Chief Deputy.

Dave Gladieux: Before you is the appropriation for overtime. This is the Federal money that comes in periodically. It comes into the General Fund and needs to be put into our Overtime line to pay the Officers with the Drug Task Force.

Tom Harris: This happens throughout the year periodically?

Dave Gladieux: Yes, throughout the year. The money comes in and then needs to be put into our line item.

Tom Harris: And these are Federal monies, basically?

Dave Gladieux: Yes, it is all Federal money. I am not asking for anything. I would like to go on the record saying that.

Roy Buskirk: It is one of those things with the Federal government in which the funds come to the General Fund and actually it needs to be transferred to the Sheriff's Department to pay overtime. I will make a motion to approve the appropriation for Overtime in the amount of \$44,567.

Sharon Tucker: Second.

Tom Harris: All in favor please signify by saying aye. The motion passes 6-0-1 (Armstrong absent). Now the second item.

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Dave Gladieux: I have been asked to discuss some of the upcoming needs at the Jail. We did not put this in on the request for next year's budget and you wanted to discuss it. Some of the systems at the Jail, the old part of the Jail is called the Gatekeeper System, operates the doors and security of the Jail. This is the section of the Jail that was originally built back in the 1980's. There is also a Matrix Multiplexer which is also security related with that 1980 equipment. There is like two different parts of this and some of the equipment is as old as 1998. Some of the new systems that we have put in, camera systems and recording systems and the old system are having trouble talking to one another because of today's technology. The estimates that have come in are for \$299,000. You guys put this on the agenda that you wanted to discuss it.

Tom Harris: Just a quick question. Does the \$299,000 fix all of the Jail or just one part of the Jail?

Dave Gladieux: That should take care of everything.

Tom Harris: So everything would be on the same platform and everything is up-to-date throughout both sections of the Jail. Councilman Buskirk.

Roy Buskirk: When the new section of the Jail was built, there were problems with wiring at that time. It was undersized or something and they had to replace all of the wiring.

Dave Gladieux: I am not familiar with that situation. Are you talking about just the electronics and surveillance systems?

Roy Buskirk: The story that I remember is that the architect had made a design mistake and the wiring that was put in was the wrong size and it had to be replaced. Of course, this is a few years ago and if my memory is right it was under \$50,000 that the taxpayers paid to replace that wiring.

Dave Gladieux: That has nothing to do with this. This is actual equipment that has been in place since 1998.

Roy Buskirk: How soon, how urgent is this?

Dave Gladieux: It is very urgent.

Roy Buskirk: I am sorry you didn't put it on the agenda today because we can't vote on an appropriation for this.

Joel Benz: It is just discussion.

Tera Klutz: There is money available.

Roy Buskirk: I know.

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Tom Harris: We will have an opportunity to talk through that. At this point, we are just trying to understand what that need is.

Roy Buskirk: We won't be able to approve the appropriation for this.

Tera Klutz: We will be fine.

Tom Harris: Roy, we will have an opportunity to talk about that in just a minute.

Dave Gladieux: We are fixing it all the time. It is failing but they are band-aiding it, basically.

Roy Buskirk: That is additional expense to put the band-aids on instead of fixing the whole thing.

Tom Harris: Councilman Tucker.

Sharon Tucker: We are going to replace the entire system in the new part and the old part of the Jail?

Dave Gladieux: Yes.

Sharon Tucker: Is there a way to do just the old part with what we have in the new part or does the whole thing have to be replaced?

Dave Gladieux: The whole thing. You are going to run into the same situation if you don't replace everything now. Technology changes and what you should have done yesterday is going to be very difficult to do tomorrow.

Sharon Tucker: That takes me to my second question. With the technology change, do we have a projected idea of how long the new would last?

Charlie Edwards: Until next month.

Dave Gladieux: I have no idea.

Tom Harris: Council, are there any other questions? This item came up where you had it on your capital expense in the past few years. This issue has come up in that they are starting to have more immediate problems to the extent that they could not advertise it in a timely fashion to be able to vote on it today. Therefore it is listed as a discussion item. One of the opportunities for Council is that the Commissioners are in the position where they could front that money to begin this process. That is on the basis that Council will come back in September and approve money from a different fund to basically pay back the Commissioners. Am I saying that correctly?

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Tera Klutz: In order to bid a contract, you have to have appropriated money. My thinking was that the Commissioners already have funds appropriated for capital equipment and that can be the money that is there for the letting or purchase of the contract. By the time we pay for it, we will have appropriated money in the correct fund, Public Safety Fund, and it will be paid directly from the fund. We are not allowed to transfer from one fund to another and if that is agreeable to you that is how I see this. You would never really use the Commissioners' money but you would use it to show that you had money available.

Dave Gladieux: That makes perfect sense to me.

Tom Harris: You mentioned the COIT Public Safety Fund. How is that account or maybe you could talk to us about that account a little bit. This, in essence, would be the account that we would rely on in September to pay back the Commissioners.

Tera Klutz: The COIT Public Safety Fund is a new fund that is funded through the addition of income tax, the .10% that the COIT Council raised in 2013. And 2014 was our first year and we ended the year with about \$500,000 of working cash flow. It is its own funding source. With that we have available to appropriate the same amount. It would deplete it by half but we don't know what the outcome of this year is for that fund and we feel that the \$300,000 would be able to come from that fund and should because it is for Public Safety services only.

Tom Harris: Roy, in your previous comment, you are correct that we are not voting on that today. In essence, what we are looking for out of Council today is a consensus that we would allow the Commissioners to move forward in assisting in starting the process to pay for this fix for the Jail. We would then, in essence, come back in September and pass it through the COIT Public Safety Fund.

Tera Klutz: And then when the check is written or the claim was made, it would be written from the Public Safety Fund. I am assuming that you will have time to pay for this.

Charlie Edwards: It is going to take a while to write the software and everything anyway. Even if we pull the trigger today, it is going to take a month or so for the entire installment.

Tom Harris: Council, are there any questions?

Roy Buskirk: So, what do you want us to do? Are we to take a straw vote?

Tom Harris: Basically we are looking for consensus that we would be in favor of moving forward on this, in essence, allowing the Commissioners to front that money and that we will come back in September and pass that from the Public Safety Fund. So with that is there anybody against that position or do we have consensus?

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Joel Benz: The only thing I would add to that is this ultimately comes down to the Officers' safety. That is something that we need to keep in the back of our minds.

Dave Gladieux: They are having issues with the doors popping open without being popped.

Roy Buskirk: The switch isn't working to open and close the door.

Larry Brown: If you see a lot of orange suits going down the street...

Roy Buskirk: Correct me if I am wrong, Dave, this used to happen like once every six months but now it is happening more.

Dave Gladieux: It is getting more frequent.

Tom Harris: Council, to make sure everyone is on the same page, everyone is in agreement with that? I think we have consensus on that.

Dave Gladieux: For the record, they are interior doors. It is an Officers' safety thing but also an inmate safety thing. We are obligated by State statute to keep some inmates separate from others. We don't want some of them to co-mingle, so to speak.

Tom Harris: Is there anything further, Sheriff?

Dave Gladieux: No, this was basically a heads-up.

Tom Harris: At this point, if you can work with the Commissioners...

Dave Gladieux: Sure can.

Tom Harris: Thank you. Next on the agenda is Information Technology.

Ed Steenman: Good morning, Council. I am Ed Steenman, County IT Director. I am here to close the loop on a discussion/consensus item from back in June. I sat before you and discussed a need to replace our aging data backup and data storage systems. We had the opportunity to move into the use of cloud storage for both backup and storage. With your consensus vote, I have gone ahead and made that purchase and it is a shared purchase with the City. I made that purchase out of my own budget because I had bills that hadn't yet come for this year. I had the \$51,500 available to make the purchase. Now I am requesting an appropriation to put that money back into my budget for bills that will come up throughout the balance of the year.

Tom Harris: Council, are there any questions? Everyone recalls this happening and we agreed that we would move forward on that?

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Bill Brown: I will make a motion to approve the appropriation in Department 41, Information Technology, for Maintenance Agreements in the amount of \$51,500.

Joel Benz: I'll second that.

Tom Harris: We have a motion and a second. All in favor please signify by saying aye. The motion passes 6-0-1 (Armstrong absent). Ed, thank you.

Ed Steenman: Thank you very much.

Tom Harris: Next up is ACJC.

Dave Korus: I am Dave Korus, Budget Analyst with the Juvenile Center.

Megan Horton: I am Megan Horton, JDAI Coordinator at the Juvenile Center.

Dave Korus: Our first item is the appropriation of a JDAI grant and that will fund those activities through June 30, 2016.

Tom Harris: This has been before us previously and these are the funds that are backing that up, at this point.

Dave Korus: That is correct. The funds allow us to provide for Megan's position and also some alternative detention programming that will allow us to divert children from secured detention into this program.

Tom Harris: Council, questions or comments?

Bill Brown: I will make a motion for Department 55, ACJC, appropriation in the JDAI Grant Fund 223 for Extra Deputy Hire \$51,092; JDAI Coordinator \$37,482; PERF \$4,199; FICA \$6,776; Group Insurance \$5,389 and Life Insurance \$62 for a total of \$105,000.

Sharon Tucker: Second.

Tom Harris: All in favor please signify by saying aye. The motion passes 6-0-1 (Armstrong absent). You have a second item as well.

Dave Korus: Our second item is somewhat related to the first item. We are funding a day and evening reporting alternative detention program and this grant will allow us to furnish that workspace with computer equipment and supplies.

Tom Harris: Council, are there any questions?

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Bill Brown: I am just curious regarding office equipment. It seems like we get to places and they are kind of flooded with used office equipment and I would assume that you have probably looked around for equipment that was available from other sources?

Dave Korus: When we actually go to acquire the equipment, we will go through the Purchasing Department and take their recommendations.

Bill Brown: Thank you.

Megan Horton: Also, we did part of the expense in Office and Computer and are purchasing some cellular ankle monitoring units for our other alternative detention programs to allow us to place more youth on those alternatives.

Roy Buskirk: This isn't part of your educational type program because you found that the reason students drop out of school is because they get behind in class? Bill, some of this equipment they have acquired used equipment that the County was going to dispose of and redid about 21 computers.

Dave Korus: That is correct. It is somewhat related to this but more related to our general mission to offer preventative help for kids in our community. We started a computer lab with refreshed computers and we put the entire thing together for less than \$4,000 and we have 21 workstations.

Bill Brown: I remember that and it was a stellar move.

Joel Benz: Let me ask, are you converting a space?

Megan Horton: Correct. There is a space in the basement of the Allen County Juvenile Center that we worked to repurpose for this. It will be like a large classroom space and have built in some computer workstations there and have used grant funds to get some computers in there as well.

Dave Korus: The Building Department has generously donated their time to make this happen and quite inexpensively.

Tom Harris: Great, Council, are there any other questions?

Bill Brown: I will make a motion for Department 55, ACJC for the appropriation in Supplemental Education Fund 848 for Supplies at \$5,564 and Office and Computer for \$10,250 for a total of \$15,814.

Roy Buskirk: Second.

Tom Harris: All in favor please signify by saying aye. The motion passes 6-0-1 (Armstrong absent).

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Dave Korus: Thank you and if I may update you on a recent development. Just last week, ICJI notified us of two grants that are out there and available. We have looked at those and would like to pursue both of them. They are due September 11th. We won't have time to put this on an official agenda but would like to make you verbally aware that we would like to pursue that.

Tom Harris: Is this a new grant? These are both new grants?

Dave Korus: Yes, they are.

Tom Harris: What amounts are they for?

Megan Horton: The first one has \$50,000 available. They both are through the Juvenile Accountability Grant. The second one is \$500,000. We just received notice of these last week and are putting together the amounts that we are asking for.

Tom Harris: So you are not pursuing the \$500,000?

Megan Horton: We are going to pursue that grant but the total amount that we were looking at was...

Dave Korus: \$35,000.

Megan Horton: We haven't had the opportunity to put those budgets together.

Tom Harris: Do we need a formal motion to allow them to move forward on it?

Tera Klutz: My thoughts are that they can move forward.

Tom Harris: One of the things that we will ask is that you work with your liaison to make sure that they are fully aware of the amount and what you are pursuing.

Dave Korus: We will do so.

Tom Harris: Next up is Community Corrections.

John Surbeck: I'm John Surbeck and I am here in my role as Chairman of the Community Corrections Advisory Board.

Tom Felts: Tom Felts, Circuit Court Judge and Vice Chair of the Board.

John Surbeck: We are here to provide you with information and to seek permission to file a grant application with the Department of Corrections. I have notes here about the timeline that we have been given and it is rather short. I will provide it to you, if you would like. You have all been aware that over the last two years, in fact longer than that, the Legislature passed what we have all known as 1006, Criminal Law Reform. The

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Legislature, this year, provided some money, \$5 million this year and a larger amount next year to help fund some of the community alternatives. Much of 1006 involved requiring that lower grade offenders be handled in the community and not sent to the DOC which would require the building of more prison space. They want to handle these folks in the community which candidly we found to be much more effective at dealing with them. We have had a very short timeline. They have set up a process unlike what they have used in the past. Ordinarily, grant applications have come from individual agencies. This time they set up a single grant application from all agencies within a County. Only one application can be submitted from each County including all other requests made by any agency involved. The agencies were delineated and we have discussed that with all potential grant applicants. We have come down to simply two agencies that were in a position given the short timeline. That would be Allen County Community Corrections and Allen County Adult Probation. In the meantime, the other Criminal Judges, the Prosecuting Attorney and others have all been involved in these conversations as has the Advisory Board. I think all of you have gotten a copy of the specific request. Those numbers are inaccurate for the reason that when we filed our request with you, we understood that the request was going to be for eight or nine months. The funding period begins November first. We understood that it was to be the balance of the year and in fact they wanted annual numbers. So, the new number is just over \$1 million for Community Corrections and \$230,000 for Adult Probation. That is for a total of \$1,276,899 for a twelve-month period. In terms of expectations, we hope to get some funding and do not expect to get anywhere close to this amount of money. The Advisory kind of put out at the time was that you need to put this out now to be in a better position next year when a larger sum of money becomes available. I will be happy to answer questions. Judge Felts is more of the expert on 1006 and has done quite a bit of teaching with the Judges and the Judges Association as well. Ms. Churchward is here from Community Corrections is you need some technical information.

Tom Harris: One of the first questions is that it is great to know that the funding is moving forward and replenishing local communities hopefully correlated with the process of the Judges keeping them locally. Are you ahead of that trend of keeping them here? In other words, has 1006 started to the extent that felons are being kept locally and not being sent down even though right now we don't have the additional funding? Or will funding happen at about the same time as we begin to keep them locally? Does that make sense?

Tom Felts: Consistently, across all four Criminal Divisions, Judges have made a strong effort to keep our people locally even before this legislation came into place. The only change I think is technically now we are going to be prohibited from certain folks going down that we might have considered going down before. We have been ahead of that trend...

Tom Harris: Has that started already?

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Tom Felts: Yes, it already has. With the larger group, our numbers might not compare with other Counties that have smaller numbers of people to choose from. We have been ahead of that curve from the get-go.

Tom Harris: Okay. The awarding of this happens as early as November?

Tom Felts: The Justice Advisory Council is the group in Indianapolis will be reviewing all of the applications. They will make recommendations to the Department of Corrections and the Department of Corrections will make the final decision. It has been a moving target, as Judge Surbeck said. We think we know where the application process goes and we go to a different training session and they come back and say that we have to do it differently. They are kind of evolving this on their own. This is new for everybody and is such a tremendous shift in the way that funding is taking place. We all think this is the way it is going to go in the future too. The collaboration between agencies, Community Corrections and Probation working together and develop a collaboration plan that we think is going to be the model for the State, quite frankly. There will be no duplication of services and making sure everyone is on the same page. The years in the past where you could do your own individual thing, those days are gone and will never come back. This is really a step forward and I think we are ahead of that game as well.

Tom Harris: If that is awarded in November, when do we see those funds?

John Surbeck: I think it is anticipated to be November 1. The grant application is due September 18th.

Tom Harris: And because of the speed, primarily there are two, Community Corrections and Adult Probation, are involved in this particular grant. Do you see that expanding next year with other entities being involved in this grant and who might they be? How will you go about making sure that we have all of the bases covered?

Tom Felts: That will be the decision of each individual grouping. The other possible players would be the Sheriff's Department, the Prosecutor's Office and Criminal Division Services from Superior Court.

Tom Harris: So at this point you are requesting \$1.2 million and that number could easily be a larger number next year.

Tom Felts: When there is a larger number available and giving more time to prepare.

John Surbeck: As Tom said we have been on a short timeline to file our application. DOC and this broader committee has been on an extraordinarily short timeline from the close of the Legislature in April to awarding money in November and trying to figure out the proper way to deliver millions of dollars. It's too bad it isn't clearer but they have been operating under some difficulties as well.

Tom Harris: Councilman Brown.

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Larry Brown: It is great that money is coming back to the local responsibility. The cost is going to increase dramatically but I think it is going to be a good time to point out that the \$8 million or \$12 million or whatever that magic number is will also be divided by 92 Counties. It's not but a drop in the bucket. That said, on to another question, the Council has been waiting and waiting and waiting for some guidance or indication and hopefully, not today but sometime, your group of departments that are involved in this will be able to give us some feedback. How do you see actual confinement facilities needing to be expanded? Is the Jail going to have to expand? Are we going to have to finish off the unfinished areas? Do we have any clue whatsoever?

Tom Felts: Do you want to take that one?

John Surbeck: The best I can tell you is that all of the immediate direct stakeholders, Criminal Division Judges, Circuit Court, Community Corrections, Probation, the Sheriff and the Prosecuting Attorney have met on a regular basis. They have met with the Commissioners since they are responsible for the actual real estate. It is an impossible question to answer but I think at least we have discussed every bit of information that has been provided. The Commissioners and many of you have attended those as well. At the moment, these are conversations. There isn't any really good answer. I know you want an answer and nobody is quite sure. As you mentioned briefly as a preamble to your question, the number that started in the Legislature to be divided or distributed was \$80 million. When it was all said and done, I think it is about \$5 million. There is some other separate money going to mental health. There is an active interest in trying to deal directly with drug addictions and mental health issues through DMHA as opposed to criminal justice.

Tom Harris: Councilman Brown.

Bill Brown: As an observation and this isn't a direct answer to your question, it is fascinating that currently the Jail, not that many years ago was running in the high sevens but now it is in the lower sixes. Also, crime is down and homicides are way down. I am not sure about overall crime but when you look at this thing, with the leadership that has been done with the preemptive Court system, one can almost assume that the leadership in Allen County has actually led to the Statewide determining that we can keep more people locally. That is because of the dynamics that are in place realizing that this is just a snapshot, the lower population and lower crime. One might assume that with 1006 being in place now and with these systems all working together that we may be able to keep that Jail count in the sixes. I am not asking you to predict that it is just more of an observation on my part. I do think that the leadership of Allen County Criminal Justice system has probably gotten the attention Statewide and this is actually being mandated to maybe push some of the other Counties that have held back.

Tom Felts: I wouldn't be as bold as to make that statement but I appreciate your comments. Certainly I think that Allen County is looked at the State level as a leader in this area. We are very fortunate that there are agencies in the County that collaborate very

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well together. We have been to regional meetings about this legislation and a Judge will say that their Probation and Community Corrections won't even talk to each other. There is no collaboration at all. This legislation is forcing them. If you want any money from the State then by God you are going to have to collaborate. We have already done that. I think when our collaboration planning is presented; it is going to be the model. We have been told that Allen County will lead the way in this. I appreciate your comments and I think it is true.

John Surbeck: The other thing I would say in terms of your concern or remarks about the Jail, there is a relatively young movement nationwide of which Indiana is included in changing the way we do business with pre-trial release. That should relieve some of the pressure on the Jail because much of our Jail population is pre-trial. It is anticipated that there are much better ways to do business than we have in the past. The Supreme Court has asked us to look into and present to them some alternatives. I just spent three days at a conference in Indianapolis on that whole issue. We are directly involved in that County-wide and State-wide.

Tom Felts: Judge Surbeck is the Chair of that committee.

Bill Brown: One more point. This kind of leads to something that is taking place regionally and that is the whole notion of collaboration. Some people are in a competitive model and it is all about win-lose. Collaboration is about win-win and we all work together. Another element here with the State now pushing the rest of the Counties into this model is where you have to move people towards collaboration and sometimes you have to have that competitive element for cash because the competition is about the money and collaboration is about making the systems work. I think we have developed a hallmark in Allen County and Northeast Indiana about collaboration. Everybody wins. It's good to see.

Tom Harris: Councilman Buskirk.

Roy Buskirk: There were a couple of things on the numbers. The State has come out with the \$5 million and you are applying for \$1.2 million. That \$5 million is Statewide with 92 Counties. Next year they are going to \$10 million. Last summer I spoke with the Speaker of the House concerning the funding because of the additional cost that the County is going to have. His comment was that we don't expect you to keep all of them in Jail. Some will be on Work Release and other programs. That just puts more work on Community Corrections and additional Probation Officers. I told him; don't you understand that there is also a cost with that? You made a comment earlier that intrigued me very much. You said in Allen County, we have been trying to keep the inmates here locally as much as possible. This might not have as much an impact, percentage-wise, to Allen County as it could to other Counties.

Tom Felts: It is possible. There has been a history of people who sent all to DOC. They keep track of these numbers and they know who keeps them and who doesn't. They may recognize a more dramatic initial impact but I prefer to look at it the opposite way and

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that is they have recognized what we have done already and they want to give us the tools or finances to keep doing what we are doing as opposed to changing behaviors. Having Allen County as a model gives us the opportunity to continue to do what we are doing.

Roy Buskirk: I agree with you that it is a lot better to keep them here at home instead of sending them across the State or wherever because of visitation and things like that. I think that is important for the psychological standpoint of the inmate. The better the psychological the better for training for the individual but I had never heard that before. I know it is like drawing a number out of a hat as far as what crime is going to do. Is it going up or going down or sideways. The reduction of some of them in the Jail would be in the fact that more of them are going to Community Corrections. Are Community Corrections' numbers up? Would you mind coming forward?

Kim Churchward: Good morning, I am Kim Churchward, Director of Community Corrections. Our numbers are slightly up. I don't know that we will have the ability to see the real impact until after January first. That is when the majority of the mandated offenses that have to stay local will begin. I think we will get a better picture once we have moved into the New Year and the full impact of the statute goes into effect. We are slightly up but not dramatically up. As Councilman Brown points out, our overall arrest numbers are down.

Tom Harris: I would like to say that I had the opportunity to meet with Judge Surbeck and Kim in this regard and we talked extensively about this. I want to say thank you and Judge Felts, thank you for your leadership in pursuing this process and leading in this process and being brand new for the State. It is great to have your leadership taking control of this. I would ask one other question, I appreciate the idea that we have to compete for funds but I hope there is a correlation to activity and not necessarily our ability to compete. While they look to reimburse or send money or award money, are they also looking at the numbers that are going through our system versus a small County that might have it all together but very few people go through that.

Tom Felts: We think so.

Kim Churchward: We believe so and certainly hope so.

Tom Harris: We will anxiously await that award of \$1.2 million.

Roy Buskirk: It might be like Adams County that is trying to get their new Jail paid for.

Tom Harris: Council, are there other questions or comments? We need a motion to move forward.

Bill Brown: I will make a motion for Department 90, Community Corrections, to move forward with a grant for IDOC HEA1006 grant funds.

Roy Buskirk: Second.

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Tom Harris: All in favor please signify by saying aye. The motion passes 6-0-1 (Armstrong absent). Thank you.

John Surbeck: I will leave with you this timeline of what we have been doing and it has the new numbers on it.

Tom Harris: Great and thank you. Next on the agenda is Discussion and Other Business to come before Council. Are there any updates or announcements at this time?

Tera Klutz: If you don't mind, Nick is going to give a brief budget update and then I was going to give a PERF update. I will let him go first.

Nick Jordan: Good morning, Council. Nick Jordan, Chief Deputy in the Auditor's Office. Just a heads-up, the next meeting, September 17th, we will have the regular meeting, the non-binding review, the binding review and the County budget hearings. Since July, when we talked about the budget, we got new income tax estimates which bumped the revenue up about \$300,000. As of now it will be approximately a net figure a little over \$500,000 for appeals. They have only slightly changed from the initial report. IT added \$10,000 to theirs; CCP and Youth Service Center are the largest appeals.

Tom Harris: That is Youth Services?

Nick Jordan: Yes, at approximately \$124,000.

Tom Harris: And how about CCP?

Nick Jordan: CCP is \$344,000. Those two are the biggest chunks out of the approximate \$577,000 in appeals.

Tom Harris: Nick, I am sorry to interrupt but the CCP, is that number revised or is that the same number?

Nick Jordan: That is very, very close. I think the original was \$348,000.

Tom Harris: So we did not see much change.

Nick Jordan: He brought forward a very, very flat budget of around \$7.6 million. Their budget is fairly flat but the biggest question is if you choose to use the old 911 money which currently has \$2.3 million balance. The other ones were County Extension with a little over \$11,000, IT has \$86,000 and Soil and Water at \$10,000. Youth Services was a late one that was thrown in there. It should involve much more discussion. We will discuss this in September but they could operate through the beginning of 2016. Chris is trying to seek additional reimbursement money.

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Tom Harris: I had the chance to talk with Chris Dunn at the Youth Services facility and the idea that the State reimburses the cost for the children that are placed there, Chris is pursuing the State reimbursing more money than they have in the past. We should hopefully know by September whether they approve a revised amount that we are requesting from the State.

Nick Jordan: In my initial discussion with Chris, he talked that Child Services didn't balk at the \$190 figure that he threw out. There has been no indication yet. If they receive the increase this could potentially be wiped out.

Tom Harris: That is what we are hoping for. With that if you will go through the process and he knows to come before us?

Nick Jordan: Yes.

Roy Buskirk: Tera, can Becky email that timeline out to us?

Tera Klutz: It is going to work its way into the signature folder and she will scan it and send it to all of you.

Tom Harris: Thank you. Nick, do you have anything else?

Nick Jordan: Unless you have any questions, we will go into the great detail on September 17th.

Tom Harris: Are there any further questions for Nick, at this point? Thank you. Tera, you wanted to talk about PERF?

Tera Klutz: I want to give you guys a PERF update. Last year, in the fall, we proposed to make the change that all new employees after December 31st, 2014 would start a new plan and not be in PERF. That was so that we could transition to a more modern type of retirement plan as well as reduce our cost going forward. During the spring 2015 session, the laws were changed to make sure that people who did withdraw, they are calling it the soft freeze because we still have employees in the program that they were paying their fair share of the outstanding liability that the plan held. I contacted PERF to see what the plans were and they had just received from their actuary, which is PWC, the report for Allen County. They emailed this to Nick and me on August 10th and we went down on August 13th to discuss their calculation and how Allen County differs a little from the assumption. Not that I want to get into the details too much but on the second page, I want to show you a little bit about how they arrived at the original \$5.7 million that they said was our share of the unfunded liability. All of the employers in Allen County, the Townships, the Libraries, the Cities and Towns are all in one aggregate plan. All of our assets are together. Allen County's share of those assets is about \$53.5 million. Our portion of the unfunded liability is the \$28 million. Our assets in the whole group are \$3.2 billion but our share is 1.67%. They said that your whole liability as of June 30th, 2014 is almost \$29 million but under calculation 4C you see that we still have employees in the program and you are going to pay us over the rest of the time that you are in this plan

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\$23.1 million. They took the \$23.1 million and the present value of all of the payments for the current employees and subtracted it from our current unfunded liability of \$28 million. That arrives at a payment of \$5.7 million to make the plan whole, per se. What that means is our plan was not 100% funded at the time that we withdrew. It was well funded. It was probably funded, and I don't remember the exact percentage but probably in the 80% region which is very good for pensions around the State and the United States. They didn't want to allow units of government to pull out and just leave the rest of the units hanging with that portion of unfunded liability. The new law went and calculated what their portion of the unfunded liability is at that time. Let's make them pay that and it can be made over a series of payments or they can pay it in one lump sum. Nick and I went down Thursday because they valued us like the other units that withdrew. They were the universities. Their year-end was already June 30th. They don't allow people that have been in PERF to come back into the plan. Allen County has a different resolution. If you worked for the Library for a couple of years and then came here next year, you would be re-enrolled in PERF here. Our resolution states that if you ever worked for a PERF employer, you get to come back in. They changed the calculation for us and it dropped it down to \$4.8 million. Then they recognized that we did not start our soft freeze until December 31st even though they calculated June 30th. They were able to drop it down again by adding the number of employees that we still have paying the current rate is now going to be higher because we started later. It dropped down to \$3.9 million. Those were the two things that were different and I thought the calculation was very fair. I thought \$3.9 million was very reasonable considering that at the time this was valued, the market was good. If they had valued this June 30th, it wouldn't have looked this good. That value was done yet in order to do this. We really benefitted from using the June 30th, 2014 actuarial calculation. We discussed payment options and we are welcomed to pay it as we see fit. They must charge us the actuarial rate of return that they used to value the assets and that is 6.75%. I am recommending that we pay the full \$3.9 million during this year and not pay interest at all. It would be out of the General Fund because it is mostly a General Fund liability anyway and to be done with it. That means that the only thing we pay now is the PERF people that are still in and we pay up to the match on the new plan of up to five percent. I have projected over ten years the savings of the change that we just made to be \$4.2 million. The savings may seem different than what I originally projected and the reason the numbers have changed is because when we originally ran the analysis, we didn't have the option of the people that have always been in PERF would remain in PERF. We have about 20% to 25% of our new hires get reenrolled in PERF. My turnover numbers changed. I am still happy to report that we are going to save money in the long run, over ten years; I am guessing \$4.2 million would be the minimum amount of savings and this payment is only \$3.9 million. It still shows net savings and I expect savings to be a lot higher because not everyone to going to take the match up to five percent. That is assuming everybody does.

Tom Harris: A question on that, is that \$3.9 million a one-time cost?

Tera Klutz: Yes.

Tom Harris: And so we pay that and there is no further...

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Tera Klutz: No further calculation. No reviewing the calculation later.

Joel Benz: This is a State required thing that we have to pay this, right?

Tera Klutz: Yes.

Joel Benz: How often would they recalculate that number?

Tera Klutz: Never. It is a point in time. What will change for us is the rate that we pay in the aggregate for each employee. We have been paying 11.2% of everybody's salary and that is in the aggregate where they take the whole plan, look at the assets, look at the market rate and they come up with an aggregate rate that they will charge all employers in the plan for their employees. This year our rate is 11.2%. Next year it is 11.2% and they predict it will stay 11.2% until the plan is completely funded about ten years from now. Then it will significantly drop.

Tom Harris: Significantly being?

Tera Klutz: On the third page, if you look five columns, it shows the PERF rate that we are paying. After that, you will see 11.2% until 2026. These are guesses, these are assumptions but this is the aggregate rate until it drops to 9.3%, 7.4% to 4.8%. I don't really think it is going to drop that low. For this calculation that is how it worked out.

Tom Harris: Council, are there any questions? Councilman Buskirk.

Tera Klutz: The whole purpose is that I wanted to get this to you ahead of time. I am going to request to put this as an appropriation on the September meeting.

Tom Harris: How would we pay for that by the way?

Tera Klutz: The General Fund.

Tom Harris: Okay.

Tera Klutz: We have \$2.8 million available to appropriate and we have \$1.6 million held back in a capital line. Capital is like a one-time expense. We can take it from there or we also have a \$3 million as a placeholder to replenish the cash reserve. That \$4.6 million is available to use.

Tom Harris: What is the timeframe to make that decision? In other words, it doesn't have to be done in September but could be October or are we at a situation where the State is anticipating that we move now.

Tera Klutz: We have until the end of the year. I just feel like moving now.

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Tom Harris: The risk of going ahead and paying that and depleting those funds, thoughts on that and other items that may be coming to Council by the end of the year?

Tera Klutz: That is a great question. At the beginning of the year, we held back the \$3 million to replenish cash reserves. We did not know what kind of year we would be having in 2015. The year is turning out very well and we anticipate a larger rollover at the end of this year. I feel that with that said, it would be great to go ahead and pay it this year so that you didn't show a huge balance rolling forward into 2016 which then says that maybe we didn't budget correctly or that we had more money than we should have.

Tom Harris: This would take care of a debt that is out there and we know we need to deal with it. It is not going to go away. To get that taken care of this year versus if we have a bad year in two or three years and then try to tackle that it would be a problem.

Tera Klutz: That and you would be paying 6.75%. Generally, during my twelve years, the Council has always told the Auditor to go out and find debt that you can pay off.

Tom Harris: And so you found some.

Roy Buskirk: It was bonds, Tera. It was bonds to pay off.

Tom Harris: Councilman Buskirk, did you have a question?

Roy Buskirk: Some of these numbers are almost amusing to me. PERF rate is at 11% and if you look at column five, 2026 they go to nine and down in 2043, they predict it will be 5.2%. That is really looking into the crystal ball.

Tom Harris: Councilman Brown.

Bill Brown: I really do like the idea of taking care of the liability and the timing. I commend you for that and researching how we can do that. It makes sense in so many ways.

Tom Harris: So, at this point you will come before us in September as part of the budget process?

Tera Klutz: No, this is an additional appropriation outside of the budget process.

Tom Harris: September would be a vote though?

Tera Klutz: Yes, during the regular meeting. I wanted to get these numbers to you guys and I know they are complicated. Please ask questions. I do feel it is favorable and I think it is also a great way to show our current employees in PERF that we stand behind them and we want to shore up that so it is available for them when they retire.

Tom Harris: Council, are there any questions? Tera, thank you very much.

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Tera Klutz: There will be like a \$4 million advertised in the Council's salary line. If any of you get calls from the media, you will be able to answer them.

Tom Harris: Council, are there any other issues coming before us? I will move to Liaison Reports.

Joel Benz: I have a brief one from the Health Department. They had an at-fault accident during the last couple of weeks and one of their vehicles was totaled. They have decided to not move forward with replacing that. They have been looking at reducing their fleet and felt this was a good opportunity to at least try it and see if they can get along with one less vehicle. My thought is that they will be able to do that without any problems.

Bill Brown: From the Public Defender and there may be some additional cost there.

Tom Harris: Is that for 2015 or 2016?

Bill Brown: A little bit undetermined yet. Brief conversation but there will be more about it later.

Tera Klutz: I have had that conversation as well. They are looking at moving Misdemeanant and Traffic because they have had some concerns. They are working through the logistics.

Tom Harris: 2015 or 2016?

Tera Klutz: Probably 2016 by the time they can get it in place.

Tom Harris: And at this point we don't know any number?

Tera Klutz: No, we don't know any numbers but we know that if they do become part of the program, all of the expenses will be eligible for 40% reimbursement.

Tom Harris: Other liaison reports?

Sharon Tucker: I talked with Purdue Extension and she had mentioned last month about an appropriation for phone bills that Purdue hadn't billed them for. She was successful in being able to go back and have them absorb that cost. That was good news. There will be some additional charges coming from Purdue that they were not expecting.

Tom Harris: So they will be coming to us in September for the appeals process.

Sharon Tucker: Correct.

Tom Harris: Are there any other liaison reports? Hearing none, are there any public comments?

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Bill Brown: Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of August 20, 2015.

Sharon Tucker: Second.

Tom Harris: All in favor please signify by saying aye. The motion passes 6-0-1 (Armstrong absent).

Sharon Tucker: Move to adjourn.

Roy Buskirk: Second.

Tom Harris: All in favor please signify by saying aye. Opposed like sign. The motion carries 6-0-1 (Armstrong absent). There being no further business the meeting was adjourned at 9:53.