

ALLEN COUNTY COUNCIL MEETING MINUTES
JANUARY 15, 2015
8:30 AM

The Allen County Council met on Thursday, January 15, 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: Robert A. Armstrong, Joel M. Benz, Larry L. Brown, William E. Brown, Roy A. Buskirk, Tom A. Harris and Sharon L. Tucker.

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

The meeting was called to order by President 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 November 25th and December 18th meeting minutes. Are there any additions or corrections?

Roy Buskirk: Move to approve the minutes from November 25th, 2014 and December 18th, 2014.

Bob Armstrong: Second.

Tom Harris: All in favor signify by saying aye, opposed, same sign. **The motion passes 7-0.** Next is the financial report with the Allen County Auditor Tera Klutz.

Tera Klutz: Welcome, Council and especially to Sharon and Joel as this is your first official meeting. We are continuing to work on closing out the 2014 financial information and as we are getting those analyses and information, we are sending them to you in email. They will also be available on our website. You should have already received the rollover and P.O. roll forward analysis for the departments in the General Fund and Other Funds. Also, the major funds financial statements on a cash basis were forwarded to you. I encourage you to review those and if you have any questions, please feel free to set up meetings with us. We are happy to go through it. It is explanatory but also confusing because government operates in a different way. I will also say that in your notebook we have included the 2015 financial statements. In the General Fund, we are starting the year off showing about \$3.7 million

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available to appropriate for this year. Before we arrived at that amount, we earmarked some for cash reserve replenishment in order to one, replenish our cash reserves to not only borrow less in the future but also stabilize our operating cash flow and that helps with our bond rating in the future. We also set aside some for capital expenses. That leaves you with about \$3.7 million to appropriate this year or save. Last but not least, we do feel that there is enough money in the General Fund to borrow a little less than we did last year from Rainy Day and we feel that the Rainy Day Fund can front the loan for the trucks for the Highway Department that was discussed in December. They are going to come before you in February. At the same time, we are going to come to borrow from the Rainy Day Fund for cash flow purposes. It is about \$6 million which is about \$4 million less than we did last year. That is a good sign. That transaction happens every year because we have to operate but we don't get our property tax money until May and June. We use a temporary loan and we pay it back by the end of the year. With that I will entertain any questions.

Tom Harris: Councilman Buskirk.

Roy Buskirk: When did we establish the policy of borrowing money until the property tax revenue comes in?

Tera Klutz: There is not an established policy. There is a State statute that allows you to temporarily borrow from the Rainy Day Fund. It is called a loan and you can pay it back by the end of the year. If you declare an emergency, you have an additional six months to pay it back. What it does is enables us to borrow the money versus going out and getting tax anticipation warrants. A lot of units go to the Indiana Bond Bank and get a loan that is called a tax anticipation warrant. You do the analysis of this is the amount of tax that we expect to collect and the Bond Bank will loan those tax units money to operate until their tax money comes in.

Roy Buskirk: Okay, let me rephrase my question. Have we always done that?

Tera Klutz: No. Before we came, the General Fund would just operate in the red for a few months because our entire bank is in the same bank account. Each separate fund on our books has a balance and you could, in theory, operate in the red but no checks would bounce because all of our money is in the same bank account. Over the years, the office has made it a priority to not let any fund operate in the red because it is probably not appropriate. We want to keep our funds in the black and if a fund needs to borrow, we are going to do it.

Tom Harris: This is a reflection of our strengths, a bit, is that fair to say?

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Roy Buskirk: That is the reason I was questioning it. It is showing a weakness to me that we have to borrow money.

Tera Klutz: It would except we have always been in that boat. We haven't always borrowed it and we would be in the red which is the same weakness.

Roy Buskirk: Right, which I understand. That is the reason I was asking because if we have to borrow money every year, to me it is showing a weakness. How was it handled prior to this and we just simply operated in the red.

Tera Klutz: Right and just to differentiate this kind of loan versus an actual loan where you would incur debt for a building or some other purpose. You are allowed to raise additional property tax up to half of your next year's budget and that would increase your levy. Instead of charging the tax payers 100% of what we need next year we would charge them 150%. We don't do that because that is tough too. There are caps and you can't do that. This feels like the best way to use the taxpayer money wisely and still operate in the black.

Roy Buskirk: In a way, it does show strength in the fact that we have the money available and are able to do that. My other question, you said \$3.7 million is available for this year. On the amount that was rolled over, we have discussed in past years of putting a percentage of that into the Rainy Day Fund. That is one thing I was hoping to discuss this morning. Are we going to do that and I think before we had talked about half and we had talked about less than half. I just wondered what the Council felt on putting money into the Rainy Day Fund from rollover.

Tom Harris: Tera.

Tera Klutz: That is an absolutely great discussion to have this morning. From the Auditor's perspective, to give you guys some brief facts in that we have over \$13 million in our Rainy Day Fund. That represents about 13% of our total operating budget. At this time, our goal is between ten and fifteen percent in the Rainy Day Fund that is truly set aside for use in times where there would be an emergency or the County needed money to operate. Let's say that all of the taxes weren't collected or there was something that would shut us down and we would be able to operate for two or three months to make good decisions because we have the time to make those decisions and not necessarily react. We feel that the balance is fair at 13%. We may recommend that you use the money instead to grow the cash reserve in the General Fund as an alternative to putting it into the Rainy Day Fund. What we have seen in the past is that a couple of years ago the Rainy Day Fund

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was \$20 million. It was kind of used as a savings account and it really shouldn't be. It should be set aside for an economic downturn or an emergency and used for Rainy Day purposes and not necessarily as a savings account. We would recommend that it is important to have money set aside and growing the General Fund reserves as an alternative.

Roy Buskirk: So, would you suggest setting up another fund for savings? We have used the Rainy Day Fund as a savings account and one of them was the communications upgrade radios which took a substantial amount of the Rainy Day Fund. We were able to provide an advantage for our taxpayers by paying cash for that instead of bonding for it as I believe the City did. I have always felt that it is a good reason to have the funds available. I don't care what you call the account but to have some reserve someplace. The \$13 million that you say is available, what is the cash balance of the Rainy Day Fund? The \$13 million includes the amount that we are temporarily using to carry the County until the property tax revenue comes in May. Correct?

Tera Klutz: Yes. If we borrow \$6 million from there and also give the Highway a loan, it will bring the Rainy Day Fund down to \$4 or \$5 million.

Roy Buskirk: I thought it was \$6 million is what you use for cash flow and that would lower it to \$7 million. The Highway is talking about how much?

Tera Klutz: I couldn't remember but I was guessing \$2 or \$3 million but I think it is \$1.5 million.

Bob Armstrong: \$1.7 million.

Roy Buskirk: Thank you, Bob. We still have \$5 million or so.

Tom Harris: Councilwoman Tucker.

Sharon Tucker: Just for clarification, back to the loan that we do for two months, do we foresee a problem with the caps and collection where we would be in a position where we couldn't pay that back?

Tera Klutz: So far, we have been able to estimate the caps conservatively in the fact that when we set up cash flow, we already factor the caps in and so far we have collected more than we have estimated. That hasn't been an issue to this point. That is great because we have never had to go back during my twelve years and had departments cut because there isn't enough money. We did that on the front end and luckily had cash at the end of the year to pay for unforeseen items that always seem to come up every year.

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Sharon Tucker: The only way to get out of that would be an increase...

Tera Klutz: ...in taxes overall which is impossible with the caps.

Sharon Tucker: Right.

Tera Klutz: You are correct.

Larry Brown: To follow that up, so the public knows and Sharon knows, a lot of credit goes to the Auditor's Office and their crystal ball, if you will, of looking ahead and being conservative in nature. It has made a huge difference. The County is in a great financial position because of that.

Tom Harris: We had a chance to talk and I spoke with the Auditor and the Auditor's staff in regards to how we assess or rate ourselves in terms of our overall foundation in terms of the balance and how we stand in terms of finance. Tera and Nick are putting a plan together to come back to us and give us an overall assessment that they are planning to do in March. It will kind of look at a number of key performance indicators (KPI's) to say that these are certain kinds of criteria that you should look at to say you have a strong foundation or good foundation in the terms of finance within the County. We look forward to that later this spring.

Roy Buskirk: I was just going to mention, for Joel and Sharon's sake, this County is conservative and our Auditor is conservative and the numbers that are provided to you are on the conservative side and in a secure-type of thinking. 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 7-0. At this point we turn to Nick for the unemployment rates.

Nick Jordan: Good morning, Council. On your agenda you still see October and November non-seasonally adjusted rates. December will be out towards the end of this month. Allen County was at 4.9% in October and 5.3% in November. Indiana went from 5.3% to 5.8%. National went from 5.5% to 5.5%.

Tom Harris: Thank you.

Roy Buskirk: I would like to add a comment on that. I belong to a couple of different web pages I guess you call them, that I look at for employment. I

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was looking at it last night and there is a wide, wide variety of jobs available in the community at the present time. Some of them need additional schooling and college degrees but a lot of them do not. A lot of them are in the medical field and a lot is in trucking. There are restaurants that are looking for employees. I think it is a very good time for this community.

Tom Harris: One of the items that we talked briefly about is do we continue to list and reflect these rates at the beginning of the meeting or do we modify that somewhat and take a look at the total workforce? Speaking of economic development, there may be an option for us to list the total workforce available and the total number of employees in the County. It might be a better reflection, moving forward. Economists say if you get below five percent you are at full employment. Maybe the next item that we begin to look at is total workforce and available workforce rather than the unemployment rate. We'll discuss that and take a look at that and maybe modify that for upcoming agendas. Are there any other questions on that? If not, we will move to the items of the day. The first item is economic development and we are going to move that to discussion. There is no action required for that topic today and so we are going to move that to the discussion format. First up is Department 41, IT and that is Councilman Bill Brown.

Bill Brown: I talked to Ed Steenman and I think the Auditor's Office is going to address this one.

Jackie Scheuman: Jackie Scheuman with the Auditor's Office. This is a salary ordinance for part-time in the IT Department. They wanted to start paying their part-time person out of a different fund and that was not caught at budget time. We just need to have an amended salary ordinance so that he can pay the part-time out of this different funding source rather than the General Fund.

Tom Harris: Councilman Buskirk.

Roy Buskirk: Is it necessarily increasing from the \$10 to \$25?

Jackie Scheuman: It is not increasing. It is actually the funding source that is the change.

Roy Buskirk: Okay.

Tom Harris: With that are there any other questions? If not, we just need a motion.

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Bill Brown: Motion of a consideration of a salary ordinance establishing the pay for an employee within the budget of the Allen County IT Department, 825-4001-411, Extra Deputy Hire, \$10 to \$25 an hour, retroactive to 12/13/14.

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 7-0. Next is Circuit Court and that is Councilman Benz.

Joel Benz: I think Mr. Zimmerman is going to present.

Eric Zimmerman: Good morning, Council. Eric Zimmerman, Director of Court Services for Circuit Court and Chief Probation Officer for the Adult Probation Department. I gave our new liaison some background information and I am certainly going to share that today. What I am here to do today is request an amendment for the range of part-time salary from our part-time line item. Currently that line item range is from \$6 to \$18 and I am here to amend it the low end at the current minimum wage of \$7.25 and raise the high end to \$35. The background on this is that we have a Probation Officer that has been with the department for about eighteen years. She is very knowledgeable and handles some of our toughest mental health cases. She is the Probation Officer involved in Restoration Court. In the last quarter of 2014, she came to me requesting some part-time work. She has things going on in her personal life that keeps her from continuing to work full-time. I took a look at that request to see if it was going to be beneficial to both the department and the taxpayers and how I could affect this change with a zero net effect to our budget. What we came up with is to move her to a part-time line item. Probation Officers' salaries really break down to an hourly wage pursuant to the Federal government. They are required to be paid an hourly minimum wage according to the Indiana Judicial schedule. She is being paid at that rate. It also says in that schedule that if Probation Officers go full-time, the hourly rate stays the same and only the hour's change. She is currently at \$26.97 an hour for the 2015 salary. I chose \$35 in that range just so I won't have to amend it for another twenty years. I am flexible on that if the Council so chooses. Our salary range for Probation Officers goes up to twenty years with additional salary included for a Master's Degree and special skills and training. This is our first Probation Officer who has gone from full-time to part-time and I don't see that as a trend going forward. This will allow the department to add manpower. My goal is to take her full-time position that she currently occupies, hire a new Probation Officer at the first year Probation Officer rate and the difference between what she is currently making and what the new Officer will make funds her part-time position. It is a zero net effect dollars but we basically get half of a Probation Officer. The

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other thing that I want Council to know is that we are not just going to have her in a part-time Probation Officer position. We have created this as another way to create a much needed oversight in my department. We are going to put her into a quality assurance position. As you know, House Enrolled Act 1006 went into effect and there was a 2015 version of 1006 introduced. Within that bill there is approximately \$50 million available for local community grants. I think they are calling it a Reinvestment grant. Councilman Harris and I have had discussions on how we can alleviate the fiscal impact of 1006 locally and how those offenders that are staying locally are going to be paid for. I can assure you that any money that comes from the State of Indiana is going to be a competitive process. They are not just going to send money our way. We are going to have to apply for a grant and show that we are operating in an effective and efficient way and utilizing best practices. This quality assurance part-time position kind of allows us to start effectively measuring the things that we are doing well. That we are making sure that Probation Officers are being trained in an effective and efficient manner and making sure that we are really leading the State and continuing our position as a probation leader in this community and a supervision leader. I believe this is a good move for the department and a good move for the taxpayer and certainly a good move for us in the Courts. I would be happy to entertain any questions.

Tom Harris: An initial question, you do have the ability to say no and you are not going to approve someone going from a full-time position to part-time?

Eric Zimmerman: Absolutely.

Tom Harris: If that trend can sometimes start, all of a sudden it looks pretty attractive that I would rather work ten hours a week than forty, you can stop that and say we can't do that.

Eric Zimmerman: Absolutely. It is pursuant to my and Judge Felts' approval. Measuring that total win-win situation as to the ultimate test of whether that is appropriate or not.

Tom Harris: Councilman Buskirk.

Roy Buskirk: I have a series of questions on this. One of them is that we are currently reimbursed by the State on Probation Officers wages?

Eric Zimmerman: We are not.

Roy Buskirk: On some of the Court costs we are and that is what I am getting confused on.

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Eric Zimmerman: I think you are thinking of the Public Defenders.

Roy Buskirk: Oh, okay. Because of the additional cost to County with the felonies changing and everything, have you ever considered seeing if the State would participate in paying part of the Probation Officers' cost? The State keeps saying how they are cutting the income tax rate and everything and I don't think the general public really understands the fact that a lot of the reason why they have been able to do this is because they are putting more responsibility and more cost on the Counties to be able to pick this up. This is a tremendous amount of additional inmates that normally would go to the State and now have to stay in the County and puts a lot more work on the Probation Officers.

Eric Zimmerman: This has been an ongoing discussion ever since the State decided what Probation Officers will make. I know Representative Steuerwald and Representative McMillin introduced the 2015 version of House Bill 1006. They understand that there is a fiscal impact locally. I think what they are trying to understand at the State level is how much that will be. Through the Probation Officers Association of Indiana, we are strongly encouraging and understanding, there was legislation that was introduced last year and killed at the last minute that the State would reimburse for the Chief and Assistant Chief Probation Officers in each County. I think there is knowledge of that and I think they are working towards that but as I said earlier, the process is in the initial stages and we want to be in the initial stages. It is going to be a competitive process. They are not just going to send money to the County. We are going to have to show that we are sending less people to prison, non-violent offenders. Our department has been the pilot site of two local programs here. State-wide programs that we piloted to affect the way offenders change behavior. The results are starting to come in and we are connected with that. I think we sit very well to seek and achieve some funding at the State level.

Roy Buskirk: Does the State set the wages for Probation Officers?

Eric Zimmerman: They do.

Roy Buskirk: Here they are, setting the wages for an individual but they are not participating in the payment of those wages.

Eric Zimmerman: That is always a tough pill to swallow. The only good news is that about 34% to 35% of our current salaries are paid by Probation User Fees. It will be a different discussion on a different day but certainly we are not just looking at the local taxpayer to solve some of our fiscal issues. We are

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certainly looking at the State Level. Allen County, Judge Felts and the Probation Officers, we are not the only County suffering in this situation.

Roy Buskirk: Oh, I know.

Eric Zimmerman: We want to lead and show that we are doing things effectively and in the most efficient manner and I think that part of what I am here for today is to achieve that ultimate goal of making sure that Allen County continues to lead in the area of community supervision. Not in just Probation and Community Corrections and Work Release as well.

Roy Buskirk: My last question will be that before you were at \$6 to \$18 and \$6 is less than the minimum wage. Now you are asking to raise it to \$7.25 which is the minimum wage today. We are not sure about next week.

Eric Zimmerman: That is correct.

Roy Buskirk: I would recommend that we raise the \$7.25 a little bit higher than that.

Eric Zimmerman: My only concern with that Councilman Buskirk is that if it is raised higher than that we have to pay the minimum. We would pay the minimum if we hired a part-time intern or part-time receptionist.

Roy Buskirk: Okay, so this is not just the Probation Officers. Okay, I understand. I thought this was used for the one account of professional Probation Officers.

Eric Zimmerman: No, this is just our part-time line item for all part-time people.

Roy Buskirk: Very good.

Tom Harris: Are there any other questions or comments?

Joel Benz: I know this is an employee that you want to keep and the other point that I wanted to make is that you already have a line item for part-timers in there. I think this is a good thing for you and the community.

Tom Harris: We just need a motion.

Joel Benz: I make a motion for consideration of a salary ordinance amending the pay for an employee within the budget of the Allen County Circuit Court, 100-6101-412 be approved for Extra Deputy Hire.

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Sharon Tucker: I second that.

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

Eric Zimmerman: Thank you and I will keep Council abreast of any changes going on. The Association of Indiana Counties and any influence that may be available to go down and make sure that any money that is available...

Tom Harris: A lot of eyes on it this year.

Roy Buskirk: If you need witnesses to go down and testify or something of that I am sure the Council would support that. I think it is very important and have had discussions with Brian Bosma in the fact that the State keeps saying that we are reducing your income tax for the State, which is great, but they currently have quite a bit of reserve but they keep pushing more. This isn't the only item. There are several other items that the State Legislature and the Governor have changed and placed a lot more expenses on the County. We are limited because of the tax caps. I would appreciate keeping us abreast.

Tom Harris: Thank you. The next item up is a Department of Health regarding a correction of a salary ordinance.

Roy Buskirk: When it starts out with correction, it usually means that Jackie is coming before us. You straighten them out, don't you?

Jackie Scheuman: I am not really sure if this was my fault or their fault. It was missed at budget time. Their intent was for this position to be funded between two different funds. That is not how the salary ordinance was written and approved for the 2015 budget. This is just a correction so they can pay part of this out of grant funding.

Tom Harris: I will open this up for questions.

Roy Buskirk: I know that the Department of Health has come before the Personnel Committee and they are doing some reorganization. I think this is a move by Wendy to do some of that. This is probably why this was missed.

Jackie Scheuman: It's Mindy.

Roy Buskirk: What did I say?

Jackie Scheuman: Wendy.

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Roy Buskirk: I was thinking of hamburgers.

Jackie Scheuman: I don't think this is really in regards to that. This is truly that their intent at budget time to split part of the funds.

Roy Buskirk: I stand corrected.

Joel Benz: I will make a motion for consideration of a salary ordinance amending the pay for an employee within the budget of the Allen County Board of Health, 790/285-7301-441 for Environmental Health Specialist 1 is approved.

Bob Armstrong: Second.

Tom Harris: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Next is Community Corrections for an appropriation of \$300,000.

Jeff Stevens: Jeff Stevens, Senior Finance Manager for Allen County Community Corrections. Before I start, Community Corrections Director Kim Churchward wanted me to express her apology for not being here. Some other obligations needed to be attended to. Thank you for having me here this morning. I am here to request your approval of an additional appropriation request from funds other than the General Fund. The amount of this appropriation is \$300,000 and is going to be solely placed in our 300 Series Contractual line. To give a little background, this \$300,000 is two-fold in its nature. We received a grant from IJC for \$150,000 in December and based on the approval of that application and award, the Department of Corrections matched that with \$150,000 which made a total of \$300,000 for this project. I will entertain any questions that you might have.

Tom Harris: We had a chance to talk through this a little bit and as a member of the Community Corrections Board we are constantly looking for new and inventive way to deal with that change and some of the different demands that continue to come at that organization. This is an innovative way of software that is being offered, a pilot program, and it runs through...

Jeff Stevens: It runs through our fiscal year which ends June 30th. It is a relative short period of time and is new technology for home detention and people on our program. There are two other pilot sites in Indiana that are also participating in this. We have ten to fifteen people hooked up. We are trying to pace ourselves on it because it is new and a change.

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Tom Harris: One of the questions that I have is will there be any additional staffing required and there is not.

Jeff Stevens: Basically it is a sideway rather than the traditional hookup. It is going to be this new technology.

Tom Harris: Councilman Buskirk.

Roy Buskirk: Does this have to do, back on my same theory, with the felony change and are you seeing an increase in people that need this kind of bracelet?

Jeff Stevens: Certainly I think there is going to be an increase in participation at Community Corrections because of the change you are speaking about. This is another opportunity and I would say there definitely will be an increase. If this is a positive way to go and the technology is something that works well, we will certainly move forward.

Roy Buskirk: That is one of the comments that I get from State Legislators is that they don't expect us to keep them in jail. I tell them that there is cost to that also if you have them on probation or whatever.

Tom Harris: Are there any other questions or comments?

Sharon Tucker: I have one question. Do we see the use of this increasing fees charged?

Jeff Stevens: No. At this point we are not charging any more for it. It is a GPS system and the GPS costs a certain daily rate for Community Corrections offenders and this is the same rate.

Roy Buskirk: I will make a motion to approve the appropriation in Fund 846 for Equipment Leases in the amount of \$300,000.

Sharon Tucker: Second.

Tom Harris: We have a motion and a second. All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Next is Discussion and we will now have Economic Development. Mark Royse is with us today.

Mark Royse: Good morning, Mark Royse, Director of Redevelopment for the Department of Planning Services. Every so often, State law changes with regards to deductions related to investments in personal property and real estate. The last time that Council reviewed that was a few years ago with

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regards to the State allowing the local fiscal body to establish the percentage deduction on a yearly basis. In essence that meant that you, as a fiscal body, could set up to a ten-year period on personal property and real estate, a 100% deduction or a zero percentage or anywhere in between. At that time, Mr. Buskirk, Mr. Brown and Darren Vogt were on a joint committee with three members of the City Council to discuss how to address what was referred to, at that time, as a Super Abatement. Staff doesn't believe that it hurts to every so often go back and review the overall program in general. It is your program and not a staff-driven program. We just administer it on your behalf. The two issues that are now before you are a vacant building deduction, which is in effect now, and beginning July first of this year the opportunity for a fiscal body to approve up to 20-year abatements on personal property with the fiscal body establishing a schedule percentage deduction. Again, you can go from a zero percent to 100% in any given year. At this point, what I came here for in terms of a discussion item is to see how you would want to approach that. You have the full spectrum. You can ignore it totally. You can address it and staff recommends that you address it because you are going to get faced with that question sometime. It is always better, on your behalf and on staff's behalf, to have some guidelines in place when that company comes and says that this is what the State law allows. We want to take full advantage of it. Staff's recommendation is to believe that you should address the situation and establish some guidelines in whatever format you want to. If you want to do it as we did the last time with a joint committee of the City Council or if you want to do it overall from an open standpoint in terms of having public meetings and discussing these two issues that would be all well and good. Staff would go back that the joint City and County approach is probably the optimum because we try just as Councilman Buskirk and Councilman Brown sits on the Joint Permitting Committee, is to try to keep as much in line both the City's processes and the County's processes as close as possible. With that I will answer any questions.

Tom Harris: First of all, we had a chance to talk about this on Monday morning, extensively. One of the things that we are going to be doing is reaching out to the City Council President, at least initially, to find out about their interest in sitting down and talking through that. So that is on the docket, if you will. In this discussion today, there is no decision required today. This is merely information however the deadline of July first or June 30th is coming at us and we probably need to set some kinds of guidelines for economic development. Finally, the challenge for us is that the easiest thing is to go to the full extent however it does have some ripple effect to the Counties around us and the other administrations around us. Making sure that we understand where they are on some of these is pretty crucial in moving forward. Councilman Brown.

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Larry Brown: I'll remind Council that probably about three years ago or perhaps four, we had a situation where it looked like the City and the County was opposing each other on a particular property and a particular application for tax deferral. That is really not a good situation. Not good at all for City versus County. Everybody acknowledge that and agreed with that. The joint review is the optimum. I would encourage us to do the same thing again.

Roy Buskirk: Mark, have you talked to Melissa?

Mark Royse: Elyssa.

Roy Buskirk: Elyssa, okay. I know when we had a discussion a week or so ago, I was assuming that you were going to approach the City to see what their thoughts were on this committee.

Mark Royse: Basically we have a joint coordinating committee with regards to economic development which includes the City staff and the Greater Fort Wayne staff. They meet on an every-other-week basis and I brought it up to them that the item was going to be on the agenda today. Elyssa was going to note that it was the same and I am not sure if she has already reached out to them. In addition I have spoken with John Sampson at the Regional Partnership because even though we as a City-County committee, the last time around felt that we made great strides in trying to align the two programs, there were still some aftereffects from outlying Counties in the region. They felt we were doing something that would put us in a more competitive position and that was not the intent of that at all.

Roy Buskirk: The City and the County cannot be the same. We can be very close on the points and everything else but, for instance, the City can give tax phase-ins on retail and the County cannot. There are always going to be these little differences like that. On the 20 years for personal property, I have talked to some businesses and I know that you have also but what personal equipment do you keep for 20 years? Most of it, especially with the electronic age and software and that is less instead of more. This is where we had a discussion about the property tax form that you fill out and you had the property for ten years and you only pay maybe 15% of the original value and it keeps reducing the longer you own it. Then if the bottom line figure is not 30% of what you gross, you have to go up to 30% on the purchase price of all of the products. I think the 30% is a number that needs to be adjusted some instead of the number of years extended. I'm open-minded and I think the Council should agree today who is going to serve on that committee so we can be ready to move forward on it.

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Tom Harris: One of the things that we talked about earlier this week was the possibility of reaching out to City Council to find out their interest as well. Maybe the first step is to find their interest. I would be open for interest if Council members are interested in being on that. Let me know. At this point I think it is a matter of finding out where they stand in terms of coming together.

Mark Royse: I would say that you would be best to have your committee in order so that we would be ready to go. I feel that the County Council would behoove itself to without City participation which I don't think will happen. I think they would be more than happy to but you have to address it as a body as well.

Tom Harris: Councilman Buskirk.

Roy Buskirk: If the City is not interested in joining this committee, this Council needs a committee that can do more in-depth study on this issue. There is a lot more investigation that needs to be done. I know I would appreciate serving on it.

Larry Brown: Likewise.

Tom Harris: Just a point of order that. If there are four of us on that committee...

Mark Royse: It becomes a public meeting.

Tom Harris: So it probably becomes three of us, at this point. I will serve and Roy will serve. Sharon, I know you have an interest. Larry, you were on there previously, is that correct?

Larry Brown: Yes.

Tom Harris: It will probably be the three of us, Sharon. I don't think we need a motion for that, do we? I don't believe we do. I will reach out, as I have done, to the City Council to start that discussion. At this point, are there any other thoughts, comments or questions?

Tera Klutz: I was wondering if the Auditor might be invited to those meetings so we can talk about the tax implications and help out.

Tom Harris: Absolutely.

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Tera Klutz: Not only does the law allow for what Mark brought up but it also allows the County Income Tax Council to exempt all new personal property from ever being taxed again. Inherently, in ten years, it would eliminate personal property from the County. Even just the small amount, I think just having somebody that understands when you remove assessed value what it does to the tax rate. It's just so we get all of the tax pieces together.

Tom Harris: Okay and we can do that. Sharon, for your information, this committee won't decide anything but will simply bring it back to this group for further discussion and finally we would have to make some kind of motion in terms of setting up that guidance or guidelines.

Mark Royse: You have standard guidelines right now. You have guidelines that determine what a regular abatement schedule would apply to. You have guidelines as to how that goes from being a regular deduction schedule to a super deduction schedule.

Tom Harris: Councilwoman Tucker.

Sharon Tucker: Could you clarify or define for me what a claw back payment is?

Mark Royse: A claw back payment would be, in this sense with the investment deduction, a company would have to file annually a Statement of Compliance. When they apply for the original deduction, they file a Statement of Benefits which lays out their projected employment, payroll and investment in real property. Each year, subsequent to that they file a Statement of Benefits that would basically compare that. This is another thing we can discuss in your committee is they have a compliance policy set up where they have to meet 75% to 80% of each of those categories or they would be found in non-compliance. If there is non-compliance, there is a process that you could go through in order to bring the company before the Council to explain why they were not in compliance. That section of State law really is one that I have ever seen that truly almost makes the Council have to make a decision that the company knowingly made misinterpretations on purpose to gain that benefit. Then you would go forward, if you so determined, and remove that deduction. That would be a claw back, in that situation. If we do a different kind of agreement with the company, the commitments are lined up and if they don't meet those either they are not getting paid as much as the original commitment or if it is after the fact, they would be required to pay back.

Tom Harris: Councilman Brown and then Councilman Buskirk.

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Larry Brown: Mine has been answered.

Roy Buskirk: Sharon, do you have information on how the phase-in tax numbers are accumulated based on how many jobs they are creating or how many jobs they are retaining, how much they are spending on new equipment or real estate improvements. Have you gotten any of that?

Sharon Tucker: No.

Roy Buskirk: I think, Mark, it would be a good idea if you sent that out to all of the Council members. The committee that Larry and I served on previously, one of the things that we did on that was to make sure that the City and County was given the same numbering system. When we first met there was a difference in it. Unless the City has recently changed, the City and the County are on the same page as far as the numbers that are given for number of employees or the amount of money spent. There are probably about ten different items that they are numbered on and then the total numbers depends on what year they fall in, the five to seven or ten-year or greater. What Mark is saying there, which is very important and very difficult, after a company is approved for that, if they don't come up to the number of employees, it is very hard to reduce their benefits. Sometimes it is out of their hands. A few years ago we had a company that had all of this anticipation and then didn't get the big contract that they were bidding on. You might have an economic downturn in that industry that they don't reach their goal as far as the number of new jobs. The other thing you must remember is the fact that they don't receive anything unless they do the investment. If they don't purchase that additional equipment or don't add on to that building, they only get the deduction on the amount of increase assessed valuation. It is not on their total assessed valuation. That is where the general public and the newspaper reporters like to put in there that the City gave them a million dollars off the bottom line. They did but they are only going to get that if they spend money in the community with additional jobs or improving the real estate.

Sharon Tucker: Which I understand and thank you for the clarification. I just wanted to make sure I understood what the claw back payment was so I could understand the definition of it. I agree with you on that.

Roy Buskirk: It is very, very hard to prove that a company's intentions were not good.

Sharon Tucker: Sure.

Roy Buskirk: That they, I'm sorry, lied on their application.

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Tom Harris: The challenge is that this measurement or process and opportunity both for the County and local government and State government continues to go up where we have to compete more and more. How are we doing that and making ourselves competitive in Allen County in comparison to another State around us. Learning all of that and as Larry mentioned previously another tool in the toolbox, understanding what we have available is crucial to all of us. It takes a lot to pick up but I think handing that information out to all Council members will be helpful.

Mark Royse: I will also send the language out in regards to the compliance issue.

Tom Harris: Good. Again, no decision needs to be made today. We will continue to discuss this as the months come at us. Are there other thoughts or comments on that particular item? If not, Mark, thank you very much. We are still in the Discussion and Other Business part of our agenda. Are there any other items of discussion that need to be brought up this morning? Are there any Recent or Upcoming Meetings that we need to be made aware of?

Roy Buskirk: Yeah, I have a legal notice that I received on a meeting next Wednesday, January 21st, at 6:00 p.m. This is at the Point Church located at 5335 Bass Road. This is a public hearing concerning the Bass Road improvements. There has been a lot of discussion because of the railroad crossing at Bass Road and Hadley Road. They are doing a roundabout over the top of the railroad. I have had some telephone calls at my residence concerning safety issues on that. I have actually studied that roundabout that they are proposing and because of the fact that they are still using the crossing arms, I don't see it as a safety issue. I would encourage people that have any concern about the Bass Road project that they attend this public hearing on January 21st.

Tom Harris: Thank you. Are there any other meetings coming up? If not, are there any Liaison Reports?

Bill Brown: I have a quick one on the Allen County Extension Office. They are having their Master Gardener meeting at Walb at IPFW at 6:00 on January 27th.

Tom Harris: Are there any other Liaison Reports?

Roy Buskirk: Whoa, whoa, whoa. We were talking about meetings. Now we went to Liaison Reports?

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Tom Harris: Yes we did. Councilman Buskirk, do you have any Liaison Reports?

Roy Buskirk: Yes I have a report on the Permitting Board. The progress that we are making on the Permitting Board, one way that you can see that progress is being made is that the Ombudsman's reports are less because he is less involved in any problems coming up through the Permitting Board. I would like to take this opportunity to announce that this coming Friday, this is where we get a black eye a lot of times, and they are upgrading the phone system. Is the Auditor's Office aware of this?

Nick Jordan: I think that is January 24th.

Roy Buskirk: They moved it?

Nick Jordan: They were supposed to do it a week or two ago and that didn't happen. This Friday, Accela is going to be updated. They are doing some stuff on that. That is just for Accela users.

Roy Buskirk: Okay, thank you. That is the one I wanted, the Accela upgrade. You will not be able to pull any permits electronically Friday. I am sure that there are some contractors that won't get the word. Martin Luther King's birthday is the following Monday and we will be closed. You will not be able to pull any permits from Thursday until Tuesday. I am sure that is going to cause some ill feelings in the construction community.

Larry Brown: Do you know, is that contiguous or just the 24 hours of Friday? Normally you can get a permit on the weekends.

Roy Buskirk: I understood that it would be multiple days as many as three. You might be able to on Monday.

Tom Harris: I am sure that department will be sending out some kind of notice.

Roy Buskirk: I have been working with them since last week. They don't have an email list of all of the contractors. It is the Board of Health, the Planning Department and Building Department. It's City Utilities. It's everything.

Nick Jordan: Planning has a notice on their website letting people know that January 16th and that they would be able to issue permits on Thursday, January 15th and on Monday, January 19th.

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Tom Harris: So between those announcements and your announcement during this meeting, I think we are getting that word out.

Roy Buskirk: They are putting it on their webpage but how many contractors look at the webpage? That is the problem there.

Tom Harris: Councilman Brown.

Larry Brown: Roy, since you are doing all of the discussion, would you mind considering talking to Ed to see if it could go on the County's homepage? It is just another opportunity to catch more people.

Roy Buskirk: Okay.

Tom Harris: Any other liaison reports?

Roy Buskirk: The Board will be coming before Council for additional funding in part for the marketing program that the Board has for this coming year, trying to get the benefits that the Board has completed out to the general public and will include additional contractors. It is difficult to reach all of the contractors in the community because some of them are not in their office on a daily basis. Part of this marketing program will also be to the general public to get the word out there about what Allen County has been doing and the City of Fort Wayne. If they have any friends or whatever possibly locating in Allen County, it will put in a good word. We have had a black eye for so many years. I'm done.

Tom Harris: Are there any other liaison updates? This is an opportunity for Council to bring information to the table for the good of all of Council and the community about departments and different issues and such. Councilman Brown.

Larry Brown: In our organization meeting, we touched on and didn't assign any responsibility so I guess it falls on you, Mr. President. Are we going to create some kind of criteria for reporting back to Council from our liaison assignments?

Tom Harris: Yes, we will do that. We can do that in an outline format that says these are four or five different things that we do for liaison updates. With that we will open it to public comments.

Tera Klutz: I wanted to give Roy a little credit. Over the past twelve years, he tends to talk a lot and he tends to harp on the same subject all the time. One of those was the cleaning contract. He felt that we were paying for too much.

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I just wanted to say that as of the beginning of the year, we are all emptying our own trash and we have saved a bunch of money. Building Maintenance is taking on some new duties. I also wanted to say that another item that he would harp on a lot was the food contract at ACJC. Back then it was called Wood Youth Center. That has happened and it is also working into the Jail. I just wanted to say, for the record, we are emptying our own trash.

Tom Harris: Thank you.

Roy Buskirk: Does anybody have any new ideas I can work on?

Bob Armstrong: Were those responsibilities added to their job descriptions?

Tera Klutz: No, it is under Other Duties as Assigned.

Tom Harris: Okay, thank you very much.

Larry Brown: Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of January 15, 2015.

Bob Armstrong: Second.

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

Bob Armstrong: Move to adjourn.

Sharon Tucker: Second.

Tom Harris: All in favor please signify by saying aye. Opposed like sign. The motion carries 7-0. There being no further business the meeting was adjourned at 9:38.