

**ALLEN COUNTY COUNCIL MEETING MINUTES  
NOVEMBER 19, 2015  
8:30 AM**

The Allen County Council met on Thursday, November 19, 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, Tom A. Harris and Sharon L. Tucker. Roy A. Buskirk was absent.

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

The meeting was called to order by President 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 September 17, 2015 and October 15, 2015 meeting minutes. Are there any additions or corrections?

**Larry Brown:** Move to approve the minutes.

**Joel Benz:** Second.

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

**Tera Klutz:** Good morning, Council. Nothing new to report and our revenues are tracking slightly above our original estimates and so that is positive news. If you have any questions, I would be happy to entertain them.

**Tom Harris:** Any indication why that is tracking a little bit better than predicted?

**Tera Klutz:** The Building Department is pulling in more permits than we originally projected. The GM Building helps plus there are a lot of residential new subdivisions going up and that helps as well.

**Tom Harris:** Council, are there other questions or comments?

**Bill Brown:** I will make a motion to accept the financial report.

**Larry Brown:** Second.

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**Tom Harris:** We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1 (Buskirk absent). Nick, can you give the unemployment rates?

**Nick Jordan:** Good morning, Council. On your agenda are August and September non-seasonally adjusted rates. The October rates will be out tomorrow but Allen County went from 4.2% to 3.8%. Indiana went from 4.4% to 4.0% and National went from 5.2% to 4.9%. To shed some light behind those figures, if you look from September 2014 to September 2015, the labor force decreased about 500 people however there are 1,800 more employed and about 2,300 less unemployed. Even though the labor force did decrease a little bit, there are more people going back to work than are unemployed.

**Tom Harris:** Great and that 3.8%, as long as we don't see another adjustment to that is probably the lowest that I can remember seeing it in this area for a long, long time. First up this morning is the Fort Wayne-Allen County Airport Authority.

**Robin Strasser:** Robin Strasser, Director of Administration and Finance with the Fort Wayne-Allen County Airport Authority.

**Ron Portis:** Good morning, I am Ron Portis and I am the Controller.

**Tom Harris:** Tell us why you are here this morning.

**Robin Strasser:** The good news is that we received funding from the Federal government and the State for the reconstruction of Runway 14-32. The base is from the 1940's and with our program of assessing the safety of the asphalt and the construction of it; this is the time to replace that. We have a really big project and the FAA is requiring us to do some taxiway work for safety reasons as well. Now that all of that has been put together and the grant funding from the FAA and the State has been finalized, we find ourselves in a position where we have a bigger project than what we had budgeted for. We need an additional \$6 million to complete that project.

**Tom Harris:** Maybe talk a little bit about the grant. How much was that?

**Ron Portis:** It is \$12.8 million from the FAA and almost \$716,000 from the State. The balance is the same as the State amount. That will be reimbursed to us through Passenger Facility Charges. The whole project is financed with user fees.

**Tom Harris:** And you are requesting \$6 million to be transferred. Is that is what is happening?

**Robin Strasser:** Additional appropriation.

**Tom Harris:** Council, are there any questions? I will ask when you anticipate that to start and how long will the process take.

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**Ron Portis:** They are immobilizing now and the real construction starts in the spring. About 151 calendar days is the length of the construction, the entire construction season basically.

**Tom Harris:** Are you anticipating that it will be finished next year?

**Ron Portis:** Phase One. There is a second phase to this project that will cost almost \$9 million.

**Bill Brown:** I would say that the upgrades to the Airport have been extraordinary in the last year or two and I am glad to see you are keeping on the runway condition to make sure the infrastructure is in the shape it needs to be. I will make a motion to allow the appropriation of \$6 million from the Airport Fund.

**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 (Buskirk absent). Next up is Economic Development.

**Rachel Black:** Rachel Black, Economic Development Specialist with Economic Development.

**Terry Valmassoi:** Terry Valmassoi and I am the President of Masterspas.

**Rachel Black:** You were sent a packet and Masterspas is requesting approval of a Statement of Benefits for two locations but we did put them into one resolution. One is 6927 Lincoln Parkway and the other is 7102. They are requesting real and personal property abatements. Base on the point system, they are eligible for seven years. The proposed project involves an investment of about \$3.9 million. At the 7102 location, they are looking at a 16,000 square feet addition to their building. At the 6927 location, they are looking at a 7,500 square feet addition. For new equipment, they are looking at about \$2.3 million and creating 60 new jobs with annual salaries of \$1.5 million. Today you have consideration of a resolution approving Masterspas' Statement of Benefits. Terry is here if you have any questions.

**Tom Harris:** Terry, tell us a little bit about the business and how things are going.

**Terry Valmassoi:** We are starting our 20<sup>th</sup> year next year. We are the third largest manufacturers of hot tubs in the world and we are the largest, by far, of swim spas in the world. Our two other larger competitors were in California but moved their factories to Mexico. We are happy to be here in the Midwest and will continue to stay here. We have been very fortunate with our growth. We have a great team of people and innovative products. We sell them worldwide through a network of over 250 dealer locations. We are pretty heavy in Europe and North America. We have had an amazing year this year. We have grown well better than the projections. We were forecasting five percent and hoping for ten and it looks like it will be about fourteen to fifteen percent this year. We

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have picked up some new business recently and expect that next year will be between fifteen and twenty percent growth. We started some Six Sigma Greenbelts this year and have learned a lot about our operations and where our bottlenecks are and we need some space and machinery to make sure we can meet the expectations of our dealers. Our real issue is, if we can't build enough products per day, our lead times grow and our dealers are not happy. We want to keep all of our manufacturing on a single shift. We work four ten-hour shifts, Monday through Thursday and Friday is an overtime day. This last year we spent 85% to 90% working Fridays on overtime. We need to increase our production and right now we do 60 hot tubs per day and eight swim spas per day. Our goal is 90 hot tubs per day in this next year. The equipment that is in this package, we are hoping to get one of the buildings completed by late-March and some of the equipment by late-March. We will have some robotics coming in that are not really used in our industry but we have spent a lot of engineering time looking at that. A very difficult job is drilling holes in hot tubs. We drill 100,000 holes a month and robotics can help that. We are not going to lose jobs and we have places for those people. We are going to experiment with that this year. The robots are coming in a couple of weeks and it will probably take two or three months to work out the bugs and figure it out. I am excited about the changes going forward and expect continued growth.

**Tom Harris:** Fantastic. One of the things that we look at, on Council, is the unemployment rate in this area. Are you doing okay in terms of finding qualified people?

**Terry Valmassoi:** Very difficult. I talk to manufacturers around the Country and the unemployment is fantastic in Fort Wayne. It does put a burden on manufacturers and one of our Greenbelt projects was looking at our retention rate. There is a lot of turnover especially with the new hires. There is zero to 90 days and 91 to one year and have been our highest turnover. Once the employees have been with us over a year, it has been great. We have really focused on that because for us to increase our volume and keep our quality strong, we need a good workforce. November 1st we implemented a raise to all manufacturing employees at one dollar an hour plus attendance that is very important. We have a \$50 bonus per week for perfect attendance. We think it has really gone over well with the employees but it is not just the pay. We have new training programs in place so that the new hires know what is expected of them. We are making changes in the factory to make it a nicer workplace. We have a new two-story cafeteria and continue to try to make things better for the employees.

**Tom Harris:** Do you have openings now?

**Terry Valmassoi:** We have openings now. This is a seasonal business. Usually we are letting any attrition take place but last year we fell down to 135 manufacturing employees and right now we have 203. We are trying to build that up to yearend to about 210 and then we will work towards 260 for the year.

**Tom Harris:** Consider this free advertisement. Council, are there any questions or comments? Sharon.

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**Sharon Tucker:** Without the granting of the phase-in, would you still make the changes that you are proposing?

**Terry Valmassoi:** Absolutely. We have had a lot of growth over the years and have rarely come before Council. I think it was 12 or 14 years ago and sometimes I think we are too busy moving forward and lose sight of these opportunities.

**Tom Harris:** Are there any other questions? The fact that you are staying in the Midwest is greatly appreciated. The fact that you are staying in Allen County is even more appreciated. Thank you for that.

**Bill Brown:** It is good to hear that the business is good and that the abatement is not really necessary but it is pretty much anymore standard operating procedure. I will make a motion to approve the Resolution 2015-11-19-02 approving the Statement of Benefits for Masterspas, Inc. and Lincoln Parkway, LLC.

**Bob Armstrong:** Second.

**Tom Harris:** Are there any other comments?

**Bill Brown:** The only thing I will add is that it is encouraging that you are taking the steps to really ensure that you retain your workforce. The low unemployment rates are a mixed blessing. From an attraction standpoint, to bring new people into an area it is important that they have jobs as high of quality as the manufacturers.

**Tom Harris:** **We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1 (Buskirk absent).** Next is the Sheriff's Department.

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

**John Feighner:** John Feighner, Haller and Colvin.

**Spencer Feighner:** Spencer Feighner with Haller and Colvin.

**Dave Gladieux:** We are here for that big anticipated day. This is from a lawsuit that has been dragged out for several years. It has now been adjudicated and the final sum of judgment is \$637,842.

**John Feighner:** There was a class-action lawsuit that was filed in February of 2010. It covered the last two years, meaning February 2008 through 2010. There were 962 inmates out of 34,000 inmates that came through the jail during that two-year time period and who were kept in the jail on a typically Friday evening or Saturday morning. Typically they would go to court on a Monday morning. Oftentimes, if there is a legal holiday, they would go to court on Tuesday. There were inmates in the jail and had not been given a probable cause hearing within 48 hours because of the holiday. When the lawsuit was filed, the first thing that the Sheriff at that time, Sheriff Fries and I was Legal

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Counsel, we met with the Judges and the Prosecutor and we came up with a program that allows for review of probable cause on Saturdays and Sundays, if necessary. There has been no claim made by any inmate since February of 2010. I think it is unlikely unless someone has made a clerical error that it would ever happen again. There were other cases filed around the same time in Lagrange County, Whitley County, St. Joe County and Clark County and for several years we worked to try to resolve the case. We had mediation in Columbia City and I gave a report to all of you about that. That was unsuccessful. We were very, very far apart. We had a Judicial Settlement Conference with Magistrate Judge Cosby. Some of you have been to those sessions. He is usually pretty adept at persuading both sides to resolve cases but again we were not able to resolve the case. Some of the other cases have been resolved through Settlement Negotiation. One was settled for \$1 million. Two were settled for around \$725,000 to \$750,000 and those were cases that involved Counties where the inmates that were detained totaled around 250, more or less. Our potential claim was substantially higher. The decision was made to take it to trial. Spencer and I tried it for four days and the verdict, which was a jury verdict of eight jurors from Northeast Indiana, basically came down that the 962 inmates would receive a total of \$364,300. It was done on a method where the longer they were in jail they would get some more money but it was a reducing scale. It was kind of interesting and was one of the things that we had argued. The verdict was substantially less than what was sought. The request was \$1.7 million and so from various perspectives, I think we defended the case appropriately. We admitted liability early on and now the Judge has decided that the attorney fees are due the plaintiff because they were the prevailing party and we were not able to settle the case. When you take the attorney fees and court costs, the total is what is before you. It is a judgement and we are requesting on behalf of the department that the County pays this. There are still one or two small issues to finish it up but I think this is the major step forward and we need to pay the judgement.

**Tom Harris:** John, thank you. Council, are there any questions or comments? The one that comes to mind is in terms of the finances of this from the Auditor's perspective. Are there any thoughts in terms of where is that pulled from? Do we have any other options as to where we may be able to pull those funds? Secondly, if we have those funds back and how it is getting paid out and such, do we hold that in a special account or are those funds actually paid out to a fund through the legal system? Are we able to hold onto those funds? How does that work?

**John Feighner:** I can explain that the United States District Court Judge Springmann who was the Trial Judge and presided over the case, we have had conferences with her discussing that very issue. There is another status conference in February but the recommendation is the Auditor's Office will issue individual checks to each of the 962 folks. We will have all of their Social Security Numbers identified through the Sheriff's records because typically when they are housed in the jail, we have that information. The delivery of those checks will probably be done by a third-party administrator. That is typically done in class-action lawsuits. It will probably cost the County \$3,000 to \$4,000 but when you consider the accountability and the duties of our current staff in the Auditor's Office, I think that is probably money well spent. Plus there is the perception

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that it is a third-party administrator and we don't have any control over it. To the extent that there are checks that are not delivered because some people have moved on and we may not find them, the Judge will decide what we are to do with that. It is my opinion that since this is a judgement the County would remain liable for probably up to ten years to pay somebody if they came in three years later and said "Hey, here I am." That will be a major consideration.

**Tom Harris:** So, those funds would be retained in the Auditor's Office?

**John Feighner:** Until the check is cashed, we would have the funds in our "checking account".

**Tom Harris:** Okay, okay.

**John Feighner:** That is my view. If the Federal Judge ends up telling us to do it a different way for the checks that aren't delivered, I will report to the Auditor and ultimately we follow the law and do what the Judge says. I think that makes sense.

**Tom Harris:** From the Auditor's perspective, do we create a special account or a place to put these funds so that we can kind of understand what that obligation is?

**Tera Klutz:** We will be tracking these separately so that we can reconcile. Part of the duties is going to be reporting to the Plaintiff's attorney how many checks have been cashed and how many haven't. They want weekly and monthly reports on the outstanding amounts. Their duties are going to be to try to find a third-party person through them.

**Tom Harris:** Sure. In terms of that total amount of \$637,842, how does that affect County General, our balance to date and such?

**Tera Klutz:** Literally, it decreases it. We have a cash cushion so that we can continue operating and when an unforeseen circumstance such as this, it is very out of the normal to have a settlement in a case like this to come against the County. It will just reduce our cash reserve.

**Tom Harris:** We would not have to turn to the Rainy Day Fund at this point. This is coming out of County General, right?

**Tera Klutz:** We could turn to the Rainy Day Fund but I would not recommend it because this is enough that we may be able to absorb it if our revenues come in higher than expected.

**Tom Harris:** Council, are there other questions or comments?

**Sharon Tucker:** Would you repeat the process that we put in place so that we don't have this happen again?

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**John Feighner:** Every Saturday, a list is gathered of the inmates who are arrested on Friday afternoon, Friday night and Saturday. The Booking Staff in the Sheriff's Department keep a list of all of their charges and everything. A Judge comes to the Jail and reviews all of the probable cause, arrest papers and things like that. They determine whether that person should be released if there is not probable cause to believe their crime has occurred. It happens occasionally but is pretty rare. The Judge has appropriate orders. This process was reviewed by the Plaintiff' lawyer and we filed it with a Federal Judge and she approved it. It is sort of the model that has been followed in some of the other Counties.

**Bill Brown:** You mentioned that this was discovered in 2010 and there is no issue post-2010, right?

**John Feighner:** Exactly.

**Bill Brown:** It looks like you did a good job mitigating it and so with that I would like to make a motion for the appropriation in the County General Fund, 100-5201-421.31-17, Settlement of Claims for the amount of \$634,842.

**Joel Benz:** I will second that and say thank you for the work for the County.

**Tom Harris:** We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1 (Buskirk absent). Next up is the Soil and Water Conservation.

**Krista Voors:** I am Krista Voors with Allen County Soil and Water. I am the Office Manager.

**Bob Bolenbaugh:** Robert Bolenbaugh, Allen County Purchasing Director.

**Tom Harris:** So tell us why you are before us today.

**Krista Voors:** I come before you today to request funding for a new printer. The one that we currently have is approximately eight years old and is a discontinued model. Parts are no longer readily available for it. We are in need of a new one. We do lots of newsletters, event mailers, other materials and brochures and the purchase of a new machine would not only help save money but also save time.

**Tom Harris:** You are requesting \$5,099?

**Krista Voors:** I would actually like to reduce that number to \$4,500. In working with Bob, we were able to acquire a better unit at a cheaper price.

**Tom Harris:** Bob, nice job. Are there any thoughts or comments on that?

**Bob Bolenbaugh:** I came today because this is Krista's first time before the Council and I told her I would come along in case there are any difficult questions.

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**Tom Harris:** Council, are there any questions?

**Larry Brown:** A difficult question. You have spoken in the past about a refresh program on copiers, printers and what not. Is this applicable to that process?

**Bob Bolenbaugh:** This is a refurbished machine. It will be gone through and will be like new internally before it is delivered. What they were able to do, and actually this was Krista's idea, they went from a new machine that would have cost over \$5,000 and went to a used machine to give them more speed. I think their breakeven is like fifteen months and they will actually be ahead then on their cost. To answer your question, it is very similar to a refurbish program. We still purchase new machines for the County, typically. When a good opportunity comes along like this one, we went with the used machine.

**Tom Harris:** Councilman Tucker.

**Sharon Tucker:** Will this machine have cost per click?

**Bob Bolenbaugh:** That is called a click rate and for this particular machine, we are looking at .009 for black and white and 5½ cents for color. What a lot of companies do and most people don't know is that the large 11 by 17 gets charged two clicks for that. We don't allow that for the County. We require a single click.

**Bob Armstrong:** Is this covered toner supplies? Is that in the agreement?

**Bob Bolenbaugh:** Yes and including staples which again they don't normally give you staples. That can be \$80 a box.

**Tom Harris:** I will mention that while Roy was not able to be here, he wanted me to express his support as the liaison for this initiative. Council, are there other questions or comments?

**Bill Brown:** I would like to make a motion for Department 45, Soil and Water Conservation for the appropriation reduction in Allen County Council, 100-4201-413.49-10, Other Capital for \$4,500 and appropriation in Soil and Water Conservation, 100-4501-411.43-03, Office and Computer Equipment, \$4,500.

**Bob Armstrong:** Second.

**Tom Harris:** **We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1 (Buskirk absent).** Krista, thank you and thank you Bob. Next up is ACJC.

**Judge Heath:** Judge Heath, ACJC and Chandra Reichert, HR person and temporary Budget Analyst. We are here regarding the Program Coordinator for JDAI. That person was Megan Horton. She has taken a job with the State JDAI Team and so we have to

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replace her. That is a highly unique, rather complicated position. I negotiated with the State folks that she would not leave until December 31<sup>st</sup>. We had a number of committees involved in the JDAI process all working simultaneously. For example, we just finished work on a detention risk assessment instrument that we unleashed November 1<sup>st</sup> and it is starting to lower our detention numbers after more than a year of work. The Detention Risk Assessment Committee did its work and is still doing its work. There is also an Alternative to Detention Committee. There is a Probation Rules Committee. There is a committee devoted to grid for reward and risk for juveniles so that we can divert more kids from incarceration and into programs that might be more helpful. All of this is interlinked. The reason why it is complicated and careful is because of safety being incredibly important. We want to do this safely and properly and it is all data driven. Megan was the person who was overseeing all of this. She was riding herd over all of these committees and drilling down into the data in cooperation with the State data person. All of this was going on at once. She was narrating it and explaining it to our Advisory Group. She is moving on and I negotiated her stay with us until December 31<sup>st</sup>. She is on a grant, is grant funded. We are going to try our best to find someone similar to her but we are not going to strike lightning twice but we want to get as close as we can. She was an attorney, she had data and analytical skills and had a background in probation. Finding that all packaged in one person is going to be really, really difficult but if we find two out of three, I will be happy. It is going to take some time to do that but when we get them onboard we'd like that person to be able to spend a little bit of time with her before she moves on to her new job. The other thing I was able to negotiate with the State is that when she becomes a Regional Supervisor of JDAI that our County would be included in her region. She'll still be involved with us and she will still be working with our Program Coordinator here. I did everything I could to make this transition as smooth as I could. We are looking for a temporary salary ordinance so that if we get fortunate enough to hire somebody as quickly as we can, to spend some time with her until December 31<sup>st</sup>. They would have the benefit of working with her. As I may have mentioned in the email that I sent, this person has to learn about our probation services, programs, court procedures and some law about how we operate as well as the JDAI initiative and all of its core principles. Then throw in the data that has to be reviewed. There is a lot of ground to cover in just a few weeks. If we give that person the benefit, it will keep the process on track and if we don't it is going to slow down our processes a bit. That is why we are here.

**Tom Harris:** Would you anticipate that the position will be filled from internally?

**Judge Heath:** I have thought really hard about that because we have Probation Officers that know probation services and court procedures. The problem is that they don't have the data analytical skills that she had. They don't have the really in depth legal knowledge that she has. For example, we are working with the State right now that may require some State legislation. A juvenile comes into our Intake and they are being diverted by a DAP Officer instead of a Judge. We should really be finding probable cause before they are diverted. I think we are going to have to draft new legislation to deal with that situation. A person being a lawyer in her position would understand how probable cause works which is one small example. It is going to be difficult to do.

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**Tom Harris:** It may happen based on their previous experiences as well, right?

**Judge Heath:** Yes. We are going to look really hard for a good person.

**Tom Harris:** She has moved into her new role and is she going to be involved in the grant receiving process?

**Judge Heath:** She will at the State level but we will continue to get our grant. This also makes it difficult in the sense that the new person coming on is going to have a year and a half of grant money. After that they may be out of a job. It just depends on how things shake out. I am going to hire that person with the hope that the savings made by the JDAI process can be diverted. We want to pick up a person that can act as a Probation Officer and also help us with further data work that we need to do. We will be here next month showing you that our numbers are going down that will lower food costs and have attrition of our Youth Care Workers. We won't need as many Youth Care Workers on the Detention side because you are detaining fewer. We need to divert some of that resource over to these kinds of things like new Probation Officers to handle because we will have more kids out on alternatives. Consequently you need more DAP Officers and so it is a switch of resources. Not an increase, as I promised, but a switch. Part of that resource could be used to keep this person involved as a new Probation Officer.

**Tom Harris:** Councilman Brown.

**Bill Brown:** The criminal justice system is a huge part of our County's budget and it is so encouraging to see methodologies that various departments put into place especially your new tenure with ACJC and Chandra being a seasoned veteran there. When we are looking at a 3.8% unemployment rate and turning people and helping people get into productive lives is just essential. It is the difference and we all know the costs are significant when someone goes into the system versus getting into a productive life. I will go ahead and make a motion.

**Tom Harris:** We have another comment here.

**Bob Armstrong:** On here it says the effective date is from 11/23 to 12/11. Is that it? Is that position going to go to the 31<sup>st</sup>?

**Chandra Reichert:** It will.

**Bob Armstrong:** So that will be a change...

**Chandra Reichert:** There are actually two salary ordinances. That one is just for 2015 and there is another one for 2016 which will take us up to the 31<sup>st</sup> of December.

**Bob Armstrong:** Okay. That's all I've got.

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**Larry Brown:** Because of the pay period?

**Chandra Reichert:** Yes.

**Bill Brown:** Motion for Department 55, ACJC, consideration of a temporary 2015 and 2016 salary ordinance for training purposes for JDAI Coordinator.

**Bob Armstrong:** Second.

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

**Judge Heath:** If I may, I would like to let the Council know that we will be launching out of the ACJC, a new website. Parents right now, if their child gets arrested, they get a phone number and that's it. They don't know what is going to happen to their child, what our facility looks like and this new website will tell them everything that they want to know about us. Their child's right, what the cell looks like, what food they eat, how they are dressed, our schools, what classes they will take and everything you would want to know as a parent. We geared the website to what we call the "Frantic Mom" perspective. She has now had a child taken in and we want to assure them of their safety, education and everything we do. We will be sending you a link to look at before it is made public and goes online. It may be by the end of this week and I am excited about it. It is a tremendous site and you won't believe what you will see.

**Bill Brown:** Thanks for the info. You know that this whole notion of communication and information, two basic human needs and to see the way you folks touch people and continue to figure out how you make these difficult situations more manageable and encouraging for those folks that get into these tough situations.

**Judge Heath:** Thank you, Councilman. The other thing too is that it is going to make our jobs more efficient. We get a lot of phone calls and that is going to cut that way down. We will make our operation more efficient as well.

**Tom Harris:** Very good. Thank you. Next on the agenda is Superior Court.

**John McGauley:** John McGauley, Court Executive from Allen Superior Court. We are here this morning to ask for your approval of a two-part temporary salary ordinance pertaining to one individual. We unexpectedly lost one of our very important staff to surgery at the beginning of last week. In preparation for that we cross-trained another person in our office to take care of her very essential duties but the problem is that one pays dramatically more than the other. If we were talking about a few days, I would write it off to Other Duties as Assigned but we are actually talking about six weeks. What we are asking you to do here is approve a temporary salary ordinance so that we can pay her appropriately to the tasks she is performing. As you can see that ends on January 8<sup>th</sup>. We do not anticipate, nor do we want to continue it on past that.

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**Tom Harris:** Council, are there any questions?

**Joel Benz:** I have one question. If she were to be out longer than six weeks, do you have a backup plan in place?

**John McGauley:** We don't think there is any chance of that. We think she will be back in-house by then if not sooner. The six-week estimate is very generous.

**Bill Brown:** I would like to make a motion for Department 62, Superior Court, consideration of temporary 2015 and 2016 salary ordinances for the Financial Coordinator for Superior Court.

**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 (Buskirk absent). We will move to Discussion and Other Business to Come before Council. Before us today is Visit Fort Wayne. I'm sorry, CIB, yes.

**Doug Johnston:** Good morning, Council. My name is Doug Johnston and I am the attorney for the Allen County-Fort Wayne Capital Improvement Board. As you may recall from prior years, per our statutory authority, we come before County and City Councils for budget approval. We are linked at the hip with Visit Fort Wayne. They get part of our revenue from hotel room rates and we also approve their budget. You hopefully have received both the CIB budget as well as the Visit Fort Wayne budget. The CIB includes the economic development arm as well as the operation of the Grand Wayne Center. With me today is the Board President of the CIB, Nancy Jordan, the Executive Director of the Grand Wayne, Bart Shaw and Gary Shearer, President of Visit Fort Wayne as well as Dan O'Connell, the Executive Director. We are ready to present our year in review and then answer any questions.

**Tom Harris:** With that maybe talk to us a little bit about the year-end review and how that went.

**Nancy Jordan:** Absolutely. I am Nancy Jordan, President of the CIB, and as a CPA I want to talk numbers. Bart can give you a little bit of the programming.

**Larry Brown:** Can I interrupt you a second?

**Nancy Jordan:** Absolutely.

**Larry Brown:** I may be the only one but I didn't get a copy of the budget.

**Nick Jordan:** It was in a different email. It is part of the addendum.

**Tom Harris:** It was a second email that was sent by Becky.

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**Tera Klutz:** I only have the Grand Wayne Center in that email.

**Doug Johnston:** Part of the reason we were late today is that we had to pass the Visit Fort Wayne. We do have copies.

**Tera Klutz:** Okay. That is the only one we don't have.

**Nancy Jordan:** Dan, do you have enough copies of the Visit Fort Wayne that we can pass out?

**Dan O'Connell:** Yes.

**Nancy Jordan:** It is a bit of a logistics dance to have the CIB budget passed, the Visit Fort Wayne budget passed and schedule things with you. Next year we are hoping to work intently to have our budgets passed at the end of October so that we can, I won't say leisurely schedule with you in November but at a different pace than this year.

**Tom Harris:** We do understand.

**Larry Brown:** All right, I've got it now.

**Nancy Jordan:** Is everybody good? First is the CIB and I will start with the Grand Wayne Center. It's a good story. We continue to be extremely pleased with how the business is going and the partnership with Visit Fort Wayne as we continue to bring in more and more conventions and use of the Grand Wayne Center for a number of different purposes. The other piece that I want to make sure I get on the table is our thanks and compliments to both Tera and Nick. I think the cooperative work last year of looking into the Innkeepers Tax made a difference because we found that the flow of Innkeepers Tax is much more regular this year. It made sense and as a result, our Innkeepers Tax is going to come in over budget. That is a good plus for us. Actually, all of our revenue sources are at least somewhat over budget and we like that. Expenses were in line or under budget. It was a really good year for the Grand Wayne Center. This budget that you see really shows all in including the pledge that we have for the Harrison Square Project. That was \$250,000 a year for ten years starting in 2011. The intent of that was that it would most likely be taken out of our cash reserves for the Grand Wayne Center. What we are very pleased with is that the operating income of the Grand Wayne Center, especially with the Room Tax, has been sufficient to cover that. We have not had to dip into the cash funds. If you were to take out the \$250,000 and remove the capital items, our operating income for the Grand Wayne Center was \$556,000. We were able to very cleanly cover the \$250,000 pledge and we project that we are going to end this year with \$266,000 surplus which can be put back into the cash fund. Bart, do you want to talk about the year?

**Bart Shaw:** Sure. Bart Shaw and I am the Executive Director for the Grand Wayne Center. In addition to the financial side, which I always look at as a condition of our

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existence but not the reason for it, the reason for it is our impact that we can bring to the community. This year we hosted 53 conventions. Eleven were new and 42 were repeat conventions. From those conventions, it generated 23,000 hotel room nights. It was a good mix of conventions of corporate associations, religious and we are very pleased. Next year is looking even better. We already have 40 confirmed conventions on the books. We have nine that are tentative and we expect a few more after that. We think we will be 53 to 55 conventions for next year.

**Tom Harris:** Is that a growth over this year?

**Bart Shaw:** Not in numbers but where we are seeing the growth is in the quality of that business. When we look at quality of that business, we are not simply looking at the income it can bring to the Grand Wayne Center. We are also looking at what the impact is to the community. We can say 55 conventions but next year we can say 55 conventions are going to bring more visitors and have a bigger impact on the community. When we evaluate that business that is what we are looking for. It is not as important that it is more food and beverage money or more rental income for us. It is more important that it is hotel room nights and are there going to be more people going out into the community and eat at restaurants and spend money in the community. That is what we are seeing next year.

**Nancy Jordan:** A number of conventions will rotate. They will intentionally be somewhere every other year or every third years sometimes. I think Marcy, who is the Marketing Director, already knows when you think of 2017 and 2018 the plans go out a number of years where we are trying to lock in a number of rotations.

**Tom Harris:** In just looking at the proposed budget for next year, it looks like room rentals go down and food and beverage is down, interest is down but the room tax piece, as far as what is being collected, is up. Further thought on why you are projecting a reduction in those.

**Bart Shaw:** Those numbers are projected as increases.

**Tom Harris:** I'm sorry those are increases over 2015's budget but down from projected.

**Bart Shaw:** We always go a little conservative on those numbers simply because a lot can happen in the course of a year even though we have a group booked. Maybe this year they don't have to spend on the audio visual that they had last year. So much of our business is end-year business and so we like to give ourselves a little bit of a cushion on those particular items. In this case, our budget balances and so if we were above on any of those things, it is just to the good.

**Nancy Jordan:** And again, we are budgeting to cover the \$250,000 pledge out of Operating. In essence it is kind of a breakeven budget. It is seven dollars to the good.

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**Tom Harris:** Okay. Council, are there any questions or comments? Is there anything further?

**Nancy Jordan:** I don't think so. The 2016 budget assumptions are similar to what we have done in the past, a two percent merit which is consistent with the City. The room tax is budgeted at a five percent increase and that is coordinated with Dan and Visit Fort Wayne and so we are alike there. Healthcare, we are budgeting a 12% increase. I think something that is worth noting in the expense side is Bart and team have been on an energy-save campaign and have put in some new HVAC software and the like and so actually we are budgeting a \$20,000 decrease in utilities this year.

**Tom Harris:** With the increase in room tax, how is that determined? Is that a trend that you look at Statewide or Nationally? Is that determined through the State?

**Dan O'Connell:** Councilmember Harris, Dan O'Connell of Visit Fort Wayne, appropriately called the Cousin of the Grand Wayne. Our assignment is to fill every other space in the community as well as the Convention Center. We look at three areas. One is a National trend and stay very close to the projections for hotels nationally and specifically for our region. The second factor that we look at is pricing. Actual pricing of room tax is on a percentage of the cost of the room. If those rates are going up, our revenue should be going up. The rates for hotels are actually rising because of demand. A stronger economy and stronger market, those rates would be higher. The third is we sit down and kind of go over the books. We look at all of the things booked at the Convention Center, the sports facilities, the Memorial Coliseum, traffic patterns that are coming into our community and the growth of our hotels. We built one new hotel this year and have two more on the books. That indicates to us that it is a strong hospitality industry. Even our projection of five percent is conservative.

**Tom Harris:** That five percent is also with the room rates. Are the room rates also going up?

**Dan O'Connell:** Yes.

**Tom Harris:** So the room rates go up and they are paying more for their room rates and also for the additional tax and so the five percent means a six percent or something along those lines.

**Dan O'Connell:** That is correct.

**Tom Harris:** And yet that still will allow us to be competitive with surrounding hotels and motels.

**Dan O'Connell:** Very much so. Two years ago, we did a very extensive survey on rate comparisons and compared to one market, Indianapolis, our hotel rates are 15% less than theirs.

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**Tom Harris:** In terms of room rates or taxes?

**Dan O'Connell:** Room rates.

**Tom Harris:** Room rates, I see.

**Nancy Jordan:** And lower taxes.

**Dan O'Connell:** The innkeepers tax...

**Tom Harris:** What is Indianapolis?

**Dan O'Connell:** Allen County has a seven percent levy and Marion County has a 10% levy.

**Tom Harris:** And that seven percent is remaining seven?

**Tera Klutz:** You actually set that.

**Tom Harris:** You're kidding. When you are talking about a five percent increase...

**Tera Klutz:** It is not that. It is the number of hotel...

**Nancy Jordan:** It is the number of hotel rooms.

**Tom Harris:** Okay, very good.

**Dan O'Connell:** Seven percent levy and a growth of five percent.

**Tom Harris:** Councilman Armstrong.

**Bob Armstrong:** Nothing.

**Nancy Jordan:** I will say, as a person who travels a lot and pays 35% tax, Indiana offers a great value for visitors.

**Tom Harris:** I understand that and have seen those rates as well. We want to remain very competitive. Councilman Brown.

**Bill Brown:** I would like to say that working with these people on a regular basis, the collaboration is at a very high level. That always means more value when you have collaboration in the workplace and it is nice to see that the Auditor's Office has been able to help collect the increase in the innkeepers tax. Downtown Fort Wayne is the heart of Allen County and these entities are in the heart of Allen County. Visit Fort Wayne obviously works in a broader range with the tourists etc but it is very encouraging to see

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the work that is being done to move our County to an extraordinary high level of operation.

**Tom Harris:** Thank you. Council, are there any other questions or comments?

**Dan O'Connell:** Thank you for your support over the years. It is very helpful to have confidence in our production.

**Tera Klutz:** I have one question. The dynamics of the whole Allen County-Fort Wayne Capital Improvement Board has changed over the past few years, and no so concentrated in downtown, how have you seen that change over the year? How is that going? I know last year you made some comments on how the process is working and how you anticipated awarding those dollars.

**Nancy Jordan:** You have three lines on that. The Capital Improvement Board wears two hats. The Grand Wayne Center is a hat that we enjoy wearing very much and we are honored to wear the hat of the Food and Beverage Tax Economic Development dollars. We work very closely with Nick to project those out. A portion of the total collected goes to the Coliseum to pay off their debt obligations and then there is a percentage that comes to the CIB. Last year, \$3.9 million was the excess that went into our reserve account. Initially, when the tax is collected, part goes to the Coliseum and the remaining goes into a reserve account where it is held untouched for a year to make sure there aren't any other things needed for the debt obligation of the Coliseum. At the beginning of the year, if there aren't any, it is released to the Capital Improvement Board. The release from 2015 that will come into the cash available in 2016 is \$3.9 million. To date, the Capital Improvement Board has made several large grants. We are here for very impactful projects but also out of that money, there is \$100,000 a year split out off of the top for due diligence. It is to fund studies and to understand opportunities. We have found that to be a valuable resource for the community. The one that I am the most excited about is the New Allen Alliance. The communities out there have reached a level of collaboration that I don't think we have ever seen. Huge kudos to Kent Castleman and all of the leaders of those various communities who come together in a collaborative way and when you think about Highway 24 now, there is a lot of potential. You think of the Parkview Hospital complex and everything that is happening on the north side and impacts Leo, Grabill and all of that. The New Allen Alliance came together and is doing a new comprehensive plan on what they need to set themselves up to capture some of the new businesses coming into Fort Wayne or continue to grow as a more collaborative community. The CIB was very happy to fund that study and so it should just be getting underway. We did a field trip day where we toured around. Kent Castleman drove us in the van for the Children's Center and it was really impressive to see the commitment of these community leaders. East Allen is poised to do a lot of good things.

**Tom Harris:** Exactly. With the Highway 24 and a number of improvements in that area, it allows us to look to the east. A lot has been southwest and we can look east now.

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**Nancy Jordan:** The southeast side grew tremendously with International Harvester and everything else and I think these communities really felt more of the burden of those jobs leaving than some of the other communities did. They are ready to roll up their sleeves and get going again. That was exciting. We committed a significant amount to the Ash Brokerage Project. It is very exciting to see that go up. The parking garage that we had a substantial amount of funding in is there and we can take a look at it and be proud.

**Tom Harris:** Just one other point for me to understand this a little bit. You have the 2015 budget, the 2015 projected and the 2016 budget but we don't see the 2016 projected. How does that come to be and when do we see that?

**Nancy Jordan:** The 2016 projected, our actuals are what we think are going to have our forecast for 2016.

**Tom Harris:** Those are actuals and not projected. The terminology just throws me a little bit.

**Tera Klutz:** It is a little confusing.

**Tom Harris:** Usually I see actual and when I see projected I am thinking...

**Tera Klutz:** They are not quite at the end of the year.

**Nancy Jordan:** We have annualized some things and this is how we think we are going to finish the year based on the run rate so far.

**Tom Harris:** Okay that helps. Council, are there any other thoughts or questions? Hearing none, we need to move forward on approval.

**Bill Brown:** I will make a motion to approve the Allen County-Fort Wayne Capital Improvement Board, dba Grand Wayne Center budget for 2016.

**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 (Buskirk absent).

**Tera Klutz:** Visit Fort Wayne.

**Dan O'Connell:** We are part of their budget. It depends on how you want to handle it.

**Nancy Jordan:** Do we do that separately?

**Tera Klutz:** We have in the past. We haven't even discussed their budget at all. Dan, if you would just talk a little bit about any other changes in your budget that are significant.

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**Dan O'Connell:** Oh, okay.

**Tom Harris:** Generally we hear how the year has gone and the different things you are looking at for the following year.

**Tera Klutz:** You thought you were going to slide out of here.

**Dan O'Connell:** Usually it is the other way around and O'Connell, shut up. We have had a very good year and many of the attractions reported increased in attendance between three and six percent. That is the Zoo and the Tincaps and some of the festivals and attractions. Science Central said it was the best year they have ever had for attendance. We attribute that to the strong economy and to our marketing. Our marketing is reaching 30 million people a year to invite them to come to Fort Wayne and Allen County. A lot of that is digital marketing.

**Tom Harris:** Nationally or regionally?

**Dan O'Connell:** Stronger regionally and little pointed stuff nationally. We mention things about the Genealogy at the Library and some of the national convention groups were enticed to come into our community. Also, the Association of Indiana Counties is one of those conventions that is coming here next year. We are glad to host them. Indiana Music Educators, the Rural Water Association and the Indiana Judicial Center, we are being successful at pulling some meetings out of Indianapolis. As Nancy said, we are on a rotation period but sometimes we cut that rotation from five years to three years because of the good experience that they have had in this market and the fabulous facilities. We are also very lucky to have the Memorial Coliseum and we work extensively with them to host their trade shows. They take care of the concerts but we promote their concerts. We have been fortunate to find some open weekends this year and they are hosting five huge sporting events. Two large wrestling tournaments that weren't here three years ago, a volleyball event that has as many as 6,000 participants and working with the Memorial Coliseum is a great opportunity for us to expand getting more people into town. On the budget side, we have a budget revenue projection increase of about twelve percent of not only room tax but also other sources because we sell advertising revenue, sponsorships, we get some State grants and City grants. Those are pretty strong and so our total revenue projection for next year is twelve percent higher than it was in 2015 at \$1.769. Our personal expenses are about \$866,000. Our direct promotional expenses are about \$100,000 more next year and I will tell you why in a minute. A lot of that is in print advertising and digital marketing. To get those 30 million invitations out, we work extensively in our department on marketing the whole destination. We have four marketing specialists on staff. We have three convention and group sales people on staff and we try to sell not only conventions but also tournaments that come to our community. Bus tours that come here get-away weekend leisure visitors, genealogists that are coming to do family research and a lot of small groups too coming here for sorority meetings and family reunions and things like that. And we manage the Visitors Center that answers questions about what there is to see and do here. At the bottom of the page, we project total expenses to be about \$1.936 million and actually

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generates a deficit of \$169,000. Why is that? It is because we wanted to generate more into digital marketing and more into advertising and do some more sales. We are using about \$170,000 from our reserves that we have saved up over the last ten years and put toward more additional marketing. The economy is hot and our marketing is hot. This is the time to strike, when the iron is hot. The \$170,000 still leaves our organization with about three to four months operating expenses and we feel fiscally conservative and fiscally strong in case there is a fire at a hotel like last week. We are sound in our projections but we are putting more resources into marketing to get more people here.

**Tom Harris:** Just a quick question on the postage. You have that at 90% and telecommunications at 25%. I am just trying to understand what that means.

**Dan O'Connell:** Just for analysis, we switch out. About 90% of our postage revenue goes to filling packets for people that are asking to come here. We send them visitor guides, brochures and things like that. Some of that is for administration and we are just running stuff. Ninety percent is related to direct promotion and about 10% is related to operating expenses.

**Larry Brown:** Two things come to mind. Would you care to speak about an attraction that I think a lot of people don't realize and that is the Sweetwater facility?

**Dan O'Connell:** Yes. One special event that they put on is called Gear Fest. It is a trade show of the products that they sell. They bring in a lot of vendors to help support the sale that weekend. They have nine tents up around their facility and Sweetwater is quickly becoming the next Vera Bradley. It is a corporation that is investing in trade shows and special events to bring people into our community to buy product. They are doing a wonderful job. Beside Chuck Surack and his corporate attitude of being very civic minded and very philanthropic he has helped support the convention market as well. The Indiana Music Educators is a convention that comes here because they give them a \$10,000 grant. The National Association of Brass Bands, their national convention is here because of the great package at the Grand Wayne Center did but also for the contribution that Sweetwater Sound makes. They are a business that generates daily traffic into our community and they run special events that generate huge traffic, with 11,000 people out there for Gear Fest. They are also helping to support the downtown convention market as well.

**Larry Brown:** If you haven't noticed, you will often see tour buses and they might be going from Chicago to Detroit but they take a little jog and come to Fort Wayne to buy instruments or have instruments repaired or whatever at Sweetwater. That happens weekly.

**Dan O'Connell:** Just a pun but Sweetwater is a Rock Star in the music industry.

**Larry Brown:** Another thing I was going to mention is that being a person who is in that age category, there are more and more motorhomes on the road than ever before and that

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market continues to grow. There is difficulty finding a place to park in Fort Wayne-Allen County. I think that needs to be on your radar.

**Dan O'Connell:** It isn't but I will look into it. That is an interesting perspective. Let me look into that.

**Nancy Jordan:** If we could take two minutes, there is an exciting event coming this year that you should know about which is Scrabble. You have to tell them about Scrabble. I know it is an oxymoron, exciting and Scrabble, but this is cool.

**Dan O'Connell:** One of the features of coming to Fort Wayne is that we are seen by a lot of hobby groups and collectible groups as a great destination. We are in the Midwest and so their East and West members can come. We are a drive-in market and so most of these people drive in. And we are a very affordable destination when they are comparing rates like the hotel rates, it is a good package. Two years ago Bart Shaw, actually from his experience in Dayton, said that they had a group a couple of years ago that might like Fort Wayne and so we researched and went out after the North American Scrabble Players Association Championships. That is people who play Scrabble competitively. They have national rankings and keep a point system. They travel nationwide and that is why they are called North American because there is a significant amount of Canadians who play. We were successful in our bid and beat out Reno, Nevada. It will bring 400 to 500 people who will stay here four to five days to play Scrabble against each other and have a national championship declared at that. To help celebrate and involve the community, we are going to call it the Summer of Scrabble promotion. We will have whimsical sidewalks painted downtown with Scrabble boards. We plan to have banners up on light posts in certain places where people will see a Scrabble tile and they will have to go through a tour of downtown to get a game to figure out what the letters spell. We are working with sponsors to help pay for that. And in conjunction with the National Scrabble Players Association, the last day of their tournament we plan to go for a Guinness Book of Records for the most people playing Scrabble at the same time.

**Nancy Jordan:** I think you are involving the schools in that aren't you?

**Dan O'Connell:** There is another program where we will be starting Scrabble clubs in the middle schools in Allen County by donating over 100 Scrabble boards that Hasbro has made to allow kids to play as teams.

**Tom Harris:** Fantastic.

**Dan O'Connell:** Thanks for bringing that up, Nancy.

**Nancy Jordan:** I think this is where we differentiate ourselves in the event market. I work at Lincoln Financial and our event planners are always so impressed at the collaboration and how the community gets behind these visits. I think the whole summer of Scrabble is a fun thing for the community but what a message we are sending to that group to welcome them and very big kudos to Dan and Bart.

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**Dan O'Connell:** We would like to have them back on a regular basis. Not every year but the cycle that we were talking about. These are the things we can do with national markets. Just like we do with State markets, like the County convention, because of the fine package that we have built in this destination, we have the ability to have people come back every three to five years.

**Tom Harris:** Thank you. Councilman Benz.

**Joel Benz:** You guys are doing some great things but I did have a couple of questions about your budget. Down in the Dues and Subscriptions, who exactly are you paying dues and subscriptions to?

**Dan O'Connell:** National Association of Meeting Planners who we like to stay in contact with as a vendor or supplier. Some of them are religious groups. Some are State associations. We are also members of a lot of Not-for-Profit organizations to serve as our attractions. The History Center and Science Central, we joined as members to help give them some revenues.

**Joel Benz:** Thank you. Then I had about the foundation that you are putting \$65,000 into this year. Could you talk about that a little?

**Dan O'Connell:** Last year, during our Board's strategic plan, Gary led the effort to create an initiative where we would garner new resources. One of those initiatives is setting up a foundation. Our community is blessed with 501(c)(3) foundations who donate a lot of money to community type events like Scrabble or as Sweetwater does for some other projects. We were not organized as a 501(c)(3) but as a 501(c)(6). C 3's like to give to 3's, if you know the game. We set up a foundation to make it easier for other community foundations to participate in some of the stuff that we do. This is seed money to start it, to set up a grant writing program that we can get grants out there to match and we also have to get some letterhead and legal fees for establishing the foundation.

**Joel Benz:** Thank you.

**Tom Harris:** Maybe also just above that Insurance, Audit, Legal Fees, Payroll Processing is up about 60%, just a thought on that?

**Dan O'Connell:** Every two years we have an audit done by the State Board of Accounts directive. This is the year that it has to be done.

**Tom Harris:** Okay, Council, are there any other questions?

**Joel Benz:** I will make a motion for approval of the Visit Fort Wayne budget for 2016.

**Larry Brown:** Second.

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**Tom Harris:** We have a motion and a second. All in favor say aye, all opposed same. The motion passes 6-0-1 (Buskirk absent). If you happen to find a chess tournament on a national level, for those that like chess, I am just saying. Council, at this point, we have a few items under Discussion and Other Business. One is the Waggoner Irwin Scheele and Associates contract for payroll grids. This is something that we discussed in the Personnel Committee and I would like to have HR join us. We have had a chance to talk a little bit in the Personnel Committee about the needs in the County about the payroll structure. It is set up in a series of grids and analysis that we look to internal equity in terms of how we pay our employees. We have not looked at this for a little while.

**Dawn Kennedy:** Dawn Kennedy, Allen County Human Resources Compensation Specialist.

**Mary Rian:** Mary Rian, Allen County Human Resources Generalist and Recruiter.

**Tom Harris:** Good to have you here this morning. The last time that we have officially taken a look at these grids is when?

**Dawn Kennedy:** The last time that I know of was in 2007. I don't believe any action was taken on the grids. There was an audit done.

**Tom Harris:** The audit was done in 2007 with recommendations but nothing had taken place at that point?

**Dawn Kennedy:** Correct.

**Tom Harris:** Talk to us in layman's terms...

**Bill Brown:** Are you sure about that? There was no action taken on the grids?

**Mary Rian:** The grids as a whole, I believe that there were several recommendations made for each and every grid but no action was taken. I think there have been several small changes here and there to different parts. I think there was a point in time where the LTC grid was shifted up.

**Bill Brown:** Maybe it was just the grid component but there was quite a bit of movement due to that Oliver study regarding pay for positions. There was red-lining done on various positions. Do you remember that Tera?

**Tera Klutz:** I think we are talking about the same thing but I think they are talking about the grids as a whole and we are talking about individual jobs.

**Bill Brown:** Got it, thanks.

**Tom Harris:** In layman's terms, tell us a little bit about the reason, the thought or the need to have those grids reevaluated.

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**Dawn Kennedy:** We brought the suggestion to have Waggoner Irwin Scheele look at our grids, to the Personnel Committee. Mary can speak more to this as the Recruiter but we had noticed it was being mentioned by Department Heads and Elected Officials that they felt their employees weren't being paid enough. We knew we were scoring them appropriately. We brought this to them and said that we thought it was time to look at this. Our biggest employee competitor is the City of Fort Wayne. I did an analysis of their grids and we did note that in some parts we are paid lower. We want to make sure that we can retain solid employees in the County. Would you like to talk about the recruiting portion?

**Tom Harris:** We have a question.

**Bill Brown:** For people that don't know what a grid is, maybe kind of explain that.

**Mary Rian:** We have several different job categories. We have the OSS grid which is the clerical employees. There is the PAT grid which is professional employees. There is the LTC grid which is the Labor Trades and we have POLE which is Confinement Officers and people in Public Safety. The Sworn Officers have their own system as well. Those are the grids and what I was going to add to what Dawn mentioned was that as these Department Heads and Elected Officials come to us and say they don't think they are paid right and ask us to look at it, we use the Oliver system to score these positions. We come back with a classification for them. That puts them into a job category and the specific classification with it. Very often we have people who are unhappy with those recommendations. We will look to the outside to get a look at what the external comparison is and we will see what differences there are but we can't go outside of the classification system because we would compromise the integrity of the entire system. We can see sometimes what the Department Heads and Elected Officials are saying regarding the pay, we can't necessarily do anything about that. Specifically, LTC jobs are extremely hard to recruit. It is not necessarily all pay-related. We just don't have very many people in the area right now that are in those specific jobs. It is a combination thing but we do think it would be helpful to take a look at those grids that haven't been looked at from an outside perspective in a very long time.

**Tom Harris:** With that it has been brought through the Personnel Committee. Councilman Buskirk, Councilman Brown and I have had a chance to discuss this. One of the questions came up that Waggoner Irwin Scheele and Associates came to the Personnel Committee to talk about what they would do and what their proposal was. The question came up as to why Waggoner Irwin Scheele and Associates?

**Dawn Kennedy:** Waggoner Irwin Scheele handles a lot of Counties and Cities within the State of Indiana. They already have access to a lot of those salary numbers throughout the State. They would already have an idea of where we are sitting within the State and be able to give us a really solid comparison.

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**Tom Harris:** It is probably fair to say that this is probably the largest in the State. I think it is...

**Larry Brown:** Sixty-two Counties.

**Mary Rian:** Additionally, we used to partner with them.

**Tom Harris:** They created the grids.

**Mary Rian:** They are really familiar and the learning curve is going to be much smaller for them.

**Tom Harris:** As you mentioned, they also work with our biggest competitor, the City of Fort Wayne.

**Dawn Kennedy:** Yes, they work with the City of Fort Wayne.

**Tom Harris:** Councilman Armstrong.

**Bob Armstrong:** So we used Waggoner Irwin Scheele back in 2007 and we didn't come out with any recommendations, what was the cost to hire them? And why aren't we bidding this out?

**Dawn Kennedy:** We did not use them back in 2007. It was a different company. We haven't used them since the early 2000's or the late 1990's.

**Bob Armstrong:** Who did the last report in 2007?

**Dawn Kennedy:** I don't know the name of the company.

**Tera Klutz:** Ray Temple, I think the name was, and he was out of Florida.

**Bill Brown:** He did make some recommendations but there was no action.

**Dawn Kennedy:** Yes.

**Bob Armstrong:** Does Oliver do the same thing that Scheele does?

**Dawn Kennedy:** Waggoner Irwin Scheele brought the Oliver system to Allen County and they use that to score.

**Tom Harris:** I can talk a little bit about this as I was the HR Director from 1993 to 1995. The Oliver system is a process for governments to rate their employees. It is used by parts of the Federal government, State government and local government throughout the country.

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**Bob Armstrong:** The only question I am trying to make is that in Public Safety we use Motorola radios. That is the go-to company but we bid out anything we do. If they win they win and if they don't, they don't. I am just wondering why we are not bidding this out or is this just locked in and these are the only people we can use.

**Larry Brown:** To your example, Motorola was not part of the bidding process. Specifications were geared around Motorola.

**Bob Armstrong:** Right around their system and I understand that. I am just saying, you know. There is nobody else that can compete in this form?

**Larry Brown:** The discussion that I remember is that this company is very familiar with the process. They have experience in 62 other Counties across Indiana so who better?

**Bob Armstrong:** I can understand that but I can understand the reason why the discussion is being brought up is we are not paying as you look across the board, we are trying to keep good employees but we are not paying them. I am just wondering if there is somebody else out there that has a better view or opinion or process that we could use.

**Sharon Tucker:** A fresh look.

**Tom Harris:** Would you like to respond or thoughts on that?

**Dawn Kennedy:** You don't have to bid out professional services.

**Bob Armstrong:** I understand that.

**Dawn Kennedy:** When we were looking at it, we contacted Waggoner Irwin Scheele first because what we understand is that they are the best in the State and they are very familiar with our system as it stands.

**Tom Harris:** From my perspective, I was concerned that this discussion was happening through the HR Department but to go outside, we would literally have to probably double or triple the amount that they would ask to come back. Someone else would have to start all over and would not be familiar with our processes and grids and would have to come in and evaluate all of those. They would look at job descriptions and how job descriptions are made and then trying to validate that the job description process is intact is an extensive enormous amount of labor cost that would be involved. The fact that the HR Department as well as the system that was created through Oliver and Waggoner Irwin in 1993 or something like that we created a process to make sure that we had validity in our job analysis and how well jobs were evaluated and job descriptions were created. It would save in cost and efficiencies. Councilman Brown.

**Bill Brown:** The issue here is that we are looking to tweak part of the system, a very comprehensive, well-established, recognized quality HR system. Tweaking the grid piece is a feature of that and with what you said about the professional services there is a due

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diligence in any professional service. When an entity has such deep and rich background and experience, it makes a big, big difference.

**Tom Harris:** Councilman Tucker.

**Sharon Tucker:** Just points of clarification, you said the last time we looked at the grids was in 2007?

**Dawn Kennedy:** Correct.

**Sharon Tucker:** And that was not by Waggoner Irwin Scheele?

**Dawn Kennedy:** It was not done by Waggoner Irwin.

**Sharon Tucker:** So to Councilman Armstrong's point, Waggoner is going to have to pick up and study it anyway. I understand they have all of the information and has the City's information as well but they weren't part of the 2007 process and so there is still going to be a learning curve, smaller but still there.

**Dawn Kennedy:** There will still be a little bit of a learning curve but that's accounted for in the numbers that they gave us. They know that it will take a little bit of time to come in, re-acclimate and discuss it with us to get them to 2015.

**Tera Klutz:** I have something to say to that. I just wanted to comment that I was the Chief Deputy at the time this was done with an outside consultant. I don't care who does this but it is very important to pick someone that is very familiar with government, period. We spent a lot of time with this other consultant and you can only try to tell them exactly what government does and you know the County, we are very diverse with so many different avenues. I felt that the process was also overwhelming for the consultant because you are trying to find similarities but if you don't have that general base of how government is set up and works, you are almost coming from two different sides. Part of the reason that the recommendations weren't acted on was because we really didn't get comfort that they were solid recommendations. Some of the recommendations were individually taken. It might have been that all of the Civilian Confinement Officers may have gotten a cross-the-board raise but I am not sure that was even tied to that. Part of it was without that basis of understanding of how government works in general, it was really hard to come in here and get consistency across the departments. As a Department Head spending time to try to have every person explain their job, which is what HR does with the evaluation, was very time consuming. Still, it could only sink in so far in a short period of time.

**Larry Brown:** I would like to add, maybe for Bob's comfort level, when we met with Waggoner Irwin Scheele in general discussion to receive and review their proposal, we had conversations and as the questions started to come out of our mouths, he anticipated the question and had the answer that quick. My comfort level went from okay to extremely high in a short period of time because of that conversation and the questions

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and the answers. They are extremely familiar with County government and government in general, individual jobs and categories and all of that.

**Tom Harris:** Thank you and another piece to that is that it is fair to raise those questions and concerns. I will tell you the biggest challenge in a surveys and comparisons of jobs and compensation is trying to do all of the surveying and gather all of that data from other Counties and local governments. They have all of that in their databases right now. If we were to bring someone else in, they would spend an enormous amount of time going out and comparing jobs and gathering that data and in this case, Waggoner already has that data in their system and are familiar with our processes. Councilman Benz.

**Joel Benz:** I just wanted to go back to a bigger picture. I know we have talked about it a little bit in the past about retention rates and that sort of trend. Can you just speak to that a little bit and about why this is necessary at this time?

**Dawn Kennedy:** Our retention rates aren't showing that this is part of it just yet. We would like to do it before it's a crisis mode. We want to be proactive as opposed to reactive and that we are speaking to some of those concerns that we are hearing as we are doing these desk audits and evaluations. I can't say our retention rates are showing that quite yet. We have looked at those but we want to make sure before the retention rates are really bad that we taking a look at it.

**Tom Harris:** Two other thoughts, one is that they will be providing a recommendation but it would be up to us to accept that or not. And number two is the amount that we are talking about is approximately how much?

**Dawn Kennedy:** \$16,460.

**Tom Harris:** So the cost for them to come back in and do this reevaluation is less than even a part-time employee. That is key to keep in mind as well. Councilman Brown.

**Bill Brown:** I am just going to point to the fact that it kind of shows the due diligence of the proactivity of our HR Department to get ahead of it a little bit. That reinforces my confidence in our HR Department.

**Tom Harris:** Thank you. Councilman Armstrong.

**Bob Armstrong:** For that \$16,400, is that to keep these people on retainer?

**Tom Harris:** Not as part of this contract.

**Mary Rian:** Could she maybe go over the few pieces that we have asked them to help us with? Initially we sat down with them and said that here is what we think the problem is and what do you do? We want to know and I had the same confidence as Councilman Brown. He was answering my questions and I felt very reassured. We spoke to them about how we would like them to help us and I will stop and let Dawn take this over.

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**Dawn Kennedy:** It is a four-part process that we asked them for. The first part of the process is going to be reviewing our County compensation practices. That is the part that I spoke about before. They come in and we discuss it and they get caught up to 2015. That portion would cost about \$4,938. This is the estimate that they gave us. The next step would be to conduct a salary analysis. We would work with them on this portion as well to discuss what positions we would like benchmarked. What they would help us do is pick some key positions on each grid and that would help us when we are doing our scoring. They would also do an external mid-point and review external data to see where we stand in our market. They would do a review of local governments and organizations similar to our size and region. The estimated fees for that is \$8,230. The third step will be to prepare a report and provide consultations. They would come to County Council and give you the recommendations. That would be nice because you would be able to ask them questions about how and why they put together the numbers that they did. The estimate for that is \$3,292 plus travel expenses. The fourth portion is not a portion that is a retainer but since they are caught up and if we have positions that are controversial and would like a tie-breaker on, we would be able to contact them and they can review those positions. That is just a part of what they offered for their services since they understand our system now. That is if we needed them but otherwise that would be my job to do all of the reviews.

**Tom Harris:** One of the things that came up in that Personnel discussion is that we do have Dawn in this role of doing job analysis for the County and this isn't something that we would want to replace her with this outside consultant. We are making sure that we don't hire them in a full-time capacity is crucial. We feel that we are doing that appropriately and adequately and we will know that as soon as they evaluate you a little bit further. How's that? It's just a little HR comedy there. Councilman Armstrong, are there any comments or questions? I think this is the right time to do something like this. If you start thinking about trends with the economy being a 3.8% unemployment rate, what that does for any employer out there is look at the compensation package because the potential exists when openings are starting to happen. As the employer, it makes sense to take a look at that in a proactive manner. We can see if we have a retention issue but there is also a recruitment piece. We need to make sure that we are competitive. Dawn, you mentioned midpoint is one of those things that they will look at and midpoint is market. Whatever midpoint turns out to be is what we should be thinking about in terms of some of our compensation analysis.

**Mary Rian:** We definitely, in recruiting, can see that there are some problems. Specifically with LTC's, I am talking about sometimes getting between five and ten applications for a job. That is really low. Those aren't all qualified applicants that are applying for the position. A lot of time with the OSS positions, we will get a large number and that's common because there are not requirements of the job such as education sometimes. It is more customer service or high school education. Having such a significant difference between getting ten applications versus 300 and for PAT positions, having trouble getting qualified applications is pretty common.

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**Tom Harris:** Councilman Armstrong.

**Bob Armstrong:** So at the end of the day and we go through all of this, I take that this Council is onboard for whatever comes back that we are going to fund and do this? Or, are we going to go through all of this and come out with no recommendations and have wasted time? Do you see what I am saying?

**Tom Harris:** Sure. From my perspective, and you might be able to add to this, they would come back and tell us where we need to tweak and think about the overall grids. Maybe not just what we need to do right now but to think of trends maybe three to five years out. I think it is beneficial from a Council perspective and for the County in thinking strategically thinking about what we should be doing over the next three to five years so that we don't come back in ten years and say that we have to make up all of this lost ground. It is probably the right time with the economy the way that it is and I think our finances are such that we can do this analysis. Bob, to your point, I think it has to come back to us and we have to decide what steps to take next. Is there anything you would like to add to that?

**Mary Rian:** I share the same concern. We spend a lot of work figuring out that there are problems and bringing that to your attention. Communicating with someone who can assist us, I don't want all of that work to result in nothing happening. We will do our best on our end to supply Waggoner Irwin Scheele with everything that they need to successfully make a recommendation to you and that is why that it is also important that we choose somebody who is so familiar with the Oliver classification system and have confidence in them so we can take action on their recommendations.

**Tom Harris:** Councilman Brown.

**Bill Brown:** My opinion is yes very much we would take a good hard look at it and move to the way that puts the County in the best position.

**Tom Harris:** Tera, help us with this process, at this time, is there a motion that is needed to move forward with this and then the standpoint of a contract being established, that comes through the Commissioners. They will actually approve the contract. Is that correct?

**Tera Klutz:** They could approve a contract. I believe that you could also approve a contract with Waggoner Irwin Scheele because of the dealing with payroll. For some reason, in statute, Council is the primary and only setter of salaries and so this could fall into that category. We don't have a contract in front of us today. As far as the payment, it would need to be appropriated or already in an existing budget. I can tell you that for the property tax funds, this is the last meeting where any appropriations can be made for the rest of this year. I know Council has money in a capital line that could be used and transferred at the next meeting if you wanted to pay for it out of your own budget.

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**Tom Harris:** And the approval of the contract could take place also at the December meeting?

**Tera Klutz:** Yes.

**Tom Harris:** At this point, is there a need to take any action?

**Mary Rian:** I don't believe so. I know we talked about potentially coming back to them and setting a limit on the contract. I know that was a concern that you guys had. I think we need to further negotiate that. I do want to bring up that there is one additional piece that you guys talked about adding on. Our grids do not accommodate for experience. We have a little bit of concern with that and we wanted to see what the cost would be to add a recommendation for how we could make a change to a grid to accommodate for experience.

**Tom Harris:** Tera.

**Tera Klutz:** I feel that it would be a waste of money because we can all sit here with all different kinds of education and say that an experienced worker is worth more than a non-experienced worker. I believe in the past there have been some different practices where a Department Head could come and say that they have someone with five years of experience and I would like to place them here on the grid and it would get adopted at the Council table with no problems. A few years ago there were some other issues and that was not allowed because certain people were hired and their experience wasn't taken into account but that was a Department Head decision at that time. I feel that if we could just be open to the fact that experience could matter and HR is going to have a hard time determining about what recommendation could be made. You can't just say that three years of experience equals this. It is always going to be an individual decision and it would be hard even for HR to make that and so I feel...

**Mary Rian:** That is something that we brought up. We understand the struggle of not being able to accommodate for experience but at the same time somebody has to be able to set the boundaries and enforce those boundaries. We are worried about how that would take place.

**Tom Harris:** And what would happen is that this organization would give us some thoughts and ideas and suggestions and we can either adopt them or not. That gives us an opportunity to evaluate that a little bit further.

**Tera Klutz:** But we would have to pay for that and I just wonder what that would cost.

**Larry Brown:** That is why we will ask what it will cost. I totally disagree with you in the LTC category.

**Tera Klutz:** I think we are talking two different things.

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**Tom Harris:** But that raises the point that there may be some further analysis that is done in certain pockets of job skills and talents that the County needs. Possibly look to some areas to do certain things and other areas you may not. That is why we pay an outside consultant to evaluate that.

**Tera Klutz:** For the record, I am a very big fan of paying for experience and so I don't know if we just had a misunderstanding.

**Larry Brown:** The system doesn't allow that at all.

**Tera Klutz:** No one ever said it didn't until a couple of years ago. It always did. It is always coming to Council and saying that I would like to place them here. You have a range within your PAT level and you can place them wherever you want. Council always sets that and had in the past.

**Tom Harris:** Tera, thank you and so with that is something that we will want to clarify coming out of this process. Councilman Armstrong.

**Bob Armstrong:** So we are looking at experience, qualifications and their training? Do we look at that in the big scope or picture?

**Mary Rian:** Are you talking about currently?

**Bob Armstrong:** You can have experience and no qualifications or training to go with it.

**Tom Harris:** Go ahead and answer.

**Mary Rian:** I just wanted to bring it up because something was talked about. I just want to make sure that it is out in the air and they had some concerns on it. The thought was to ask the experts on what other people do.

**Tom Harris:** Sure. There happens to be a variety of different things that we brought up and will probably want to talk to that to make sure that we come out of this process with a stronger and more viable system for the future. With that are there any further comments?

**Bill Brown:** I assume that we are giving them consensus to move forward with the conversation.

**Tom Harris:** With the conversation about the contract. We would then come back in December to choose one of two things. One is if we want to move funds from the capital line to be able to pay for this. Second is to deal with the contract or we move to 2016 to allow that to come from a different fund.

**Bill Brown:** We do have consensus for that.

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**Tom Harris:** At this point that is correct. Anything else Council and if not, thank you very much. Also on the agenda, under Discussion, are the 2016 Council meetings.

**Sharon Tucker:** Did we miss the trails?

**Tom Harris:** They are not here today. The 2016 Council meeting dates are now in front of you and be aware of those. We do not have to take any actions on those. If everyone is okay, we will have Becky send it out to the world. Hearing no objections, I think you can move forward. Board appointments are the next item. We are not making any Board appointments today but simply looking at the ones that are up. Today's mention is that there are six positions...

**Larry Brown:** Eight.

**Tom Harris:** Oh, eight, I was looking at the position and not the number of people. We will have the opportunity to discuss this at the December meeting but at this point we are just making Council aware that these positions are open. Between now and the December meeting, we will have an understanding if those incumbents are still interested in staying on or if there are other names for consideration. They are Alcohol Beverage Commission, Allen County Child Care Facilities Board, PTABOA, Redevelopment Commission, Woodburn Economic Development Commission and Grabill Economic Development Commission.

**Larry Brown:** I don't profess to know all of the requirements but PTABOA is political and real estate requirement.

**Tom Harris:** What we will be doing in the meantime is reaching out to those members to find out if they have an interest in being reappointed and also for consideration of additional names, if you have any.

**Sharon Tucker:** Do we know if they attend the meetings?

**Tom Harris:** Yes, most of them have some kind of requirement that they have to be at so many of those meetings.

**Larry Brown:** While this is on the table, some but not all have done a good job of making a report back to this Council. I am just reminding that when we talk to these folks, we would like to hear from them.

**Tom Harris:** That might be something that we will not only request for the upcoming piece but also in the future. Are there any meetings or liaison reports?

**Sharon Tucker:** I attended the ACJC Board meeting yesterday but the Judge gave us pretty much the same update earlier today.

**Tom Harris:** Any other updates? Are there any public comments?

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**Bill Brown:** Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of November 19, 2015.

**Joel Benz:** Second.

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

**Joel Benz:** 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 (Buskirk absent). There being no further business the meeting was adjourned at 10:24.