

ALLEN COUNTY COUNCIL MEETING MINUTES
JUNE 22, 2015
8:30 AM

The Allen County Council met on Monday, June 22, 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. Absent was Robert A. Armstrong

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 May 28, 2015 meeting minutes. Are there any additions or corrections?

Roy Buskirk: Move to approve the minutes from May 28, 2015.

Joel Benz: 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 with Auditor Tera Klutz.

Tera Klutz: Good morning, Council. I just want to report that we are getting ready to distribute the spring property tax collections at the end of this month. As of May 31st, the Miscellaneous Revenue and Income Excise are tracking right on target. We have about 42% collected and we are 42% through the year.

Tom Harris: Are there any questions or comments?

Bill Brown: I will make the motion to approve the financial report.

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). Next is the unemployment rate.

Nick Jordan: Good morning, Council. On your agenda is the March and April, non-seasonally adjusted rates. Allen County went from 5.7% to 4.3%. Indiana went from 5.9% to 4.6%. The National went from 5.6% to 5.1%. I did want to bring to light, because

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some of the information that Tom wanted to put on here at one time and was too much for the little area, the County rate is decreasing because the labor force dropped by 2,100 people. It is important to note that the numbers behind this comparison is from April 2014 compared to April 2015. There are 2,101 less people in the labor force than there was a year ago.

Roy Buskirk: So what about jobs?

Nick Jordan: From April 2014, there are 334 less people employed. If you look at March of 2015 there are approximately 300 more. If the rates were seasonally adjusted you could potentially look from March to April 2015 but I don't know what happened seasonally during that period so I am comparing April 2014 to April 2015 non-seasonally adjusted.

Roy Buskirk: But there are 330 less people working.

Nick Jordan: From April 2014 to April 2015.

Roy Buskirk: Okay, thank you.

Tom Harris: What is interesting about that is that these numbers are public and from an economic development standpoint, they look at both the real numbers and the unemployment rate. This is about the lowest that I have seen it since I have been on Council. For prospective employers, site selectors and those in the economic development field, those numbers become something that they begin to concentrate on as they look at Allen County. Is there any further discussion, Council? Nick, thank you very much. Moving on with the agenda, we are going to move first to the Sheriff's Department. We will come back to economic development in just a couple of minutes.

Dave Gladieux: Good morning, Council. Dave Gladieux, Sheriff of Allen County.

Troy Hershberger: Troy Hershberger, Deputy Chief of the Sheriff's Department.

Dawn Kennedy: Dawn Kennedy, Compensation Specialist.

Tracy Mitchener: Tracy Mitchener, Assistant Human Resources Director.

Dave Gladieux: The first thing for the Sheriff's Department is consideration of a salary ordinance establishing the pay for two additional Police Officers. These requests come in light of East Allen County Schools requesting two more SRO's (School Resource Officers). In the past, we supplied them with people and not replaced them and I am at my end. I can't keep supplying people because it is a staffing issue. The contract is going to be identical to the one that they currently have. They will pay for salary and equipment for the nine months that they are with them. We will pick up the remaining three months. If you are wondering what they do during the three months, they are transferred to the Traffic Division. They will work various shifts until school starts again.

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Bill Brown: I would be curious if you could speak to the benefit of Police Officers in the schools.

Dave Gladieux: It is hard to measure with numbers but I can tell you it is probably one of the most popular programs that any law enforcement agency has started in recent years. In light of the school violence around the country, I think it sets the family at ease knowing there is an officer in the school. The schools are onboard. I will be the first to tell you that I really didn't think it was going to go years ago. I thought there would be some backlash or something with not in my backyard. I don't want a Policeman in my school. The schools have wrapped their arms around it and it has been a very successful program.

Roy Buskirk: What has been the response, the interaction with the students as far as a better rapport with law enforcement? Do you have any kind of a metrics on that?

Dave Gladieux: I could have probably brought numbers of arrests of students but actually investigations that have been completed because of the relationship with the Officers at the schools. If you remember the DARE program years ago, it was a very successful program but those programs had to end because of funding. They all started out with grants and you know how those Federal grants go. It was turned over to the local municipalities to take on that cost. It just finally got to be too much I think. I am not going to say that this is a replacement but it is very similar with relationships building between law enforcement and students and school administrations.

Tom Harris: Councilman Tucker.

Sharon Tucker: I have more of a statement. I support this. I had the privilege of being the Principal for the Day in November and I think this is a beautiful partnership. The day that I was Principal, there was a bank robbery in New Haven and the Resource Officer was at our location. Just having that individual there, being able to relay information to us and helping keep us safe while on a lockdown made a world of a difference. Having experienced it firsthand, I can tell you the benefit that the teachers, students and staff all receive from having the Resource Officer there. I never dreamed that being the Principal of the Day would give me the full experience but it was worth having it there. I think it is a beautiful partnership.

Tom Harris: Council, are there other questions? One of the questions I have is East Allen County Schools has recently adopted a few things and I think they are considering the possibility of doing random drug testing and a variety of new initiatives within their schools. Will these Officers be involved in that process? We do have the Superintendent here if you need backup.

Dave Gladieux: I think you should invite him to the table.

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Ken Fowlkes: Ken Fowlkes, I am Superintendent of East Allen County Schools. You are probably referring to the random drug testing and that was passed by our Board. I don't really see the SRO's involved in that. The SRO's are more involved if there are drugs in the school. They are making sure that we stay legal. I hear you talking about SRO's and the benefits and I have lived this experience because as a Principal at Northwest Allen County Schools, we had an SRO from the Allen County Police Department and what an incredible resource. Someone who is approachable to the kids and can be in classrooms educating students, I think the students get a chance to see an Officer from the other side. Sometimes students have had negative encounters with Officers and the SRO's in the schools is very positive. I call it the Officer Friendly approach. I really appreciate the Council considering this; it is going to be a tremendous asset. Right now we share one SRO between Leo, Woodlan and Heritage. It always seems that the Officer is not where they need to be when you need them. Having someone full-time in each of those three schools would just be a tremendous asset to us.

Tom Harris: I applaud the additional initiatives that you are looking at within the school system but I ask that question because as they increase some of the requirements and demands in the school system, didn't know if that was going to carry over. Should that become an issue, should that come up in the contract or is there an assumption that as some additional initiatives happen, the Officer will just be involved in those?

Dave Gladieux: I don't foresee the Officer getting involved in the drug testing program whatsoever. We are supportive of it but don't see that as her position or his position or should be. That position is going to have other responsibilities to deal with. That is more of an East Allen County Administration decision.

Tom Harris: All right, thank you. Council, are there any other questions?

Bill Brown: I will make a motion to approve the salary ordinance establishing the pay for an employee within the budget of the Sheriff's Department, 100-0501-421, Sheriff Deputy, SHO 1/2 for \$45,573, non-exempt.

Sharon Tucker: I second.

Tera Klutz: This is for two employees.

Bill Brown: For employees 16-74 and 16-75.

Tom Harris: We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent).

Dave Gladieux: Next on the list is consideration of a salary ordinance reclassifying the Administrative Assistant, OSS 4/6, \$38,545 at 37.5 hours a week to Field Service Officer, POLE 4/6 and \$51,246 at 40 hours a week. Deputy Chief's Hershberger and Kohrman have worked pretty hard on this. They are a little more familiar with it and so I am going to have him explain it to you.

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Troy Hershberger: As we previously spoke, we utilized Field Service Units in the Patrol Division. We took civilian employees and cross-trained them and made them Special Deputies which allowed them a little more freedom and a little more responsibility. We reclassified them as Field Service Officers. That is what we would like to do with this position. Back in the fall, one of the two Police Officers in the Sworn Division had back surgery and due to the nature and sometimes severity of the crimes that they are checking on, it is usually a two-person check. When he had this back surgery, he was off and we had taken an employee from Community Corrections who had previously worked at the Jail. He has had some training and given Special Deputy status last fall to go out and assist the remaining Police Officer in doing these checks. In doing so, we felt it would be beneficial if we made him a Field Service Officer instead of an Administrative position. He would still be taking care of those duties as well but he would basically have that third Police Officer ability to go out and check.

Tom Harris: All right, Council, are there any questions or comments?

Bill Brown: This has been through the Personnel Committee?

Tom Harris: Yes.

Bill Brown: Was it totally approved?

Tom Harris: I believe that is correct, 3-0. Are there any other questions?

Bill Brown: I will make a motion to approve a salary ordinance reclassifying the pay of an employee within the budget of the Allen County Sheriff's Department, 100-0501-421, from Administrative Assistant to Field Service Officer, 14-76, OSS 4/6, \$38,545 to POLE 4/6 at \$51,246, non-exempt.

Tom Harris: We have had a motion, is there a second?

Sharon Tucker: I second it.

Tom Harris: We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent).

Dave Gladioux: I am going to make your morning, here. On the third request, we are going to request it to be removed from the agenda today. In further investigation of that position, we have learned that it is too much work for one person. I think we are going to go back to the drawing table and try to work something else out. We will come see you at a later date on that okay?

Tom Harris: It did make our morning, thank you. The next item up is Building Maintenance, Department 47.

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Dan Freck: Dan Freck, Director of Buildings and Grounds for the Allen County Commissioners. I am here today to request an additional maintenance employee for my department. For the past few years, our workload has increased with more and more projects being assigned to us. Recently, Byron Hospital and Work Release out north have been added to our maintenance schedule. We have also partnered with the Building Department and ACCDC in board-ups, trash and debris removal in a lot of our lots in the downtown Fort Wayne area. The request is for another employee that we could possibly put on second shift. That would help us with the areas that we are not allowed to try to get into during the daytime. Allen County Courthouse is one of them. Some of our projects, during court hearings have to be put on-hold and either work late or early in the morning to try to stay on schedule. The Rousseau Centre as well with not having a lot of access with the Police Department. We have limited areas in there as well. We have in my CUM CAP projects that we have started roughly five years ago and would like to continue doing them. That is our asbestos abatement program that we have started. With that we have always taken pride in trying to keep our projects on schedule but I am getting to where I am starting to fall behind. Today with your support, if we can get an additional employee, we would greatly appreciate it.

Tom Harris: All right, Council.

Roy Buskirk: Dan, I have a question and I know you mentioned it at the Personnel Committee meeting and by the way this was approved 3-0.

Tom Harris: Actually it was 2-1.

Roy Buskirk: Okay, I'm sorry. The Irene Byron Health Center, you now have the maintenance and everything on that building and previously before a new lease was signed or something, they did their own maintenance. Now the County is doing it?

Dan Freck: Correct. The Byron Health Center or Hospital has always been owned by the Allen County Commissioners. Under the program, prior to the new lease agreement they had maintenance staff that maintained on a normal protocol but under the new lease agreement, they only maintain what is in their program. Maintenance and the County Commissioners maintain everything else. We recently had to install a water softener system. We have been out there on emergency calls for Work Release which they used to do.

Roy Buskirk: Thank you.

Tom Harris: Dan, a question that I didn't mention or bring up during the Personnel Committee but the demand for some of these projects, did that just start to happen this year? Then, as we set budgets, we anticipate what your needs are going to be and we try to understand what your personnel needs are going to be and such. Why, in the middle of this year, are you coming forward and didn't have it presented during the budget last year? Then, could there be consideration to delay today to bring before Council's budget for next year?

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Dan Freck: What we have done, Mr. Harris, when we did a partnership with the City of Fort Wayne and moved departments from Rousseau to Citizens Square and vice versa, we also tried to reduce one of our buildings which we have done. We have gotten rid of two of our buildings and had scheduled a third building at 113 West Berry. By putting that one on the market to sell we did a major renovation at 1 West Superior. In my position, the Building Department has allowed us to do almost all of that work in-house by taking on that project and the complete renovation to that along with the other ones that went under the new lease agreements; I have just fallen behind on a lot of my work. I have a scheduled date that I have to complete. I have projects in my CUM CAP that I put out every year showing the projects that I am trying to get done. I am just not keeping up.

Tom Harris: From a cost standpoint, is it less expensive to do some of those projects in-house than to have an outside contractor do them?

Dan Freck: Yes. I have never been able to actually go out and quote those projects. A good example would be five years ago when we started putting budget numbers together for the renovation of the Rousseau Centre. We had a dire need to upgrade a lot of plumbing in our main restrooms. That pipe, back in 1969, had been specked for copper and through the shortfalls and budget cuts that ended up going to galvanized pipe. For 30 to 35 years you could see where the corrosion would cause a lot of our problems. I did budget roughly \$100,000 to put in as an alternate through the construction of that but it was put off to the side to see if I could do it little by little to take them on one at a time with two of my in-house plumbers. We were able to do that. The cost came in roughly at \$30,000 rather than \$100,000. There are times with some projects that I have to sub out. A good example would be non-sanitary sprinkler head system. We were not qualified to do that at one time. There were close to 200 sprinkler heads that had to be changed at 1 West Superior. One of my employees took time off and studied and went to Indianapolis on a weekend and passed the test, came back and we were able to pull the permits. I can't really tell you how much money we saved but I would have to think buying a sprinkler head to \$2 to \$3 versus \$8 or \$9 in just material alone is quite a savings let alone the labor that would be in that.

Tom Harris: Council, I ended up in the Personnel Committee meeting voting against this. The reason that I did was I was strictly looking at an additional staff for the County. What I didn't take into consideration is what I just asked about the potential cost savings. If it provides a cost savings to the County, in the long run, it makes sense from my standpoint. Council, are there any other questions?

Bill Brown: The comment that I would have is that I know the Building Maintenance does a great job. They are a huge service to Allen County.

Roy Buskirk: There have been several, not as big as the ones you just mentioned, projects that our Building Maintenance has done on remodeling and has saved the County quite a bit of money.

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Dan Freck: I have three projects as soon as I can get out of this one. We have a deadline to meet at 1 West Superior but after that Community Corrections, since the Kelley House is no longer in existence it is also on the market. Community Corrections is going through a small renovation. The Police Department in the basement of the Bud Meeks Center, B of I (Bureau of Investigations) also houses the Sex Offender Registration Network Program. That is going to get moved to another area. Those are on the radar and some of those projects will have to be done during off-hours.

Roy Buskirk: I know that the County has sold several properties since we have merged into the two buildings. But with the Irene Byron and some others, we have picked up and the Building Maintenance currently is doing a lot more in-house projects than they did previously. I would entertain a motion for it but I do not have the sheet so Bill Brown would you please read it?

Bill Brown: All right. I will make a motion to approve a salary ordinance establishing the pay for an employee within the budget of the Allen County Building Maintenance, 100-4701-419, Utility Specialist, LTC 4/2 at \$36,083, non-exempt.

Roy Buskirk: Second.

Tom Harris: We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent). Next is Community Corrections.

Nick Jordan: You need to do the appropriation for the Utility Specialist. You can read it right off the front of the agenda.

Bill Brown: Move for approval of the appropriation from County General for Utility Specialist, \$17,625, FICA \$1,348 and PERF \$1,974 for a total of \$20,947.

Larry Brown: Second.

Tom Harris: We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent). All right, Community Corrections.

Kim Churchward: Good morning, I am Kim Churchward and I am the Director of Allen County Community Corrections. I have with me this morning Jeff Stevens who is our Senior Finance Manager. We have two items for your consideration this morning. First are our 2015-2016 fiscal year budget appropriations. I know each of you received a comprehensive packet of information from Mr. Stevens. We are here to answer any questions, should you have any.

Tom Harris: Maybe you could start this morning with just an overview. This is the annual budget for your department so maybe talk to us about some of the changes that you see in this budget versus last year. And particularly in light of House Bill 1006 and what that means to Community Corrections.

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Kim Churchward: I think the first and most dramatic thing that is different for us in this fiscal period, as Mr. Freck mentioned, is the closing of the Kelley House in January. That has had a dramatic effect on Operations and us. Unfortunately it was a fiscal decision that had to be made. It was a wonderful program but for financial reasons, we had to close that program in an effort to reduce our expenses. We are continuing to work through that process. In part, as you pointed out Mr. Harris, that decision was made as a result of House Bill 1006. As you know, criminal reform in Indiana is resulting in many more low level offenders being diverted back to the community. That is just beginning and I think everyone who works in the system will tell you we are certainly not confident yet on what the impact is going to be. We have done some pretty in-depth analysis on trying to project who might be coming back to the community in the upcoming couple of years. We are landing somewhere in the 150, 170 to 200 range if you look at the low level offenders are sentenced.

Tom Harris: That is above where you are presently.

Kim Churchward: Correct. That is the projection.

Bill Brown: What percentage is that increase, roughly?

Jeff Stevens: 25%

Bill Brown: 25% or so, very good.

Roy Buskirk: Just so you know, five of us attended a conference in which this was brought up. We are all really smart and up to date on the new program. There was quite a bit of time spent on this and how some of the funding is a little wishy-washy. Several questions were concerning that it is grants.

Kim Churchward: That is my understanding, as well.

Roy Buskirk: So you apply for a grant and you never know if you will get the funding or not. One of the questions from another Council member was how long will it stay under the grant system? Is it where each County will get so much funding? They don't know. Every year, I am just forewarning you, will have to be going through applying for this grant. We don't know what your funding is going to be.

Kim Churchward: Right. It does make the process difficult.

Roy Buskirk: Of course there are some Counties that don't have Community Corrections and they are hustling to co-op with adjoining Counties to be able to do this. In summary, it was kind of like they think the funding will not match the expenses that the Counties will be picking up. I think that was the main thing as far as what Council members picked up from the presentation.

Kim Churchward: Right.

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Roy Buskirk: We appreciate the work that you are doing.

Kim Churchward: Thank you. We appreciate that and certainly stand prepared. We have not yet received any formal announcement about our ability to seek additional funding. We are beginning the process regardless knowing that it will be coming late summer or early fall. We are gathering data and preparing ourselves for what we anticipate to perhaps be a short timeframe in which we will need to seek additional funding that might be available. I assure you, we will be seeking it.

Tom Harris: Councilperson Tucker.

Sharon Tucker: I am just curious, have they provided you guys, at the meeting we were at it didn't seem like they had a whole lot of answers and it starts next week, July 1st. Have they provided you with any direction, any training or when we will actually see the low level offenders returning? Have they given you anything?

Kim Churchward: We have not received any training but we are already beginning to see some of the lower level offenders staying in the community. No training specifically. We really have been focused, candidly, on what we need to do to try to get additional funds brought into the County. What mechanism will we have to bring in additional funds?

Tom Harris: Specifically, the meeting we were at was the Association of Indiana Counties, their annual meeting and this was one of the hot topics for Counties throughout the State. Allen County brought up the concern on the grant process. You are receiving a grant as part of your annual budget but that is the one time that gives you the ability to set that budget and that process for a year. Once that comes in, you are good to go. The additional grants, we don't know a timeline is what you were referring to earlier, when those might become eligible.

Kim Churchward: We have heard, informally, that it may be October. As soon as October, we could have the ability to seek additional funds.

Tom Harris: One of the concerns we had some time ago was that the formula that the DOC was looking at was reflective of the number of people that Allen County sent to DOC. If that number was lower, they would give us more money because we were keeping more people here. In large urban areas, we have a tendency to see those numbers flip-flop where we are sending more because this is a larger population here. We are going to send more down which means we are not looked as favorable because we are sending more down and so therefore they give us less. Has that mentality changed?

Kim Churchward: We have not been told officially about any incentive funds such as that. We have reason to believe that the same calculation will be used again this year. As you pointed out, we have a large population in Allen County and tremendous efforts are made to keep and treat offenders at the local level. We have a very forward thinking

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judiciary here in Allen County with a lot of great programs. Many of them are operating through Community Corrections. A lot of effort is given to these offenders to give treatment and supervision at the local level before taking that next step and utilizing the Department of Corrections. You make a very great point that is frustrating for us.

Tom Harris: I have shared with our General Assembly or Legislators in this area the concern over that grant if the shift from the State is going to place more pressure on local communities, through the Community Corrections systems, they need to move from a grant process to some kind of a straight allocation so that we don't wonder if we are going to get money or not. We would have a budget and from a managerial standpoint that is how we need to operate instead of hoping that we get funding sometime throughout the year to cover the expenses. I am hopeful that may change but I have not seen any indication that it will.

Bill Brown: I just had a quick question about capital cost facilities with the offenders coming back and it will put a continued higher count to your facility. What do you think as far as the capacity there? I know the parking lot is full and the building is pretty much utilized 100%.

Kim Churchward: Absolutely. The specific read of 1006 and was approved most recently does not allow for funds to be used for brick and mortar projects. I don't have the ability to seek additional funding for that purpose. You are absolutely right that we are at 100%. Mr. Freck mentioned that he has some remodeling in his queue for us. We are literally turning hallways into offices. Our copy room is being commandeered with trying to put a door up and turn that into an office. We certainly are at 100% in our current facility.

Bill Brown: So with that the whole concept of relocation may need to be on the radar.

Tom Harris: A variety of unknowns and the challenge is that we are going to try to figure this out as it is moving instead of getting straight answers from the State. All indications from the meeting that we attended were that they simply don't know statistics from DOC enough to be able to predict what might happen. We are going to be in this wait and see and try to figure it out and anticipate and I have heard from some of the Judges that concern as well.

Kim Churchward: And I think keeping a great open line of communication all of us and our very active and large Advisory Board for Community Corrections here in Allen County. Mr. Harris sits on that Board and I think that will be key in these next couple of years as we move forward and to keep that open line of communication going.

Roy Buskirk: Some people don't realize that DOC is the Department of Corrections. Some of the figures that they are using in this and the Sheriff's Department understands this, they figure at \$35 a day for housing. That hasn't been changed since the 1970's and according to the Federal Prison rate it is \$67 plus is the cost to house an incarcerated individual. Right there you can see that they are not playing fair because we are only

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getting reimbursed a partial of what the County's expenses are. The one thing on this is that mental illness is a very important issue with a lot of the criminals. There are a lot of unknown issues here but yet they are pushing this and July first is when this program takes effect. I am sure from what we heard down there that the AIC will be strongly lobbying this for us for additional funding.

Tom Harris: Another question would be from a Community Corrections standpoint and the services that you provide, I don't know the Counties around us but there would be no reason that we provide services to those Counties should they need our services. Do we do that?

Kim Churchward: We have not been approached to do anything more than what we have done historically which is accepting transfers in from surrounding Counties if they have an individual that resides in our County and wish for us to do a courtesy supervision. Other than that there have been no additional conversations.

Tom Harris: One other point that we heard that was crucial is that if the DOC happens to find that there are savings because they are keeping folks at a local level, the law or new legislation states that they cannot keep that savings. They have to give it back to the State and the various Counties in ways of grants.

Kim Churchward: That is correct.

Tom Harris: So there is the grant process coming back to us.

Roy Buskirk: But they hardly thought there would be any savings.

Bill Brown: So this would be more effective to take care of these problems locally? That doesn't help us with the money part.

Tom Harris: Are there any questions or comments?

Bill Brown: I would like to make a motion for the appropriation in the 2015-2016 Community Corrections budget. One is for the appropriation in State Grant Fund 234 in the amount of \$3,151,800; Transition Fund 235 for \$434,090 and in Project Income Fund 236 in the amount of \$1,601,914 for a total of \$5,187,804.

Roy Buskirk: Second.

Tom Harris: **We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent).**

Kim Churchward: The second thing we have for your consideration is a transfer of \$150,000. Specifically, our current 2014-2015 fiscal year we are requesting to transfer this \$150,000 out of our 200 and 300 Series and into our 100 Series. With the closure of the Kelley House in January, we anticipated that there would be some transfers and

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changes that would need to be done to close out this fiscal period. It is simply this amount. If you have any questions, we would be happy to answer them.

Tom Harris: Council, are there any questions at this time? We can anticipate some of these adjustments although this one is specifically to the Kelley House and as that closes you can move those funds into Extra Deputy Hire which allows you to hire part-time staff.

Bill Brown: I would like to make a motion for the transfer within Community Corrections Fund 234 from Other Supplies, \$53,000, Contractual for \$22,000 and Contractual, \$75,000 for a total of \$150,000 into Extra Deputy Hire.

Sharon Tucker: Second.

Tom Harris: We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent). Thank you very much.

Kim Churchward: Thank you all for your time this morning.

Tom Harris: Okay Council, with that we are going to move back to Economic Development. We have a variety of issues in front of us today.

Scott Harrold: Scott Harrold, Senior Economic Development Specialist.

Mark Royse: Mark Royse with the Department of Planning Services.

Tom Harris: First up this morning is Scott.

Scott Harrold: We have sent out some information since the meeting last month about compliance with the Statement of Benefits. I believe there were 31 different companies, some of them with multiple abatements that filed their forms. Basically, we had four companies that were questionable as far as compliance. One of those was resolved when they provided additional information, Vera Bradley. As far as their investment that was something they didn't realize that they had to file it every year. With that they are now in compliance and so I added them to the list on the resolution. I wanted to talk about the ones who were not in compliance first because we have the option of going ahead and adding them back on the list with the other companies. Basically, Terex Advanced Mixer, D & W Fine pack, which used to be C & M, and R3 Composites were the three remaining ones. R3 submitted additional information through their attorney giving some background as to why they are a little bit behind. Originally, when they started at the facility here, they thought they had a contract with a national company and that fell through. They had to redo things and find some new customers. Basically, under State law, if a company fails to meet their compliance because of things outside their control like losing the customer or economic conditions or anything like that you really can't hold them accountable. About the only thing is if they intentionally misled you. R3, it's up to you but based on my reading of it, this is a good explanation. We didn't receive any

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additional information from D & W Fine pack or Terex. I would note that these are old abatements from 2005 and so this is probably not the first time that Council has seen this. I am not familiar with recent years but I know that Terex was looking to expand back in 2005 and then with the recession the market for cement mixers dried up pretty badly. I don't know how the business is doing now but that was one of the reasons they fell behind originally. D & W, this was an old abatement from back when they nearly doubled their size. The County has done a lot over the years to support them not only on abatements but by also building a rail spur and some other little things to assist them. I do know the company received a new abatement from Council last December, I believe, for a fairly large investment. They are under new ownership within the last year or two. Those two are question marks and we didn't receive additional information. Basically, you have three options. You can do nothing and not add them to the resolution approving the Statement of Benefits. I am not sure how the Auditor would do with that. Under State law you basically have to do something to rescind it.

Tera Klutz: If they filed it on time and you do nothing, it will go through.

Scott Harrold: Yes.

Tera Klutz: If they didn't file it on time they will not receive the abatement.

Tom Harris: Except for those two that you had mentioned.

Scott Harrold: The other thing you can do is send a letter to D & W and Terex and request that they come before you to provide additional information. We would have to do that fairly quickly because you have 45 days after they submit their information. That is really a decision that you would have to make today and then they would have to come to your next meeting. Those are your options, at this point.

Tom Harris: Council, this is an annual process that we take a look at. Scott's report comes back and tells us that a majority but two have submitted at this point. Is that correct?

Scott Harrold: All but two are in compliance, yes.

Tom Harris: Okay. One of the things we adopted was to begin to go out and visit some sites to first understand some of the needs and challenges that they might be facing in some of their facilities. Also, understand some of the aspects of how those abatements are coming along and what we are doing in terms of local government, are we doing everything that we can to help them. In any case, we had the opportunity to visit R3 Composites last month or earlier this month and saw a great amount of activity. Things were happening in that facility located in the Grabill area. It has been a tremendous asset for that community and northeast Allen County to be able to do what they are doing. In fact, while they have had some troubles, I think they got one of their major accounts and were able to pick up another major account. I was personally impressed with a number of

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things that were going on there. I want to open it up to Council for questions or comments.

Joel Benz: I just had one comment, I would second what you said on R3 and I thought that they have redirected and done a good job of building their business. Several things that I saw there actually impressed me also. One of the things I will bring up is they are allowing the farmers around them to farm some of the ground that is undeveloped free-of-charge. They are covering the taxes just to say that they are giving back to the community. I think that speaks to their intentions.

Roy Buskirk: I understand that one of the things they were short on was January 1, 2015 they were short nine on the new jobs. Currently they have hired more than the nine that they were short on the first of January. And like what has been previously mentioned, when they first started they had a major contract when they opened up and that contract was cancelled. They went out and hustled and got other contracts to be able to open up and stay open. I would be in support of R3.

Tom Harris: In front us we have a resolution that needs to be passed but we also need to make a determination on the two that were not in compliance and what we would like to do. In the past, the historic piece for Council has been that they would come forward and we would ask them or send them a letter to say “please come forward”. They can choose to come forward or not comply.

Scott Harrold: That is the process under State law but I don’t know that the County has ever brought anyone before them.

Mark Royse: Typically, the companies will provide an explanation which is forwarded on to Council. Typically they meet the section of statute that speaks to compliance.

Roy Buskirk: But these two companies have been requested and they have not responded.

Mark Royse: Yes. That is correct.

Tom Harris: Council, I open that up for entertaining a motion. Is that part of the resolution?

Scott Harrold: No.

Tom Harris: Tera.

Tera Klutz: The resolution that I have in the packet doesn’t have R3 Composites on it. Is that something that we want to write in?

Scott Harrold: Yes, if that is Council’s wish. I can provide a revised exhibit.

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Tom Harris: As I understand it, R3 has complied. It is D & W Fine pack and Terex, correct?

Scott Harrold: We received the information from R3 after the resolution was sent out, I think.

Tom Harris: Tera, did you want to clarify that?

Tera Klutz: I just want to clarify that the resolution that you want to adopt won't change after today. The exhibit that is attached to it, unless you want to set up a new meeting and re-vote, will be exactly as this one is. It doesn't have R3 on it and I need to know if I need to write that on there if you are going to approve them.

Tom Harris: Oh, I see, okay.

Tera Klutz: I also need to know if D & W, formerly C & M, needs to come off the list or if they should stay on.

Scott Harrold: Actually D & W had two abatements and one was in compliance and one was not. The one that is on there is a later resolution and I think I had the resolution numbers on there.

Tera Klutz: The one listed here is from last November.

Scott Harrold: The one that is not is from 2005.

Roy Buskirk: When does the 2005 run out?

Scott Harrold: Both for Terex and D & W, they were personal property and some of it this is the last year. There is a little bit left for another two years, I think. The amounts left are fairly small. I think I sent that to you in the letter. The deduction amount left for D & W was like \$2,900 in taxes and for Terex it was about \$806. So it is fairly small amounts.

Larry Brown: Do we need a motion to add R3 to Exhibit A?

Tera Klutz: I can just write it in and when you pass the full motion, it will be on Exhibit A.

Tom Harris: Based on their input that is a correct statement.

Roy Buskirk: I think you need to make a motion that it be added.

Tera Klutz: You haven't adopted it so by the time you adopt Exhibit A, it will be on there.

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Roy Buskirk: Okay. I would suggest that D & W Fine pack's 2005 be removed.

Joel Benz: It is not on there.

Roy Buskirk: I just want to make sure and that Terex 2005 also is removed if it is on here.

Scott Harrold: It is not on the list.

Tom Harris: All right, Council, any questions or concerns?

Bill Brown: I will make a motion for the resolution approving the 2015 pay 2016 real and personal property compliance with Statement of Benefits (CF-1) forms as written.

Roy Buskirk: Resolution number 2015-06-22-01.

Tom Harris: Was that in the form of a second?

Roy Buskirk: Yes, that is a second.

Tom Harris: We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent). Now we need to make a determination on bringing them back. Is that correct? So we could ask them to come back but we can also determine not to have them back. Is it State statute that they need to come back?

Scott Harrold: It says you may but it doesn't say you shall.

Tom Harris: And the may would then be based on the fact that they would have an interest and they would come. On the other hand, if they don't come, they wouldn't have an interest. So Council, I leave that up to Council's decision, would you like to have them come back before us or not?

Larry Brown: Absolutely.

Joel Benz: I think we should give them every opportunity to come forward and resolve the issue.

Roy Buskirk: But it is already done.

Larry Brown: No, it's not. We haven't taken anything away from them.

Tom Harris: We can still, by having them come forward...

Roy Buskirk: By what date, Scott?

Scott Harrold: When is the next Council meeting?

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Roy Buskirk: Oh, it can be at the next Council meeting?

Scott Harrold: Yes.

Larry Brown: 45 days.

Tom Harris: So we don't need to pass that, per se. We can simply have an understanding that we are asking them to come back. Is anybody against that feeling? If not, let's go ahead and request, if they have interest to come to the next Council meeting.

Scott Harrold: We will send them a letter under your direction.

Tom Harris: Okay, great. That takes care of those two items. The next item up is it the Redevelopment Commission? Scott, are you going to talk about the Redevelopment Commission Treasurer Report?

Scott Harrold: The State law is a little confusing on this. There are actually two different reports. One is just a report on the activities of the Commission which I believe you all received the annual report earlier this year. Most of that describes the activities of the Commission. There is also a report that needs to be filed with the State that basically shows all of the tax increment financing funds that is under the control of the County Redevelopment Commission. It shows the revenues and expenditures for the last year, the current balance, any outstanding loans or obligations. Plus there is a list of all of the parcels within each taxing district. Basically this is just information as of December 31, 2014. We are required, under State law, to present it. Next year they are making a small change.

Nick Jordan: They have consolidated some of the reporting requirements of the Redevelopment Commission going forward and this will go before the Redevelopment Commission Board and not County Council next year. The August 2015 report still has to be filed.

Scott Harrold: Yes.

Tom Harris: Does the Redevelopment Commission also have to pass that?

Nick Jordan: I don't know if there is any vote on it. I think they just have to present it to them.

Tom Harris: In the future, you are saying that this is going to change.

Nick Jordan: Instead of them coming to the fiscal body, it will go in front of the Redevelopment Commission.

Tom Harris: I see.

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Scott Harrold: We already do that anyway.

Tom Harris: Is there any action needed on this report this morning?

Scott Harrold: No.

Tom Harris: Council, I will open this for any discussion. Hearing none, Scott, thank you very much and with that we have one item left, the procedures for the Allen County Tax Phase-In Program.

Mark Royse: This goes back to the Joint Tax Abatement Committee that met earlier this year. They had their last meeting on May 19th. I was before you last month to give you the overview of what the consensus was from that committee and what this resolution does is capsulizes the major aspects of that. There were two issues, one was the vacant buildings situation and at that time the County did not have a separate guideline or policy with regards to vacant buildings. It was determined to keep the City program and the County program coordinated as possible that the County would add to its policies and guidelines the same benefit or vacant building deduction that is offered by the City. That is a two-year deduction with the first year being 100% and the second year, if they get a two-year, is 50%. The major one which will take effect July 1st is the opportunity for a local fiscal body to grant up to a twenty-year deduction on personal property. The consensus was that if we are going to move forward with that there needed to be some pretty significant criteria. The criteria within this resolution are 1,000 new jobs within two years of submitting the application, at least half-a-billion in eligible personal property and the amount of income taxes generated by new jobs will be equal to or greater than the value of the deduction after a ten-year period. One of the other things that needed to be added is that this is one that isn't a "may", it is a "shall". If you would happen to designate any deduction for over ten years, it requires after the tenth year for the fiscal body to conduct a public hearing to look at how they are complying with their Statement of Benefits.

Tom Harris: Is that done each year after the tenth year?

Mark Royse: Yes.

Tom Harris: Council, this has been talked about a variety of times in some of our previous meetings. We know that the City of Fort Wayne is considering this and has been on their agenda and is up for a vote as early as tomorrow.

Mark Royse: Yes.

Tom Harris: We have had input from the LEDO's, Local Economic Development Organizations, around Allen County that they are also in favor of this and should they pass something they should be similar, we anticipate, right? One of the challenges could be that if they decide to do 800 jobs instead of 1,000 jobs and they say \$300,000, then

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they become competitive to Allen County. They are luring in a large employer into their area rather than Allen County. That would be the challenge. You guys have had discussions with them and we are all in the same direction.

Mark Royse: Right, if they do anything that is the approach they will take. They will use this as the standard.

Tom Harris: Has this been passed anywhere else in the State that you are aware of?

Mark Royse: No, not that I am aware of.

Tom Harris: We found that out as well but I thought I would ask. At AIC, the convention that we were at, they were saying that this was one of the items coming up and that nobody else in the room had passed it and some were not familiar with it. Allen County shared that we had this on the agenda for today. So, with that Council are there any questions or comments?

Larry Brown: I will offer a motion to approve amending the Procedures for the Allen County Tax Phase-In Program as presented.

Roy Buskirk: Second.

Tom Harris: **We have a motion and a second. Are there any further questions?**

Bill Brown: Read in the resolution number of 2015-06-22-02

Tom Harris: **Thank you. All in favor say aye, all opposed same. The motion passes 6-0-1(Armstrong absent).**

Mark Royse: It seems that every couple of years there is some change to the abatement legislation and over the years we have done it through a guideline or adopting a policy. As this is an addendum, staff will put together in one document basically procedures on tax abatements on behalf of the County Council and bring that back at a future date so that it is all tied in to one resolution.

Tom Harris: Thank you. Let me say from my standpoint that this is a tremendous piece because it adds to what we have been told which is the tool box that can communicate to site selectors and people around the country and the world that Allen County is open for business. This is another piece in that tool box. Congratulations on all of your work on this as well. All right, Council, I think that is all of the items on our formal agenda. We have Ed Steenman from IT that needed to discuss something with us today.

Ed Steenman: Ed Steenman, County IT Director. First of all I want to thank you for allowing me to jump in on the agenda today. This is a last-minute item and I apologize for that. This is rather important and I wanted to bring it up to you to get your thoughts and hopefully come to a consensus. The reason I am here is a rather major infrastructure

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situation that we have. This began last year at budget time. We were investigating what to do with our current backups, the tape system and the software system that we use for backing up data on a daily, weekly and monthly basis. What is in place has been in place for about eight years. We have pretty much wrung it out. We have been investigating options for replacement and how best to move forward with the amount of data that we have accumulated and have to backup. It is much larger than it used to be, new technologies that are available and definitely weren't available eight years ago but have sprung up over the years. Late last year or early this year, we ran into a situation with GIS where we had a storage situation within GIS. We had to replace that storage and that was a rather large chunk of storage that we added to our storage area network. That brought it to capacity. Along with having a backup situation, we had backed ourselves into a storage situation. We then began trying to figure out how to solve both issues. From a backup perspective and from a storage perspective, we knew these were going to be happening. Storage, we thought, was a little farther out. We had it on the capital plan for last year at budget time. Backup we knew was at nearer term and had it on the capital plan for the last year. The cost of backup, what we had researched at that time, was about \$100,000. Since that time and with the addition of storage for GIS, \$100,000 has become \$300,000. Storage, thinking it was a 2016-type item became a 2015-type item. Trying to figure out what to do to make this palatable for both the County and the City, we have looked at many options with one of those options being the Microsoft Cloud. We have come to determine that is the most cost-effective direction that we have been able to identify. The sheet that I have given you kind of lays some of this out and illustrates the options that we have considered for both backup and storage, they being separate items or a hybrid of backup and storage through the Microsoft Cloud. The separate options come up to about \$755,000 solution for three years. The Microsoft Cloud alternative is about \$309,000 and that is total for City and County. Those costs would be shared. It creates a much lower cost for us to make use of that option. The caveat is that the end of June is the end of Microsoft's fiscal year and so they dangled a carrot in front of us that they will provide, and what made this so attractive, to us an onsite piece of hardware that allows us to store data onsite, to add capacity to our storage area network while that data is being transitioned to the Cloud. I am trying to make this as simple as possible but basically it makes it so that the data doesn't go directly to the Cloud all at once. It is a storage point, a transition if you will, between the storage area network and the Cloud. It increases our capacity and makes it easier for us to do backups. Where we are at right now is that by the middle of this week, if you are in agreement, we need to provide purchase orders, the City for \$51,500 and the County for \$51,500 to pay for the \$103,000 for the quote that we have. I have in my budget enough money to cover that purchase order because I have some bills that will come due at the end of the year. There is a balance in my Maintenance Agreement line item but I don't have an extra \$50,000. What I am asking for is your thoughts and your consensus on whether I can create that purchase order for \$51,500 with the expectation that I can replenish that \$51,500 at the July meeting or some meeting before the end of the year. Then this would become an annual expense of \$51,500 that I would have to put in my 2016 budget and so on. I am glad to answer any questions.

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Tom Harris: Let me ask you a couple of questions and then I will turn it over to the rest of Council. What is driving that data up of you anticipated and are projecting the amount of storage capacity that is needed, why are we off? What happened?

Ed Steenman: GIS, we had storage failure within GIS. GIS used to be separate storage, we had some failures and through the iMAP Board and the GIS Infrastructure Fund we purchased new storage to replace that. When we did that we added that because it had been a plan for a long time to bring GIS into the fold and put that storage in the same storage area network with the rest. That was about 30 terabytes of storage space. That immediately drove up the amount of data that we backup. Another thing that I haven't mentioned is as we have increased the amount of data that we store, it takes longer and longer to back that data up. Every weekend we do a full backup of the entire SAN. It is taking into Monday morning and we had started that on Friday evening. As we continue to increase that just takes longer.

Tom Harris: Being government, I recognize that there is probably a higher demand in the requirement of storage and backup of data. Do we challenge, do you challenge or does someone challenge the amount of stuff that is being stored? Do we need to keep every piece of data that is out there? Who strategizes and says that we don't need to store that more than two years or a year?

Ed Steenman: That is really department by department.

Tom Harris: They tell you or do you help them make that decision?

Ed Steenman: The Commission on Public Records has a retention schedule for every real document. It is up to the department to store those documents for the required retention. Unstructured data and all of the self-files and word documents and so forth, as IT we really can't tell what is in those documents and how long it should be retained. It is really something that the department has to determine. Whether they do that or not, to be quite honest, I don't think so but it is a monumental challenge. Within any given department there are a lot of employees creating documents every day and every week and do they go back and clean those up? I doubt it.

Tom Harris: Does the Data Board challenge that or look at that as a strategy to say how much is too much? Do we need to be keeping all of this? Who looks at that? Does anybody?

Ed Steenman: Nobody looks at that. One of the things that the new device does is de-duplication. Every file has what is called a check sum which basically is if two files have the same name, are they exactly the same? The check sum is a mathematical indication of what is in the file. If the check sums are the same, it will only store that file once. It knows where it is supposed to be. We do anticipate gaining some space by taking advantage of de-duplication. That is kind of minor in the grand scheme.

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Tom Harris: One final question. Is this a decision based on cost efficiency or are we making the best decision for data storage? What are we trying to do here?

Ed Steenman: We are trying to do both. We are trying to avoid spending more money than we have to but still come up with a solution that fits our needs.

Roy Buskirk: I think Tera had a comment.

Tera Klutz: I did just about your questions. I think a lot of the storage is departments are running out of hard storage. At that same time we have this new application that the County has embraced allowing you to store forms electronically and index them and have different departments access them. I think the City is starting to utilize that more and more. It becomes electronic storage and we are moving away from, if you can and if the statute allows you to move away from hard storage to electronic storage, we are being more efficient though it is not free. I think almost all of the forms are being transitioned instead of a file cabinet to electronic. The other thing that puts pressure on our department to go through our excel files and word documents is that we only have so much room on our shared drive. There are warnings that we are about to run out of space. Our office has done a good job of going through all of the files cleaning up. We have 23 people with lots of data out there that you hang onto for five to ten years and then you can get rid of it. That is the only pressure that I have felt to clean that up. It does exist. If you don't clean that up, you don't have a place to store it.

Tom Harris: The reason I asked those questions is that I have been in organizations where part of the corporate strategy that asks how much documentation is too much. Councilman Brown.

Larry Brown: Obviously we can tell from what you have presented that the split is 50/50, City/County. Why 50/50 and not 70/30? They are 50% bigger than we are. They generate at least 50% more documents than the County.

Ed Steenman: We really don't have a way to efficiently generate or determine exactly how much is being stored by either entity.

Tera Klutz: I would say that right now the County is storing much more because our departments and offices are Constitutional, a majority of them; and the City doesn't need to exist. They don't have nearly as much regulation and statutes. The Court system, the Auditor's Office, the Sheriff, all of those have set forms that you have to keep for indefinite periods of time. Some you can get rid of in ten years and different retention schedules that the State adopts. I would say that we have embraced App Extender, application storage probably more so and the City is catching up quickly.

Ed Steenman: Another thing you asked a question about was what is driving storage up. We have never backed up individual PC's. The only thing we back up is our servers. We have encouraged people to store their documents on the network so that they are backed up. I think more and more people are realizing that is the better way to go. If they stored

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files on their C-Drive and they deleted a file, they didn't have a way to get it back. If they stored it on their H-Drive or S-Drive on the network and they deleted it, we can recover it for them. More and more people have moved their documents for safety and security.

Tom Harris: If Council chooses to do nothing today, what happens? You still have to act, right? Does this fall under the Commissioners, in essence? Your budget, but also through the Commissioners that you need to do something for the County?

Ed Steenman: Right, this is an enterprise-wide endeavor. What Jim Haley, my counterpart with the City, has said is that the \$103,000 quote from Microsoft has a companion that is \$60,000 and addresses just backup. It does not address storage at all. If you don't see this as a good way for us to go, he said he will take the \$60,000 option because he can't spend \$103,000 on his own without going to City Council. He said he will take care of us as far as backups go. We would still have the lingering issue of storage that we would have to address.

Tom Harris: Councilman Benz.

Joel Benz: My question is looking at these numbers it looks like the breakeven point is 14 years. If you were to buy new equipment and set it all up and in 14 years it will be obsolete long before then. Kind of my question is this thing with Microsoft is it like a 30 terabyte limit or is it unlimited?

Ed Steenman: It is 40 terabytes on the device they provide for onsite. I think it is upgradeable to 60 or 80. It is 500 terabytes in the Cloud and those are expandable. That is what we get for \$100,000 today. In a few years, we may get twice that much for the same price. That is the trend on Microsoft's Cloud storage. It has been getting less and less expensive. We could have considered Cloud storage a few years ago but it was unwieldy from a pricing standpoint. It has now gotten to where you have the competition between Microsoft and Amazon Web Services and a couple of others, along with newer technology, have brought the price down to where it is affordable.

Tom Harris: Councilman Buskirk.

Roy Buskirk: So this is a one-time fee?

Ed Steenman: This is an annual fee.

Roy Buskirk: Oh, an annual fee of \$103,000.

Ed Steenman: Yes, shared between...

Roy Buskirk: Shared between the two.

Ed Steenman: Yes.

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Roy Buskirk: Okay, I thought in reading here that there was something about \$35,000 maintenance but I guess that was something else.

Ed Steenman: That is on the individual options at the top.

Roy Buskirk: Has all of this been run through the County Purchasing Department?

Ed Steenman: No.

Tom Harris: And what is the Commissioners' position on this?

Ed Steenman: They are in favor of it.

Tom Harris: Of which?

Ed Steenman: The Microsoft Cloud. They would much rather spend less money than more.

Bill Brown: With the 30 terabytes that you picked up from GIS that needs to be covered and so you have increased capacity plus this gives you a quicker transfer with this interim unit that you are going to get.

Ed Steenman: Yes.

Bill Brown: It seems like it makes sense to move forward.

Tom Harris: Councilman Tucker.

Sharon Tucker: I just want to understand the urgency is that Microsoft is offering us a special discount?

Ed Steenman: Correct. It is the end of their fiscal year and they have put in the incentive that they will provide the onsite storage device for free if we go into this \$100,000 per year annual commitment. It is a three-year agreement that we will have to sign with them.

Sharon Tucker: So currently you have the money in your budget to make the purchase but you would need money allocated in the future.

Ed Steenman: Correct.

Sharon Tucker: And you will include this in your 2016 budget.

Ed Steenman: Yes. I would do the purchase order out of dollars that I have today if I have confidence that I can get that \$50,000 back in some way.

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Tom Harris: Have you spoken to the Commissioners in regards to some of the funding for this? Is there funding that they can provide?

Ed Steenman: Not that I am aware of.

Tom Harris: But have you talked about that?

Ed Steenman: No, I have not.

Tom Harris: That might be a possibility. At this point, Council, we need to understand if there is consensus in moving forward. We don't need to pass any appropriation or anything of that nature but rather a consensus in allowing him to go forward at this point.

Larry Brown: Are you calling for a consensus vote?

Tom Harris: Sure that is what I will do. All those in favor of moving forward on the Cloud option, maybe a show of hands.

Roy Buskirk: I have a comment on that before you take a vote. I would suggest that we go with the three-year. I see that you have a three-year and a five-year and it is the same amount per year. My recommendation is for three years.

Ed Steenman: Three years is the agreement. I just put the five years in there to be able to compare the overall cost of the top option versus the Cloud option.

Tom Harris: I think there is consensus to move forward on the Cloud piece and the funding is something that we will have to discuss further. We recognize your budget shortfall.

Ed Steenman: Thank you very much.

Tom Harris: Thank you very much, Ed. Now we have the 2016 General Fund Budget Projections with the Auditor. We are going to turn that over to Nick.

Nick Jordan: Good morning again, Council. I handed out to all of you at the beginning of the meeting, if you would pick up the one that says General Operating Fund 2016 Estimated Revenue and the Adjusted 2015 Budget Allocation. Please stop me at any point with questions you may have. Starting at the top and working our way down, you'll see our 2016 projected revenue of \$89,193,700. We go down to the next section where we break this down into the main components compared to 2015. The General Fund Property Tax Levy, you see 2015 and you see in 2016 an increase of approximately \$1.5 million. This signifies the estimated growth quotient that we have calculated at 2.5%. That is potentially the maximum you can increase and is an estimate. The DLGF will send out their figures, hopefully within the next couple of weeks. I presume it should be the 2.5%. I listened to a presentation last week and they had the exact same figure for their calculation and so I think it is a good figure to run with. The next piece there is the

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Mental Health and ARC levies. We back those out for our calculation because we essentially pass them through to those organizations for their operating. You will see, because it looks like a negative, but that is \$52,000 increase in their levy amounts from \$2,935,000 million to \$2,988,000. The next piece we back out is the Circuit Breaker Credit. We have estimated a 7% increase and please note that is an estimate. It highly fluctuates on net assessed value, tax rates, tax levies from the different taxing units and at this point in time we looked at the historical increases and changes and our initial preliminary estimate is a 7% increase. If you take our property tax levy back off and Mental Health and ARC levies and back off the Circuit Breaker Credits, you get to a working General Fund Levy of \$52,306,835. This is approximately a two percent increase, around that \$1 million you see from 2015 to 2016. The next piece of revenue is actually a combination of the General Miscellaneous Revenue, COIT (County Option Income Tax) and the County Option Income Tax Public Safety Revenue. We have estimated a very, very small increase there of half a percent. Just to give you an idea of the breakdown there, COIT is almost 39% of the \$36 million. At this point in time, we won't get an estimate from the State until potentially August. We look at some factors ourselves from people employed, different income tax filings that the State has shared with us in prior years and we are only estimating a slight one percent increase for our estimates in that income tax. If it would be higher that would be great and that figure would go up a little bit. There are other pieces from Excise Tax, Sheriff Revenues, Clerk Revenues, the whole combination of revenues that go into that \$36 million figure. Some go up and some go down and they somewhat offset each other and that is what, at the beginning of each meeting when Tera presents the financials, you see as a summary from where we are at year-to-date on all of those pieces. You get the bottom line there of total projected revenue of \$89,193,700, a \$1.2 million increase approximately. That is about 1.4% from 2015 to 2016. Going into the next section, it starts with the 2015 budget and it includes the COIT, COIT Public Safety and General Funds. Our budget for this year was \$90,688,469. The second item down there is less ARC and Mental Health just like we took the levies off the revenue on the top, we are going to take their expense off, the expense side of \$2.9 million approximately. Then we take off the County Council Other Capital. This is essentially one-time expenses and what this was at the beginning of the 2015 budget cycle or last fall, Council decided to put \$400,000 in your budget for capital items. We are backing this off because it is not a guarantee going forward. You will make that decision again in this budget cycle. We are going to add in UPROB salary increases which are for the Probation Officers. The State decides that and they have determined a 2.2% increase. Jackie calculates this for us at approximately \$86,000 dollars. We put in the step increases and this includes PERF and FICA. That is approximately \$268,000 and is for employees on the grids. We looked at some County-wide expenses and we picked out two significant ones there. The Sheriff Pension, we are decreasing that to \$1.6 million or \$313,000 decrease. The logic behind that is the recent legislation starting July 1st, 2015 on the Services of Process Fee. This is when they serve papers. It is being bumped up from \$13 to \$25. There is also a chance for a Post-Judgement Fee of \$25 that they could collect. What happens is that Services of Process Fee goes into its own fund and is set aside to pay for the pension. And determining on the time of collections, when Jackie goes to make the pension payment, she will take out of that fund, pay that to the financial institution for the pension and then the rest is from the General Fund. The Sheriff's

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Pension is between \$1.9 million and \$2 million and so we are hoping, in prior years the Services of Processing Fees has collected a little over \$200,000, that if the fee is being doubled we are hoping to collect over \$400,000. \$400,000 could come from the Service of Process Fees Fund and \$1.6 could potentially come from the General Fund.

Tom Harris: Can I jump in and ask a question about the Pension Fund? Is it fully funded? Do you know those numbers off the top of your head?

Nick Jordan: We pay exactly what the Actuary tells us to pay each year.

Tom Harris: It would be good to understand that because in essence what we are doing is pulling some of those funds, in theory that could happen that we would be pulling well they are actually getting the funds but in any case, understanding that number is going to be crucial.

Nick Jordan: Let's say at the beginning of this year the Actuary gives us an assumption or estimate, their actuarial valuation of what we need to contribute and they say it is \$1.9 million. We contribute that \$1.9 million and we can show you the valuation to see how if the fund is 99% funded or 100% funded.

Roy Buskirk: But the interesting thing was at our conference on Saturday, State-wide the Sheriff's Retirement Fund is underfunded.

Tom Harris: So we need to understand as we go into the budget process probably having a good understanding of that. Keep going because we don't want to derail you.

Nick Jordan: If you want to see it, we get a package from McCready and Keene and we can show you the Allen County Sheriff's Pension. The next piece is the Group Insurance and Health Insurance. The last couple of years there have been some changes, going from multiple providers to one provider in Three Rivers Preferred. The Commissioners also adopted a spousal rule. Those things have definitely helped. From 2013 to 2014 we had approximately 10% decrease in claims and that is around \$1.2 million. 2015 is trending along those same lines and so we feel we can drop the General Fund contribution and still leave an adequate fund balance in the Health Insurance Fund. Should we see an uptick like the \$13 million we saw in 2012 and 2013, we still could satisfactorily pay those claims and maintain a good fund balance. That is why you see the \$291,000 drop for Group Health Insurance. The other County-wide expenses, a combination of four or five others from Life Insurance to IV-D Allocation Costs, Unemployment Claims, Workers Compensation and similar County-Wide expenses, the net effect is a \$1,280 decrease. We have the detail if you would want to see it. The next section, we look at Specific Department Allocation Adjustments. I am going to start with the top one, the Election Board. We specifically pulled them out and looked at the fact that next year is a Presidential election. We took the 2012 budget and compared it to the 2015 budget and they need to go up approximately \$132,000. Keep in mind that we have given our projection figures to Beth Dlug so she can look at them being the Election Board Director and she can see if she can work within those means. Or she can come back at budget time

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and present what her budget is. We specifically pulled them out for the fact that we will lower them when it is not an election year and we should bring them up when they need it.

Tom Harris: That \$132,507 represents mostly cost increases due to labor.

Nick Jordan: Yes, those are full-time employees' salaries, Beth, her assistant and two employees and FICA and PERF. Their salaries have increased since 2012 and were reclassified and went up, I think, last year. For most of the costs, the 200 and 300 Series, I used 2012 figures. I bumped up the salaries to reflect the 2015 amounts that they are currently being paid.

Tom Harris: Roy.

Roy Buskirk: But a lot of that is for precinct costs.

Nick Jordan: Yes and so I left those the same because Beth can counter what those should be. For example she is looking at E-Poll Books. That may reduce personnel or it could increase maintenance expense but Beth can provide that as she gets more of the details. This is just our initial estimate. The next is for the increase of salary reclassifications previously approved by Council. For example, the Sheriff brought two employees here this morning and for 2015 they are going to fund them but they will need money for 2016. You approved them and so we built them into the 2016 budget based on the approval this morning. We have had HR come this year. What that is looking at is people that have come to the table and you guys have granted those position changes whether it is new or reclassification and they will need additional funds for 2016.

Tom Harris: Nick, that only represents the ones that we have already done. This is June, right, so if we get three or four more in...

Nick Jordan: We can factor those in later. This is all we have had potentially since October of 2014 when we passed the 2015 budget through today and I have tried to factor those in at a \$334,000 increase.

Tom Harris: Not a projection but actual.

Nick Jordan: Yes.

Roy Buskirk: And what about steps?

Nick Jordan: If you go back up a little bit in the same section and there is \$267,918 for step increases.

Roy Buskirk: Oh, okay, gotcha.

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Nick Jordan: That is a very, very complicated process. We send those out to the departments and there is communication back and forth to make sure we are all on the same page and are correct. It is not as cut and dry as you think.

Tera Klutz: Just to clarify that the ones you approved today for the Sheriff, I don't believe they are in here.

Nick Jordan: They are.

Tera Klutz: They are?

Nick Jordan: Yes. And also Dan's Utility Specialist and those were based on the decisions at Personnel Committee. Best information available. When you take the \$90,688,469, the 2015 budget, factor in all of those different changes there, it is a \$3,120,674 decrease and you arrive at the 2015 adjusted allocation used for 2016 budget analysis of \$87,567,795. That is potentially \$1.6 million revenue over expenses available. You will see the next line down we are backing off \$450,000. The reason is that is one-time revenue that we don't anticipate getting year in and year out. We recommend backing this off and putting it into a capital line like you did with the \$400,000 last year. You can use it for one-time expenses. That would leave you with around \$1,175,000 of revenue that exceeds expenses. That is approximately 1.3%. If there are any questions, I will take them.

Roy Buskirk: The one thing that I know would be impossible but there are additional utility costs and items of that type that is going to become important as far as the budget process.

Nick Jordan: Yes. Like you said, that is very, very hard to predict. I know we have benefitted in some years and lost in others. Unless you hedge and lock in some of those utility costs, you can still lose.

Roy Buskirk: Correct.

Tom Harris: For Council members, I guess, this is the first part of the process where we begin to get some preliminary information and then we start with the hearing and such in July. At the next meeting we will start to look at these a little closer and begin to scrutinize that information. Nick, did you want to talk about the letter as well?

Nick Jordan: I am not going to read it to you as I sent it out to all of you prior. We had compiled a draft with Councilman Harris. Hopefully you have had a chance to look over it. If not, please take time to do it now because our intent is that after today's meeting we could send it out this afternoon. July 7th is when Departments would send back their responses. As you can see on the second page there are six items that we ask.

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Tom Harris: By the way, the responses come back and that begins to give the Auditor a good understanding in terms of what is anticipated for some of the cost increases that we have been looking at. Councilman Tucker.

Sharon Tucker: I have a question for those of us that went to that meeting Saturday. Did I hear them mention that we were to use some of that increase from the \$13 to \$25 for offsetting some of the additional cost from the Sheriff? They mentioned something about that then.

Tom Harris: For the pension.

Sharon Tucker: Right but I thought it was something different from the pension portion.

Tom Harris: Nick, you factored some of that number in, right?

Nick Jordan: Yes.

Tom Harris: That is the \$313,000. He is already anticipating some of that money coming back from those increased fees and has factored that in at least tentatively.

Nick Jordan: And timing is a big thing. The Sheriff will collect those Service of Process Fees throughout the year and depending on what is available at that point in time, let's say that we pay it quarterly, we can go ahead and pay the Service of Process Fees Fund balance to the pension. We may get \$200,000 in the fourth quarter of 2016 and then it wouldn't be able to be used until 2017. Timeliness is an aspect of it. The way it comes out of the Service of Process Fees Fund first and we will put in the difference from the General Fund. Whatever is below that \$1.6 million budgeted, it will sit in the COIT Public Safety Fund. It rolls to the bottom line.

Sharon Tucker: I could have misheard but I thought they were actually mentioning to use it for something else.

Tom Harris: You may have heard that but because some of the Sheriff's pensions are underfunded they are probably mentioning that you could use that to offset that unfunded balances.

Tera Klutz: I would say you are using the \$300,000 for anything else you want. Basically we've reduced the amount that the General Fund has to pay for the Sheriff's pension. Dollar-for-dollar that frees up money in the General Fund to use for whatever purpose you would want. It is a dollar-to-dollar savings in the General Fund. I wanted to historically say for the new members of Council that this letter that Nick sent the draft out was drafted by Council members originally as just a communication tool to all of the Elected Officials and Department Heads on just the original estimate for the 2016 budget. Sometimes we have had money and sometimes we have had to make cuts right away. It is a communication tool from you to them telling them where you are right now and how you foresee 2016, which we gave you the estimates. It also allows them to tell you where

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they are right now and how they anticipate 2016 going forward. It includes not asking only for their General Fund predictions but also any other funds they might have and the revenue and expenses in those funds. The questions that have been developed, they started off with three questions and now we are up to six. These were developed by Council, as a body. If anything, I would look through those today and get consensus as to the format and the reading of this letter because it is your first communication to all of the departments regarding the 2016 budget.

Roy Buskirk: I thought this letter has improved every year and this is very well written. The questions are very good also. They are very appropriate. My recommendation is you go ahead and submit the letter.

Tom Harris: Other thoughts?

Larry Brown: I agree.

Tom Harris: Everybody is in favor of it. Nick, you have consensus from Council to move forward on the letter.

Nick Jordan: Thank you.

Tom Harris: Council, are there any other questions? Nick, was that it?

Nick Jordan: Yes, I would stress that as liaisons you are active with your departments because it is very important at this time. If they come to appeal, you will want to be one of the front people that know and can support or provide the information in regards to their appeal.

Tom Harris: This is the time to be in touch with the departments and understanding their budgets and needs and demands that they are going to be facing in 2016. Is there anything else for Nick or Tera? Still looking at the agenda, I think we are in Discussion and Other Business to Come before Council. Are there any other items? If not, Recent and Upcoming Meetings or Liaison Reports. Is there anything for Council to report at this point? I guess just to reiterate the information that we received, at least for Bill and Bob is out, we have information that we brought back from the AIC meeting if you would have an interest in seeing that. It was a little bit beyond the Legislative Wrap-up meetings and breakfasts that we have had. A little more discussion and once again, each time I go to these I find out that Allen County continues to be on the forefront for a number of issues. We were brought up, I just drew a blank, Tera the piece we made a change to. The abatement was mentioned but also PERF. We were particularly mentioned for that piece and that Allen County had done that and the General Assembly passed that. The other Counties were trying to figure out if they should do it or not. Allen County was leading the pack there. Bill.

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Bill Brown: I had a quick report on Saturday. In the afternoon I went out to Hoagland and they had their Hoagland Days. I will tell you that I continue to be impressed with that unincorporated community.

Activity interrupted to change DVD for recording.

Roy Buskirk: At the conference that we went to on Saturday, Tera was mentioned several times as the lead of Allen County. Also, our Treasurer, Sue, and our Assessor were recognized as far as being leaders. I think we are very fortunate in Allen County with the Elected Officials that we have. Personally they were saying that the Council needs to conduct internal audits and reconciliation of bank statements of these different departments. I thought that was the State Auditor's or...

Tera Klutz: State Board of Accounts.

Roy Buskirk: State Board of Accounts' responsibility instead of Council members going into offices and doing reconciliation of the books.

Tom Harris: Thank you for bringing that up. One thing that comes to mind for me is that some of our departments, one in particular that has a \$22 million budget, and one of the challenges that they turn to Counties and say that you need to create systems that check and double-check the internal controls throughout your processes. With one department having a budget larger than a lot of the Counties, I thought that was particularly interesting. Are there any other comments or anything else? Are there any Public Comments?

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 June 22, 2015.

Sharon Tucker: Second.

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

Roy Buskirk: Move to adjourn.

Sharon Tucker: 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 10:35.