

ALLEN COUNTY COUNCIL MEETING MINUTES
JULY 20, 2016
8:30 AM

The Allen County Council met on Wednesday, July 20, 2016 at 8:30 am in the Discussion Room at Citizens Square. The purpose of the meeting was for 2017 Budget Pre-Allocation.

Attending: Robert A. Armstrong, Joel M. Benz, Larry L. Brown, William E. Brown, Roy A. Buskirk, Tom A. Harris and Sharon L. Tucker.

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

The meeting was called to order by President Roy Buskirk with the Pledge of Allegiance and a moment of silent prayer.

Roy Buskirk: Now we will have the Auditor's Office report. I am not sure who is leading here.

Tera Klutz: I am going to let Nick Jordan lead. He is gearing up for his experience to be Auditor.

Nick Jordan: Good morning, Council, I am Nick Jordan, Chief Deputy Auditor. On your agenda, you will see that we will start with the budget overview. When Waggoner, Irwin, Scheele come in, we will let them take the floor so as not to hold them up and after that we will resume as necessary with the remaining items. I set a couple of papers in front of you guys this morning. They are the top couple of pages of the 184 page packet. I would like to start with the one that actually says "2017 Allen County Budget Pre-Allocation Summary". If you recall, at the last meeting we gave you some initial estimates and not much has changed on the revenue side. If you look at the very top, you will see \$93,045,892 and that is broken down into our 2017 property tax estimate of approximately \$54.6 million. We did get confirmation that the growth quotient is 3.8% and that is the amount that we can increase the property tax levy from one year to the next. That was unchanged from our initial estimate last month. The second piece is the 2017 Other General Fund Revenue Estimate of approximately \$20.3 million. That did go down slightly by approximately \$270,000 and that is because, as you can see on the expense side, IT reduced its budget by \$300,000. That is solely due to the third-party IT contract which historically we would pay the bill in full for certain aspects of it and then the City of Fort Wayne and City Utilities would reimburse us. With the new Atos contract, it is already factored in that the billing will be broken down and we will not front the payment and the \$300,000 of reimbursement or \$270,000 will not be coming in. The last piece in the revenue section is the 2017 COIT Distributive Shares and Public Safety. That remains unchanged from last month and we still are awaiting that. As you may recall when I did the estimates last month we are factoring in between 2% and 2½% increase. Should that not come to fruition, the number would go down a little bit but we

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probably won't know that for another month or a few weeks. When you look at the prior year adjusted, the General Fund Budget Allocation of \$89.7 million that leaves you with revenue exceeding adjusted allocations of approximately \$3.3 million. In the Council Discretionary Items section, you will see that we have backed off \$700,000. That is because it is related to one-time revenue and we don't want to build an operating budget on money that is only coming in at one point in time or only anticipated to come in at one point in time. The second piece there is a three percent raise. The State is giving a 3.1% raise to UPROB employees and so that is where that figure is derived from. We have put one percent there so you can see if you would choose to do otherwise, you know what one percent amounts to. As presented her the \$3.4 million, take off \$700,000, take off approximately \$1.7 million and you would have approximately \$913,000 available to fund ongoing operations. Going into the next section, you will see the General Fund department's allocation response summaries. You can stop me at any time because it is going to be up to you guys as to how you want to go through these. The one I did want to touch on is the first one which is the Treasurer. You will see that there are no dollars associated with that. If you recall, the Treasurer came for an increase in her salary and the Chief Deputy. It was not approved, at that point, for the Treasurer's piece. For the 2017 Budget submission, the Treasurer would like to change that to what was recommended back when they came before Council. They can fund it within their own budget because they would be increasing the Treasurer to \$78,000 and decreasing the Chief Deputy piece to 80% and therefore they can fund it. They didn't want it to fly under the radar and this is similar to ACJC coming before you last month for a couple of positions that they are going to put into the 2017 budget or salary ordinance. They just wanted to get your approval for it and the same thing here is that they want this out in the open and you guys can approve it knowing that it wasn't slid into the 2017 Salary Ordinance without you guys knowing about it.

Tom Harris: Just a quick question. They are talking about funding it for one year and not ongoing?

Nick Jordan: It would be in their allocation and unless you would decrease their allocation, I would make the assumption that it would continue to be funded year over year. Also, in the letters, HR has a position that is going to be coming before the Personnel Committee in September and there could be others that would arrive between now and the end of the year. Depending on how you handle those, if you approve them we will have the discussion at the time and they will be wrapped into the 2017 budget along with the funding. If not, you would have the discussion on how they are going to fund them. There is no dollar figure for that right now and knowing that his has happened in the past, there will be other positions arise between now and budget approval.

Roy Buskirk: Nick, on your amount available for funding ongoing operations of \$913,000, how does that compare to past years?

Nick Jordan: If you can give me a second, I can pull up last year's.

Roy Buskirk: If I recall, it was more than that.

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Nick Jordan: Last year, the amount available to fund ongoing operations was \$332,000. This year is about two-thirds higher or \$600,000 higher.

Roy Buskirk: We only had...

Tera Klutz: Historically we have spent even lower than that to the tune of negative and to that point we would go back to the departments to cut. When that amount goes negative, we would say that we are lucky to break even. Now, even after taking out the one-time expenses and allowing a raise, we still have about \$1 million available to fund ongoing operations.

Roy Buskirk: Typically we set some funds available for capital expenditures. Has all of that been taken out?

Nick Jordan: If you look a little bit above that \$913,000 figure, you will see \$700,000.

Roy Buskirk: Right.

Nick Jordan: That is what we are recommending that you set aside for capital-type items because it is based on one-time revenue.

Tom Harris: With that same question, how does that compare to previous years?

Nick Jordan: Last year it was \$450,000.

Tera Klutz: We have included the second page of your summary as a breakdown of the capital set aside every year for the last five years. The original request, how much was set aside and the budget and how much was actually spent. What happens is the departments need to make the request now or at least be able to be aware that it could possibly be an expenditure in the near future. Normally, Council will set aside the money and as the department needs it, they will come to Council in the remaining 2016 or into 2017 to request the money. Oftentimes, there are also better solutions that are found and it ends up leading to not as much as originally requested. For example, year-to-date in 2016, we set aside \$450,000 and yet only \$20,479 has been expended.

Tom Harris: The amount not spent does not rollover though, correct?

Tera Klutz: They rollover into the bottom line cash balance. They don't roll over into the budget line again.

Tom Harris: Gotcha. When we are putting \$700,000 aside, it is just \$700,000 and not from previous years.

Tera Klutz: Correct. It is \$700,000 to possibly fund the current capital requests that are listed in your budget summary this time. Just to make you comfortable that it is plenty,

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we put that table together to show that normally all of those requests are not granted the following year because the department either didn't need to make the capital request purchase as soon as they thought they might or they found another opportunity to fund it somewhere else or another solution.

Tom Harris: You're suggesting, in this case, about 50% of what is being requested.

Tera Klutz: Fifty percent is the actual number but it was not the thought process of the \$700,000. The thought process was that we have one-time revenue coming into the General Fund next year that will not be available in 2018. With that we like to fund one-time expenses and the best place to put that is in the capital budget. Do we feel that \$700,000 is enough? Yes, based upon the history of the original requests and what was spent the following year.

Tom Harris: The risk for us is \$1,500,000 if they all came forward next year. That would be our challenge.

Tera Klutz: That is the risk and that is why I feel it is really a zero risk after you look at the last five years and the original requests. We had \$1.7 million requested in 2015 and we spent \$344,000. We had \$966,000 requested in 2014 and we spent almost \$300,000. We had \$1 million requested in 2013 and spent \$226,000. That is what we put together to keep you comfortable or at least address that concern about not having enough for next year.

Roy Buskirk: What is the one-time revenue?

Nick Jordan: It is based on the Auditor's ineligible deductions. If you recall, for the last few years we have been doing audits on the homestead deductions and therefore if it was determined that the person was ineligible for the deduction, we had the ability to go back and bill them as well as going forward and we would recoup the additional taxes. Potentially they would have a higher tax liability because they didn't have the homestead but those that we went and back-billed goes into a separate fund and we can cover the cost of the audit. After those expenses and the way that the law is set up, anything above \$100,000, it rolls back to the General Fund. In this instance, we anticipated revenue less the cost of the audit to be \$700,000 above the \$100,000 threshold set out in statute.

Roy Buskirk: Okay.

Tom Harris: Then to remind us, and for the public, one of the challenges that we think about each year is the State saying we can go up 3.8%. If we choose not to and only go up three percent, how does that impact this County and what happens with the additional amount?

Nick Jordan: It impacts not only in property tax and the fact that we know with Circuit Breaker that the pie is only so big. If you reduce that piece of your allocation, you are only getting a smaller amount. That also translates into income tax allocations and the

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fact that COIT Public Safety, as example, is based on the prior year certified levy. If the City of Fort Wayne or Hometown or Monroeville, the cities and towns get COIT Public Safety, would all go up 3.8% in their levy. If the County only chose to go up three percent, they may get a bigger piece of the COIT Public Safety.

Tom Harris: So even if we were trying to hold that down, the taxes are still going to be collected in the rest of the pie to other entities in our community.

Nick Jordan: In today's age of Circuit Breaker, yes. As an example, some houses have 50% of their tax liability gone.

Tom Harris: If we don't follow what the State is recommending, we give those revenues to other entities in the community.

Nick Jordan: You are potentially freeing up some of the pie but you may only be reducing the size of the Circuit Breaker on some of the properties. Of the revenues that do come in, you are potentially reducing your allocation. That affects the regular COIT too because that is based on an adjusted levy from the prior year. It does have a ripple effect on other distributions. Roy, back to your point of the amount to fund ongoing operations, as Tera noted four or five years ago we had across the board seven percent cuts and the next year it was around two percent. Not to mention the 3.8% growth quotient and I think it is the highest it has been in five years if not longer and I think having the initial amount that we can go up to start with helps to increase that figure.

Roy Buskirk: Following along with what Tom brought up, on the growth rate if you don't use all of that growth rate, I know in some years past, government units thought they would bank that and be able to increase greater than what the State's recommendation or growth rate was. Some of them lost that totally on being able to recoup what they had done in previous years coming in under the growth rate.

Nick Jordan: The other piece to take into consideration and we briefly discussed; if you have a 3.8% growth rate for the property tax levy and the net assessed value is only two or three percent, if everybody does go up and captures that 3.8%, you will more than likely see Circuit Breakers go up. That is another side effect of the high growth rate. It is good but just keeping in mind that the net assessed value might not be increasing at the same rate. The pool of the assessed value to pull from isn't getting as large or increasing by the 3.8%. From the initial gross assessed values before we apply the deductions and exemptions and so forth, the Assessors roll them to us and if you take out the governmental exempt properties, it is over 3.5% which is great. It is similar to the last couple of years which reflected the market and economy around here as you hear about development and sale prices and things of that regard. It is a great start just keeping in mind that it will go down by the time we get the net assessed values but we are still hoping it is around the 2.5% mark. Before we go into the operating increases, I want to point out the decreases. I don't imagine that we will spend much time on them but I think we should thank those departments. We are starting off with the Auditor at \$2,000, Voter Registration at \$8,615 and IT at \$300,000. As I mentioned, that is due to the billing and

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reimbursement process hopes to be changed in 2017. You don't see it on here but CCP, as we talk about it every year. In their letter, they proposed two different methods and one is using old 9-1-1 money and one is not using old 9-1-1 money. I recommend that we use the old 9-1-1 money. We have had the same discussion the last three years. Right now there is about \$1.7 million of old 9-1-1 funds and anticipated another \$600,000 that they would ask for. The Motorola service agreement is around \$600,000 and so that would bring it down to around \$1 million. I have had the discussion with Bill Bassett and have had for three years that at some point in time those are gone. They need to figure out a way to build these into their ongoing budget. That may be feasible because as for example, they rolled over \$500,000 to \$600,000. The CCP, in and of itself has a fund balance. As of June 30 it was close to \$1 million and once the City makes its General Fund contribution, it would be close to \$1.5 million. They are already spending less than budgeted and so they may be able to cover that in a couple of years in their own operation. They have had some turnover in their Dispatchers which is their highest expense and so that is where some of those budget expenditures are not being expensed. I would recommend that we use the old 9-1-1 fees and it would result in \$178,204 decrease in the CCP budget. Keep in mind that even if we take the benefit of that for this year and maybe next year, in a couple of years when the old 9-1-1 money is gone, the \$922,671 is what we are currently contributing and is more than likely what needs to be contributed in looking at today's operations in order for them to sustain the Motorola service agreement within the \$7.6 million budget.

Tom Harris: That is the County's side.

Nick Jordan: The County's side is about 22% and the City's side is 78%.

Roy Buskirk: And part of that is we have no idea what the State Legislation is going to do as far as the 9-1-1 fees on cell phones and phones and everything else.

Nick Jordan: We have received supplemental one-time distributions to the tune of a couple hundred thousand dollars and it definitely helps but we don't know until the State's year-end to see how that panned out. We usually know in the fall and I think even last year it was even later than that so you really can't budget that amount. That plays into the unexpected revenue.

Tom Harris: Using the old fees, the 178 would be added to the \$913,000?

Nick Jordan: Or the \$310,615 in decreases it could be about \$488,819.

Tom Harris: Understood but from available funds for ongoing operations, to the \$913,108 we would add the \$178,000 to that?

Nick Jordan: Yes. Right now, the \$913,108, we are not adding the \$310,615 that you see there. If you wanted to do that you are just treating them differently. The way that the \$310,615 is factored in right now on the other sheet that you have actually shows the detail you have for each department and you will see in the 2017 Over/Under Allocation,

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all the way down in the total, you will see \$764,328. That is the net of the \$1,074,943 request and the \$310,615 decrease and if you were to throw in another \$178,204 that figure would go down even more.

Tera Klutz: It would go down to about \$600,000.

Roy Buskirk: A lot of the decrease is the fact that IT billing system changed and instead of paying the entire bill and getting reimbursement...

Nick Jordan: You are right. We would pay the bill upfront and bill the City and City Utilities for their piece. We are going to work with Atos, the third party IT vendor, or Ed is going to and he is planning that it will be addressed.

Roy Buskirk: Next year is a non-election year. It only happens once every four years. Voter Registration is going down the \$8,600.

Nick Jordan: Contrary to what we do with the Election Board and taking a big chunk off their budget, we could do a similar thing with Voter Registration but you can see it is not nearly the same amount. We don't necessarily know how their operation fluctuates from election to non-election. The \$8,615 is attributed to that.

Roy Buskirk: I am surprised to not see the Election Board.

Nick Jordan: We already took that off. We took \$515,000 off the Election Board. Their budget went from \$800,000 and some to \$200,000 and some.

Tom Harris: Why wouldn't they be listed here though?

Nick Jordan: There are certain things like steps, the Election Board and back when we did this sheet, those were departmental adjustments that we have specifically tied out here prior to bringing it to you. I spoke with Beth Dlug that she could work within the budget allocation listed. Because that is already factored in up at the top, the \$89,691,506 includes the approximate \$515,000 reduction for the Election Board.

Roy Buskirk: But on this sheet, we show each one of the offices.

Nick Jordan: It has already been taken into account.

Roy Buskirk: I think Tera is getting ready to answer my question.

Tera Klutz: I am going to piggyback on what Nick was saying. In the first column of departmental, 2016 Adjusted Budget, you won't be able to necessarily go back to the 2016 Budget Book and find that budget because what we have done when we presented this last month, we have adjusted these for known changes or County-wide changes for insurance and other County-wide expenses like Workman's Comp and Sheriff's pension. The Election Board is always one of the big ones in the non-election year where we really

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don't give them a choice to offer that \$500,000 back to us. We actually just take it right away because they are such a large budget. We work with them behind the scenes to say this is what we are going to recommend and does that work for you? If it doesn't they would come back and ask for more on the sheet that you are looking at.

Sharon Tucker: So these are your adjustments prior to and these are the department adjustments after they have submitted their requests back.

Tera Klutz: Yes.

Nick Jordan: Jackie will throw in the step increases for the people that automatically go up because of the grid. Those are already factored into the adjusted budget. The department doesn't have to ask for that. Those are factored in based on the system. The same thing is if someone would leave, those may be taken into account also.

Tera Klutz: We will take that right off and budget it somewhere else.

Roy Buskirk: The one with the Election Board, I see here that you reduced them \$700,000?

Nick Jordan: No, \$515,000.

Roy Buskirk: And they have a request for capital expenditures of \$600,000 for voting machines.

Nick Jordan: Yes and that is on the other page in the \$1.5 million which has the \$600,000 in it.

Tera Klutz: Pure coincidence.

Roy Buskirk: To me, it is a good year to do it because of the fact of their budget being lowered and being a non-election year. They are in the need of voting machines and it would be a good year to do it.

Nick Jordan: I don't think that is anything surprising. I think that Beth has mentioned that in years past when talking about electronic poll books and so forth.

Roy Buskirk: Wouldn't that be wonderful if the City would join with us when we have County elections and therefore we would have two years out of four with no elections?

Sharon Tucker: We couldn't handle all of the yard signs.

Roy Buskirk: That is probably true. You may continue on.

Nick Jordan: The last thing I want to point out is the Self-Insurance Health Fund analysis. Reason being, this is a very large expense. We are spending anywhere from \$11

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million to \$13 million in health insurance. In the budget that could be anywhere from seven to ten percent. We are on a very positive trend if you look at 2011 and 2012, you see a huge increase. There is the actual claims line and went from \$11.4 million in 2011 to \$13.5 million in 2012. It stayed around \$13 million in 2013. For 2014 and 2015, you can see that the trend went downward. In 2016, we are trending very, very similarly to 2014 and 2015. If you look all the way to the bottom of this sheet to the End of the Year Fund Balance, you will see that from 2013 on the fund balance has increased. If you recall last month, in the budget estimates we had budgeted reducing the General Fund contribution \$500,000. That is because of the positive experience we have had for the last three years. I have budgeted here for 2017 claims line to go back up to \$13 million because it is almost an every three to four year trend that we see those claims bump back up. For 2017 and 2018, I have budgeted \$9.5 million for General Fund Contribution along with the increased claims and it would bring down our fund balance back into the region of \$2 million to \$3 million but still be sustainable for at least the next few years. That was in part because the Commissioners, HR and you guys and the different changes enacted like going to a single provider and ongoing monitoring of insurance expenses.

Tom Harris: A question on that. What is the goal for that balance in terms of dollars and maybe a percent? Is there a particular goal we are trying to shoot for there?

Nick Jordan: We like to be around the \$2 million to \$3 million region. When you look from 2011 to 2012 and you jump \$2 million in one year, rather than saying to departments that we need to cut so that we can cover these insurance costs we can somewhat sustain that and can pay for those within that fund balance.

Tom Harris: We are presently three times over what you would look to?

Nick Jordan: Given the nature of insurance claims, what traditionally happens in the first six months is we see the claims being low. Then people meet their deductible and then claims go up in the second half of the year. While we look great now and it is trending almost identical to 2014, we don't know what is going to happen. In 2012 and 2013, claims exploded and if that were to happen again, the balance would quickly change by 20% within a matter of months. That is where the cushion of \$2 million to \$3 million seems high but if you look at the trend that I have here, we will be back to \$3.4 million by 2018, \$5 million dollars going down within two years.

Tom Harris: So \$2.5 million is kind of the goal.

Nick Jordan: At this point in time, based on where the claims are, if the claims continued to increase, maybe we would need to look at a higher balance. If we don't have that balance there, all we are doing is saying we need to cut more.

Tom Harris: I am not suggesting that we do anything. I am just trying to understand.

Nick Jordan: Historically, I would say \$2.5 million.

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Tera Klutz: That is roughly 25% to 30% of claims. We like to be able to cover the first quarter. It's kind of like the Rainy Day Fund. So we have time to react and give us more time to make educated decisions.

Nick Jordan: I will let you guys guide the ship now with the operating increases. I can tell you what page we are looking at in here and you guys can look at it and ask questions or direct me differently.

Tom Harris: If I can make one comment on this last piece of the self-insurance, I just want to say compliments to the Commissioners, the HR team, the Auditor's staff and most importantly the employees for the County to focus on health. I think all of the studies and analysis that has been done is that if we get employees more and more focused on their health, health management and health wellness, it does make a difference. Through all of the work and to all of those entities, congrats, because this is good stuff.

Roy Buskirk: I do have a question and I don't see Waggoner here yet but on that discussion because of the dollar amounts that we were talking about at the Personnel Committee yesterday, \$3.6 million was discussed as a possible number to increase the overall average of County employees. We have \$913,000. Where would the funding come from?

Nick Jordan: To briefly go into and not sidetrack this but \$3.6 million would be if we brought them to market in six months. The \$3.6 million is the grid piece of it. You see that we have a three percent raise included above and I think it is close to \$1.1 million or \$1.2 million would be in that \$3.6 million and so that would bring that down a little. The other part is the discussion that we need to have on funding that and not only for 2017 but in sustaining that every year thereafter.

Roy Buskirk: Correct.

Nick Jordan: You are talking in the General Fund of a \$90 million budget you are talking three to five percent increase to that budget in duration, at least for the near future. I am not saying we should ignore it but it is a discussion we are going to have. We have the figures that we will pass out to go through those at the different intervals of the options that are presented.

Tera Klutz: I want to follow up and say that these are initial revenue estimates and we are going to get more solid certifications for income tax distributions and get Circuit Breaker estimates from the Department of Local Government Finance and the Indiana State Budget agency in the next month. Sometimes those have changed in the past and it changes our estimates.

Roy Buskirk: Okay, next.

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Nick Jordan: Don't forget that I touched briefly on the Treasurer's piece. There is no dollar amount here. It is just how you guys want to treat that. If they need to come later or you guys are okay with them putting that into their budget or us putting it into the 2017 salary ordinance but that is just something that won't have a dollar amount tied to it. The first one on there is the Recorder for \$82,310. That is the Recorder's salary and benefits. For the last couple of years those have been paid out of the Perpetuation Fund and that is due to the fact that she is able to potentially cover all of the expenses and capital items needed. There are some items that she would like to do such as scanning and as that fund balance is going down, we have moved a little piece of her budget, her salary and benefits, back to the General Fund. That is where that \$82,310 comes from. I will point out the letter as we go through this so that you can look at the electronic notebook, if you want. The Recorder was on page 14.

Tera Klutz: It is bookmarked if you are using Adobe.

Nick Jordan: If nobody has any questions, we will go to the Coroner. This is on page 45. You will see in the Coroner's request of \$70,000, the largest chunk of it is for autopsies at \$60,000. That is based on the recent experience and I will note that 2015 is one of the higher years in the last five years and is something that should you not grant that \$60,000 increase, he would come back next year and ask for those increased fees if we continue to experience the rate of autopsies that we saw in 2015. The five-year average is not as high as a \$320,000 budget after you factored in the \$60,000 increase. The five-year average is \$264,000 which is close to the current budget. The other pieces of that are Maintenance Agreements for \$3,610 instead of \$1,050 which is a \$2,500 increase. It is not specifically spelled out but I think there is overtime pay which is the difference there of approximately \$7,000. The County Extension is on page 67. The \$1,485 increase is for one percent increase in Contractual Services for the five full-time Extension Educators.

Tom Harris: Say that page again.

Nick Jordan: Page 67. The next one is Building Maintenance.

Tera Klutz: We can slow down if you need us to.

Tom Harris: That is okay because we will have an opportunity to come back and talk to each of these but on that last one, Purdue Extension, has asked for a one percent charge back for Contractual Services. That is a little bit concerning for me but we will wait and come back for those discussions later.

Tera Klutz: It is for salaries for basically Purdue pays the Educators' salaries and we pay a portion. It is through Contractual because we have a contract to pay it. It is kind of like Personnel Services.

Tom Harris: That's fair and we have had this discussion in years past that Purdue kind of puts the pressure on local communities to pick up more of those costs and it appears that it is happening again this year.

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Tera Klutz: I don't know because if they give any cost of living increase to the Educators, it would be one percent. If they are only asking us for one percent, maybe it is one percent across the board and theirs would also be increasing one percent. I am not sure that they are passing more of a proportionate share but we can ask.

Tom Harris: I think I read that somewhere that was happening. We will need clarification on that one.

Roy Buskirk: Maintenance.

Nick Jordan: For Maintenance, you see \$41,000. Maintenance recently took over the Jail Maintenance and they are asking for a \$40,000 increase to the 300 Series which is the Services Series and \$1,000 to the 100 Series for supplies. They go into detail regarding new fixtures, maintenance contracts and so forth. That is what generates that \$41,000 increase.

Roy Buskirk: The one thing that was brought up yesterday with Maintenance taking over the Jail, it was more than just the Jail. Can you guys help me out?

Bob Armstrong: Work Release.

Roy Buskirk: Yes, Work Release and there are three or four additional buildings including the Jail. It's pretty good that all three of us flunked that test, moving on.

Nick Jordan: With Building Maintenance, there are new sets of eyes looking at the Jail and will see different things that need improvements. The next one is ACJC and that is on page 141. The Judge included a nice letter in there explaining multiple items. The increase is broken down as \$41,984 for a Nurse Practitioner and the remaining \$20,454 is for the HSE Instructor which is High School Equivalency which used to be GED. That is explained in the letter.

Roy Buskirk: Some of this for ACJC is that they have been receiving quite a few grants and the school corporations that they are working with have been receiving grants also. The numbers of those that are and it is a hard word to come up with, but those that are in Jail has reduced tremendously.

Larry Brown: Clients.

Roy Buskirk: Could use clients, thank you Larry. It has reduced the number tremendously and a lot more of the programs are going through the high schools. You must still remember that they are under government regulations. There are additional demands but on them as far as the Nurse Practitioner and other things.

Nick Jordan: And specifically for the HSE Instructor, they noted that they lost some of their Title I funding and that was used to fund the High School Equivalency Educator.

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Roy Buskirk: They will be before Council tomorrow asking for permission to apply for another grant.

Nick Jordan: Next is Superior Court and unfortunately it is more than a couple of things. They are on page 159. The \$291,710, they did a good job of breaking out how that figure is arrived at. The first piece is the Transcript Fees of \$14,300. That is due to the increase fees of transcript preparation. The second piece is \$32,700 for a Court Services Rep. That explanation will need to be clarified too. They talk about an existing position that has been funded by the ACJC budget and maybe the ACJC budget already takes into account the reduction but nonetheless Superior Court needs \$32,700. The third piece is for Drug Court Managers for \$46,203. As it has been explained there, it is because of a drastic increase in active client numbers. That is a pretty common theme in both ACJC and Public Defender, an increase caseload. I think the Sheriff has reiterated many times the Jail is full and Work Release is full and the Judges have also noted that. Next is Contractual Dual Status Case Assessment of \$20,000 for Contractual Assistance. That has to do with the CHINS cases. Then you have \$55,347 for Pauper Attorneys. The last is Guardian Ad Litem at \$123,160 for CHINS cases. If there are no questions or comments, the last one on there is Public Defender for \$526,000. You will see that it is due in part to the Public Defender Commission which has raised the rate from \$80 to \$90 an hour for CHINS representation as well as increased caseload. They also touch on the lawsuit that is currently ongoing and depending on the outcome of that there may be additional costs. I think it kind of substantiates the need to insure adequate funding as requested for the other cases.

Tom Harris: We will have a chance to talk to all of these different groups if we choose to, right?

Nick Jordan: I don't know if they are all here today but if they aren't, you can definitely talk to them in September if you choose not to approve them now. I don't recommend this but the CCP, if you did not use old money, it would be \$123,266 that would be needed. I think we should use the old 9-1-1 money because they are not being used currently and we have had this discussion for the last three years. The sum of those will get you to the \$1,074,943 of requested operating increases. Capital is presented in the multiple pages and we can go through them, if you'd like but I am not going to go through the specific capital requests here this morning unless you want to address specific items.

Roy Buskirk: Is this a good place to break?

Nick Jordan: Yes.

Roy Buskirk: Maybe we can go ahead and have Waggoner, Irwin and Scheele up.

Tom Harris: I would like to briefly mention that the Personnel Committee met yesterday and we had a brief update from Kent Irwin and Addie who are both with us today and

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will be coming up. At Personnel Committee, it was a healthy discussion for understanding it and what the intent this morning is, as we were informed a little bit about the process and began to get our head around the process, today we have an opportunity as Council to dive a little deeper and understand it a little bit further. Then we can make some decisions going forward. The normal process is for everyone to introduce themselves.

Dawn Kennedy: Dawn Kennedy, HR Generalist/Compensation.

Kent Irwin: Kent Irwin with Waggoner, Irwin and Scheele.

Addie Rooker: Addie Rooker with Waggoner, Irwin and Scheele.

Tracy Mitchener: Tracy Mitchener, Assistant Human Resources Director.

Tom Harris: Good morning and welcome and with that Roy, is there any particular direction you would like to go? Just have them open up and start as they did yesterday?

Roy Buskirk: Yes, you're on Kent.

Kent Irwin: We have brought additional copies.

Tom Harris: As we did yesterday, you might take it from there and talk about your report from the overall study and such. Maybe walk us through some of your different documents. I am sure some of us have them out of order.

Kent Irwin: There is a considerable amount of information here to process today. There are a number of exhibits that we are going to be walking through and hopefully we will arrive at having a good reference point for Council to make compensation decisions going forward. We have conducted an extensive external salary survey and have consolidated that information for you to look at relative to your existing pay schedules. This concludes our engagement respective of the report that we were to submit to the Council at the end of this study. There may be some other services ongoing down the road but this is the end result of the work that has been going on for the last several months. I am going to start out with this report and just briefly summarize the items in it. Addie is going to discuss the various exhibits and options that have been developed as a result of the survey. For some of the members that may not know our firm, we have been working with public sector employers since 1979 and our focus has been on County and City government in Indiana in the area of HR. We have done a number of compensation studies for various Cities, Towns and Counties throughout the State. At this point, we are glad to boast that we have been engaged with over 70 Indiana Counties out of 92 many of which have conducted classification projects such as yours. Back in the 1980's, we were originally engaged by the County Council at the time to install a new compensation program for Allen County. The system that is in place today is still the same system essentially what you had installed back then. It is a public sector system and is titled the Factor Evaluation System. It is developed for public sector employers. It was developed

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by the U. S. Department of Labor for public sector use. It is not proprietary to any one person or organization, to us or any other consultant but is one that was developed where you have a system that is based on comparing like jobs with one another. That is the basis of the different job categories that you have under this Factor Evaluation System from PAT to LTC, POLES and some of the others. In this system, protective occupations and law enforcement jobs cannot be compared to the PAT positions or Executive positions or the OSS positions or LTC. They are all rooted in factor points that are assigned to the job under those classification categories. Back when the system was first installed, the Elected Officials and Department Heads were deeply involved in the process. There were job questionnaires that were provided to every office and every department and every employee. There was spot interviewing. All of the Department Heads and Elected Officials were interviewed as a part of the process to ensure that we were getting accurate information about the jobs that were in their offices or departments. We prepared draft job descriptions and they were returned to the Elected Officials and Department Heads for their review and sign-off. At the end of the stage of that project, every job description in the County was updated and used to put into the Factor System. All of the positions were point factored and rooted in that system. What you have today is still that result where now you have pay levels that are based upon like-factored jobs based on each one of the job categories. It is not just an LTC 2 or 3. Those jobs are in that group because of their factor points under the system. At that time there were certain positions throughout the County internally that were really paid at some wildly different pay rates. That Council made the commitment to make internal adjustments to bring those jobs within an alignment within those categories. Some jobs, some employees, got pay adjustments larger than others in order to bring them in line with the pay grid that was established back then. The system was adopted and the salary schedules were developed from the classifications and for several years, until 2003 or so, we assisted the County in updating the classifications each year. By that I mean any jobs that were added to the system went through the same process of the job description, review, the factoring and then approval by Council so that the jobs were slotted in to fit within your system and were not just created by people coming in and making a case that they needed this job and it needed to pay at this level. Council set up procedures. The Personnel Committee was established at that time with the purpose of monitoring the classification, making changes, looking at job classification requests or reviews. Each year we would look at the adjustments that had been made during the year and provide Council with a new projection for salaries for the coming year. We have been through umpteen different HR people and one is sitting at this table. It is a system that has had a good use for the County. This year we were engaged to look at the system and make some suggestions on changes, if needed, but primarily to look at where the jobs in Allen County stack up with the external market. That has been the thrust of the work here these last few months. The classification schedules or the system was developed or the survey was developed by selecting benchmark positions from all of the job categories to survey in the marketplace. You will see on page two the listing of positions that in collaboration with the HR staff, we picked these positions because of their comparability to other employers and making sure that we had positions that were different levels of your current classification system. We weren't just sampling all of the entry level jobs or the senior level jobs. There is an overall representative group for each of these classifications. The jobs in the Office

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Support Staff, you see the Department and the Job Titles. Those were descriptions that were used as benchmarks to survey the other employers. The same with the Professional, Administrative, Technological jobs and those were the jobs that were used to survey. The next page has Labor, Trades and Crafts. Those benchmarks were selected from those Departments and Job Titles. Civilian Protective Occupations and Law Enforcement, these are jobs selected for that group. Finally we have the Merit POLE positions that are the Merit Police Officers in the Sheriff's Department. There is one job within the Civilian Communication Officer category that we still have in the system and that job was looked at as well. Using these benchmarked positions, we then looked at all of these employers that we have listed at the bottom of page four particularly the public employers where we can match up readily easily. When we selected employers of comparable size as well as the geographic area, the City of Fort Wayne and Fort Wayne Community Schools, they both use the same Factor Evaluation System as a basis for their classifications. There is some comparability built in between Allen County and those jobs with the school corporation and the City positions. There are several other Counties that we also collected information from and all but Elkhart uses this Factor Evaluation System as well. We collected current salary ordinances from all of these outside public entities to use to develop a pay line for each of the job categories. In addition to the public sector surveys, we also have purchased surveys and other sources where we collected information and the Bureau of Labor Statistics, the Economic Workforce Development Group, Cities and Towns, other governmental units and the State of Indiana. At the end of all of this collection, what you have in terms of external pay data is that of thousands of different employee salary jobs from all of these sources. The pay lines, or compilation of salary data from all of them. We didn't just include the highest and we didn't just include the lowest. You have them all collapsed and we were then able to put together and average mean or midpoint external market line for each one of these categories. We have also attached in these exhibits and will explain in a minute the examples of six benchmarks where we have collected the data and show the comparisons to your current pay schedules and some options that we developed with the new salary information. Also, these exhibits will show external pay lines and we have developed some proposed pay options for Council's consideration by job category. You will see this on the grids in a minute but there is a pay line that is established and it basically the market area and provides you with a context for making an evaluation to adjusting certain salaries accordingly or not. There is no "You have to do this or you have to do that." This data is for your deliberation and for your use and developing a new pay schedule. I think to primarily address some of the pay issues you engaged us to look at. One was that there have been recruitment or turnover problems in certain areas and not all areas but certain areas. Whether or not you want to slice out and deal with those problem areas is obviously a pay strategy or pay philosophy decision of the Council. We will be going through these various options that we have developed here based upon the charge of our work and the work plan that we followed and the ranges that have been developed. We also did a carve out, there has been discussion on the City of Fort Wayne and Allen County, and we tried to show the pay schedule matchup between the City and the County understanding that even though the system is the same, it has been applied in different ways. The jobs are not all in the same grades. The City has pay ranges and they don't steps to lock people into moving within those pay grids. It is a different application,

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different use, different times and different history of salaries when the system was first installed. I say that as a snapshot when you look at the City comparison that it is only a snapshot and not all inclusive. It gives you some feel for the comparative salaries between County and City positions. Again, this is a tool for you to use. At the conclusion of this presentation yesterday at the Personnel Committee, as Tom said, there was a healthy discussion amongst the members and looking at various ways to use pieces of this as an option. I think the real value is current information that you can use in a context to evaluate how you want to move your salary schedules going forward. No more, no less. Addie will walk us through these exhibits starting with Exhibit A.

Tom Harris: Can I jump in with one question? From a broader sense, one of the challenges that we have had as Council is how often should we do an overall evaluation of the grids and this process? We have not done this for some time and one of the challenges that we have talked about on Council was how often should we do something like this. Are there any recommendations and not necessarily for us but when you talk to different Counties, how often should you do this?

Kent Irwin: Some of our other clients of similar size, Hamilton County we give them an update every year. About every two or three years, we'll do an extensive review. They have had proposals from different offices or departments to take a look at certain jobs that they are having trouble recruiting and retaining employees. I think the most recent one was with the Police Department and looking at a matrix program similar to the State of Indiana and others. That has been an ongoing process. Tippecanoe County just did a survey last year and it had been about three or four years since we had done that.

Tom Harris: So, three to five years.

Kent Irwin: Monroe County was done last year and it had been several years since they had done anything.

Addie Rooker: Please turn to Exhibit A. As Ken mentioned, going through the report, there were benchmarked positions selected for the survey. What we have here is an example of what data was collected and how the data was used. The first example is in Labor, Trades and Crafts category and the position was Mechanic. The external data salary range for that position came out to be \$34,941 to \$52,959. Taking all of that collected data, the weighted average for that position was \$41,837. That weighted average was used with the whole collection of the external data for the LTC's to establish the external salary line that you will see in a few minutes. With that the pay grade implementation, applying this to your system, the Purchasing Mechanic is currently LTC IV, Step 3 with a 2016 salary of \$38,721. Taking the pay grid options that you will see in a minute, Pay Grid Option One is \$41,836 and that results in a \$3,115 increase. Option Two, the salary would be \$43,510 with an increase of \$4,789. We also show the Maintenance Mechanic, who is an LTC IV Step 4, on how that salary would be implemented on the proposed pay grids with a \$3,200 increase and a \$5,000 increase. The next category that we are showing you is the Professional, Administrative and Technological with three different positions here as the benchmarks. The Public Health

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Nurse with a classification of PAT V and the salary range in the external market is \$44,232 to \$58,910. The weighted average is \$49,860. In your system, the Public Health Nurse is a PAT v Step 4 with a current salary of \$52,486. With the pay grid option with 1950 hours, that position would come with a \$3,087 increase on Option One and Option Two would have a \$5,310 increase. We also show the numbers if the position was on a 2,080 hours schedule. On the second page we show you the same information for a Court Reporter with the salary range and the external weighted average and how that would be applied to the system. The second position on that page is the Assistant HR Director and the range for that position and the weighted average and the increases as well. The last page is the OSS category with a Bookkeeper and also the Confinement Officer for the Civilian POLE job category. So you have an example of how the methodology was used in the collection of the external data.

Roy Buskirk: I have a question. I am sorry for interrupting you. You have the external weighted average salary and for the PAT's, it is \$49,860. The position and I take it this is the County's position, the pay is \$52,486. Is that correct that this is the County's current position?

Addie Rooker: The current salary for that position at Step 4.

Roy Buskirk: The external weighted average is compared to what step? Is that beginning wages?

Addie Rooker: That is the external midpoint for that benchmarked position.

Kent Irwin: No, it is the average mean.

Roy Buskirk: Oh, the average.

Addie Rooker: Yes. The whole range was \$44,232 to \$58,910.

Roy Buskirk: I guess my problem is that currently we are paying higher than the external weighted average but yet you are showing that we need to increase it.

Addie Rooker: This is just one benchmarked position for the PAT and so we took the collection of all of the PAT data to establish the external pay line. That is not a direct job match. We collected all of the data to establish the pay line. The external weighted is not going to match exactly to the salary of the pay line. There is more than one position in the classification level. We took a little snapshot out of the methodology that was used. There was a list of all of the positions with data collected to derive the external pay line and not just the Nurse position.

Kent Irwin: That is a good question. They are not all direct job matches. It's a pay line. It's a compilation of all data at the various levels.

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Sharon Tucker: So what we would have to be careful for is to make sure, like Roy is saying, we are only \$1,000 from the medium in this particular PAT group. You are saying that because you took a combination of all of the job descriptions, we have to make sure that we don't overpay the job description that is being accurately paid right now. Is that what I am hearing?

Kent Irwin: We developed a pay line based upon the jobs that you have factored within those levels right now. We didn't change any of the factoring. We left that stand as it is. In developing the new schedules, which you will see in a second, the pay line runs through all levels. It is a compilation of all salaries in that level. Why don't you go ahead with Exhibit B.

Addie Rooker: Turn to Exhibit B. This is the proposed pay schedule for the Office Support Staff. The shaded line is the external pay line.

Kent Irwin: It might be helpful if you put your hands on either side of this shaded area and cover up all of the other steps. That is the pay line for the OSS. That is the external market for that whole category from one up to six. What you are going to see throughout all of these is where do you want that market rate to be? That is the question. Do you want it to be closer to the hiring rate or do you want it to be further away? That is the relative line. You are going to see those shaded lines on all of these. They will have the same numbers in them by job category. There are a couple of options on OSS and that line is constant. It is a matter of where you want to be in relationship to that line.

Tom Harris: So, in this case, OSS Step 3 the median salary in the marketplace happens after three years.

Kent Irwin: Right.

Tom Harris: So if we wanted to be highly competitive, we don't want to wait until three years into the grid if we are trying to compete and trying to recruit from other employers that people are presently working at. We may need to move that up to initial hire.

Kent Irwin: Yes that is the option in terms of being competitive. Bear in mind that it is the midpoint. Normally you are going to see about 10% on each side would be the low to the high.

Tom Harris: Some other employers, instead of paying in this first Step one, some may not be paying the \$13.99.

Kent Irwin: Correct.

Tom Harris: They may be only paying something less than that 10% as an example. Or they may be paying more than that.

Kent Irwin: Exactly.

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Tom Harris: This gives us a rough idea.

Kent Irwin: It is that relative comparison.

Addie Rooker: Option One has the market base at Step 3 for the OSS group and if you turn to the second page, Option Two shows you what the grid would look like if the market line was at Step 2 at the six-month point.

Kent Irwin: Obviously there is more cost with moving the line further to the left or towards the hire end.

Tom Harris: So it is fair to say with your two options, Option Two is more assertive and we are trying to pay people faster and meet the market faster instead of waiting three years. Option Two is after six months in this case.

Addie Rooker: Yes.

Kent Irwin: If you went with Option One, three years, I think what you are really saying is we are committed to getting all of our employees to midpoint in three years. That is our objective. We don't want them to wait for five. We want to get everybody there in three years.

Tom Harris: In all of the grids and all of the analysis and the 70 Counties that you work with, where do you see a lot of the grids landing? Do they try to do that early on or do they try to do that within a three-year period?

Kent Irwin: I know Hamilton County tries to get them there as soon as possible. I think Tippecanoe may be a little later.

Addie Rooker: They are somewhere closer to the five-year.

Tom Harris: Okay, so even three could be aggressive in comparison to other Counties.

Kent Irwin: Correct.

Tom Harris: Some Counties might wait until Step 4, as an example.

Addie Rooker: Right.

Kent Irwin: And again, they all don't have grids like this and they don't all have steps. Just like Fort Wayne, they have a range. They don't have this locked in step system. Tippecanoe has steps. They have five and not seven. They have applied it in different ways. Hamilton has a low, a mid and a high and that's theirs. I think the benefit that you have with the steps as they are now is you have a defined way to move people. If it is not longevity, as it is in your system you move up by your service, then the movement has to

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be explained. Is it going to be performance? Is that how people move in the system? Or is it going to be some other pay policy? I think one of the issues that were discussed yesterday in the meeting, what about recruiting people? The system is built upon years of service within Allen County government. What about people who come in with equivalent training experience? Is there a way to make a pay adjustment to allow moving them somewhere in the system higher than starting at the very beginning like you do with vacation benefits or any other benefit? That is a question for Council and is something that can happen. We have had those discussions. In some places, we have had a policy of Step 3 Placement. If you qualify with past years' experience, we will credit you and bring you in that step and that will be your hire in rate. You have been a Legal Assistant in an office and coming into a Paralegal job here. It's about the same. Those are the kinds of pay policy questions that you can address in terms of making adjustments to fit your needs.

Tom Harris: While you are at that point, Addie, I will ask one more question and then you can keep going. Do you have any modified systems? Where we have seven steps, do you also have a system that maybe Steps 1 and 2 can be a range concept and then follow the steps along? One consideration could be that instead of hiring in at Step 1, we could create a system where Step 1 or 2 is where they could hire in at based on certain background experiences and such. That allows us to be more competitive immediately.

Kent Irwin: Right. You could also change the method after that. You could say that we want to get people to market, the Step 2 level and right there. We could also have a policy saying that we are not going to start paying longevity until after five years. We could put that as a separate amount. It doesn't have to be in a locked in grid system. There are some other methods to do that but I don't want to complicate your thinking at this point.

Addie Rooker: Were there any other questions on the OSS pay schedule? Go to Exhibit C and this is the proposed pay schedule for the PAT category. Again, the shaded line is the external pay line. For the PAT's, Option One the external pay line is at Step 2. Option Two is moved to Step 1 which would be coming in right at hiring in at the external midpoint salary. This would keep the PAT's competitive with the external market and other competitors within Allen County.

Tom Harris: So this was different from the OSS in that you are moving that up a little bit. Even Option One starts at Step 2 and Option Two starts at Step 1. It is more assertive and we are paying more. That is a representation of what? What does that mean for the PAT grid?

Kent Irwin: What it means, one, is that the PAT group is people who are in technical jobs, professional jobs and are the ones that we have more difficulty recruiting and retaining than some of the other categories. Typically, PAT jobs are a baccalaureate degree or more and oftentimes with specialized knowledge and learning to be in the PAT jobs. It is an upper tier group of people where you are competing more so with other employers to attract and get qualified people into those positions as opposed to the first group. That is the support staff and is kind of the entry level, in some respects. If

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someone goes and gets a degree and gets promoted, it is kind of a career ladder going from OSS into PAT. These were the jobs that were reported where you were having difficulty at certain levels, attracting and retaining employees. That is why we had presented you the options accelerating the market level for PAT's as compared to the first group.

Addie Rooker: You will see the same options for the LTC. The same issues were reported in the LTC category as well with recruitment and retention with some of the positions at certain levels. For Option One on Exhibit D for LTC's, we show the external pay line at Step 2 on Option One and on Option Two, we show it at Step 1.

Roy Buskirk: So are you saying that beginning wages should start at the Step 2 after six months? Is that what you are saying?

Addie Rooker: The external market.

Roy Buskirk: I am talking about the County wages. That is what we hired you for. You are saying that the County wages should be increased? The starting wages should be what we are paying at Step 2?

Tom Harris: I don't know, I'll jump in here; I don't know that they are saying that. They are saying that if we want to meet the market, we should begin at Step 2 immediately. We get to decide. I don't know that you have made a recommendation on what we should do. They are telling us that the gray area is what market is and do we want to pay that faster and become more competitive.

Roy Buskirk: Okay, Tom, what I don't understand is you are saying that the PAT's, what I was hearing is that we need to increase their wages because of their professionalism and everything and we get more turn over in that category. The OSS's, your recommendation is starting at a Step 3. That would be a higher increase than the other two here for the LTC's and the PAT's. Do I understand that correctly?

Tom Harris: Roy, this sheet already represents the new numbers against our current grid. Already, the numbers have been modified on these sheets. These are actually higher than our current grid system. Even Step 1 is a higher amount. If we would go to this grid, Option One or Option Two, it is an immediate increase for everybody on the grid because these are new numbers compared to our current grid.

Kent Irwin: Built from the external market data.

Roy Buskirk: And who changed these numbers on these grids?

Tom Harris: They did.

Dawn Kennedy: Their recommendation is that you are looking at a whole new thing here. They took our existing grids, used the external data and then this is an example of

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what the whole grid would look like if you took the recommendation to get people at market at two years or this one at hire. It just depends on which grid you think would be more competitive and which one philosophically you would like to bring employees in at.

Roy Buskirk: So the adjustments that they made on the steps and everything here are not enough for the starting wages? They are saying that we should go to a Step 3 on the starting wages?

Dawn Kennedy: The initial hire date would have, the shaded column is the external midpoint and the shaded column is going to be an average of all of the wages that they have taken from the City, Fort Wayne Community and the different employers.

Sharon Tucker: Out of all of the numbers you sampled, this is the midpoint.

Dawn Kennedy: Yes, this is the midpoint.

Sharon Tucker: Of where to start from. This is the average of the salaries that they ran.

Roy Buskirk: So this is not a recommended starting wage then.

Dawn Kennedy: No, it is not a recommended starting wage. If we are looking at the LTC, the recommended starting wage would still be \$12.38 an hour. The LTC would hit market at six months or Option Two at hire.

Tom Harris: One thing that might be helpful, we see this gray column and think that it is something that we need to something with. This whole grid is new. What is the hiring rate for LTC 1 at the first step?

Nick Jordan: \$9.98.

Tom Harris: Currently we are paying \$9.98 and this new sheet that we are looking at recommends that we start at \$12.38. The gray column only represents what the market is and not that we have to do anything with that grid. This whole sheet is something that we are considering.

Sharon Tucker: So if we adopt a change, we are adopting a change all the way across even the initial hiring would increase. And that is pending on the change that we would adopt.

Roy Buskirk: Which part was you looking at, Tom?

Tom Harris: Do we have the old chart?

Dawn Kennedy: I have some examples of the current chart.

Tom Harris: Why don't you pass those around?

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Dawn Kennedy: I passed them out to the two that didn't have them. Do you need a copy?

Tom Harris: It has got to be here somewhere. I'll take another one. There is one that we currently use and what we are looking at is all of these grids have proposed possible changes.

Kent Irwin: Let me make this point and maybe it will help clarify. If you are looking at the LTC, Option One, the shaded area being the midpoint of market, that was used to formulate the rest of the grid. We maintained the same percentages between Step 2 to 3 to 4 to 5 and so on. Those are the percentages used now. We just used the market data to construct a new grid based upon where you want market to be.

Tom Harris: Hopefully that helps.

Larry Brown: I am going to go back to Charting 101. I understand what 1950 and 2080, those are hours. What do the numbers in the parentheses mean?

Addie Rooker: Good question. Those are the factor evaluation points assigned to the job classification level. Looking at the LTC category, LTC Level One, the factor point range is from 110 points to 145 points.

Larry Brown: Okay.

Kent Irwin: That goes back to when the jobs were originally point factored, they were in those levels.

Tracy Mitchener: That is what we use when we score positions.

Sharon Tucker: Those are changing as well if we adopt a new grid.

Addie Rooker: No, we didn't make any changes to those.

Sharon Tucker: Oh, I am looking at the wrong one. There are too many exhibits.

Tom Harris: And maybe for clarification, why the two breakouts for 1950 and 2080?

Tracy Mitchener: The difference between 37.5 hours and 40 hours.

Tom Harris: And why do we have both on there?

Kent Irwin: We have both types of employees.

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Addie Rooker: If you would please turn to Exhibit E. This is the Civilian POLE pay schedule. In Option One we have the external pay line at Step 3 and Option Two has the external pay line at Step 2.

Tom Harris: So once again, in this case in order for us to get them to market, Step 3 really represents market. When we are starting those at Step 1 and Step 2, they are under what you show as market median.

Addie Rooker: They would be within that external market range. I think it is a nine percent drop down from Step 3 to Step 1.

Kent Irwin: In both of these options, they address the issue of the Jail Confinement Officers. There is usually a lot of turnover there. They are hard to recruit and it is not a fun job. It is one that is a problem job in all Counties.

Addie Rooker: If you turn to Exhibit F, this is the Civilian Communication Officer category and this is the group that we have one position in. We only show you the pay options for the Civilian Communication Officer. The other pay grades are empty and so we have left those blank for now. Option One is the external salary at Step 3 and Option Two is at Step 2. Exhibit G, this is the Merit POLE, the merit positions within the Sheriff's Department. This is a little bit different than what you have seen with the other categories. Option One, we have surveyed the external market and have built the system off the external salary of the Deputy Sheriff using your existing rank differentials. We have listed those percentages next to the Base Salary. The Base Salary is a representation of the external market based on the Deputy Sheriff's salary and the hourly rates. We did not make any changes to the rank differential percentages there. This is the base salary within the Sheriff's Department and they have the longevity system and so there are percentages added to the base based on their years of service. Option Two, when we surveyed the external market, the rank differentials in other Counties had rank differentials which were quite a bit larger. We have shown a proposal showing the rank differentials that would bring the County a little closer to what the representation is in the external market. That is an option for Council to consider. You would have to consider the cost of longevity associated with those base salaries.

Sharon Tucker: In looking at the Merit POLE that you presented in Exhibit G and looking at where we currently are as a County, we are not too far off.

Addie Rooker: No that is correct. That is to maintain competitiveness. Exhibit H is the proposed Prosecutor salaries. Many of the larger Counties have moved to establishing levels for the Prosecutor's Office. The definitions for the levels are just examples and can be defined in different ways that would meet the needs of this County. There is a salary range established for each level to provide the County and the Prosecutor options in assigning salaries for those that have more experience or to have a higher responsibility levels within the department. Exhibit I is external midpoint salaries for the Magistrate and the Voter Registration Board Members. Exhibit J is your list of Special Occupation positions. These positions were direct job matched as closely as possible to the external

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market. Not all of the positions could be directly job matched because of their uniqueness or the available information in the external market. These were point factored on the Executive pay grids in order to establish an external midpoint salary line. What you see here is each position, the current 2016 salary and the external midpoint salary based on the external pay line.

Joel Benz: In just looking at this, you have three of the exact same thing listed first with three different salaries. I am a little confused. The first three Prosecutors listed.

Addie Rooker: Yes, those are the current salaries.

Joel Benz: Okay so those are three positions that we currently have and they all have different pay rates.

Addie Rooker: Yes and that could be because of the hire dates, I am not sure.

Dawn Kennedy: They have a range and it is decided by the Prosecutor's Office as to where they fall within that range.

Joel Benz: Okay. I think it is strange that they have the exact same labels.

Tom Harris: They have a range because they fall into the Special OCC's. We don't have ranges within the grid system but if they are in a Special OCC, we created ranges.

Dawn Kennedy: For some of the positions, we have created ranges when it is deemed necessary.

Sharon Tucker: Do we have that information?

Nick Jordan: It is in the salary ordinance. For the Prosecutor, it is \$42,000 through \$115,000.

Tom Harris: That is a good range.

Addie Rooker: Is that for the Deputy Prosecutors as well?

Nick Jordan: Yes. It is \$115,500. So it goes from \$42,000 through \$115,500.

Sharon Tucker: For all Prosecutors.

Roy Buskirk: Is the Deputy Prosecutor set by the State?

Kent Irwin: Chief Deputy, yes. It is State paid.

Tom Harris: A question on the Special OCC's is with the Counties that you work with, is this a longer list of jobs in the Special OCC's category than you generally find?

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Kent Irwin: Yes.

Tom Harris: How would we or should we or would there be a recommendation to get them off the Special OCC's category and into a grid? Are there benefits in leaving them here?

Kent Irwin: Well, as Addie mentioned, this factor evaluation system has a category that you have not used here in Allen County. It is called Executive. It has its own set of evaluation point factors. We took all of these jobs and factored them on those Executive charts so that we could establish a line and could also evaluate the job compared to other Execs in other Counties or Cities. We are keeping the jobs comparable. Some of these jobs, if you used the Executive charts would also work well as Executives. Usually Executive charts, in other places, are still in ranges that allow some flexibility particularly with recruiting and hiring higher level professionals to come in and give the hiring authority the latitude in selecting people and the ability to negotiate a salary with someone with high skills and background as opposed to other jobs where you come in and people are going to spend their life working for the County and it goes up in a step system. The guys that come into the Highway Department are probably going to be there a while. Hence the step increases based on longevity. You are not hiring Executives for the same reasons. Sometimes when you are hiring people, they are already at a certain level. They've got certain benefits. You may want to look at your paid leave times to where you can offer an Executive some immediate vacation time that otherwise they wouldn't have. It is part of a greater package on Execs. Some of the jobs in this Special OCC group would probably factor fine in PAT and the others; you may need to leave them in Special OCC. Sometimes Special OCC's are there for market reasons. They just don't fit anything else and in reality we are just going to have to set them aside, put them in Special OCC and pay them what we have to pay according to the market. I think what tends to happen through time is Councils get a lot of pressure and I need to pay Fred or Linda X amount and am going to lose them if I don't. It is a matter of Chinese water torture and Council winds up giving in sometimes.

Tom Harris: If we look at this column, the 2016 salary, versus the midpoint, when we have done our wage increases across the board, the Special OCC's have also received those as well.

Dawn Kennedy: They do receive the COLA increases.

Tom Harris: If you take a look at that and we were to apply a 2.5% or 3% increase to all of those positions, you can see how close that gets to the external midpoint for all of these Special OCC's. We are real close and already over in some of these.

Sharon Tucker: That was my observation and in going line item down, we are not far off on any of the Special OCC's. Our variances are within the exhibits.

Bob Armstrong: And that is as paid today in 2016.

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Nick Jordan: I believe all but seven of these Special OCC's are within four percent as the difference that you see here. All but 17 are within three percent. If you did a three percent raise, it would bring all but 17 to the external midpoint salary.

Roy Buskirk: Do you know on the Highway Director and Engineer, many times the Director is the Engineer for the Highway Department.

Larry Brown: In the smaller Counties.

Roy Buskirk: In most Counties. Anyhow, was that taken into consideration? On the Engineer's pay you have \$76,811. Does that take into consideration that many times the Engineer is also the Director?

Kent Irwin: No. I know in certain Counties, the Highway Superintendent is also an Engineer.

Roy Buskirk: The State pays \$20,000 of the wages if they are an Engineer.

Kent Irwin: Right. In certain Counties, the Highway Superintendent is the one who is in charge of the crews and making sure the snow is plowed, weeds are cut and the road are paved but doesn't have an engineering side of it. There is usually ample work there without throwing on top of that the engineering responsibilities. Some of them do but it is usually some of the smaller Counties. One of the larger Counties that I can think of is Howard County in Kokomo where the guy is an Engineer and the Highway Guy. The other side of that too as to how much engineering work is contracted out. What all is that person doing? Typically the Superintendent of the Highway or the Director of the Highway, there is plenty of responsibility there without taking on engineering.

Roy Buskirk: The ones I know don't do any engineering but they have the engineering background so that when they hire a project they can communicate.

Kent Irwin: Talk the lingo.

Roy Buskirk: Yes. You have a question?

Tom Harris: Yes, I was going to ask in terms of the Coliseum, a number of these positions are Special OCC's but in your comparisons to other Counties, how have you compared to those Coliseum positions?

Kent Irwin: This one is more unique to you than most. I think that is one area from past experience here, you have to compete with these same kinds of venues and do almost direct job matches with people who are in the tourism industry.

Tom Harris: So what has shown up in your data is something beyond County government, I guess.

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Kent Irwin: It is but again, this is a pay line for all of these Special OCC's. Here is one area where you need to be really competitive.

Tom Harris: Is there anything else on Special OCC's?

Addie Rooker: If you will please turn to Exhibit K, this is the external salary comparison for the Elected Officials and the Chief Deputy positions. These are direct averages for the Counties listed and do not include the Allen County salaries.

Sharon Tucker: These are on a part-time basis?

Addie Rooker: The Commissioner positions, we wanted to make sure it was noted that the Commissioners in other Counties are not considered full-time like they are here in Allen County.

Tom Harris: So all of those that are listed here are part-time and there are three of them in each County, right?

Kent Irwin: Correct.

Bob Armstrong: So we can honestly take and go with the flow on the rest of them and make ours part-time also. What would the cost savings be?

Roy Buskirk: Not very much.

Bob Armstrong: Just a suggestion.

Larry Brown: By statute, they are not full-time positions.

Roy Buskirk: It would be \$60,000 for all three.

Kent Irwin: I will say it varies from County to County. Some Commissioners put in an equivalent to full-time work and others don't.

Tom Harris: The one in front of us today is the Treasurer, right? We have it listed as current but they are also proposing a change to that one.

Nick Jordan: They are essentially revisiting what was brought before Council the beginning of this year.

Tom Harris: So that change would take it from the current \$74,318 to what?

Nick Jordan: \$78,300 and some change.

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Sharon Tucker: If I am looking at this right, and I am in fear of having every Elected Official come and jump at me, right now our Elected Officials are well over what the average is.

Roy Buskirk: It varies. The salary is but obviously the Treasurer's Office, the Recorder's Office, because of the size of this County compared to the population and square mileage, our Elected Officials are doing more work.

Tracy Mitchener: I would suggest looking more at the Special OCC's and Department Heads and comparing them to that instead of other Counties. I think we are so different than them.

Tom Harris: The other thing too is in some of our cases we have required certain certifications for some of the positions or at least recognize those certifications.

Dawn Kennedy: I would say it is more of recognition of some of those certifications because it is not by State statute that we do but it is really great that we have CPA's as our Auditor. It is really great to have Attorneys in certain positions. I think it is very important to compensate qualified individuals and I think it is appropriate with Elected Officials to look at the person and not the position. It is kind of a reframing and rethinking in a little bit different way than we normally would.

Bob Armstrong: If you look at the Treasurer increase that is being asked for, we are not out of the realm in that mix.

Addie Rooker: If you look at the whole pay range of what the market is paying, the Elected Officials are within the range and I wouldn't say they are necessarily high but within the external market range.

Bob Armstrong: Right now we are at \$74,318 and they want to go to \$78,000. We are pretty much in that mix at \$74,000 anyway.

Tom Harris: We have set the Chief Deputy pay at what percent again?

Tera Klutz: It depends on where and how the Chief Deputy comes in. If it is a new Chief Deputy, it automatically goes to 75%. The Elected Official can come before Personnel Committee and this body to request a higher increase. That can be all the way up to 100% of the Elected Official's salary.

Tom Harris: You can see at the bottom that it shows up in comparison of the averages. I think we are above all of those averages. That is a pay strategy that we decided in this County and other Counties don't do.

Kent Irwin: They come up with different strategies. There is no magic formula.

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Roy Buskirk: I am just curious. Marion County, which is Indianapolis, their wages going across here shock me that they are not any higher than what they are. Is there a reason for that?

Kent Irwin: Marion County and the City of Indianapolis have relatively been low compared to the rest of the State. The Mayor of Carmel makes more than the Mayor of Fort Wayne or it is very close. The Mayor of Carmel makes more than the Mayor of Indianapolis.

Roy Buskirk: I heard that the Mayor of Fort Wayne makes more than the Governor.

Kent Irwin: There are a lot of people in State government that make more than the Governor.

Tera Klutz: I can talk a little bit about the Auditor's Office. Marion County is the largest, by far, in population and would expect them to be at the top. For the Auditor's Office, they are making around \$78,000 but they are only responsible for the property tax portion of the statutory duties of every other Auditor around the State. Because of the uni-gov situation, all of the budget and finance is handed over to the City of Indianapolis.

Kent Irwin: Look at the Auditor's salary in Hamilton, \$113,223.

Roy Buskirk: The other thing is Marion County has 29 Council members.

Kent Irwin: I thought it was 50 because it is City and County.

Addie Rooker: I few could move to Exhibit L. As Kent mentioned as he was going through the report, we did a carve-out of some pay range comparisons of the County to the City pay ranges. I will explain the format here. We have shown you this by job category. The first job category is OSS and on the far left side is the Classification Level, OSS 1 to OSS 6. Then we have the 2016 County pay range which is the current pay range for each classification level. The second column of numbers is the proposed pay range for Option 1. The third column is Option 2. The last column is the 2016 City of Fort Wayne Pay Range and we have matched those up as closely as possible with comparable factor points. We have done this for OSS, Civilian POLE, PAT and LTC.

Tom Harris: One of the questions that comes to mind is how do we know that the 2016 for the City of Fort Wayne pay range is accurate or have you made any adjustments to their pay ranges or are they making any adjustments to their pay ranges last year or this year or are they proposing any changes to those ranges?

Kent Irwin: The 2016 is their range right now.

Tom Harris: Okay.

Kent Irwin: Are they accurate?

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Kent Irwin: Yes.

Tom Harris: Not that these numbers are accurate. Are they satisfied with that comparison to market? Or the competitiveness to market or are they saying they need to change their numbers?

Kent Irwin: I think overall they are satisfied with the ranges. I think they do have some Executive high-level PAT jobs that they are concerned about at the moment. It is like the Coliseum where you are really going to have to compete. They have some jobs, not that one per se, that they are looking at. They haven't set their program for next year yet.

Addie Rooker: I will just note on page three, the PAT job category, in the City of Fort Wayne column you will see the PAT 7 through PAT 10 level, N/A's for the City because they don't have the same number of levels. We matched them up to the points but after level 6, there is not a fair comparison to the City PAT positions.

Tom Harris: Is it fair to say that those continue to increase? In other words, their pay ranges will exceed the \$84,655?

Addie Rooker: Not for the PAT. They have an Executive category.

Tom Harris: Oh, I see.

Kent Irwin: Over the years you have added these layers in PAT and right now they don't have numbers.

Larry Brown: Do I see the comparison for the City is lined up with the 40 hours a week?

Dawn Kennedy: Yes because they are all 40 hours a week in the City.

Tom Harris: That is good to know because that is a pretty significant piece, right?

Dawn Kennedy: Yes.

Tom Harris: When we are looking at our entry level at \$25,374 for PAT 1, when we compare that to \$32,832 they are actually paying on a 40 hour work week versus ours at 37.5. There is some of the differential right there.

Nick Jordan: You would have to look at the line down.

Tom Harris: Yeah.

Larry Brown: Those are salaries and not hourly rates.

Addie Rooker: Correct.

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Tera Klutz: It is the same hourly rate but on a different hourly basis.

Larry Brown: Yeah but if you are going to compare to the City...

Tera Klutz: You have to look at the bottom line.

Larry Brown: Exactly.

Tera Klutz: And everything else will follow through.

Roy Buskirk: My question and I had this down earlier, the impact of the new Federal overtime laws will affect our budget some. Does anybody have a number on that yet?

Dawn Kennedy: No. When we have been talking about what we are going to do, it is not affecting a lot of positions but those that are affected, we are taking action to review those that we don't think would meet that within their classification and the second step is going to be to see what you decide to do with the grids because it may fix itself because there are not very many that it would affect. Once it is decided what you are doing with the grids, then we can move forward from there. We don't want to fix a problem that may fix itself.

Roy Buskirk: Correct. I appreciate that.

Tom Harris: The numbers of jobs that are impacted are how many?

Dawn Kennedy: It is about fifteen jobs.

Addie Rooker: Moving to Exhibit M is the percent of increases by job category. We provided for the OSS group, the classification level and the actual percent increase for Option One and Option Two. OSS Option One, the increase would be 6.18% and Option Two would be 11.49%. We show the increases for the OSS, PAT's, LTC's and Civilian POLE, Merit POLE and Communications Officer.

Tom Harris: I need to ask a question that gets into the weeds a little bit and that is all of this analysis is on the basis that the integrity of our point factor system is in place. How do we know that is the case? Meaning, for those listening, how do we know when we rate a job at Step 1, I am not saying that right, how do we know that a job description has been looked and given the right set of points and factors for that job?

Dawn Kennedy: What my position has been charged with, and there have been three of us in it in the last five years, we have been going through full departments making sure there is equity within those departments and then equity within the full County. We are not through all of the departments yet and when we benchmarked positions, we used positions that we felt very confident in their scoring and classification. We used positions that we had already looked at. There is some solace that you can find in that the positions

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that were being compared are positions that one of the three of us looked at and said this is where it sits and we are confident in that scoring.

Tom Harris: For a department to get the best benefit or to make sure that they are competitive, they should have their job descriptions reviewed or looked at.

Dawn Kennedy: Yes, I have always...

Tom Harris: Is there any department or group that we have not done that effectively with in the County?

Dawn Kennedy: Last year I sent Council a list of the departments that had been reviewed, were currently being reviewed or are to be reviewed and those that had not even looked into the process. I can send you an updated list as I have done about four departments this year.

Tom Harris: How many have not so that we have a good understanding.

Dawn Kennedy: I would say about six or seven departments. I can send you an updated list and that will give you a firm number.

Tom Harris: That is crucial for us to understand because if we were to adopt some of this proposal, we are moving pay based on what the market might pay but we don't know that the job is appropriately factored in our own system.

Dawn Kennedy: Correct but the positions that we used as benchmarked positions are positions that we have already reviewed.

Tom Harris: In every department.

Dawn Kennedy: How they did it was they asked us for like three POLE 2's or three PAT 6's and so we used positions that we had already looked at and had established that those were the correct pay positions and that is what they benchmarked it against. You can kind of view them as two separate issues right now. One, we still need to go through all of the departments and classify them correctly and two, we need to upgrade our grids so that when we make someone a PAT 5 they are being paid correctly.

Tom Harris: The six departments that haven't partook in this process; one of those is Superior Court?

Dawn Kennedy: Correct.

Tom Harris: The Prosecutor and who else?

Dawn Kennedy: Let me see if I can pull up my list. I updated it recently.

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Tom Harris: That would be good.

Dawn Kennedy: Why don't I email it to all of you this afternoon so that you can take a look at it. It is something that I have mentioned to all of the departments and there are a couple of them that are in the process.

Tom Harris: The concern that I have is if we are taking not only the expense, the time and the assessment of trying to make sure we are doing a great job of compensating people in the County, we need that same commitment from the Elected Officials to say that they are onboard and make sure that we are doing this the right way.

Dawn Kennedy: I will send you that list this afternoon. That is something that I have talked to them about. County Council is headed towards the way of having all of the departments reviewed to make sure that there is equity in the whole County. I have recommended it to them.

Tom Harris: Getting back to this sheet then, Nick, just a question in terms of the cost of what some of this represents.

Nick Jordan: We have a sheet that we can pass out here. Option One is not the same in every single grid. Whether you look at the exhibits or you look back in the main report, it explains what Option One is for each one as well as Option Two is for each one. For example, on LTC, Option One would be Step 2 and Option Two would be Step 1. On the PAT, it is the same way but when you go into OSS and the POLES, Option One is three years and Option Two is Step 2. When you look at this percentage increase, if you are on OSS Option One is Step 3. Option Two is Step 2. If you look at LTC, Option One is Step 2 and Option Two is Step 1 which is immediate. If you are on PAT, it is the exact same thing as LTC and so Option One is Step 2 or six months and Option Two immediate. POLE is the same as OSS Option One is Step 3 and Option Two is Step 2. When you say a specific option, you know you are not comparing the same step or time for each grid. The sheet that Tera just passed out, you can see if you choose to do it all the same meaning all the same steps across the grids, you can see the cost implications broken down by the General Fund. Then we summed the other funds just for presentation purposes but obviously we have the details.

Tom Harris: So help me understand the sheet that you just handed out.

Nick Jordan: So in the first column you see the Market at Three Years. You can see that it is broken down by the different grids and you can see the cost for the General Fund and the Other Funds. That would be if you put it in at the Market at Three Years. For example, on the PAT you see a decreased figure in the General Fund and that is because when you get to PAT classification level three and level eight through ten, at three years the market is actually less than what we are currently at. For the other two columns, Market at Six Months is Step 2...

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Sharon Tucker: Just so I make sure I understand, if we take three years to spread this increase to get to the market...

Nick Jordan: No, no, no.

Roy Buskirk: No, no, no.

Nick Jordan: What you are doing is saying that the shaded column in at Step 3.

Sharon Tucker: Okay, I am with you.

Tom Harris: Option One, in that case.

Sharon Tucker: So after three years of employment, you would be at this amount.

Nick Jordan: Exactly. That shaded column, we are going to implement that three years and from that the ripple effect goes each way. When you put it in at three years or Step 3, if you go to classification level three, right now you get paid about \$20.73 per hour. On the market one that would become a little bit less than that. For the PAT classification level three and level eight through ten, you would see decreases in the factor into the negative figure. That is the only place that you see that. When you go to the other two columns, it is all increases.

Larry Brown: Traditionally, we would not decrease. I would change that for this sheet to zero.

Nick Jordan: You could just strike out and we red-circled those positions.

Tom Harris: On this sheet at the very bottom, if we went Market at Three Years, it would be \$1.8 million. Market at Six Months is \$4.5 million and Market Immediately is at \$6 million.

Larry Brown: Increase.

Sharon Tucker: For additional clarification, if we market at three years, the hiring pay would remain the same.

Roy Buskirk: No.

Nick Jordan: No. Wherever you put that shaded column in, the ripple effect transcends through the whole grid because there is four to five percent jumps in the steps. Even if you put it in at five years and you go backwards, five years is five percent increase from Step 3 and then Step 3 would be 96% of that new market rate. Nothing is staying the same unless you would so choose to take no action on the grid. That affect is going to go in each direction.

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Tom Harris: The numbers that you have listed market three and six months and immediately does not include a COLA or across the board increase, right?

Nick Jordan: No, it does not.

Tom Harris: If we were to apply a 2.5% or 3% increase, it would reduce each of those numbers.

Nick Jordan: Yes, if you would look at Exhibit M, the very first one is OSS 1 at a 6.18% increase and you gave a two or three percent increase that would go down to 3.18% or 4.18%.

Tom Harris: Yes, we talked about that yesterday, in that if we do a three percent, you would simply knock three percent off each one of these numbers. We don't know, but the cost overall will remain the same to the bottom of the other sheet.

Nick Jordan: Yes, if you were to go with that sheet presented at six months or market immediately that is the cost.

Tom Harris: So it could be a three percent increase but then the grid movement would just be that much less.

Roy Buskirk: Not necessarily.

Nick Jordan: The grids changing...

Roy Buskirk: I said not necessarily because of the fact that this raising on the three percent is that not all employees would benefit. On a pay raise, all employees would. That is going to change the math a little bit.

Nick Jordan: For the grid purposes, no matter what percent, if you would choose to keep the 6.18% as an example and that is what Council determines that we need to get to, the COLA increase would be backed off of that. The grid isn't changing and will still go up 6.18% in that example. You are just choosing...

Tom Harris: To pay some of that in a COLA across the board.

Nick Jordan: The grid sees no difference. Where that would be is if the ones off the grid is where you won't see the factors on that sheet because they are not on grids and that is approximately another 200 and some people. If you go back to the presentation earlier, we had \$1.7 million approximately for a three percent raise and that includes everybody. There is about \$500,000 to \$600,000 that is for those that are off the grids and is 200 employees. The figure that you have of \$3.6 million and you did a three percent raise, we know that would cost \$500,000 to \$600,000, you would be at \$4.1 for the purposes of the sheet there. Those figures don't take into account anyone who is not on the grid because those are grid changes.

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Tom Harris: So one thought would be that we, through budget discussions, could discuss and decide on some kind of a COLA or across the board increase and you would take that into consideration and then come back and tell us what additional amount would be needed to come up with the grid changes.

Nick Jordan: Based on you guys' determination of which route you want to take with the grids.

Tom Harris: So the discussion and decision about affecting the grids could be a different discussion or different meeting coming a month later or a few weeks.

Tera Klutz: And I think that would be wise. This is a lot of information. Our revenue estimates are not finalized. By having another month to digest and ask questions about this study, is about the time that we will have a firmer idea of revenue estimates and whether you want to do anything at all and maybe phase something in over a couple of years. All of that can be discussed in the next month. I think if you could grant any percentage across the board raise now, it makes it easier for budgeting purposes if you are even leaning that way. If not, all of it can be discussed later.

Tom Harris: Mr. President, if I could introduce the sheet that I handed out yesterday at the Personnel Committee, I think everyone has a copy. It looks like such.

Roy Buskirk: Did you have one for Larry?

Tom Harris: I think I handed one out to you guys before the meeting. It doesn't have a letter on it.

Roy Buskirk: Exhibit T for Tom.

Tom Harris: This is from the Auditor's Office. What this sheet represents is the number of employees in each of the grids and at each step. Looking at the LTC column, the Auditor's Office shows eight people at that step. Twenty-six at Step 2, Step 3 is ten and on down. There are 103 in LTC; OSS is 266; PAT is 316 and POLE is 256. We have some differences slightly but this will give you a rough idea of what we did to figure out the green boxes is what market is in one of their recommendations. That would be Option One. Option One is highlighted in green on each of your sheets. What we did, down at the bottom it says Total Number of Employees Below Market. Looking at Option One, how many employees currently on the grids are actually below market and would benefit if we shifted these grids? The next column at the bottom says Total Number of Employees At or Above Market, LTC has 95 people above; OSS is 181 above market; PAT is 306 above market and POLE is 184. There are 766 people are already above market from this study and are figuring out. If you take an average, it is 81% of employees are already above or at market overall in the County. It is important for us to understand that shifting this aggressively to like a Step 2 would really put us and plus all of those people would have some kind of a pay increase even if they are above market.

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Dawn Kennedy: Something that I want you guys to think about is if an employee is here for five or ten years, their expectations are going to be to be paid above market. That is something that we need to consider. There may be 81% of our employees that are above market or above the median but that median is also part of a range.

Tom Harris: Sure and that is fair but keep in mind that they are still getting pay increases as we do a three percent COLA.

Dawn Kennedy: But the rest of the market doesn't pause. The market is only getting better in Fort Wayne and Allen County. I just want you to take into consideration that we are working in a very fluid system and our employees are only going to gain more experience and be expected to be paid more. I want you to take that into consideration that if we want to hire someone or say that someone has been here for ten years and they go to another job, they are going to expect to be paid for that ten years of experience. We should compensate them for that and yes, they may be above that median but that is within a larger range.

Tom Harris: And that is fair. Another consideration that is not on your sheet is the amount of turnover that we had and through the Auditor's Office, if you want to write these down, there is an extra column and this is the turnover for each step. Step 1 and go all the way to the right and you have a blank column, write 22. That is the turnover for that step. This is when people quit the County.

Roy Buskirk: So you have a total of 60?

Tom Harris: I have a total of 109 from the Auditor's Office. We will talk about your piece secondly.

Roy Buskirk: I think we ought to talk about it now before you put those numbers in that column.

Tom Harris: But this is total turnover not what you are going to point out next. The second line is 36 which is Step 2.

Larry Brown: We need another column.

Roy Buskirk: One to put your numbers in and one to put my numbers in.

Tom Harris: Very good. Step 3 is twelve. Step 4 is eighteen. Step 5 is twelve. Step 6 is two. Step 7 is seven. What that represents is when people left the County and what steps they were at. That total is 109.

Larry Brown: Could you please repeat Step 2?

Tom Harris: Yes, Step 2 is 36.

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Joel Benz: That means that 53% of our total turnover occurs in the first six months.

Tom Harris: A lot of the turnover is happening initially rather than later on as they have stayed with the County.

Dawn Kennedy: Wouldn't that be an argument for why we should be doing it at the six month mark? Do you think they could be leaving for higher pay?

Tom Harris: Thanks for connecting those dots. That is what that would imply. Now, let's move to the President's comments on turnover.

Roy Buskirk: For one reason there were quite a few in the six months is that, there were five that were discharged.

Sharon Tucker: Are these the numbers that we are writing down?

Roy Buskirk: No. This is the reason why I disagree with what some people call turnover. One is the fact that we had an employee that passed away. To me that is not a turnover. We had two employees that failed probation. That should not be counted against turnover. We had eight employees that retired and shouldn't be counted as turnover. In my opinion, the total turnover and one is called Job Abandonment, must have taken off at lunch, we had 59 that resigned and the one that took off at lunch. That is a total of 60.

Tera Klutz: I need to say that it is apples to peaches. Tom's turnover is the twelve month period ending 6/30/16. Roy's turnover is just the turnover to date and when Roy looked at that we decided that 86% of those fell into the category that we were looking at. Those were the ones that resigned.

Tom Harris: Gotcha.

Tera Klutz: So, 86% of the total number of people that resigned or turned over in the last six months were due to finding a new job. It was not retirements. I think 86% we can still look at Tom's thing thinking that 86% of these people left for a reason other than retirement.

Roy Buskirk: 86 of the total...

Tera Klutz: 86% because you have to look at percentages since we are not looking at the same timeframes.

Roy Buskirk: Of what, percentage of what?

Tera Klutz: I would use 86% of 109 which is the total number of terms in the last twelve months.

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Roy Buskirk: Okay because I am showing that there were 76 in the last twelve months or last six months.

Tera Klutz: And that is the difference.

Bill Brown: Just a quick question about turnover. Do we have exit interviews?

Tracy Mitchener: We offer them but very few departments participate.

Roy Buskirk: There was definitely one here that abandoned the job.

Tom Harris: Bill that is a great question and I have talked to HR a little bit about this and that is one of the things that I think is to encourage HR to get better data and enforce that a bit. They have left it that if departments want to do it, they can and if they don't want to do it, they don't. We are left with an assumption that the 86% have left because of compensation and yet we have no idea that's why they left.

Dawn Kennedy: Part of the issue is that we cannot enforce it. Each department is allowed to do however they would like to handle a separation. That is something that we offer and encourage but we cannot make them do it.

Tom Harris: And Council's responsibility is to make sure we do great payroll systems for those departments. That is where the rub is. That is where the dots don't connect.

Dawn Kennedy: Correct.

Roy Buskirk: Larry.

Larry Brown: Thank you, Tom. Take a breath. In my humble opinion, all of this information is great. Thank you for your study and report. I think this is an important enough issue that I would like to see us enough special meetings as required to further discuss this and decide where to go. For today's purpose and activity, I suggest we stick with the number we have for a three percent increase and move on after we take a break.

Tom Harris: I do have a couple of questions. It is important that we talk about this piece on compensation. When you do a compensation analysis, one of the pieces that we look at is benefits. There has been some concern that weren't compiled or compared in this analysis. Kent, I just wanted to turn to you and have you talk about why you don't include that or thoughts on how we factor in our benefit package to overall compensation.

Kent Irwin: The reason it wasn't done is we weren't contracted to do anything beyond a salary study. That was number one. Number two, I think we can make some fairly solid assumptions on benefits. One is that the public sector employers generally have a pretty good benefit program. Health insurance, pretty good even compared to private sector companies. We know that our leave programs are more generous than the private sector. When we look at holidays, six or seven holidays, the private sector or public sector 12 or

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14 and another reason to not complicate it is when you start factoring in things like health insurance, you are getting into a lot of variables when you go from one program to the next and the next. How much in contributions are the employees making and how much the employer makes. That may be a quantifiable number but you get beyond that and I think it makes the issue more confusing. We did a study a couple of years ago for the Hammond Fire Department. It was this total compensation review but that was just one department. That study was over \$60,000 in terms of the time it took to collect and make that comparison. At the end of the day, most other Fire Departments were very similar to that and so I am not sure if that really helps you on how to make your decisions ultimately on pay. The fact of the matter is you have a lot of salary information in this study. Adding anything else is going to be on the margins. Those pay lines are very usable and I think they are solid and current and provides you a context for making an informed decision about salaries. You can get into all of the add-ons but they are very hard to come up with standardized comparisons going from one employer to the next to the next. You look at things like Police pension funds and Sheriff Police pension funds are different from the City Police pension funds. Those guys are on PERF. Big difference. Those are variables that are kind of hidden but at the same time I think they would be relative if you got into those kinds of broader studies. They are very expensive and they get into the decision making of who enters into the making of these contracts for health insurance, how they are funded and who has the authority. As we know, there is Commissioners' authority and Council authority and you have these trains running on different tracks.

Tom Harris: Has HR done any kind of analysis on compensation including the benefits?

Dawn Kennedy: I haven't done an analysis of that but if you look at what is probably our most direct competitor for employees, the City of Fort Wayne, they are still on the PERF program and they pay the three percent for their employees whereas people who have PERF here have to pay the three percent. If you consider it that way, they are essentially getting paid three more percent and maybe not right now but somewhere down the line. I am not trying to say that we have bad benefits, I am just stating that it something to consider.

Bill Brown: I would like to ask one more question about this exit interview piece. I know there are nuances to the whole HR process but how much information can the Department Heads offer without an exit interview as to why the person left?

Dawn Kennedy: That is really at their discretion. Sometimes we don't find out until we receive the PAF for it. We find out in various stages of the process and is dependent on the department.

Joel Benz: Thank you for your time. We appreciate the information.

Tom Harris: From the Personnel Committee, thank you.

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Roy Buskirk: Are there any further questions that anybody has? Thank you. Nick, you are up.

Nick Jordan: I thought someone said we were taking a break. If not, I can go.

Larry Brown: Five minute break, is that okay?

Roy Buskirk: Are we going to break for lunch? How much longer do we have? Do you want to break for lunch or what?

Nick Jordan: Roy, it is at your discussion of those departments asking for operating increases.

Roy Buskirk: Let's take an hour break for lunch. Thank you.

Delay in starting the recording.

John McGauley: The best way to describe it is an explosion in those costs. The numbers of cases in which we have to appoint pauper counsel and Guardian Ad Litem, the complexity of those cases and the numbers of hearings involved in those cases have been on a steady incline for the last few years. We were able to make it in 2014 and 2015 without coming back to you for more money by doing our best and reallocating some funds within our own lines just to get those covered. I will tell you that we barely made it last year and we were transferring money on New Years' Eve. We have plugged those costs into the 2017 budget in an effort to give you an honest estimate of where we think we are. You have asked us to come back for additional appropriations in the past instead of doing this but you have our numbers of what we believe it will be based in large part on recent history. I believe you have a couple of new positions in our request as well. The most eye-popping of those is the new Drug Court Case Manager. Because of the explosion that I described in our letter and the number of Drug Court cases that we are managing, Judge Gull and Jeff Yoder, the Director of Criminal Division Services, are concerned about the caseload on the individual Case Managers they have working over there. They are surpassing what we think is a reasonable number of cases per Case Manager. That is, of course, an alternative to detention. Every one of those cases that we are able to manage through Drug Court and keep those folks out of jail obviously has an impact on the bottom line. The other position that we have asked for in the budget is simply an organizational change. That position right now is in the Family Relations Division in the Courthouse but is paid for out of the ACJC budget. Judge Heath and I discussed that and both of us believe that for organizational sense and reporting clarity and other things that since that person is working within the Family Relations Division of Superior Court, we ought to bring that position back into the budget. We also asked for \$20,000 in Consulting for dual status case assessments. These are cases that we see in the Family Relations Division in which we need to take a look at whether a juvenile coming into the system is a delinquent that needs to be in the hands of ACJC or someone who might be a CHINS case, somebody who has run away from home because they are being abused or neglected. There is an important step there that we are actually a pilot County

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or one of a half dozen in the State who are piloting new programs to make sure we are doing the right thing by those kids and making sure that we know that someone who has committed a crime hasn't done so because of other factors going on in their life. I think the remainder of our increase was in FICA and PERF and transcript fees as well. We asked for a little additional money in transcript fees because effective July first, the turnaround time on transcripts from Court Reporters to the Appellate Court changed from 90 days to 45 days and with that came an increase in the cost. It went from \$4.25 a page to \$4.75 a page. We plugged in an increase as well.

Bill Brown: I would say it is good that you are getting ahead of the game.

John McGauley: I think you all are used to seeing these Guardian Ad Litem and Pauper Attorney line items be rather unpredictable. I think you are accustomed to seeing us come in somewhere during the year for additional appropriations to cover those because they are so hard to predict. The fact we made it through 2014 and 2015 without coming back to you for more money is kind of the exception to the rule.

Tom Harris: Is that the case, John?

John McGauley: That's the case.

Tom Harris: It seems like we see you during budget season and then about August or September but you are saying that you did not come in the last two years.

John McGauley: I got lucky. My two years here have been 2014 and 2015 and we have not had to come back for additional appropriations for anything other than Capital. I think we have come back for a couple of Capital requests.

Tom Harris: Council has bounced this one back and forth over the years that I have been on Council and that was do we try to hold back on the budget and have you come visit us because it is fun to have you come back and visit us...

John McGauley: It is fun for us too.

Tom Harris: ...or do we try to fund you entirely so we don't have to see you? I think a couple of years back we made that choice to pay you for what you need so that you don't have to come back. This trend continues and the cost is going to continue, what about the State providing more and you put in for grants to help offset some of the cost? Isn't there some kind of assistance from the State to pay for some of these fees?

Leslie Blevins: That is for interpreters.

Tom Harris: Oh, I see.

Leslie Blevins: And we did get that grant going into next year.

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Tom Harris: Okay.

John McGauley: We have been very successful on that and just got word that for the second year in a row that our assistance from the State for interpreters has gone up. It has gone up about 60% in two years. We have been very successful there but as far as these particular line items, we are not aware of any State assistance at all.

Sharon Tucker: Has HR reviewed your department?

John McGauley: Councilman Harris and I had a brief discussion before the meeting started and as far as HR reviewing our department we take our job descriptions as we post positions if they are more than a year or two old. We take every one of our postings back to HR to be reviewed. We send them back to the department to make sure that the duties and responsibilities and reporting requirements are up to date. We are not posting old and out of date job descriptions. I have felt the need to push back on that a little bit. I think we talked a little bit about this last month as well. There is a perception that has been left with you all that is not correct. And that is that we are using an out of date base of job descriptions. Has HR come back recently and reviewed our entire department as a whole? No. We are reviewing with them every job description that we post if they are more than a year or two old. We are sending everything back through them. As recently as the last Court Reporter that we hired which I think was in Judge Davis' office. We are reviewing those regularly. We are not doing it every five years but every time we post a job. There is a certain fallacy to the impression that you have been left with about the status of our job descriptions in Superior Court.

Sharon Tucker: That is news to me because I wasn't aware of that. I just asked to see if they have had an opportunity to come in and review. They have done the scoring and re-scoring of all of the new job descriptions that you have placed out.

John McGauley: There isn't a great deal of new ones, per se. We are largely sitting on the same positions that we have had for a while. We are asking for a new one here for 2017 but what we are doing is making sure the positions that we do have, position X obviously comes with a job description. If position X comes open and has not been reviewed recently, within the last year or two, we make sure that we get back together with the department and their reporting structure and make sure those job descriptions are current. We do that every time we post a job. We are not sitting on five or six year old job descriptions. As we go out to the market to try to find somebody, we are reviewing those job descriptions. We are getting HR involved in that and where the concept has developed that our job descriptions are out of date, I don't know. I guess I don't know what the purpose is of reviewing them all at once and letting them go stale again before we use them again. What we think is what we are doing is smarter and more up to date because we are doing them as we need them. If we had filled that position six months ago and now are replacing that position, we will not review it again.

Roy Buskirk: I think part of the problem is the communication because of the fact that they want to review every department in the County to make sure that some of the people

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that have approximately the same job description that you have in the Superior Court is being paid the same as somebody else in another area within the County. Tom, you had a question?

Tom Harris: I was just going to talk about that a little bit. The challenge that we are having on County Council is to make sure that we are appropriately and effectively assessing the overall compensation system for the County, right? In order to do that we need the green light from HR to say that all of these departments are onboard and having recent analysis and they feel comfortable that everything is intact and in place. We are not hearing that from HR on Superior Court and so we will have to figure that out. Here is my reluctance of trying to move forward of making a major change to the grids if I have two or three departments that are not participating or effectively in that program, the challenge is are we doing the right thing for you? I become a little reluctant to say why should we move the grids if we don't even know if those grids are accurate? It is going to become a little bit of a stumbling block as we move forward here and need to get that figured out if it is a communication problem from my perspective only but maybe try to crank out what is real and what is not.

John McGauley: To revisit the discussion that we had at this table last month over a job that got lost in the shuffle of this discussion, we have never said no. We have said yes but can we do it at another time. When HR brought this to us back in March, we were in the middle of the Bob Leonard trial that was sucking all of the oxygen out of the Courthouse. It was a six-week trial that came up from Indianapolis. I took this to our Board of Judges and their response was sure, let's do it but not right now. We are in the middle of something. The next time we discussed that with HR was when we reviewed the job we brought to you last month. The impression that I left here with and the impression that our Judges left the discussion with was that they would do the right thing on us for this job as soon as we let them review all of our positions. That doesn't work. It is bad management, frankly. It is an important position in an important division of the court. It was said at this table that we think this is the best thing to do but we can't really tell until we review all of their jobs. Those two issues needed to be separated.

Roy Buskirk: John, the one thing we can do as far as any adjustments on any recommendations that you heard this morning is that we won't include Superior Court until we are able to get job descriptions and HR is able to go through your department. I know that is being very brash and very hard but you guys have been so uncooperative with HR wanting to review your department. We have asked HR to do this and your department has been a stumbling block on allowing them to do it. You have had all kinds of excuses or whatever but you need to work with them. If that trial was going on and you didn't want them to be in your office at that time, I can understand that. As soon as the trial was over, they needed to be contacted and it needed to be done. We need to do this County-wide and in every department. You are not the only department. I think she said six that they have not been able to get done. Part of it has been department heads lack of cooperation with them on being able to get it done. You can take that back to the Judges.

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John McGauley: I certainly will.

Roy Buskirk: Do that.

John McGauley: I may be getting to the point where I am beating a dead horse here but there were things here that we said last month about the Court that I disagreed with strenuously. There are things being said here today about the Court that I disagree with strenuously. We are not a stumbling block to anybody. We discussed this with HR once and we said yes we will do it. We didn't say no, we wouldn't do it. We discussed it with them in March and when we reviewed this position we brought to you in June. That is not the Court being a stumbling block.

Roy Buskirk: Let's move on.

John McGauley: Let's do.

Tom Harris: Another question in regards to the Alcohol Countermeasures Program User Fees. If I am looking at this correctly, it is saying that the anticipated balance as of 12/31 of this year is zero. Is that the case? Help me understand again why that is happening.

Leslie Blevins: We took over several positions into that budget years ago and the collections aren't as high as they used to be.

Tom Harris: What kind of collections? Help me understand the collections.

Leslie Blevins: The Drug Court collections are down. We are seeing more indigent individuals coming through. They are on an upswing now with some of the new fees.

Tom Harris: Is that through your area or through Community Corrections?

Leslie Blevins: That is through our area and they actually collect those fees over at the CDS Building, Criminal Division Services on Columbia Street.

Tom Harris: The things that happen at Community Corrections are their issues and how they collect fees, you guys also do that same process.

Leslie Blevins: Right, they are totally separate.

Tom Harris: Very good. You are saying that there are less people being measured through the ACP or the same or more but getting less paying for them.

Leslie Blevins: There are more but we are seeing more indigent that cannot pay for it. They have some new fees where they are starting to go up again.

Tom Harris: The fees are going up again.

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Leslie Blevins: Yes and we are starting to receive more in but we have more staff coming out of there than in years past. We were paying large sums in rent. We pay an exorbitant amount for drug screens and so we can't continue to sustain the way we did before.

Tom Harris: The only reason it caught my eye is in being the liaison with Community Corrections, they have found themselves starting to run out of those areas and we challenged them in a positive manner about how they could go about getting fees collected more effectively. They put somethings in place and the fees were starting to increase. Is that something that you could speak to them about?

Leslie Blevins: They have already done that with their collections but if someone doesn't have the means to pay, they don't have the means to pay. If they don't make it completely through the program, because that is one of the conditions of graduating from Drug Court is you have to have your fees paid, but someone who doesn't make it through the phases...

Tom Harris: I have had a comment mentioned to me that they are in this program and they have to pay fees but you have not taken any kind of a test for a period of time. They are asking why they should have to pay fees if they don't take the test.

Leslie Blevins: They are not taking the drug test?

Tom Harris: Right. No one is requesting them to do it. Anyway, I just throw that out and it is dangerous to act on a comment.

Leslie Blevins: To the best of my knowledge, they are required to test ever so often.

Tom Harris: Once someone starts to pay a fee, they have to take a test. They are not just giving us money they have to take the test.

Leslie Blevins: Right. They have to do drops every so often is my understanding.

John McGauley: Not making that schedule is a reason to have that alternate sentence revoked.

Tom Harris: They were indicating that the Court system was not having them take a test but were simply having them pay a fee.

Leslie Blevins: That doesn't sound right.

Tom Harris: It didn't sound right to me.

John McGauley: It is part of their active monitoring is to stay current in the program and not get violated back into Court.

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Tom Harris: The Jury Fee Fund and the ADR Fund balances are those up or down in terms of yearend?

Leslie Blevins: They are a little bit down. What we do with the Jury Fee Fund is appropriated and we use that at the beginning of the year to pay for the jurors. When that runs out, we switch over to the main budget. That way that part is used first before we hit County General.

Tom Harris: They aren't huge numbers, of course.

Leslie Blevins: No.

Roy Buskirk: Are there any further questions? Thank you. Are there any others that you want to discuss?

Tom Harris: ACJC might be one.

Roy Buskirk: Okay, ACJC.

Judge Heath: Good afternoon. Judge Heath, ACJC and Allen Superior Court and you all know Chandra Reichert. We have two requests in our, Roy, do you want me to proceed?

Roy Buskirk: Does anybody have any specific questions? Time-wise, this might cut it down on their budget request and the reason for the increase.

Tom Harris: I would like just a general explanation of why and where you are at.

Judge Heath: By context, I don't think we were back last year for anything. I think this is my fourth budget. The first couple we had some Capital expenditure requests that we made because our computer systems were going awry. You were kind enough to fund that. Later on we needed some funding for the communication system within our building. Last year, I don't think we came back for anything. This year, a couple of things have happened. First of all a panel from the entire State got together and reviewed DOC regulations for secure institutions and this DOC panel included Shane Armstrong, our Director of Detention. They came up with new rules for the entire State. One of these rules requires a Nurse Practitioner in the facility. What we try to do in any case that we can is to keep those costs down as much as we can. What we are proposing here is to use a part-time Nurse Practitioner using your ordinance that allows part-time pay up to a maximum of \$50 an hour. We would bring this person in on a part-time basis and that way you wouldn't have to pay for benefits and that kind of thing. They would come into the facility several times a week and would be an upgrade from the Nurses that we have. We have a Doctor that comes in part-time and he is godsend and charges \$6,000 a year or something like that. He comes in and sees our kids a couple of times a week. He can prescribe medications. I think the DOC wanted us to step up and a little more involvement than that and so they require a Nurse Practitioner. I will tell you that our overall medical package, as a facility, is far less than Indianapolis, St. Joe or any number

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of facilities because we have been fairly prudent in the way we provide medical services. That is the first one and the second one is we have JDAI and as Councilman Buskirk mentioned, our numbers are down. That is due to the detention risk assessment instrument after a lot of community involvement through the JDAI program. That was put into place in November and that risk assessment instrument determines who goes into secure detention and who doesn't until the Judges get involved in their hearings. We have been able to start a day and evening reporting program. As you know, as those numbers go down we need fewer Youth Care Workers and you have been kind enough to allow us to shift those funds into Probation Officers so that we can service those kids that are put into more alternative programming. The day and evening programming is up but our detention numbers are down and when the detention numbers went down Fort Wayne Community Schools is charged by statute with running our secure detention school. They get funding by the number of kids in school. When that number goes down they get less funding. Do we knock out teachers or an HSE Director? The HSE Director is really important to us but we felt that would be a lesser cost than an entire teacher. We are trying to keep our HSE program in place. Let me talk about HSE for just a second. A lot of these kids, but for us, are not going to get an HSE unless we make them. Their circumstance is as bad as it gets. Their reading levels are very poor. Their math levels are very poor. If we don't concentrate with them for a certain period of time in their life, if they step away from our building without it, they are probably never going to get it. They are not going to become good tax paying citizens, they are not going to get jobs and they could end up in the adult criminal system. And that is going to cost a lot more than that part-time HSE Director. We also use it as an incentive. We incarcerate a kid up to 90 days or 120 days depending upon their age and what they did. We give them the incentive when they don't represent a really bad threat to public safety. If they pass their HSE while in a secure detention, they can sometimes walk away from the secure detention. We will have them on probation but no longer on secure detention. That is a real incentive for kids to get their HSE. I can't tell you how many kids have graduated from our facility with their HSE because they want to get out of the secure detention. That HSE Director, to me, is a vital component to keeping those kids out of the adult system. I swear that the tape testing that we do of the reading levels and math levels they are not going to get it done but for the guidance of a good HSE Director and the other teachers we have on staff.

Sharon Tucker: So, Judge, the \$62,000 is for the part-time Nurse Practitioner?

Judge Heath: Yes.

Chandra Reichert: Actually that is combined. A portion goes to the HSE Director and the other portion goes to the Nurse Practitioner. Both positions would be part-time.

Sharon Tucker: Okay, thank you.

Roy Buskirk: The HSC...

Judge Heath: HSE is High School Equivalency.

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Roy Buskirk: What is the difference between that and the GED?

Judge Heath: It is the same thing just an upgraded name.

Tom Harris: You have implemented a number of initiatives that have been applauded and recognized and we have tried to do the same thing on Council to appreciate and applaud all of your initiatives.

Judge Heath: Very appreciative.

Tom Harris: The challenge that comes to my mind is what you just talked about. You said the schools, if the numbers go down, they reduce the funding. You are forced with that same concept a little bit in that you are able to curtail, not curtail but reduce the number of people staying at your facility. Yet you have fixed costs throughout. Have you started looking that you won't have as many beds filled tonight and therefore I have to cut back on those fixed costs? What are you doing to tackle that?

Judge Heath: One of the things, and I am going to give credit to Councilman Buskirk, when I came in Councilman Buskirk said let's contract for our food services. We went through an extensive labor intensive process to find the best food purveyor we could get on a contractual basis. We created a sliding scale that as we reduce our numbers, the per-meal cost would go up a little bit but we would realize savings. We are going to save about \$40,000 this year in less food cost because of JDAI.

Tom Harris: What is your overall budget for the entire ACJC?

Judge Heath: What is it \$8.9 million or something and we have other accounts that we also monitor.

Tom Harris: So the challenge is the number of ways that you might be able to reduce some of those fixed costs. You are looking for \$60,000 in an \$8.9 million budget. Are there some things that you can do to say there are some fixed costs so that you can shut down a wing, I know that is a bad example. What can you do to reduce the lighting cost in a wing or something?

Judge Heath: Chandra might be able to address some of that but we are working hard to do everything we can.

Tom Harris: But against an \$8.9 million budget, is there something that you can do to come up with \$60,000?

Chandra Reichert: We are continuing to look at all of the different options. We just met with our cleaning company to review a contract again. We have gone through a couple of cleaning companies in the past couple of years in an effort to save money. We did go with one that was significantly less and unfortunately you get what you paid for. We had

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to review that cleaning contract once more. We have recently joined, with the help of Ed Steenman, in the Atos contract and that was a significant savings. We do review a lot of those things and have recently done something as little as our mats and uniforms for our maintenance staff with one of the vendors and have contracted that out. We pitted a couple of the vendors against one another to make sure we were getting the biggest bang for our buck. As for fixed costs, lights are not on if no one is in a particular area of the building. Overall, heating and air is not easy to control but we have a system in place that assists us with heating and air. Certain rooftop units are dedicated to certain areas of the building so we are able to kind of go into some zones. Kids clothing, even though we have fewer kids, are things that are somewhat perishable after so much use. We launder them on a daily basis. Some of those costs are going down because of the quantity that we have to buy but we still have to replenish those items.

Tom Harris: Of that \$8.9 million, probably 70% is labor, I would suspect. That would be your biggest challenge and every department and every company across the country that labor piece is the biggest challenge. You are doing it right here with the nursing staff. Is there some way that you can flex staffing based on numbers going down or something?

Judge Heath: We do that with Shane Armstrong in our detention area. He works very hard to use the minimum number of Youth Care Workers he can to meet the statutory requirements and ratios. We have the ratios of eight and twelve going on day and night. He is very good at that and works to keep those costs to a minimum. One other thing I should mention too is that when I came onboard, we had a range that we charged the other Counties for putting kids in our facility. Some Counties were paying \$50 a day and some were paying \$150. I sent letters to each of my colleague Judges telling them it was going to be \$150 for all of them. We are getting a record amount of income right now from out of County placements. Every time we come up against an idea that may help us raise revenue, we are implementing it and doing what we can.

Tom Harris: And thank you. I just wanted to bring that up to keep thinking of ways. I think we have approved everything but one that you brought before us. Keep thinking of better systems and a variety of different things. I think we will continue to try to do that but think of ways you can become more flexible in terms of those fixed costs.

Judge Heath: One other thing I should mention that we are undergoing right now involves a change in our Court hearing plan. For years we have been putting kids on probation, charging them fees and when the probation is over we have these financial review hearings with the parents and asked them why they haven't paid their fees. We are now going to start having those hearings much earlier during the kid's probation to get them in and ask why they aren't paying. Instead of waiting a year and a half, we are going to have them in at 60 days or 90 days and being more aggressive about our fees. It has taken some time to rearrange our hearing calendar to try to get that done.

Roy Buskirk: I think some of the programs have been established to reduce and have one wing empty now. Some of the programs that they have initiated and done to reduce the number of those that are being incarcerated obviously cost money. The one program in

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which the Judge has been very good on is working with all four of the school corporations and on the Check and Connect and the other programs that have helped a lot.

Judge Heath: East Allen applied for a Safe Haven grant for \$30,000 and they just got that money. We are going to be able to expand from four part-time Check and Connect Mentors to six largely thanks to that grant. We will be able to increase from 84 kids to about 125 kids. That is starting to reap rewards in terms of kids staying in school reaching towards their diploma. For the first time, we will have one mentor in a middle school. The idea would be to eventually expand in all middle schools. Our foundation is up and running. Chandra is working with that. We are trying to use the foundation to raise money. Jaylon Smith, the football player, was in the other day to talk to our kids. I talked to him about coming back once a year and doing a large fundraiser for us. Then we can start to funnel money through the foundation into our programs. We are trying to use probation user fees, county money, grants and anything we can get to cobble together. I will tell you that I also sent an email to the Mayor and the President of the City Council saying that it is time for them to consider ponying up into our Check and Connect Program. County government has been doing its job, let's see you join in. I have not gotten a response yet. I want you to know that I am doing everything I can to build these programs so that we can keep kids out of my facility and on their way to a diploma. We also have fifteen family graduates from our Bright Steps Program. I court order them to go to a program for early infant development and sibling development. A lot of our problems are that kids enter the school system unprepared and they are off to the races to being in delinquency programs. With that court order program, we are starting to get family after family and I am signing certificates of completion every week now. JDAI took longer than we wanted it to. When we implemented that in November, we started seeing numbers go down and we repositioned some of our people to where we said we would put them and it is all starting to come together. I couldn't be happier that it is starting to work.

Roy Buskirk: Are there any more questions?

Sharon Tucker: I have one. Have you guys been reviewed by HR?

Judge Heath: I am part of Allen Superior Court. I am happy to. If I can just give you some context and I certainly don't want to start a problem here. Let's keep a few things in mind if we may and that is I believe we should be subject to HR review. We are a separate branch of government but I believe the case law involving mandate cases says to Judges, cooperate with County Council and HR as you should with a fiscal body. I think we are duty-bound to do that. But, the Courts also say we are a separate branch of government. Don't be offended by this. It is the natural thing that was built in by our founders. There is going to be a natural tension from time to time. There is going to be a situation where you think a job is worth this much and I think a job is worth this much. If I think it is integral to my operation and I have to get a good person for this, I may have to as a separate branch of government say that we are going to go through mandate action. I don't want to do that but that is the tension that was created for us, not by us, by

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the State Legislature. By the people that built our Constitution. Nobody should be offended by it. It's business. What I am saying is that we should be fully cooperative and there should be an HR review but there could be disagreements. Nobody needs to get off kilter because of that because it is a natural thing that is going to happen in a corporation. I would welcome review.

Tom Harris: From my perspective and I think Council's, we want to make sure that compensation system fits and meets the needs.

Judge Heath: You are absolutely right.

Tom Harris: And by the way, the experience that I had working for an organization with 20,000 employees in many States, job analysis and compensation issues always seem to rise right up there. Whether it is a department, a division, here at the table or across the country, it is always contentious. What we try to do from a compensation strategy standpoint is design a system that is flexible enough and meets the needs of the different departments and in this case Elected Officials and such.

Judge Heath: I think you folks took a giant step in bringing in a review of this whole thing. I think that goes a long way toward real good cooperation. You are up to date and I am up to date, let's figure this thing out.

Chandra Reichert: Also, to let you know, in the past we have gone through an entire review of the entire organization. Since we have done that now as jobs become available and we have openings, every position is reviewed each and every time. If there is a new position, we go through the process with the Personnel Committee and even in everyday openings, Youth Care Worker those are the bulk of our workforce. If I have a Youth Care Worker position that becomes available, I sit down with HR and we go through that job description and if there is any standard language that HR prefers to have on the job description, we review the description. Even with our part-time positions, though they are not required necessarily through the procedures for a part-time position, we also go through the process with HR of getting them to draft a job description before it is posted; we post all of our part-time positions as well. We have a very good working relationship with HR.

Sharon Tucker: Thank you.

Roy Buskirk: Anybody else? Thank you, Judge. What do you want to do next? Do you have another department?

Vickie Hadley: My question is do you have questions for me since I am on your list?

Tom Harris: Yes.

Vickie Hadley: I'm Vickie Hadley, Health and Human Science Extension Educator and County Extension Director for the Purdue Cooperative Extension Service. I have come to

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you with the request and Purdue has come to us and asked for a minimum one percent and that is all I have asked for. Many Counties are asking for much more. This is an increase for the Contractual Services which impacts the five full-time Educators that we have on staff at this time.

Roy Buskirk: I'm sorry but I can hardly hear you. So, are the Educators receiving a pay raise and this is to match?

Vickie Hadley: I have no idea. We do not know pay raises or any increases at all until January. We have no indication prior to that as to what will happen.

Tom Harris: So Purdue University is asking the Extension Centers around the State to go back to their local governments and ask for those funds. Is that just through the County governments or is it also through the City governments.

Vickie Hadley: It is just through the County governments. That is the way the funding is currently set up throughout the State. I had a conversation yesterday with Commissioner Peters about looking at all of the other municipalities around the County and will begin a discussion this fall to see what Purdue Extension does with each one of them for their benefit. We would also ask what Purdue could do for them and meeting with the City at the same time.

Tom Harris: I want to compliment you as well because in the past we have brought up some of the concerns about funding and you have gone out and created some fund raising processes. How much has that brought back to you and are you still doing those kinds of things?

Vickie Hadley: We are still doing that and have gone to user fees. We have a line item that is User Fees and when we get to the end of the year and we have exhausted the funds that you have provided for us, we use that to pay the rest of our expenses that we have until the end of the year.

Tom Harris: How much is the balance that you have in the User Fees?

Vickie Hadley: We are looking at maybe \$5,000.

Tom Harris: Do you have that as a balance now?

Vickie Hadley: Yes.

Tom Harris: So that is some of the fund raising that you have done. Congratulations.

Vickie Hadley: It is very unpredictable because our User Fees' biggest draw is for soil samples and the diagnostic analysis that we do. It is totally weather dependent. We never know what is coming in.

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Tom Harris: What is your overall budget?

Vickie Hadley: It is \$317,000.

Tom Harris: So \$317,000 and you are looking for an additional \$1,400. Are there any ways that you can fund that or come up with that \$1,400? I mean just even turning to the fund that you just mentioned.

Vickie Hadley: Assuming there is money in User Fees, we have no idea what we will get from year to year.

Sharon Tucker: Vickie, isn't the \$5,000 that you mentioned on hand now? November to December is when that will go to zero because they will use it to fund the rest of their operating expenses based on what we cut in the past.

Roy Buskirk: That amount, Tom, is already in the \$317,000. You see that some of this is actually for furniture.

Vickie Hadley: We are slowly replacing chairs.

Roy Buskirk: So that would be in addition to the \$1,485?

Vickie Hadley: Yes, as capital. We continue to look for ways to cut costs. In the letter, I indicate to you some of the things we have done just in this year alone. With postage, we use bulk as much as we can. That is a huge savings. We had multiple permits and we combined all of those into one. We try to do as much electronic communication as possible. Every time we have a group that meets and we need to continue communication with them, we plead for them to give us emails. As all of you know, emails change continuously and getting those updated is a true challenge.

Sharon Tucker: Vickie, has your department been reviewed by HR? I am being fair across the board so no one thinks I am attacking them.

Vickie Hadley: We have not. Three years ago is the last time we needed to have a position filled and we did a complete review of that one before we ever posted it. We are just waiting on HR. We know that we only have three employees and I am sure they are trying to get some of the bigger ones out of the way which will take more time.

Sharon Tucker: Thank you.

Roy Buskirk: On the Educators, what percentage of the wages are paid by Purdue?

Vickie Hadley: The number changes every year but I would say 60% to 65% or even up to 70%.

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Roy Buskirk: That is good that the bulk of it is paid by Purdue. It is an unusual classification for the County. The Educators wouldn't even be on the grid.

Vickie Hadley: Yes, we are not a part of the grid at all. I am pleased that you are taking a look at that. I have one employee who because of tenure no longer gets step increases and hasn't for a long time. The only increase she ever gets is COLA.

Roy Buskirk: Okay. Are there any other questions? Thank you.

Sharon Tucker: We have found three of the six so far.

Roy Buskirk: Yeah. If you have one department that you want to call up or not, we can do that.

Tom Harris: Maintenance will be tomorrow.

Larry Brown: I don't have a question on that one. It is pretty well explained in the narrative.

Bob Armstrong: The Recorder will be here tomorrow.

Roy Buskirk: The Recorder is basically the recording fee balance is running down and this is taking the Recorder's wages and something else and putting it into the General Fund.

Tera Klutz: And FICA and PERF.

Roy Buskirk: Right.

Tera Klutz: I would say that most of the letters that were provided explained the reasons for their increases. The departments were not required to be here or requested to be here. I do know, if possible, we would like for you to come up with your allocations today but you can carry them over until tomorrow if you need more information.

Tom Harris: The allocations?

Tera Klutz: The allocations, at the end of this meeting you get to determine the number that we give to the departments to complete their budget paperwork for next month.

Tom Harris: One of the things that we have done at this stage in the past is basically say are we okay with the requested operating increases or do we simply say no at this time and then they have the ability to appeal. In the past, many times we have watched the departments dig a little bit deeper and try to come up with something a little more creative and they actually came back with a substantially lower number. In my head, I think one option would be to say no to all of those to see if they can come up with something coming back to us. I only mentioned Maintenance because that is on the

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agenda tomorrow to deal with this year but what they are asking for this year will carry over for the \$41,000 to next year. Is that in essence what is going on?

Nick Jordan: Building Maintenance is regarding positions for tomorrow. The \$41,000 is in the 200 and 300 Series.

Tom Harris: Scratch that last part.

Tera Klutz: I would say that we did not do that last year. We viewed it as a waste of time to have ACJC and Superior Court give the identical one, if in fact, you felt comfortable with the presentation do you feel comfortable voting no or yes on some of them? Some you do not feel comfortable voting and that is when you say no and then move on. For the Recorder and letting her salary back into the General Fund, do you want her to appeal that and have a half-hour presentation? I am just saying now is the time to go through all of those and decide if you want to have them back or say that anyone who asked for more, let's say no. I just think it rubs them a little wrong about putting the time in and our time.

Roy Buskirk: I will entertain a motion approving the Recorder's request of \$82,310.

Bob Armstrong: So moved.

Bill Brown: Second.

Roy Buskirk: Is there any discussion?

Tom Harris: We are simply agreeing to allow these increases to go through or not approving their overall budget as we would do with the budget approval process, correct?

Tera Klutz: Correct. You are basically allowing her General Fund allocation to increase by \$82,310. All of the departments, upon learning what their 2017 General Fund allocation revenues which is determined today by Council will get that letter and determine if they can work within that allocation or not. If not, they will turn in two budgets, one is an appeal budget and the other one is the one that meets it. Then you will have hearing of that in September and vote on the final budget in October.

Roy Buskirk: Basically it is what is on this sheet that they are requesting an increase on. Do you have a comment, Larry?

Larry Brown: Yes. Are you saying to handle these one at a time or as a group?

Sharon Tucker: One at a time. So the Recorder's self-funding budget is completely disappeared? Is that it?

Nick Jordan: No.

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Roy Buskirk: No, no, no, no.

Sharon Tucker: I am looking at the letter that I have read as to why she needed to have the \$82,310 put in.

Nick Jordan: The balance is between \$400,000 and \$500,000. Statutorily you can pay for all of the expenses out of there if certain attributes or factors are met. If she doesn't feel that she can continue to pay all of the expenses out of there and in that regard, if you don't want to pay \$82,310 you are essentially saying that you don't want to pay the Recorder's salary and benefits. You can't force her to use that fund under statute when it says she can't.

Tera Klutz: She is one of the few Recorders that have funded their entire General Fund allocation from her Perpetuation Fund. I believe that John McGauley started that and she continued it but the fund balance is depleting slowly over time and she met with me and we discussed that now is probably the time to just bring in one person and see how long we can live with that. Coming back in two years for \$300,000 increase may be a little harder. She should be allowed back in because she took it all out when she had the money to do it. We would recommend fiscally that this is probably the most responsible way to handle her fund decreases right now and see how it plays out. If the market turns and we have a whole bunch of refinances again her money may pick back up.

Sharon Tucker: Thank you.

Joel Benz: We have a first and second. Do we want to vote on it then?

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0. We really never discussed the Coroner.

Tom Harris: I would like to make a motion to have the Coroner come back.

Joel Benz: I will second that certainly.

Tom Harris: In essence, not approve it at this time.

Roy Buskirk: We don't need a set amount or nothing?

Tera Klutz: Nope. It is basically zero and if he needs more, he will come back.

Bob Armstrong: So that will be an appeal for him to come back?

Tera Klutz: If he determines that he still wants to.

Bob Armstrong: Okay, I just wanted to make sure.

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Roy Buskirk: Is there any further discussion on the motion? All in favor say aye, those opposed, like sign. The motion passes 7-0. County Extension is next for \$1,485.

Sharon Tucker: I make a motion that we accept it as presented.

Bill Brown: Second.

Roy Buskirk: Is there any further discussion? All in favor say aye, those opposed, like sign. The motion fails 3-4 (Larry Brown, Tom Harris, Bob Armstrong and Roy Buskirk).Next is Maintenance for \$41,000.

Larry Brown: I make a motion to approve.

Bob Armstrong: Second.

Roy Buskirk: Is there any discussion? All in favor say aye, those opposed, like sign. The motion passes 6-1 (Sharon Tucker). ACJC is for \$62,438.

Larry Brown: Call for a motion to approve.

Bill Brown: Second.

Roy Buskirk: Is there any discussion?

Tom Harris: My only thought on that is ACJC being affiliated with Superior Court, and that will tell you where I am on Superior Court, is for the opportunity for them to discuss their budgets are huge and a lot of things are moving and in 30 to 60 days we may have different numbers. My thought is to have them come back to see where we are.

Joel Benz: I kind of disagree. I think it is two positions. I understand what you are saying but I think those two positions are warranted and I think we ought to go ahead and move them through.

Sharon Tucker: I tend to agree with Councilman Benz. They are two part-time positions as opposed to some of the other moving parts. These, we know, are just going to be, if they hire those positions otherwise they are going to be eliminated but it sounded like the Nurse was one that had to have.

Tom Harris: Where I was at with it is that I mentioned to the Judge to look at other ways to come up with being flexible with those fixed costs. My hope is that he may come up with ideas.

Roy Buskirk: I know they are constantly looking for grants on coming up with money. **Is there any further discussion? All in favor say aye, those opposed, like sign. The motion passes 6-1 (Tom Harris).** Superior Court is next, \$291,710.

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Tom Harris: I move that we ask them to come back or in essence, not approve this number.

Sharon Tucker: I will second.

Roy Buskirk: **Is there any further discussion? All in favor say aye, those opposed, like sign. The motion passes 6-1(Bill Brown) to deny.** They must return and explain it again. Next is Public Defender for \$526,000.

Tom Harris: I would also move to have them come back. Not to approve it at this time. We did not hear from them and there are a number of moving parts going on as Council knows with that particular area. It would be good to get further updates.

Joel Benz: And I am honestly not okay with giving them an increase of \$500,000. I don't know that it will be an ongoing thing.

Roy Buskirk: Ongoing of the pay being increased from \$80 to \$90 an hour? I don't know if that is all of the \$500,000.

Larry Brown: That is the explanation that they offered.

Roy Buskirk: That is what they gave us.

Bill Brown: I did talk to Eric, as liaison, and we know there is a lawsuit underway and the increases are largely due to the 50% increase in CHINS cases from this year and projecting into next year. These are projected costs going into next year that need to be addressed. The ten dollar an hour raise, as you all read is mandated by the State. If you want more explanation from Eric, I guess I can see that.

Tom Harris: And that is primarily where I am. I made a motion and I don't know if it was seconded but I agree that we probably need more information.

Joel Benz: I will second it.

Roy Buskirk: **Is there any further discussion?**

Bill Brown: There is also a large segment of that which is reimbursement. It is 40% that has come back. I thought it was pretty well laid out.

Roy Buskirk: I think that percentage varies a little bit depending on how much the State Legislature puts into that pot and how many Counties apply for it.

Bill Brown: He expressed that it was about 40% but it may vary some.

Roy Buskirk: **The motion is that they will come back and explain their request.**

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Larry Brown: So it is denied.

Roy Buskirk: Yes denied but the motion is for them to come back and explain it to us. All in favor say aye, those opposed, like sign. The motion passes 6-1 (Bill Brown). The motion has passed to deny it and they must come back and explain it.

Joel Benz: Thank you for the additional information, Councilman Brown.

Tera Klutz: Do you guys want to handle the Treasurer today. It is not any additional money. It will not change the allocation.

Jackie Scheuman: I would appreciate it if they would handle it today.

Sharon Tucker: She is including the raises in there, right?

Tera Klutz: Yes, she would like permission to increase the Treasurer for 2017 and move the Chief Deputy percentage to 80%.

Jackie Scheuman: It was in line with the study.

Tom Harris: I will move that we go ahead and accept that. Here is our challenge with this motion is that we allow Elected Officials to decide to not take increases or have increases. That is entirely their choice and should something change or they have the desire to change that we can also say no. What she is coming back and saying is to put me back in line with what I have done. I guess the argument could be made that it saved us that amount of money for the duration of her denying it for the last three years where she has not been paid. Now they are saying that we want to move this number up and that means we are not going to be saving that amount but that also puts that job in line with other jobs just like it. That is why I make the motion, I guess.

Bill Brown: Second.

Roy Buskirk: So this is for the Treasurer only.

Tera Klutz: Right and it does not affect dollars. It is for the Treasurer's salary and it is only in 2017. Sue will no longer be Treasurer and the new Chief Deputy is requested to come in at 80%.

Roy Buskirk: I don't understand your statement that it does not affect dollars.

Tera Klutz: It means that she has enough in her current allocation to fund the request of the amended salary ordinance.

Bob Armstrong: For this year?

Tera Klutz: For 2017 only.

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Roy Buskirk: So what is the dollar amount that the Treasurer is going to be paid?

Larry Brown: \$78,000.

Nick Jordan: It is \$3,682 more than the current salary and she can make up that difference within her allocation and so there are no additional funds necessary. The Treasurer will get more but they don't need additional money for the budget.

Roy Buskirk: Okay, I understand that. It is affecting dollars if the Treasurer is receiving \$3,000 more and she is currently only receiving \$75,000?

Nick Jordan: She is currently getting \$74,318 and to go to \$78,000 is \$3,682. That does not include FICA and PERF.

Roy Buskirk: I thought she was higher than that.

Nick Jordan: If you look at the WIS (Waggoner, Irwin and Scheele) study, it is actually right there.

Bob Armstrong: You also have to look at this was brought to Council earlier in the year, or was it last year?

Bill Brown: Earlier this year.

Bob Armstrong: This Council voted down the increase for the Treasurer but gave the Chief Deputy an increase. My question to this whole thing is what has changed between now and 2017 other than a new Treasurer to justify a near \$4,000 change? That is where I am kind of confused.

Jackie Scheuman: It is in line with the HR study. It brought it in line with other Elected Officials. You all chose not to adopt it at the time.

Bill Brown: Sue basically made a donation during her term. You can almost look at it that way as \$15,000. She could have taken that.

Bob Armstrong: So in the study that you are talking about, Jackie, you are not talking about the study that we looked at this morning.

Jackie Scheuman: No.

Bob Armstrong: You are talking about our internal HR.

Jackie Scheuman: Right. It is an internal equity issue.

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Bob Armstrong: Right. I am looking at the report that Scheele just did and they are saying \$74,318 is in that line. I am still trying to digest and understand why we turned it down earlier this year and now we are deciding to bump it for 2017. What is the change?

Tera Klutz: I remember that conversation very well and the changes that this Council didn't feel comfortable with her requesting her own salary increase but they felt more comfortable with her requesting the next person's increase. That is how I thought that was left at the table.

Larry Brown: I was absent that meeting. I remember very clearly reading the minutes that it was felt it was more appropriate to be done at budget time and not at the time it was brought before Council.

Tom Harris: I do remember that.

Sharon Tucker: So, if we make the change now for the Treasurer's position to take effect in 2017, that position is carved out of the change that we will do with the review that we have done or do we do two changes?

Tera Klutz: If you are going to take the recommendation and change them for Elected Officials, I think it will have to be considered when you make those changes. Until you see what you are looking at, I think it is hard to answer that question to solely consider the new salary.

Sharon Tucker: Okay and then off the back of that I heard it thrown out that it's an equitable change or a change across departments but we don't pay Elected Officials the same across the board. We pay based on the job requirement and back to Councilman Armstrong's statement, the job hasn't changed to validate that if we don't pay Elected Officials evenly across the board but based on food for thought.

Tera Klutz: I 100% agree. It has been a long time and is important to justify a salary with what the requirements of the job are. I think seven or eight years ago when it was recommended and there was a study done about job requirements and job duties that salary was recommended to go up and there was a petition that went around asking the Elected Officials if they were going to take their recommended increase or not and she chose not to. This is just trying to remedy that.

Roy Buskirk: There is a personality that is involved here in which she did not feel that she should not promote a raise for herself. That is the reason it was never changed. I think that is the one thing this Council wants to make sure that is not overlooked especially since the Treasurer's Office will be changed. The Treasurer now has the opportunity and a good time to make up for this mistake that was made several years ago.

Sharon Tucker: I know it is hard to go back and know what the reason was but did she feel like what she was getting paid at that time was adequate for the responsibilities or was she just a really nice person that didn't need the money?

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Roy Buskirk: It is hard for me to answer for her but I think part of it was her personality and she felt embarrassed asking for a pay raise for herself. **No further questions, all in favor say aye, those opposed, like sign.**

Tera Klutz: A couple of people didn't vote.

Roy Buskirk: Let's have a show of hands. I was surprised how one person voted.

Tera Klutz: Let's do a roll-call vote.

Roy Buskirk: You were speaking in favor of it, Bob, and then you vote against it. That is the reason I said that.

Bob Armstrong: In favor of what?

Larry Brown: The motion is to approve the request. Is that correct?

Tom Harris: Yes.

Bill Brown: Aye.

Sharon Tucker: Nay.

Roy Buskirk: I vote in favor.

Larry Brown: In favor.

Joel Benz: Aye.

Tom Harris: Aye.

Bob Armstrong: No.

Roy Buskirk: **The motion passes 5-2 (Sharon Tucker and Bob Armstrong).** Okay, moving right along, what do we need to cover next?

Nick Jordan: Did you guys discuss the raise?

Tom Harris: The overall General COLA is probably before us, at this point. Don't we have to make a motion and pass what the wage increase would be?

Tera Klutz: That would be great.

Tom Harris: If we don't do it at this point, the Auditor and all of the departments can't move forward in terms of their processing, right?

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Tera Klutz: Right.

Tom Harris: So this is when we generally agree in that timeline.

Roy Buskirk: So when would we actually have to decide as far as what was presented today on the Waggoner, Irwin and Scheele?

Tera Klutz: I would say it is almost impossible to make a decision today. We will work with whatever you decide. If you know that you might want to give an across the board raise, it is easier for us to process that now. Then if you decide to do anything with the study, we can determine that in August and then make adjustments to everybody's allocation after that.

Roy Buskirk: I will ask my question again. How late can we decide on what Waggoner presented today?

Tera Klutz: September.

Roy Buskirk: Okay.

Larry Brown: If you want it for 2017.

Tera Klutz: Right.

Roy Buskirk: Correct.

Larry Brown: I am not convinced that we know enough yet and when we will implement it. That is why I was suggesting earlier if we are okay with the three percent, do that today.

Roy Buskirk: That is what we want to do.

Tom Harris: I guess I would just weigh in and say that while I think possibly the three percent might just be a little bit high knowing in the backdrop of this is some adjustment to the grids, we could go with the three percent. I am just saying, Larry, from my perspective, I think the three percent might be a little bit high but I also look at the overall grids and think we may be able to improve those somewhat. From a three percent perspective, I would be okay with that. What that, in my mind, will do is it might put us in a position of either dealing with the grids in a smaller process or maybe not do anything with the grids. That is kind of what is going on in my head.

Larry Brown: To follow that up, I would say from my perspective, we can deal with that in the next 60 to 90 days if we so choose to. We still have that flexibility.

Sharon Tucker: I think three percent is fair.

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Roy Buskirk: And the one thing is that the percentage of County employees that would be affected by Waggoner is a small percentage. According to your figures it was 19% of the County employees that would get any kind of a benefit from it.

Tom Harris: Not necessarily. Only from a strategy standpoint, it only impacts about 20% of the people that we are concerned about. Everybody would get an increase but where we are hurting are the people that are underneath that average. We are giving 80% of the people increases that are either at or above what the market is and does that make sense for a pay strategy? The three percent addresses everybody getting an increase.

Roy Buskirk: I didn't think we would be giving anyone a pay raise that was above the market.

Tom Harris: All of those grids move.

Joel Benz: Unless we do something to change that in discussion. And I think that is very possible.

Roy Buskirk: I will entertain a motion.

Larry Brown: I will offer a motion to approve a three percent, across the board, pay increase.

Sharon Tucker: Second.

Tom Harris: I would ask the Auditor's Office, when was the last time that we looked at a three percent increase?

Bob Armstrong: Is this for history?

Tom Harris: I guess it would be. The reason I ask is for a couple of things. One is that it does reflect that we do have the ability to do it and number two is we are addressing the grid process without even addressing the grid process. Number three, we are looking to the past because this is a number that we have generally not done. I think it should be recognized that we are able to do it this year.

Bob Armstrong: 2009.

Joel Benz: This doesn't shift the grids though if we give a three percent raise. It only shifts people that are on the grids up.

Tom Harris: That means that they move closer to market.

Joel Benz: They do but anyone that you hire is part of the problem.

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Nick Jordan: No, you are shifting the grids and everything is going up three percent. You are not increasing a level or a step. You are just taking that grid and increasing it by 1.03%.

Tom Harris: Everybody moves.

Joel Benz: Everyone that we would hire after this would come in at three percent higher.

Nick Jordan: Yes.

Roy Buskirk: The Judges wouldn't be and there are a couple of positions. **Is there any further discussion? All in favor say aye, those opposed, like sign. The motion passes 7-0.** We can have the discussion at another time as far as going to market rate at six months, three years or whatever. Bob.

Bob Armstrong: So when is that time? That would be nice to know.

Tom Harris: And the second question with that is now that we approved that three percent, can we get a better idea of what we would have to do with the grids to do what we want to do with the grids?

Tera Klutz: Absolutely.

Tom Harris: From a cost perspective, right?

Roy Buskirk: You have to change the grids.

Tom Harris: From a cost perspective it does. This morning they figured it was \$1.7 million for Option One. We are paying a three percent increase and in essence have just reduced that \$1.7 million down considerably and now they can come back and say it is going to cost \$300,000 more to make this change or whatever that number might be.

Sharon Tucker: I think one of the bigger things that we need to consider for the next meeting is where do we want to be? Do we want to be at market or below market? Those are the things we have to discuss before we spread out those numbers.

Larry Brown: Exactly.

Bob Armstrong: So that I understand this, if this Council decides we are not going to do anything with this report until after the first of the year, that's okay?

Roy Buskirk: Yes.

Larry Brown: Sure.

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Bob Armstrong: So it is a digesting period and then if we want to implement it now for 2017, it's a go? Or we can take this whole report, take it to 2017 and work it in from there.

Tom Harris: That's an option.

Roy Buskirk: Can you make an across the board pay increase in the middle of the year?

Tera Klutz: Yes and that would increase everybody's salary except the people that are paid by the State and Elected Officials. You can't change their pay except for a few special reasons. None of the Elected Officials are currently on this grid.

Roy Buskirk: That just opens it up and you can put it into effect anytime you want to. I think we should have continuing discussions on this and maybe not get a solution but even tomorrow at the end of the meeting. I am sure the Auditor's Office will not be able to have much more data put together for us but I think this is something that we need to keep fresh. With all of this information that we have been given, we need to look it over and studying that. I know that even yesterday I was totally confused with the midpoint and all of that. I didn't realize that the grid numbers had been changed on what they were passing out. I think the one thing that we need to discuss is how quick do we want to get to market? Is it going to take half of one year and half of the next until we know what some of these costs are going to be with the three percent raise today? It is like I am a juggler and there are a lot of balls up in the air.

Joel Benz: Would it be worth having an Executive session to discuss that?

Roy Buskirk: I don't think we need an Executive session.

Tom Harris: One of the thoughts that I had, and by the way 25 years in this field and certified in compensation and being an HR Director working in these grids for three years, I am lucky enough to understand this. There are a lot of weeds here when we get pretty deep into this. We paid for a software system for HR a couple of years back and I would like to utilize that to some extent in our strategies for compensation in the County in things like possibly establishing a range. Maybe we do that for Steps One and Two which allows us to be more competitive. I could go on with about seven different thoughts but I am not going to do that right now. What I thought I would do is put some of those thoughts in writing and maybe give it to you from a strategy standpoint. In terms of lagging the market and meeting the market and leading the market as well as another number of initiatives that we might consider. I can do that from a Personnel Committee standpoint.

Roy Buskirk: That is good. We are looking forward to receiving it.

Bill Brown: Mr. President, we talk a lot about momentum in the community and Allen County government, I think, has momentum. We have a lot of creative and good people doing the right thing. I think we would all agree that's the case and things have changed

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over the last eight or ten years. It seems like we are in pretty good shape and it is nice to have a tool in place like this study. We need to see how we can tweak it to become an employer by choice to attract top talent.

Larry Brown: Comment. I am more than willing to participate in discussion in this matter however tomorrow I have to leave at twelve noon. Tomorrow afternoon, I will not be here.

Roy Buskirk: Does that mean we want to discuss it after twelve?

Larry Brown: Go right ahead. That is fine.

Roy Buskirk: I am not sure how long that agenda is going to take. I have a Plan Commission meeting at 12:30.

Tom Harris: The ability to be able to put all of that thought that we have had today and kind of digest it a little bit as well as put some thoughts and recommendations would probably be more than a day. That will give us time to think through that a little bit.

Roy Buskirk: Okay. Is there anything else we need to do?

Tera Klutz: I don't believe so. I think you need to adjourn. I don't think you passed anything that requires the waiving of the second reading. I think we have all that we need. Let me check with Jackie and Nick.

Nick Jordan: The only thing, I am going to send out an email also, we are supposed to receive a max levy and estimated Circuit Breaker and then you can request Tax Units to come to the meeting in August for the non-binding review. Once we receive those I will send out an email in case you want us to request anybody in particular and we have also invited units if they want to voluntarily come. That will be done at the regular August meeting and it will be done the first thing in the morning.

Roy Buskirk: I do have a question concerning the State Audit Fee. Have we gotten a billing on that yet? Perhaps tomorrow you can tell us.

Nick Jordan: We have one from last year. I think it was three times the cost because the rate went up from \$45 to \$175. It was within reason of the rate increase.

Roy Buskirk: This is just one of the areas, a lot of them irritate me, but this one in particular which the State increased their audit fee that they charge every County in the State of Indiana and is passed on and split with every City paying this. The State was charging \$25 a day.

Nick Jordan: \$45 a day.

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Roy Buskirk: Oh, \$45 a day and we knew that it was nowhere near covering their cost but it was a nice gesture on doing this. So that they can say they have cut taxes and everything else, they pushed that expense out to the Counties. They went from \$45 a day to \$75.

Nick Jordan: No, \$175 day.

Roy Buskirk: Right, thank you. It has tripled what our cost is for paying the State for auditing us.

Nick Jordan: The alternative is that you can seek a public accounting firm to come and audit if we want to solicit.

Larry Brown: Then that would be \$175 per hour.

Nick Jordan: If you divide that by eight hours that is not very much money. It is not a terrible fee by any means.

Bob Armstrong: So your point that I have been trying to catch here is I look at Tom's theory, Tom says to Heath if your fees are low can't you recoup your fees by raising them? Is that what the State did to us? They weren't able to cover that.

Roy Buskirk: They need to do that on everybody else but us.

Tom Harris: Just for the record, I didn't recommend that. What I suggested was that he would be able to flex his cost to have less cost.

Bob Armstrong: Move to adjourn.

Tom Harris: Second.

Roy Buskirk: **All in favor please signify by saying aye. Opposed like sign. The motion carries 7-0.** There being no further business the meeting was adjourned at 1:52.

ALLEN COUNTY COUNCIL MEETING MINUTES

**ALLEN COUNTY COUNCIL MEETING MINUTES
JULY 21, 2016
8:30 AM**

The Allen County Council met on Thursday, July 21, 2016 at 8:30 am in the Discussion Room at Citizens Square. The purpose of the meeting was for additional appropriations, transfer of funds within excess of the current budget, grants and any other business to come before Council.

Attending: Robert A. Armstrong; Joel M. Benz; Larry L. Brown; William E. Brown; Roy A. Buskirk; Tom A. Harris and Sharon L. Tucker.

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

The meeting was called to order by President Roy Buskirk with the Pledge of Allegiance and a moment of silent prayer.

Roy Buskirk: I think everybody has had the opportunity to look at the June 16th minutes. If there are no additions or corrections, I would entertain a motion for approval.

Bill Brown: I make a motion to approve the June 16th, 2016 minutes.

Joel Benz: Second.

Roy Buskirk: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0. Now for the financial report.

Tera Klutz: Good morning, Council. In your packet are the June 30th financial statements for the General Fund and for all of the major funds. We distributed property taxes last month to all of the tax units including ourselves and we are sitting right at about 50% of collections before you take into account the Circuit Breaker. That is normally how it tracks in the first half of the year because we collect a little more than in the last half of the year. That may not make sense because I said we are almost at 50% but we don't expect to collect 100% because of the Circuit Breakers.

Larry Brown: Good sign.

Roy Buskirk: So in summary we are basically collecting as much as we expected.

Tera Klutz: Yes.

Roy Buskirk: Thank you.

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

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Larry Brown: Second.

Roy Buskirk: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0. Nick, do you have the unemployment rates?

Nick Jordan: Yes, good morning, Council. On the agenda you see the April and May non-seasonally adjusted unemployment rates. June will be due out tomorrow. Allen County went from 4.6% to 4.1%. Indiana went from 4.8% to 4.3% and National went from 4.7% to 4.5%. Just to touch on Allen County a little bit, from May of 2015 there is approximately 5,700 more people in the workforce. There is approximately 6,200 more employed and there is a decrease of 506 unemployed. That 4.1%, if not the lowest, might be the lowest ever.

Larry Brown: Nick, are those April figures that you are quoting?

Nick Jordan: April and May but I was just talking about the May from 2015 through May, 2016.

Tom Harris: And then June is out tomorrow.

Larry Brown: Does anybody have a clue as to how many graduated from high school in May or the end of the school year?

Nick Jordan: That is important to know because these are non-seasonally adjusted and those will cause a fluctuation with summer jobs and things like that.

Roy Buskirk: And of course you would have some of them going onto college and things of that type too. They won't all be coming onto the labor force. Next is the Maplecrest Bridge Refunding Bonds.

Bill Fishering: Bill Fishering, County Attorney. The Board of Commissioners is proposing to advance to refund the Maplecrest Road Bridge Bond. There currently is outstanding \$19,925,000 worth of bonds. We would be advance refunding it which means we have to buy Federal government securities and put that in an escrow. Things have been fluctuating a lot lately causing the ordinance to need to be modified slightly from the form that was sent to you. Instead of \$21,500,000, the new number is \$21,650,000. That is the result of again, advance refunding as we have to buy what is known as a SLUG which is a Federal government security. Believe it or not those interest rates have gone down which causes you to buy more of them to put into escrow. It actually results in us having more savings on the refunding because the other interest rates have gone down also. This is the proposal for that as well as the appropriation of the funds to the refunding. I would request your approval and remind you that this is a public hearing and ask that you call for public comment on the appropriation.

Roy Buskirk: Okay.

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Tom Harris: In terms of the bonding process, the bottom line is we are reissuing the bonds. Explain that a little bit.

Bill Fishering: You are refunding a bond and that is similar to if you would refund your mortgage because you could get a lower interest rate. That is what is happening here. We will have a currently net present value savings of a million dollars over the remaining term of the bond. We will have a million dollars less to pay on debt service as a result of this.

Tom Harris: And that is a result of the economy. The economy goes one way and usually bonds drop and vice versa.

Bill Fishering: It basically has to do with interest rates being lower now than they were in 2009 and the ability to buy the SLUGS at a certain rate which ends up with a value savings after expenses of currently slightly more than a million dollars.

Tom Harris: Great and thanks. On a broader sense on some of our other bonds, does this also take place on the other bonds beyond this issue and for the Auditor's Office? Do we also see these kinds of thought process for other bonds for the County?

Nick Jordan: I think they have refunded all of the other bonds at this point.

Bill Fishering: And we are in the midst of refunding the Coliseum 2007 bonds which is predicted at about a million dollar savings. You may have read about that in the paper and since it is a lease-purchase, it does not come directly before you. It is sort of an odd refunding in that the money we save actually goes to the CIB and doesn't come back to us. That is the way it is with the legislation being changed. We have two current refunding bonds going on with gross savings of over two million dollars.

Roy Buskirk: And some bonds are limited on when you can refinance.

Bill Fishering: You can only advance refund once. If interest rates go lower, and for the life of me I don't see how that can happen, you couldn't refund this bond again until it is known as a current refunding.

Roy Buskirk: What is the life of this bond?

Bill Fishering: I think it is another fifteen years but I didn't pay any attention to that.

Roy Buskirk: I started to read that but it looked like a bunch of attorney writing and I decided to leave that to you.

Bill Fishering: Yes it is a bunch of attorney writing.

Tera Klutz: It is 2029.

Roy Buskirk: I will entertain a motion.

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Tom Harris: I will move for consideration of Resolution 2016-07-21-01 authorizing the issuance of Maplecrest Bridge Refunding Bonds for the purpose of providing funds to be applied to the costs of refunding certain outstanding Maplecrest Bridge Bonds and paying incidental expenses et cetera.

Larry Brown: Second.

Roy Buskirk: Are there any further questions?

Tom Harris: Do we have to open that for public comment?

Bill Fishering: And that motion is with the number of \$21,650,000? And we do need to open for public comment.

Tom Harris: Yes it is.

Roy Buskirk: Correct. All in favor say aye, those opposed, like sign.

Bill Fishering: No, we want to have the public comment.

Roy Buskirk: Oh, okay. We are ready for a public hearing. Go ahead.

Tera Klutz: You just ask if there is any public comment.

Roy Buskirk: Oh, okay. Does anyone in the audience have any comments? Hearing none, we will close the public hearing. I will now entertain a vote on the motion. **All in favor say aye, those opposed, like sign. The motion passes 7-0.**

Bill Fishering: Thank you very much.

Roy Buskirk: Next we have Economic Development.

Scott Harrold: Scott Harrold, Department of Planning Services. Mr. Pape is here so we can go ahead and do all three.

Roy Buskirk: Yes, this is the first one on the agenda.

Scott Harrold: I will give some background and provide some comments as well. Under State law, you can rescind the abatement if the company is in non-compliance and also the other one is if the reason for non-compliance is for things outside their control. For example, during a recession you can't really expect everyone to be able to meet their commitments if their demand drops off or whatever. Just to give you a little bit of information, the deduction for R3 for next year would be about \$485,000 and the tax savings would be about \$8,660. The company provided a letter through their attorney. You have a resolution that if you pass it, the abatement would be rescinded. If you take

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no action, it will continue. President Buskirk asked at the last meeting if I could do some projections to see what kind of abatement they would have received based on what they actually did and based on the point system, they would have been eligible for a seven-year instead of a ten. They have 125 employees as of the middle of last year. It is a little different now and I will let them speak on that. This is pretty much my basic introductory comments and I will let the company speak to what they are doing with the business now and where they are.

Tim Pape: I am Tim Pape and I am an attorney with Carson Boxberger here in Fort Wayne. We provide representation to R3 Composites and have since they came to our community in 2011. This is Kirk Klein and why don't you introduce yourself and maybe tell them the core business of R3.

Kirk Klein: Good morning, my name is Kirk Klein and I am the CFO of R3 Composites. The core business of what we do is produce SMC products for a variety of industries. For the bath ware industry, if you go to Home Depot you see showers, tubs and sidewalls that we produce for every Home Depot in the country. We also provide fuel filters for Tier One automotive suppliers that go into Ford products. We also provide a DS Bin which is a little bin that sits in the floor of the Dodge Ram truck. We provide those to Tier One suppliers. We also supply some institutional furniture for various people around the country and around the world. The core business is the bath ware and it probably 70% of our business.

Roy Buskirk: Thank you.

Tim Pape: Would you like us to share some of the history and where we are?

Roy Buskirk: Yes you may.

Tim Pape: Great. We were here last year and I want to remind you of the history. Last year you took no action and so the abatement was able to stay in place. We respectfully request you consider that again. Today, R3 has substantially complied with the Statement of Benefits and really it is in a situation beyond its control. The single owner of R3 Composites is Mr. Roy Carver. He is not from this community and when he decided to get into this business, he looked around the country for a plant and equipment that would be able to serve the needs of a large contract he was able to secure with a large national organization. It was for composite bins at that time. He located this plant in Grabill that had been dormant for two years. The equipment in the plant, in many ways, was meeting the needs but needed substantial investment. The incentives were really critical to be able to attract them and get the jobs. After he bought the site, the large national organization pulled out of the contract and left him scrambling to fill the jobs. They have been able to do that and you will hear about some additional investments and additional lines of business that they have moved toward. There have been millions invested in addition to the purchase of the site. At the end of the year, I think it was reported that there were 125 employees and today there are 134 full-time employees. There are also 27 additional temporary employees. They are only temporary in the nature that their main method of

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hiring for these jobs is through an agency and so they bring them on temporarily. They do that for a lot of reasons. They have tried different things but they find that the most efficient and effective way to try to get permanent workers is through an agency and this process. They do initial screening and they understand the business and the fit. With the 134 and the 27, we are at 161 today. We do want to have absolute clarity that there are 134 full-time permanent and the 27 are still in temporary status. They also have 25 unfilled positions right now. This has been a significant additional factor besides the loss of the initial large contract and trying to grow the business. The jobs at this site are tough jobs, are hard jobs. They have a tremendous turnover and it takes ten individuals, on average, to get one permanent and lasting employee. They have a tremendous amount of energy going into just filling the positions that they have. There is a lot more investment of time and money and energy and focus on just getting the employees in order to fill the contracts that they have. That is robbing the growth of the business. It was interesting that you had the low unemployment rate and that may be contributing to it but these are not easy jobs to do. They are having a really hard time getting the workforce in order to fill them and they are working really hard to try to do that. Mr. Carver and a group of other investors have invested in a second business entity with 65 jobs in Fremont. It is a multi-million dollar investment. It had to be approximate to the RV industry because they ship directly to them. They would need a special permit to go much further. There has been even additional investment in that Mr. Carver has bought a home here and is investing further into the community. If it is okay, I would like Kirk to share a couple other lines of business that they have since invested in and are gearing up for to drive some more employment.

Kirk Klein: It started last year but is continuing through this year that we have invested \$1.3 million in a resin line which is going to complement the facility in Fremont, Indiana. The Fremont facility will produce the non-woven material, they will bring it into Grabill and they will make it into office panels and panels for the RV industry. We are also investing \$150,000 for a door sizer. We are going to start producing our own doors called Nicolet Doors. We have customers lined up right now that are very interested in us which could equate to \$2 million to \$4 million in additional business every year.

Tom Harris: Is that in the Fremont facility?

Kirk Klein: No, it is in the Grabill facility. The equipment will be here in August and we should have it up and running by the end of August or the first of September. We are also investing another \$500,000 in the paint line that hasn't been used in a long time. We have some Tier One automotive people interested in us doing painting for them. Some of those projects take a little longer to get people hired and get the product in because we are looking at 2017 and beyond to get that business in. For people that are familiar with the automotive industry, those programs can last three to five years and to get into the next generation takes a little bit of doing to do that. Also, from 2014 to 2015 our revenue grew by about 3.5% and we are projecting 2015 to be 11.5%. With the stuff that we are adding to the Grabill facility, we are looking at between 12% and 13% growth in the next three to four years per year.

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Tim Pape: Can you give the Council members an idea when you talk about that growth, how much more revenue that would create and maybe some projection for the additional jobs that will create.

Kirk Klein: It would produce probably another \$5 million to \$6 million a year going forward which will equate to roughly another 30 to 60 jobs depending on what applications we are doing on the paint line, resin line and door line. Like Mr. Pape said, our biggest problem right now is getting workers to stay the 90 days. If we can get them to stay the 90 days, they stay. It is hard work especially right now with as hot as it is. It is really hot in the factory and we do things to try to combat that by offering employee-only medical and PTO time which is equivalent to 40 hours. That is equivalent to another week of vacation. We have company picnics, Christmas dinner and we buy suite dates for the Parkview Field and we share a suite with a company at the Memorial Coliseum for the basketball and hockey games. We do a lot to help employees outside of the job. We hired a lean manufacturing lady to come and help with ergonomics to make the process more compatible to movements of the body because some of the tubs can weigh 30 to 40 pounds. When you do that for eight hours a day, 18 jobs an hour, it gets heavy. We are doing a lot of things to help our employees but are struggling right now to retain and get people in the door.

Tim Pape: When Kirk said employee-only insurance, he means the company pays the full cost of the employee. If they want to add a spouse or family, then they have to pay for that coverage. If I could just summarize the narrative, when Mr. Carver lost that contract, he had a decision to make and he doubled down and made further investments and I think you can see how they are looking for other to grow the business and grow the employees once they lost that contract. They are doing that slowly and are hampered by some of the conditions of the workforce but they are making additional investments to grow that and anticipate growing the jobs as they have now.

Roy Buskirk: Are there any questions? Go ahead.

Tom Harris: The 134 full-time employees, where are those from? Where do they reside?

Kirk Klein: The majority reside in Allen County. We have a few people from Noble County and approximately four people from Ohio.

Tom Harris: You say the majority, does that mean 90%?

Kirk Klein: Yes, I would say 90%.

Tom Harris: Scott, from a standpoint of not complying, help us understand where they are coming up short.

Scott Harrold: The employment level. They had committed to 400 and they also had a Ledge agreement and that was a little more specific where they had committed to ramping it up to 400 over three or four years. We aren't even quite there yet.

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Tom Harris: How many years are we at?

Tim Pape: It was 2011 when we got the incentive. When did you go into operation?

Kirk Klein: In August of 2012.

Scott Harrold: The investment amount was also a little lower and they have continued to add to that but it is mainly the employment part. With the loss of the original contract, I think that sort of falls into the out of their control part. Maybe they were a little optimistic on how fast they could ramp things up but it seems like they are doing good work and are employing people.

Tom Harris: Last year you were at 125 employees and this year it is 134.

Tim Pape: At the end of last year. When we were here for this issue last year, the full-time was 111. We have grown over that course of time and since. None of those figures include the temporary workers.

Larry Brown: Here is a question that might be a plug. What is the average wage?

Kirk Klein: The average wage is about \$28,000 a year.

Joel Benz: Is this a fifteen year that they are on currently?

Roy Buskirk: Can we stay in order, you guys? Bob, do you still have a question?

Bob Armstrong: Nope. Larry asked it.

Roy Buskirk: Okay, go ahead.

Sharon Tucker: You said the temporary employees, how long do you keep them temporary?

Kirk Klein: Ninety days.

Sharon Tucker: And then they are hired in full-time?

Kirk Klein: Yes.

Sharon Tucker: Was the Fremont facility first or Grabill?

Kirk Klein: Grabill. In Fremont, we just started moving equipment in there in March.

Sharon Tucker: Are you receiving an abatement on the Fremont facility?

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Kirk Klein: Yes. We are investing \$12 million into that facility for the equipment.

Sharon Tucker: Have you been able to find employment there or are you still in the middle of it?

Kirk Klein: We have found some employment. The one thing about that process is that it is highly automated and very technical. Once that gets up to full capacity, we will have only 65 people in there because of the equipment. The thing that is different from what is in Grabill is that facility is very high tech and the average wage is going to be \$43,000 to \$44,000. We need high tech maintenance people that we have sent two to Europe for the training. We are going to send four or five more in the coming year.

Sharon Tucker: The last question for me is one of you guys mentioned that we lost a large contract and that was out of your control to be able to meet the 400 employee count and build as large as you were looking to build. Can you give us an idea of how many of the upper management still maintained their jobs as opposed to hiring additional employees? Did that contract loss have an effect on upper management?

Kirk Klein: I wasn't there at the time. I started in 2014 but what I do know is that it did not affect the upper management because they were so thin to begin with. People in the Grabill plant, especially in the salary ranks wear three or four hats. But since then we have hired two Program Managers with an average wage of about \$80,000 a year. They are looking at the door line and to run the resin line and go out and sell the resin line.

Sharon Tucker: Thank you.

Roy Buskirk: Joel.

Joel Benz: Are you still intending to ramp up to the 400 employees? Do you have any projection of growth to that point? Or at this point do you think you will never make it there?

Kirk Klein: What I can tell you right now is that it will probably take us two to three years to get to that level. If we could fully get to capacity at about \$50 million a year in revenue, we would be between 325 and 400. The 400 is the upper most that we could ever hope to get to but more than likely we will be around 325.

Tim Pape: And if I may respond, Council that is the absolute desire and intent and part of why we shared the additional lines and business that has been explored and invested in. There is a real commitment to this community to meet the obligation that was mentioned in the original application. To me it is a good story about finding Fort Wayne, Grabill and Allen County and made an investment, lost the contract and are still trying to get it done and making a lot of investments. The Fremont investment is not directly applicable to this but when we talk about regionalism and understanding the economic flows in this region that is actually going to benefit Grabill and their ability to grow as well.

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Joel Benz: I am glad they are partners.

Roy Buskirk: The Fremont plant does have an effect on that because if I picked up on it, you said some of the parts that are produced in Fremont and brought to the Grabill plant to be finished. There is effect there. How many other plants do you have?

Kirk Klein: Just these two.

Bob Armstrong: I have to commend you because you could have lost the contract and you could have just packed up and left. You are trying to retain and stay in the community and I appreciate that.

Tim Pape: Thank you, Council. Mr. Carver is from Iowa and has since purchased a home in Fort Wayne.

Tom Harris: A couple of questions, one is, are you in compliance at the Fremont plant?

Kirk Klein: That started in 2016 and right now we are in compliance.

Tom Harris: And the savings to the company is if we were to basically not move to or rescind this?

Scott Harrold: For next year the tax savings would be \$8,659.

Tom Harris: And how much is the total payroll there?

Kirk Klein: Right now it is at \$4.7 million.

Tim Pape: And with the temporary workers, it is over \$5 million.

Tom Harris: Thank you.

Roy Buskirk: So we have a Ledge agreement with them also?

Scott Harrold: That is correct.

Roy Buskirk: Okay and so the Local Option Income Tax the employees are paying is returned to the company.

Scott Harrold: A portion of it, yes.

Bill Brown: Scott, you said that under the current circumstances and all things remaining equal today they would be eligible for a seven-year abatement.

Scott Harrold: That is correct.

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Bill Brown: I also appreciate you coming in, telling the story and giving us a clearer idea of what the future plans are. Looking forward you are still trying to make those high projections which I think it great but you are under some duress here with the employment situation. Looking forward, it seems like a seven-year in 2017 or 2018, what is the process to do that?

Scott Harrold: I don't know that you can do that.

Bill Brown: It is not available so it is "either/or".

Scott Harrold: Yes.

Tom Harris: I was just going to mention that this is my district, the Second District, and I had the opportunity to be at the Grabill meetings when that building was in disarray and it was a real challenge for the Grabill community. I had the chance to go through a tour of the facility last year and I appreciate what you do there. I am sure the community is appreciating that and I continue to hope for continued growth there. At this point we do not need to pass this or if we pass it, we rescind it.

Scott Harrold: That is correct. If you take no action, the abatement stays in place.

Tom Harris: Looking at your projected growth and continued growth and that it is an \$8,000 savings I personally feel that we should leave it where it is at.

Larry Brown: That sounds like it is a motion.

Tom Harris: Can it be a motion not to move?

Roy Buskirk: Yes that we do nothing.

Tom Harris: Right and so I will make a motion that we do not take action against R3 Composites.

Bob Armstrong: Second.

Roy Buskirk: Is there any further discussion?

Bill Brown: So this time next year and there were the same circumstances, this same conversation will take place?

Roy Buskirk: If they do not meet their employment and other things, yes it would. We are actually talking about \$8,000.

Bill Brown: I think it is the whole system, the protocol. I think everyone agrees with this and I appreciate your tenacity. These abatements are also to provide encouragement to businesses and especially those that move to Allen County.

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Larry Brown: Scott, is there a way that we could eliminate the need to come in here every year as long as they maintain or improve upon their current status?

Scott Harrold: Certainly when we bring the information to you like we did last month, you could choose not to have them come in.

Larry Brown: Okay.

Scott Harrold: Certainly I think they are making a good effort.

Larry Brown: We will rely on you to remind us.

Sharon Tucker: Just one more question. How many did you end up with last year and where are you now?

Kirk Klein: Last year we ended up with 125 and this year we are at 134 with 25 unfilled jobs.

Tim Pape: If I may, Councilwoman, a year ago it was 111 and now it is 134. They have had about 20% growth in employees. That does not count the 27 temporary that are working but haven't gone to permanent yet.

Roy Buskirk: I think the problem with the numbers is Tim is talking about what it was a year ago now and you are talking about yearend. Bill, did you have a question?

Bill Brown: The fact that they are here is helpful. It helps us to understand some of the problems and struggles that these businesses face.

Roy Buskirk: The one thing I will point out with the Ledge agreement is if they don't obtain more employment, the Ledge agreement is based upon the Local Option Income Tax in the payroll taxes. With the lower number of employees, it is less and the amount that they are receiving from the Ledge agreement is less. We have a motion and a second. Do you have a question?

Sharon Tucker: I have a comment. I am going to vote to support it because I do believe that you guys are meeting a lot of challenges with the contract pulling out. I am heavy hearted in voting yes because we had the same discussion last year and here we are again. I really hope that next year will go good for you because 24 or 25 is small growth for you and it is a small amount we are talking about but as Council it is our responsibility that we are doing the best with the tax dollars that we can. I really wish the best for you.

Roy Buskirk: The one thing that surprises me a little bit is the starting wages of \$28,000 to \$30,000 is not bad and benefits of employees paying no health insurance are pretty good. The extra week of time off is good. I sure hope you can fill those positions that you are looking for. We are going to take a vote on a motion that has been made that we do

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nothing. **All in favor say aye, those opposed, like sign. The motion passes 7-0.** Before I forget it, Scott, on this do we need to pass the resolution?

Scott Harrold: No. The next one is Terex Advance Mixer. Bill Williams is the CEO and I talked to him on the phone and he emailed some information that I forwarded to all of you. He is not able to make it today. I can go over some of the information. They are pretty much at the end of the abatement. I think they have one more year left. This year the deduction is \$16,230 with about \$307 tax savings.

Tom Harris: Can you say that again?

Scott Harrold: It is \$307.

Tom Harris: For the entire year? We are only talking about saving \$307.

Scott Harrold: Yes.

Roy Buskirk: Is that right, Scott, \$307?

Scott Harrold: Yes because they are near the end of the abatement. I will read some of the information that Mr. Williams sent in. "Basically, going back to the downturn in the economy specifically relating to the housing market, our production dropped from 588 machines in 2007 to 327 in 2008 and about 70 machines each year from 2009 to 2011. As we were bleeding cash and losing money, Terex opted to shut down the manufacturing of trucks until the market rebounded. We dropped to 37 team members keeping ten on the shop floor as well as engineers and just enough support staff to provide aftermarket for our customers." Basically they had to shut down the facility's operations because there was so little demand for their cement mixing trucks. They took the time to do a redesign of their product and try to improve it for when things recovered. I will continue reading from his letter, "The fourth quarter of 2012, we started our production of mixing trucks and slowly started to hire team members many of whom were laid off and were happy to come back as well as dozens of new hires. Our production has steadily increased from 263 machines in 2013 to over 800 expected to be built and shipped this year. We have already built and shipped 400 units this year and still are ramping up production and hiring team members. We currently have 241 team members from our low of 37 in 2011."

Roy Buskirk: I think we all received a copy of that letter and I think the important thing to point out in that is the investments that they made in equipment in the last three or four years.

Scott Harrold: They invested about \$1.5 million.

Roy Buskirk: And they have not come before us for any kind of tax phase-in on that equipment. If they had, they would have saved a lot more than \$307.

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Scott Harrold: Basically that is the information. I don't know if I mentioned this but basically on what they did invest and where their employment currently is, they also would have been eligible for a seven-year.

Tom Harris: With 241 employees, what is the total payroll? Do we know that approximate number?

Scott Harrold: Last year it was \$8.3 million but that was with 214 employees and they have jumped a little since then.

Tom Harris: So, in other words, they are producing and providing jobs for 241 employees with payroll of \$8 million and we are talking about \$300 savings. I will make a motion that we do nothing on this one and allow it to continue as is.

Larry Brown: Second.

Roy Buskirk: Do you have a question?

Joel Benz: I do have a couple of questions. You said this started in 2005, how many years are left on this abatement?

Scott Harrold: Next year will be the last but it will be half of this amount, probably.

Joel Benz: Another thing I would like to point out that they listed some of their assets that they have invested in as parking lot paving and some other building improvements. They also included some machinery purchases. That was a couple hundred thousand dollars of improvements that they put in.

Bill Brown: I would like to comment that abatements are here to encourage and lure companies to come and stay and grow. Again, I think we are all in agreement here that these folks are doing that and we really want to look at time after the abatement and they seem to be in a pretty good place. It is hard to make that ten-year projection especially when a recession hits.

Roy Buskirk: The company makes concrete mixing trucks and in 2008, the real estate residential market almost stopped. The demand for new equipment for concrete companies just stopped. I think we are fortunate that they were able to work through it and have survived and are coming back. **We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0.**

Scott Harrold: I have the next item as well.

Roy Buskirk: This is a subject that I am very much interested in.

Scott Harrold: You guys go ahead and introduce yourself.

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Tyler Kalachnik: For the record, I am Tyler Kalachnik with Ice Miller in Indianapolis serving as Bond Counsel. With me today is Andrew Deuter who is a representative of the proposed borrower. We are here before you on an Inducement Resolution. I don't know if Scott has opening remarks or not.

Scott Harrold: I will just give a couple. This is pretty straight forward. I will let them give you details of the project but basically it is where Diebold Road goes into Union Chapel, between there and I69. It is on the north side and close to Parkview Hospital. For this kind of facility being close to a hospital is an added benefit. What you will be doing is loaning your tax exempt status to the company so that they can borrow money at a lower rate. It has no impact on the bonding of the County and you don't have a financial stake in this. You are not responsible for any of the bond payments if something were to go wrong. I have looked at the financial statements and they seem to be in very good shape. With that I will let them talk about the project and we will go from there.

Roy Buskirk: Before you start, you mentioned it a little bit but the taxpayers of Allen County are not responsible for paying this bond issue if you fail. That is the one thing I wanted to be clear on.

Tyler Kalachnik: That is correct. It will be payable solely from the revenues of the project. Procedurally this resolution is for Federal tax purposes which will allow the borrower from this date to go back sixty days and reimburse itself for certain capital expenditures and other expenditures related to the project from bond proceeds, when they are issued. The County is not on the hook for the bonds that will be issued and you are not approving the bond issuance today. This is just solely a resolution that fits within the Federal Tax Code. The process in issuing these bonds is subject to Federal Volume Cap which each year comes to the States based on population and there is a limit on how much private activity bonds can be issued each year. Here we have a private user instead and the bridge bonds you talked about earlier are governmental bonds. We have to get authority from Indiana Housing and Community Development Authority to issue the bonds through the use of Volume Cap. The current figures would show not to exceed \$38 million of bonds on this project. As part of the application to the Housing Authority, this Inducement Resolution will show evidence to them that we are serious about moving forward as is a requirement from them. All of that being said, when we do have final documents and the structures in place, this will be publicly offered in a limited offering memorandum to sophisticated investors. The Bank of America and Merrill Lynch is acting as the underwriters here. The bonds have to be issued through recommendation of the Economic Development Commission through an ordinance that will come back before this Council. There will also be a project report that goes to the Plan Commission. All of those processes will be followed and we will have a public hearing at the EDC meeting. The current timeline, we hope for late September or early October in order to close the bond issue and issue the bonds and funds. That would be an ideal world. We should be back in September for final approval.

Roy Buskirk: Does anyone have any question?

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Tom Harris: Just a quick one. How many of these do we do generally where we are providing the non-exempt status?

Scott Harrold: It has been quite a while since we had one just because interest rates are so low, it takes a large project and benefits it. Why don't you talk a little more about the facility?

Andrew Deuter: I am Andrew Deuter and I am with Story Point Senior Living. Our company operates twelve campuses throughout the Midwest in Michigan, Ohio and now Indiana. Those campuses consist of independent living, what we call enhanced living which is light assisted living and in some cases full assisted living and memory care. The campus we are looking to do here is 162 units. It is on Union Chapel on the north side of town. That campus will serve approximately 180 seniors and will provide about 60 jobs with 27 being benefit eligible. That is about \$1.5 million in payroll once we are fully stabilized and it takes a couple of years to fully stabilize a community of this size. We will also be building the project and so there will be many construction jobs and contracts for subcontractors and local suppliers.

Scott Harrold: I will add that we met with representatives of the company last year and they went over the details and showed us some pictures and it looks like it is going to be a very nice facility and very upscale. It is a place I would want to go if I needed to.

Bill Brown: Just to summarize this, you are asking us to lend Allen County's tax exempt status to your organization to secure Federal tax exemption. Is that right?

Tyler Kalachnik: Yes but the two don't necessarily go hand in hand. By issuing a Conduit Financing, because Allen County is lending the tax exempt status for the ability to borrow in a tax exempt market otherwise the borrower would not be able access the lower rate. The security is going to be the property, the revenues from the property. The ability to get the Volume Cap from the State comes from their application and this is just a piece of the application. The State also has to look at the project and allocate the Volume Cap and give their okay.

Roy Buskirk: The advantage for them is the fact that they are tax exempt bonds. They sell at a lower rate because they are tax exempt versus other bonds which are taxable.

Bill Brown: That is a good point. Is this low to mod housing? What are the criteria for the residents?

Tyler Kalachnik: In order to issue the bonds under this particular section of the code, there is a set aside and in this case the borrower has elected that 20% of the units will be for individuals making 50% or less of the median income. The rest of the units can be at a market rate. There is an affordable component to it.

Bill Brown: It is interesting that these are structured to provide Federal tax deductions for living for folks that participate at market rate. I know that is in the mix for low to mod. It

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is just interesting that a local entity can lend their tax exempt status to an entity providing housing at market rate and get a Federal tax deduction when we all know the Federal government is upside down.

Tyler Kalachnik: The Volume Cap is meant to limit that for private entities to be able to take advantage of the tax exempt status. It is just from a policy perspective Congress and the IRS have determined that certain projects are worthy of accessing the taxes at market where the bond holder gets a tax exempt rate and the interest is excludable from gross income.

Bill Brown: As you mentioned, the Federal policy is in place but it is one of those things when you look at it you can see why the Federal government is upside down.

Andrew Deuter: The other attraction to us is that it is very long term. They are 35-year bonds and our focus is very much on being a part of the community for a very long time.

Sharon Tucker: Should this Council decide not to grant your request, would you still be building the facility?

Andrew Deuter: Likely not and at least not under the same structure that we are looking at now.

Roy Buskirk: You guys are pointing back and forth here and I didn't know if you had a comment or a question.

Larry Brown: I have a question. Scott, you kind of alluded to the fact that we haven't done this for a long time because of interest rates, blah, blah, blah. Did I misunderstand?

Scott Harrold: No.

Larry Brown: Please expound on what you were alluding to.

Scott Harrold: When you can borrow at, I don't know the numbers here, five percent taxable or going down to four percent, you are not saving as much as if interest rates were at ten percent and you were able to borrow at seven or eight percent. The spread there isn't as much cost of issuance and paying the attorney and things like that. The savings have to be of a certain size to make it worth your while to go through the process.

Larry Brown: Okay. I understand that part. What I don't understand or not clear on is has this Council ever granted this type of action?

Scott Harrold: Yes, yes, many times. Some of them are for places like the YMCA and Indiana Tech. We have done them for businesses and we have done them for housing as well.

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Larry Brown: My concern is the senior housing market is extremely competitive. Over the course of my tenure on this Council, I don't think we have ever granted this to another senior living facility. Are we creating an unfair advantage or is it the market has moved and interest rates have moved. Maybe since 2009 when I started, it hasn't been financially feasible for other facilities to use this approach.

Scott Harrold: The City of Fort Wayne can also do this as well as the State of Indiana and so not all of the ones that come through...my understanding is there is a lot of demand for additional units like this. I don't think that adding one more unit is really going to hurt the competition. That is just from my perspective.

Andrew Deuter: Absolutely and the demand for senior housing over the next fifteen years is going to double. That doesn't even take into account that many of these campuses are 20 plus years old and will have to be replaced. We go through a lot of testing of markets and studying the demographics and even with our property, we still show a lot of excess demand which will ultimately be growing.

Tyler Kalachnik: On that point I will add that the borrower has engaged a nationally recognized market study to determine that but in addition perhaps one of the reasons you haven't seen these come through recently is because of the set aside that needs to be elected. Some of the facilities or some of the borrowers may not be willing to make that set aside. Some of them are for profit and so they wouldn't be eligible for these kinds of bonds. Otherwise they need to be a 501(c) (3) charitable organization in order to be eligible.

Bill Brown: You said one word there, so this is affordable housing? Is there no means testing for the 80%? How does that work then?

Andrew Deuter: All of the units will be market rate. By the nature of seniors, many of them qualify at less than 50% of the median income and that includes those that are working and those that are not working. It is not an asset test but just an income test.

Bill Brown: So 55 and older is senior?

Andrew Deuter: The average age for move in for our campuses is 83.

Bill Brown: Wow, so qualification-wise is it 55?

Andrew Deuter: Actually I don't think there is an age qualification.

Tyler Kalachnik: If someone wanted to live there that is 30, they could. It is open to the public and it has to be.

Bill Brown: So it is market rate, no means testing and anyone can live there but it is federally subsidized.

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Tyler Kalachnik: Yes, the Federal Treasury has created the bonds.

Bill Brown: And you are a not-for-profit.

Andrew Deuter: No, we are a for-profit company.

Sharon Tucker: I may have missed it but where is your headquarters?

Andrew Deuter: We are based out of Michigan in a small town called Brighton about an hour outside of Detroit.

Sharon Tucker: And you guys are a for-profit organization.

Andrew Deuter: Yes we are.

Sharon Tucker: How many campuses do you have?

Andrew Deuter: We have twelve that are open and another three that will be opening next spring and another four that will be opening in 2017 including this campus.

Sharon Tucker: And you chose Fort Wayne or Allen County because?

Andrew Deuter: To us, the demographics fit our profile. We are very specific on what communities we want to be a part of. It is a very good fit for us. Also, we are building in the Toledo market and we have a campus that will be opening next year in Portage outside of Kalamazoo. There is a lot of efficiency to our geographic reach.

Sharon Tucker: Scott had mentioned that your financials were strong but when I asked if we did not grant this you said no.

Andrew Deuter: This kind of financing is what makes sense for our long term focus and we have a lot of other areas that we are looking in around the Midwest and there are a lot of issuers that are willing to do this.

Joel Benz: If there are no further questions, I would like to make a motion for the Inducement Resolution 2016-07-21-04 for an Economic Development Bond for Senior Living Fort Wayne, LLC.

Bob Armstrong: Second.

Roy Buskirk: Is there any further discussion? All in favor say aye, those opposed, like sign. The motion passes 4-3 (Bill Brown, Sharon Tucker and Larry Brown).

Tom Harris: Scott, can I ask one more question? Why would a company pursue this versus an abatement process? In a broader sense, why would they not come forth and ask for the abatement process? And could they have done that?

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Scott Harrold: They couldn't have done that, I don't think. We don't usually do residential. I think the City could but they would have had to locate within the City limits.

Tom Harris: Okay, thank you.

Roy Buskirk: Tom, the County doesn't do tax abatements on these types of facilities. It is the same with retail facilities. Next is the Recorder.

Anita Mather: Anita Mather, Allen County Recorder. I am here today to get your approval on my sworn statement. I assume that you have gotten our financial estimates. Back in 2013, we had self-funded our office and paid all of our expenses out of the fund that we had a little over \$1 million in. That fund is dropping quickly due mostly to payroll and the number of documents being recorded. The income is not what it used to be. I think that today it was under \$500,000 and so half of that money is gone already in three years. The statement is the same as last year minus the Recorder's salary and benefits. I am putting projects on hold because I am afraid to spend the money just for payroll purposes and buy the supplies we need in computers and software and all of the things that we have to have to run our office. Taking my salary out of the Recorder's Perpetuation Fund will allow me to do a couple smaller projects that we have put on hold. With that it is very self-explanatory.

Tom Harris: Anita, in terms of what you do in your office how has that business been going with the economy going the way it has been going? You do have fees that come in to you and some of those fees have allowed you to pay for those things. Has that business dropped?

Anita Mather: It has and when the recession hit and the housing market kind of crashed, our document levels have gone from \$100,000 to \$69,000 last year. That is a lot of income that has been lost. We are a little tic up from last year and word is that the Land Title Association and the Recorders Association are working together because the Land Title Association wants us to make our fees more predictable instead of per page. It would be that this document is this fee no matter how many pages it is. With that being said, there will be increases with those fees if that happens and maybe next year I will be able to cover everything again. It is really a matter of what income is coming in and what is going out. Most of our records are digitized, at this point. We have the stuff that is not accessed as much and not digitized but I think it is still important to do because of archival purposes. It is sitting on film and is supposed to be permanent it turns sepia colored and is poor quality. I would like to lean towards getting all of the records digitized eventually so that history is never lost.

Tom Harris: I was just surprised that you had a downward tic. I was thinking that the way the housing market is that it would have actually increased.

Anita Mather: It is not as much as you would think. People are not refinancing as much anymore.

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Tom Harris: So it was the refinancing piece that really drove it up.

Nick Jordan: That is the huge thing if you think that five years ago the rates were seven percent and they have dropped down to three or four percent and you had a rash of refinancing occur. Once you have refinanced, you don't do it continuously. That is one of the biggest pieces. Like you are saying, new mortgage documents may still be coming in for home purchases or new deeds but not refinancing.

Bob Armstrong: We discussed this yesterday and as Tera said, she has taken a proactive use of this fund and if the funds go back up, we might not have to do this next year. If it continues to drop, they are being very proactive to the point where it might be her next year and maybe another employee will have to be funded and if the table was turned the opposite way, it will go away. I commend you for being proactive.

Anita Mather: I appreciate that. The fund was originally designed for the records alone and to keep our software and computers up-to-date. It wasn't created to pay salaries out of. Over the years it has turned into that because of budget cuts and things like that and we had such a substantial amount in our fund. We were still doing what we were able to do and for a few years, we were able to pay for everything. Hopefully that will continue. I hope that next year I will not have to ask for more.

Larry Brown: To be clear, this is for 2017.

Anita Mather: Correct.

Tom Harris: Move for approval of Resolution 2016-07-21-05 approving the Recorder's request to fund the 2017 Recorder's Office expenses except of the Recorder's salary and benefits out of the Records Perpetuation Fund.

Sharon Tucker: Second.

Larry Brown: We have a motion and a second. Are there any other questions? All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Roy Buskirk absent).

Tom Harris: Next up is the Sheriff's Office.

Dave Gladieux: Good morning, Dave Gladieux, Sheriff of Allen County. With me is Lisa Scroggins and Charlie Edwards, my Chief Deputy. First on the agenda is a transfer of money with regards to overtime from the Feds. If you remember, I come in here periodically to ask you to move the money from the General Fund into my Overtime line.

Larry Brown: Are there any questions for the Sheriff on that line item? This is recurring every year.

Dave Gladieux: I think it is every quarter.

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Larry Brown: I will entertain a motion.

Tom Harris: Move for approval of the appropriation in the Sheriff's County General Fund in the amount of \$54,786 for Overtime.

Sharon Tucker: Second.

Larry Brown: Is there any further discussion? All in favor say aye, those opposed, like sign. The motion passes 7-0.

Dave Gladieux: Thank you. The next thing is the contract for a healthcare agreement with UCC and Lisa Scroggins is here from UCC to explain further. This contract has been signed by the Commissioners and it is their understanding that it had to come to Council for approval. Any financial stuff will be done next month. At this time I would like to turn it over to Lisa. This is to replace or take all of our nursing staff and outsource it to her company. We have had open positions literally for years and we can't find Nurses that want to work in the jail. It has been a long standing problem. I just decided to make it Lisa's problem. That is the best way I can explain it. I will give her a few minutes to explain what she can offer.

Lisa Scroggins: I am the majority owner of Quality Correction Care and our office is located in Muncie, Indiana. You will be the 44th facility in the State out of 91 County Jails that we would be providing services to. We are very proud of our track record and we have been supplying some part-time nursing in the facility to help the Sheriff and Chief to get those open slots filled since the last week of May. We just have a larger pool of Nurses that we can pull from. We do a lot of our hiring from the DOC and we hire Nurses that have Correctional backgrounds. It is a different type of medicine in a Jail than it is in the community. It takes some specialized training. Our number one goal is to take care of the detainees at the Jail followed closely by the fact that we have to be good stewards of your tax dollars. We have some ability to save some money through the fact that we have 44 Jails buying power and things like that. I think you have about 100 more inmates this time this year than you had this time last year. We have seen that across the State with the new sentencing guidelines. We still anticipate that we will be able to save you some money and we are proud of what we can save. We will help the inmates sign up for the Healthy Indiana Plan which is required by law and went into effect November of last year. The idea behind the law is to get them Medicaid. It gets approved but is suspended while they are in jail and immediately upon release they call a number and get it activated. Then their care can be continued on the outside. I am happy to answer any questions.

Dave Gladieux: I will say something really quick because I know Tom that you will have a couple of questions. I was probably going to have to come to you before the end of the year in regards to our numbers. They have increased and a couple of inmates have become very expensive at hospitals and things like that. The reason I chose not to wait until the first of the year, and that was suggested to wait, but I really do believe that she

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will be able to save us some money and keep me from coming to you. If we kept going at the rate we have been going, we would have been short about \$88,000.

Lisa Scroggins: I have looked at the numbers and \$88,000 will keep you even. That doesn't give you any wiggle room for emergencies that you are not projecting. I reviewed the numbers and I think we can get to about \$146,000. That is our goal anyway. If you get someone in tomorrow that needs an organ transplant please don't come back to me. If we keep apples to apples and things go as I anticipate them going, I think that is where that number will end up.

Tom Harris: Councilman Brown and I had the opportunity to meet with the Sheriff and Lisa to discuss this last week and I just want to commend the Sheriff in looking at some initiatives and innovative ways to tackle that tough issue as well as some reorganization within the Jail. We have long since realized that one of the bigger costs for the County is the Jail and the expenses that go with it. Providing that expertise on how to deal with this is really what you do. How long is this contract and agreement?

Lisa Scroggins: The end of his first term. We always try to tie them to terms.

Nick Jordan: December 31, 2018 and then it will automatically renews for successive one year periods unless either party gives sixty-day notice.

Tom Harris: Overall, and I will turn it over to Bill, I was impressed with both the services that QCC will provide as well as the Sheriff taking this initiative.

Larry Brown: I don't really need an answer but hopefully Dave is confident that you can keep people on the job. Don't answer. Over the years, we have heard every imaginable and even some unimaginable things that happen in the Jail to the nursing staff. Just because the employer is changing doesn't change the circumstances in the Jail.

Lisa Scroggins: True.

Larry Brown: Hopefully your expertise and experience will be evident in how you will be able to keep that position filled.

Lisa Scroggins: If I might comment in a non-specific way, we will do a lot of training. We have met individually with all of the employees except one just to answer questions and bely their fears at the idea. The Chief called all of our other Counties and tried to get a negative report on us. I appreciate his diligence but I am more appreciative of the fact that he didn't find any. We have a tremendous staff and I remember to be thankful for them every day.

Bill Brown: This whole concept of success in 44 Counties is what really sold me. You brought a staffer there and I was very impressed with her demeanor et cetera. This does speak to a privatization of going to an expert and someone who has been successful. You are in a market that is broad and you are successful at it. Best practices must be really firmly in place. It is kind of a resume of performance.

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Lisa Scroggins: We live to the ACA and the NCCHC standards which are the governing bodies and so it is a best practice and a legal practice approach.

Roy Buskirk: I will entertain a motion for approval.

Joel Benz: I just have one question. I talked to Judge Heath yesterday and we had a little conversation about you. I am just wondering what sort of psychological mental-type aspects is brought by you or your company?

Lisa Scroggins: We actually met with Park Center yesterday. It just so happened that they were in the building and I was in the building and we had a little impromptu meeting. We talked about the services that they are providing in the Jail now. We are delighted because most communities are not fortunate enough to have community based mental health inside the Jail. We will bring a full-time mental health provider to be stationed inside the Jail. They will do suicide screenings, chronic care, we will manage meds and we will coordinate care at release with your community based mental health so they can continue treatment when they get out. I am sure you know that Recovery Work Law has changed and we have some other options available. Those are more community based and it takes the Judges and the Prosecutor and everyone to be onboard. We will get you what you want. The success of our business really started with the first company in the area that said out loud that we can never really resolve this problem until we address mental health and addiction. You can't just take care of their health. You have to get to the root causes of these issues. My business partner is a psychologist. We put our heads together and this business together based on recognizing the mental health needs.

Joel Benz: Outstanding. Thank you.

Dave Gladieux: Councilman Benz, thank you for that question. I want everyone at the table to understand that was probably one of the biggest reasons for going to an outside provider. We all know that is a big problem not just in Allen County but in every County and probably every State. That is going to be a welcoming benefit to this.

Bill Brown: I would like to make a motion to approve the Allen County Inmate Healthcare Agreement.

Tom Harris: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0. Purchasing is next.

Chris Cloud: Dawn is at a required monthly training for her Certified Public Manager certification and is at an all-day thing. I volunteered to come in her stead. Marcie, in her office, is retiring and she is the Clerk responsible for working with our fuel vendor, bids, contract documents and a number of other internal things. It is a busy job for her and a lot of various areas that she covers. Because Dawn is so new to the department, she doesn't

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have a great feel for the job and being able to train Marcie's replacement is a little difficult. Dawn is requesting a temporary salary ordinance so that when Marcie retires, which I believe is sometime in September, when the hiring takes place there could be some overlap. Dawn will find the money in the budget to take care of that since it is just the ordinance and no additional request for funds. It would be a benefit to that department and one less worry to a new Department Head trying to figure this out. When you have the person who is retiring to actually train the replacement, it always flows a little better.

Roy Buskirk: Are there any questions?

Bob Armstrong: I will make a motion to consider a temporary salary ordinance for training purposes, Contract Billing Clerk, OSS 3/2, \$29,550, non-exempt at 37.5 hours per week. This is effective for August 15 through October 14, 2016.

Tom Harris: Second.

Roy Buskirk: Is there any further discussion? All in favor say aye, those opposed, like sign. The motion passes 7-0.

Chris Cloud: Today is a very strange day for employment, real estate and trees. In my role as arborist for the County, we own land at Adams Center and Paulding Roads where the Sheriff's shooting range is. When that land was rezoned, one of the requirements by Plan Commission was for evergreen trees for buffering along Adams Center Road. It is about a 2,000 foot stretch with a double line of trees. AEP needed additional easement for power lines and one of the requirements that they needed to do to put that line is was to mow down one row of trees. That was with the understanding that they would pay the County to replace those trees. Not only did they pay us for the additional easement but also for the trees. They did not want to do the work themselves. County Attorney Tom Hardin was the one that worked on the easement deal and so Tom got us three quotes and has worked with these companies. I have a listing of the three quotes. We got \$53,000 from AEP for the easement and tree replacement and the lowest bid on the trees is \$33,425. My request is for \$40,525. In talking with the low bidder, there may be a need water and a few other things to make sure these trees grow. I am asking for the money just in case and if it is not spent, it will rollover at the end of the year. I have no intention of anything else. Instead of coming back later and asking for more, I am asking for it now and there is a net gain for the County from what AEP gave us.

Roy Buskirk: I'll explain the reason why that they will not put the trees in. My 28 years of buying right-of-way for roads and no government unit will replace improvements of that type because they pay the property owner the money and let the property owner hire the contractor they want and if it is not done to the satisfaction of the property owner, they are in control of working with that contractor. Are there any other questions?

Bill Brown: I will make a motion for the appropriation for the Commissioners in County General Fund for Contractual in the amount of \$40,525.

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Larry Brown: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0.

Chris Cloud: County Attorney Fishing is also here in case I do an inadequate job of explaining the process which has happened before. Our Work Release Program is currently housed in 18% of what we call the Byron Complex out north. It is run by a third party company called Recovery Health System, Inc. Recovery Health System, I think when he was Commissioner Brown, was talking about moving out somewhere and has been a long time coming thing. They have the funds for it and are able to do so. My best guess, as of today, in the next 18 to 24 months they will have moved out and relocated or are close to doing so. Where that might be, we are still figuring out. It could be the north side of the land but I think they are still drilling down exactly but either way they are not going to be in that building. It does not make much sense to keep 18% of the building occupied, heated and cooled and with that in mind we have had our eye on a facility on Cook Road for a number of years for various purposes. The State used to lease it from a private owner for a juvenile facility. The State no longer needed the juvenile facility and so it has sat vacant for years. We have negotiated with IAB Bank, the mortgage holder on the property, and we have a 90-day option. What I am here for today is not an agreement for purchase. That will be at a later date and you all will have to weigh in on the purchase. What I am here for today is just a voice vote to continue the process. We need to hire appraisers and do our due diligence and other functions because County Council will have to eventually approve the purchase as required by State law because it is over the threshold which I think is anything over \$50,000. We want to engage you in the process and so I need your permission to proceed. In the 90-day due diligence, if we find any reason why or you all would subsequently say no, we get our earnest money back and no harm, no foul. We do think this is a promising facility for Work Release and there will be room for other options. I think there are a number of acres out there and if there are other uses that the County might have in the future, there is land for it. We definitely know that we don't want to keep 18% of an old building occupied that just doesn't make sense.

Roy Buskirk: I know that each one of us, in a series of meetings, have met with the Commissioners on this subject. The Irene Byron building needs a tremendous amount of maintenance or improvements. This building is available and we would be able to approximately double...

Chris Cloud: It will offer an increase of more space and more appropriate space.

Roy Buskirk: Correct. The one advantage for that is the fact, as the Sheriff just mentioned, the Jail is crowded because of the State changing what the County is required to house. This appears to be a very good situation. There is a little over fourteen acres of ground there and so there is potential for other facilities possibly being there. Mr. Brown, do you have a question?

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Larry Brown: Not a question but an additional comment. Another thing that makes this very attractive is the purchase price would be about twenty cents on the dollar.

Bill Brown: Another point to that when we talk about adaptive reuse of buildings, this happens to be a building that was built as a correctional facility. It is block walls, et cetera. Not only are we able to buy it at twenty cents on the dollar, we are buying a facility that is very much similar to what could be built.

Roy Buskirk: I would entertain a motion.

Larry Brown: Move for approval of the request.

Tom Harris: Second.

Roy Buskirk: Did you have something to add, Tom?

Tom Harris: The request to move forward in the due diligence process.

Larry Brown: Okay, I thought that was the request.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0.

Chris Cloud: The final item, I subscribe to the management theory that every employee is replaceable but some employees are very, very, very hard to replace. We have the problem with our Maintenance Director Dan Freck. He unfortunately is retiring. We have chained him to his desk for as many years as we can and he has found a way to loosen himself and free himself. At the end of August, Dan is retiring. We know how critical that role is and we have three major facilities that Maintenance oversees with the Jail, Courthouse and Rousseau Centre plus dozens of other buildings. This is not an easy job. It isn't necessarily the skill set to transfer but you would hope that a Maintenance Director that you hired would do the job but it is the knowledge, relationships, the vendors and suppliers and such. I don't think that is something that you can write on a piece of paper and slip to the new guy. We will find the money in the budget but when the Commissioners make the hire, we would like overlap with Dan for as long as we possibly can. It will probably be in the two to three week range. The Commissioners are very close to making their decision. Again, we are not asking for any money. It is a crucial role and we are very much asking for your approval.

Roy Buskirk: So you are discussing the Building Maintenance item number one.

Chris Cloud: Correct.

Bill Brown: I will make a motion for consideration of a temporary salary ordinance for training purposes, Temporary Superintendent of Buildings and Grounds, DPT 1, \$77,683, exempt, 40 hours per week. Effective August 1 to August 31, 2016.

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Bob Armstrong: Second.

Larry Brown: I have a question, that \$77,683, isn't that the current salary?

Chris Cloud: Correct.

Larry Brown: Certainly the new hire wouldn't come in at that.

Chris Cloud: It is not a grid position.

Roy Buskirk: This is not a graded position?

Chris Cloud: It is not a grid position.

Roy Buskirk: So. Did you hear his question?

Chris Cloud: This is not a simple job. I think we are actually underpaying for what someone could earn doing a similar job. This is not just a guy mowing lawns. You are fully aware of the sophisticated HVAC, lighting and controls. It is a difficult and complicated job and we are not going to be able to find just any person.

Larry Brown: Have you thought about cancelling his retirement?

Chris Cloud: We have twice and we can't cancel his retirement. You would have to ask the Commissioners and I think they are comfortable with the salary.

Roy Buskirk: According to what I hear, there are some family members that want him to stay at work.

Chris Cloud: I cannot speak as to what Mrs. Freck may or may not say.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0.

Chris Cloud: Council, if I may make one editorial comment on behalf of the County employees, thank you for considering a raise. It means a lot to us. We can't work overtime or work a double and we can't sell more. Our way of making more revenue for our families is by you all being generous and kind. Thank you for your consideration of it yesterday.

Roy Buskirk: Building Maintenance is next. Come on up, Dan.

Tracy Mitchener: Good morning, Tracy Mitchener, Assistant Human Resources Director.

Dan Freck: Dan Freck, Director of Buildings and Grounds.

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Brenda Wright: Brenda Wright, Operations Manager.

Dawn Kennedy: Dawn Kennedy, HR Generalist/Compensation. I will go ahead and introduce all three if you are okay with that. The Maintenance Department would like to do a reorganization of the department. As of January 1st they took over the Jail Maintenance staff and they are doing it in a two-step process. The first step was to change some of the employees. They had four LTC employees and a General Maintenance Supervisor that was a Special Occupation. The first step was to change two of them to Maintenance Assistants and get them to the LTC 4 level so that they could get some of the more skilled work and just have what they need in the Jail. This is the second portion of the reorganization and the first item is going to be reclassifying the Jail Maintenance Supervisor, SPEC OCC at \$62,964, exempt, 40 hours per week to a Utility Lead, LTC 6/5, \$49,651, non-exempt, 40 hours per week. This item will be red-circled and they will keep the same salary for the first year and at the end of the first year, they will lose 50%. The second year the other 50% of the change will go into effect. The second item is the Maintenance Assistant, LTC 4/2, \$36,877, non-exempt, 40 hours per week to Building Systems Controller, LTC 6/2, \$42,890, non-exempt, 40 hours per week. The third item is a Custodial Specialist, LTC 3/2, \$32,840, non-exempt, 40 hours per week to Utility Specialist, LTC 4/2, \$36,877, non-exempt, 40 hours per week. The department is here to explain why they want to make these changes.

Dan Freck: Yesterday we were able to go to the Personnel Committee and I had given the members some additional information and I would like to get that to the other Council members. In 2015, Sheriff Gladieux came to the Commissioners and requested that County Maintenance go down and help with some work orders, preventive maintenance and some major projects down at the Jail. We pulled some information for County Council and the very first page and the first column shows what overtime was spent in 2015 with the three employees that were assigned to that job or to the building. The five individuals on the same column that shows no overtime were individuals that were going down there and helped during normal business hours. The second column, they still used the SPEC OCC as a Supervisor down there and those three individuals still at the top were assigned overtime. The third individual is a blank line because that individual quit in September. My individuals went down and worked a couple of overtime evenings. The 5.5 and 4 were late at night issues with the individual flooding his cell where all flooding from the top comes down to the bottom. We had to go in late at night and clean everything up. In March the SPEC OCC became ill and had been on short-term disability and FMLA. Our crew came in and handled everything while this individual was off and so you can see the overtime hours from March to July when County Maintenance has been down there working. We do pull from our source of the General Maintenance staff that is housed in the Rousseau Centre. As of right now, we have lined everything up and think that the structure that you see on the second page shows that everybody will be in a position to do their jobs. The LTC's, skilled trades, will be all lined up equally. We didn't see a necessary improvement as why they were LTC 3's down there but we did put a second shift on. That seems to be working very well. The reason for a lot of this is that down working in the Jail, we almost always have to have two people on every project when we are inside the Jail and close to prisoners. It seems that one has to work and another one has to keep an eye on tools and our surroundings. Late at night, after they are

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locked up, we can do additional work. That is when we go in and do a lot of the floor scrubbing in the hallways and day rooms where they are throughout the day. We have been able to do preventive maintenance and there was some maintenance that was not done down there and we have put that on a daily task and we are able to do some of that in-house. We have helped the Sheriff look at his supply line and I think we will be able to help him with those numbers. There have been a lot of unnecessary purchases and not by the Sheriff but by false information. We have found a lot of those items and everything is categorized and on shelves. Keys are distributed to the proper people and I think we are going in the right direction. The kitchen is up to full staff now and the equipment is up to full staff. There were appliances that were not working and just simply needed a little TLC. The last page, there is an abundance of work orders that we have done and those are strictly from the Allen County Jail. Those are not from any of the other buildings. I don't like to say too much about past practices but we can truthfully say that since County Maintenance has been down there supporting the Sheriff, we are not getting near the calls anymore. For the last three weeks, we have been phone free. We have not had any major calls. There are going to be some major projects going down there. There is a new electronics system that is going to be put in place and this is where the skilled trades will have to come in and run additional power and cables. A lot of analog lines are going out and cameras and cables going in. Right now I can truthfully say that things are working well for the Commissioners and the Sheriff and County government.

Tom Harris: I can probably just comment that the Personnel Committee had an opportunity with Dan and Brenda to talk extensively over this reorganization along with HR. There is a lot going on here, obviously, but this is coupled with the changes that the Sheriff had done with reorganization. We talked this morning about some changes to their healthcare process. This is coming from the Commissioners to improve the process that is servicing the Jail as well and you can see that we are addressing all of those things and we have talked through them. With that I can make a motion individually or as a group.

Roy Buskirk: Do them as a group.

Tera Klutz: Yes. Just make sure that you say items two through four under Building Maintenance.

Tom Harris: I will make a motion for consideration of a salary ordinance reclassifying the Jail Maintenance Supervisor, SPEC OCC at \$62,964, exempt, 40 hours per week to a Utility Lead, LTC 6/5, \$49,651, non-exempt, 40 hours per week. This item will be red-circled at \$62,964 until July 21, 2017 and at \$56,307 until July 21, 2018. The second item is the Maintenance Assistant, LTC 4/2, \$36,877, non-exempt, 40 hours per week to Building Systems Controller, LTC 6/2, \$42,890, non-exempt, 40 hours per week. The third item is a Custodial Specialist, LTC 3/2, \$32,840, non-exempt, 40 hours per week to Utility Specialist, LTC 4/2, \$36,877, non-exempt, 40 hours per week.

Bill Brown: Second.

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Roy Buskirk: Is there any further discussion? All in favor say aye, those opposed, like sign. The motion passes 7-0. Thank you, Dan.

Dan Freck: Thank you very much.

Roy Buskirk: We now have ACJC.

Chandra Reichert: Chandra Reichert, Personnel Manager for the Allen County Juvenile Center.

Wendy Kyler: Wendy Kyler, Budget Analyst for the Allen County Juvenile Center.

Chandra Reichert: The first item we have is an appropriation in the amount of \$3,000. This is from the Probation User Fee Fund. We had two individuals that were fortunate enough to receive grants to attend a national symposium regard dual status cases. There was some mention yesterday regarding dual status training and that refers to juveniles coming into contact with the Child Welfare System and the Juvenile Justice System. We are just asking that we have those funds reimbursed back to us.

Roy Buskirk: Are there any questions?

Sharon Tucker: I will make a motion for the appropriation in Juvenile Probation Service Fund 222 in the amount of \$3,000 for Travel.

Bob Armstrong: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0.

Chandra Reichert: The second item that we have in front of you is a request to apply for a grant. This grant was actually brought to us. We were one of five Counties awarded a performance bonus grant. It is in the amount of \$59,000 and this tags on with our JDAI initiative. The State felt that we were performing well with all of our JDAI initiatives with our community outreach and support as well as the Alternative to Detention Programs that the Judge has been rolling out. We received a bonus of \$59,000 and is an addition to our normal JDAI funding which will be \$82,136. We will be back to you in the next couple of months to have the budget appropriated for both of those grants.

Tom Harris: I will make a motion for permission to apply for the JDAI Performance Grant in the amount of \$59,000.

Sharon Tucker: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0. Thank you. Next is Circuit Court.

Nick Jordan: I don't see anyone here from Circuit Court. If you recall, last month Eric was here getting a salary ordinance for Probation Officers that are being paid out of their

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grant fund. They didn't have an appropriation and this is appropriating the fund in order to pay the Probation Officers.

Roy Buskirk: Is there anything from the liaison?

Joel Benz: I think it is pretty self-explanatory. I will go ahead and make a motion for approval of the appropriation in the ACC Adult Probation Grant Fund 853 for \$153,953.

Bill Brown: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0. The next item is Superior Court.

John McGauley: Good morning, Council members, I am John McGauley, Court Executive for Superior Court.

Judge Pratt: Charles Pratt, Judge for Allen Superior Court.

Leslie Blevins: Leslie Blevins, Financial Coordinator for Allen Superior Court.

John McGauley: We have three items on the agenda today and two of them are additional appropriations and one is for an appropriation from a grant that we received for a pilot project. It is no surprise to you that we are back for Guardian Ad Litem and Pauper Counsel Funds. This is something that you have seen us have to do recurrently for a number of years in a row. This is the first time you have seen us back since 2013. We have seen some factors come into play that have forced us to come back and ask for additional help in these line items. I have brought topic matter experts with me today to tell you all about why that has occurred. We will start with the Guardian Ad Litem line and let Judge Pratt explain that.

Judge Pratt: I don't think it is any secret for anyone that there is a significant increase in issues pertaining to child abuse and neglect. Allen County is not exempt from that. Just as a refresher course, Guardian Ad Litem is generally attorneys that we appoint for representing the best interest for the Child in Need of Services case. Statutes require that every case be appointed a Guardian Ad Litem. It is non-discretionary from our point of view. We pay them \$80 an hour and there are multiple hearings. We are seeing a significant increase on several different fronts with regard to the Child in Need of Services cases. For example, in our first quarter the hearings involving initiation of Child in Need of Services at the rate of 115 cases. In our second quarter, our hearings doubled to 258 hearings just on the adjudication of the children in need of services. That is due to multiple factors not the least of which we are doing a better job of capturing the fathers as well. There is a recent Supreme Court case that I can't proceed singularly with just the mother being adjudicated. If there is an absentee father, I have to do due diligence to find that father and bring him under the adjudication umbrella. That results often in multiple hearings. We are also seeing an increase in the number of termination of parental rights. By way of example, we had 131 in 2014. We had 173 in 2015 and by June we have

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already done 74 cases. Most of those cases are cases that are lasting eight hours to two or three days or more. What often happens in our Court, because I am under statutory guidelines to get hearings done in a timely fashion, I have the standard cases and every case that is adjudicated I have to do a six-month or three-month review. These numbers geometrically increase. While those are going on, they are blocking out my entire calendar and if I am going to do a trial, I have to get a Pro Tem or Senior Judge to carry on the regular calendar while I get the two or three day trial done at the same time. It is not unusual for me to have two Magistrates, a Senior Judge or a Pro Tem and me all doing CHINS cases at the same time. It causes some delays in getting hearings started because the same people are running back and forth. It is a pretty large problem right now. I can give you lots of data that I would be more than glad to share and answer any questions you might have. We have accomplished a complete re-blocking of our calendar with the intent to minimize the number of Courts operating at the same time so as to reduce delays. Most often those delays result in Pauper Attorneys representing parents can't be at two places at once as opposed to the Guardian Ad Litem. It increases the cost because we are waiting on X-attorney to finish up there to come over here. We are going to try to readjust everything so that we are primarily operating one massive Court at a time and then minimize those additional costs. I don't know yet what that is going to look like. The other thing that has happened is the dual status legislation has increased the number of Child in Need of Services and increased the need for having Guardian Ad Litem in that process as well. If we identify a child having both markers of being delinquent and a Child in Need of Services, the statute provides for a meeting to try to figure out the right process by which that child should be addressed. We need to get a Guardian Ad Litem at that meeting to make sure the best interest of that child is protected through that process. We are kind of in a perfect storm and it is increasing our costs. I am free to answer any questions you might have.

Roy Buskirk: Are there any questions?

Tom Harris: I will just make a comment that. Having been the liaison previously, we watched those numbers year after year and not only is there a challenge but it doesn't seem to be going away. It is not only that the justice is a priority but being the air traffic controller coordinating all of the different things going on to reduce those costs and my compliments in that regard. The challenge that we have had in years past is that we try to address this in the budget season and not have to deal with it now. John has pointed out that we have been successful in the last two years. Is there any trend or anything that can give us a hint on how to manage the cost?

Judge Pratt: It is interesting but a couple of different times I have given different directions to try to anticipate the maximum dollars or come in on a balancing figure and come back when we know more midyear what that number will look like. We have kind of done both. In 1999 when I first took office, we instituted a lot of reforms and we dropped the Guardian Ad Litem fund from \$350 plus for that year and cut it about in half. In June, 2000, we had spent almost exactly what we have spent today. I think there are some cost controls but there are always ebbs and flows that we can't predict. I have determinations and fact findings that have gone through the roof. Anytime I terminate

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parental rights, every one of those can get appealed. Since we are having more terminations it is just increasing our cost. I am hopeful that we can bring down those termination filings by looking at other kinds of options. We are using family group and decision making methods to readdress those options for permanency. That is one of the explosions that is unpredictable.

Roy Buskirk: So this is in part because of pay raise from \$80 to \$90.

Judge Pratt: No.

Roy Buskirk: It's not?

Judge Pratt: We did not raise the rate.

Roy Buskirk: It is just the additional cases.

Judge Pratt: It is the additional cases or the complexity of cases that are taking more judicial time than what has previously been experienced.

Roy Buskirk: The rate is set by the State, right?

Judge Pratt: No, we set that rate. We set it at \$80 an hour. That has been the same since I have been in office.

Roy Buskirk: That is pure dedication on their part.

Judge Pratt: Oh, yeah. We have a huge community of attorneys that don't even bill me for some of the time. An Attorney like Beth Weber that goes the extra mile and doesn't send me a bill, we have some generous attorneys.

Roy Buskirk: Well, yeah, their billing rate has to be double plus of what they are receiving here.

Judge Pratt: What we try to do in response is give them free CLE's (Continuing Legal Education) training because that is fairly expensive.

Roy Buskirk: Do they receive benefits from the County?

Judge Pratt: No. It is just a straight contract.

Joel Benz: I have a couple of comments. I think Mr. McGauley has been in pretty constant contact with me about these issues as they raise their heads and it sounds like what you have told me and Judge Pratt, you have kind of worked to mediate some of this but you are getting to the end of your ability to handle it. If there are no further questions, I will go ahead and make a motion. I will make a motion that we appropriate in Superior Court County General Fund \$123,000 for Guardian Ad Litem.

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Roy Buskirk: Aren't you going to do Pauper Attorney? We typically do them both.

Judge Pratt: Do you want Judge Gull to come up for questions?

Judge Gull: Fran Gull, Allen Superior Court Criminal Division. As you have heard Judge Pratt talk, the terminations always result in an appeal. Everything I do is appealed. I have no ability to control cost or predict the cost and really no ability to do much about any of it other than to come and ask for more money to pay for appeals of criminal convictions. Transcript fees have gone up a little bit and that accounts for some of it as well. Pauper Attorney is what it is.

Joel Benz: Thank you, Judges, for taking the time out of your schedule this morning. I will make a motion that we appropriate in Superior Court County General Fund \$123,000 for Guardian Ad Litem and Pauper Attorney in the amount of \$55,000 for a total of \$178,000.

Tom Harris: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0.

John McGauley: We have one more item on your agenda. I will ask Jeff Yoder from Criminal Division Services to come up and talk to you a little bit about it. This is a pilot project that we've got going on over there where we have had the rare opportunity to just be given money. We were offered money to help out with this project and I believe it has already been receipted in and we are just asking to appropriate it.

Jeff Yoder: I am Jeff Yoder, Director of the Criminal Division Services. One of the departments within that is Pre-trial Services and the other two are Alcohol Countermeasures and Drug Court Program. In December of 2014, the Indiana Judicial Center issued an order on pre-trial release to further study and enable the implementation of comprehensive evidence based pre-trial release programs. The Indiana Supreme Court put together a committee to study this issue of risk based release versus resource based release. The committee was tasked with putting together pilot projects and there will be nine that will be up and running this fall. The purpose of that is to take a population of the current arrestees which typically by bond schedules are released driven by the charge only. The idea of the pilots is to look doing risk assessment on the probability of one to return to Court. That is one purpose of bail in the first place. Second is to look at the probability of new arrest while out on bail pending the resolution of the case. The idea is doing risk assessments on individuals prior to the initial hearing to determine or isolate, if you will, low moderate risk offenders and place them on potential release or recognizance release versus the standard typical pay the bond in the amount of such and such amount to get out. High risk offenders will still have to follow through with the bond schedule. The idea is basing someone's release on their risk, other than their ability to pay for their bond, not only makes sense it incorporates this thought of releasing those people that are low risk who, in many cases, sit in Jail for several days pending the resolution of their case. The high risk offender had the ability or resources to raise the money to pay the bond to be released. In many cases you have high risk offenders released into the

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community while low risk offenders remained confined. Currently, financial release decisions, without considering one's risk is how we handled the release and has nothing to do with public safety. That is what is driving these pre-trial projects. We received an amount of money and it is a one-year grant with a specific end date. The purpose of our request is to incorporate risk assessments that I touched on. This is to hire a part-time, grant funded position. When those people are released, we will do risk based assessments monitoring and so hence the differential supervision. We will need staff help to monitor those folks.

Roy Buskirk: So, you received a grant and this isn't the grant money...

Judge Gull: This is the grant money. We have already received the money and are just seeking your approval to appropriate it into these items so we can utilize it.

Roy Buskirk: Well, I got lost in his explanation.

Judge Gull: I should have said that we had already received the money and it was a matter that we had to submit to the State the things that you see here for the purposes of the Pre-Trial Release Project.

Tom Harris: So you have part-time people and Extra Deputy Hire and what will they be doing specifically?

Jeff Yoder: They will be doing risk based interviews and supervision monitoring when that defendant is released.

Tom Harris: So they are following a format that is provided by the State to assess that risk or how do they have the training as a part-time person to do something this significant?

Jeff Yoder: We currently have four people on staff in our Pre-Trial Department. Two of them are doing exclusively check in and monitoring 90% of the time. I would like to reallocate their time into the Jail or the Release Unit of Pre-Trial Services. All four of my staff is currently certified to do Pre-Trial Risk Assessments.

Roy Buskirk: But if you are changing them from one job description to another one, you don't need more funding for that.

Jeff Yoder: We will need new help for part-time people to take the caseload of supervision.

Judge Gull: We just don't want to release these folks on their own recognizance without having some means with which to supervise them. The folks that we would be bringing in on a part-time basis would check these folks in and make sure that they appear for Court. If the condition of their release includes urinalysis, they would conduct urine drops as well.

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Larry Brown: You refer to this as being a pilot program?

Jeff Yoder: Correct.

Larry Brown: Is it your feeling that maybe this will be ongoing?

Judge Gull: This is one of those things that the State of Indiana has been taking a look at for quite some time. The ultimate goal is to feed this data to the State of Indiana and have some legislation passed that ultimately will incorporate the practices that we will show either work or don't work on behalf of the entire State.

Bill Brown: It seems like another great example of more problem solving in the Court system.

Judge Gull: Thank you.

Joel Benz: I can make a motion for appropriation in Alcohol and Drug User Fees Fund 741 for a total of \$83,000.

Tom Harris: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0. Thank you and now for the Memorial Coliseum.

Randy Brown: Good morning, Council, I am Randy Brown, Executive Vice President and General Manager of the Memorial Coliseum.

Michele Remenschneider: Michele Remenschneider, Vice President of Event Services at the Allen County War Memorial Coliseum.

CJ Steigmeyer: CJ Steigmeyer, Vice President of Finance and Chief Operating Officer at the Coliseum.

Randy Brown: We are here today to ask for your approval of an appropriation for certain security equipment. The request for appropriation is for a total of \$50,000 and would be funded through the Professional Sports and Convention Development Area. It is revenue that is earned within the development area and the funds are on hand and available. We too have a topic expert and I will ask Michelle to give you an update of what it is we are talking about.

Michelle Remenschneider: Recent events such as Paris where a theater and a stadium were targets, Orlando where a young singer is killed while signing autographs as well as mandates and our clients' requesting more from us brings to the forefront our need to look at our security procedures. Every event whether it is weddings, sporting events or concerts is given the form that is a designation of the clients' wishes whether they want to

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or not allow weapons into their event. It is with the signing of this document that starts the conversation about what security measures are in place for their event. We are also receiving quite a few more enhanced security measures from all of our promoters. We have the Director from the NBA which operates the Mad Ants. Live Nation which is a large concert promoter and most all of our promoters are now looking into what we are doing to help them to protect their talent. The demand to protect the performers, guests and clients and exhibitors is crucial function of event planning. We are asking for the appropriation of \$50,000 to purchase walk through magnetometers and hand wands for secondary screening. I have been in contact with several of our venues that have recently purchased walk-throughs and they include the Ford Center in Evansville, Indiana, the Yum Center in Louisville, Kentucky, the US Bank Arena in Cincinnati, Ohio and the Verizon Arena in Little Rock, Arkansas. All have expressed great satisfaction in their purchase and utilization of the walk-throughs in their buildings to provide a safe environment. We are looking at the same model which is the picture you have here. It is the Garrett model 6500I. It provides an efficient less invasive type of screening. It is a zone-screening where it goes from head to toe as a guest walks through. Along with the units we are also looking at purchasing hand wands, the battery backup that goes with the unit and the casters that will make the unit mobile. This is extremely important to us as we decide where we will stage and actually do the screening as per the clients' wishes. Thanks for this consideration. Do you have any questions?

Roy Buskirk: The number of units?

Randy Brown: Twelve walk-throughs and twelve wands. I will say one thing too but not to be evasive but I don't know if there will be any questions about certain security approaches but we ideally would prefer to talk as little as possible about specific numbers. I would be happy to meet one-on-one with any of you about anything you would like to know. That is a Homeland Security practice and procedure.

Tom Harris: Lucas Oil Stadium is an example for me and they have something but you are not referencing them because they did not have this specific model.

Michelle Remenschneider: I am not sure what model they have but I have talked with them and they are very proactive in what they have.

Tom Harris: One of the things that come to me is liability. The idea if we don't do something now, in terms of this process...

Randy Brown: It varies from event to event. This last season, as example, for the Mad Ants we used hand wands. That is a requirement of the NBA and as Michelle mentioned, the Mad Ants are a D-League team but they are owned and operated by the NBA. The question of do we have liability becomes a real question because in Indiana with concealed carry, as a public employee managing a public venue I cannot ban weapons at events. I am not permitted to do that. I think that is an important thing for all of you to know. As Michelle said in the form that we have given you today, the client renting the

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space has the legal right in the State of Indiana to do that. That then sets the standard to start the process.

Tom Harris: So the next step to the process is to say they want people to walk through this or do the wands or whatever and then you miss something. Does that then become a liability to this company for not identifying it or does it land on us for not?

Randy Brown: There are a couple of answers. Did the piece of equipment miss something? We use a third party security company that is first in line for liability. ESG Security does security throughout the State of Indiana. The staff is skilled in security and search procedures. If there is an incident, everyone is going to be sued.

Tom Harris: Scooting the liability piece aside, this makes sense from just these days.

Randy Brown: It is becoming a requirement that if you want the event you are agreeing to provide certain levels of safety and security.

Tom Harris: You do a number of gun and knife shows. In that case I would suspect they would not request it.

Randy Brown: There are weapons coming in the door for that and they are inspecting those weapons and doing zip ties on those.

Sharon Tucker: I have comment. I would like to thank Randy and the Coliseum staff for being proactive before anything major happens in our area. This is really good work and I support what you are doing here.

Randy Brown: This is a step in our process. We will be doing some other facility improvements that will be construction next summer that further enhances our safety and security program. We are an industry leader in the Second Tier Venues. Michelle and I are certified by going through the Academy of Venue Safety and Security and have been certified for security techniques.

Roy Buskirk: So there is no misunderstanding by all of the people that are in the audience today, where this money is coming from, the funding...

Randy Brown: It is coming from the Professional Sports and Convention Development Fund 248. CJ Steigmeyer is our Vice President of Finance and he can explain where this money is coming from.

CJ Steigmeyer: Sure. These funds are earned at the Coliseum and there are a couple of other locations in town that the State earmarks money and returns that to the County. Of the money that is returned to the County, I believe it is up to \$3 million total that is returned to the County and the first \$2.6 million of that goes to the Coliseum. The \$400,000 goes to the Capital Improvement Board. Those are the funds that are being

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utilized for this purchase and are not an additional tax on any citizen. It is something that is currently in place and we have the funding. The cash is on hand.

Roy Buskirk: What I wanted to know is it is the Food and Beverage Tax at the Coliseum? Where is that tax money coming from?

CJ Steigmeyer: The Food and Beverage Tax is not part of this. It is income tax withholdings from the employers that have employees within the Professional Sport and Convention District. It is also the sales taxes that are earned at those facilities within the District.

Roy Buskirk: So it is not just Food and Beverage, it is all of the sales tax.

CJ Steigmeyer: It is not the Food and Beverage at all. If there is any Food and Beverage Tax collected, it goes to the Food and Beverage Tax Fund.

Roy Buskirk: So it would be all of the sales tax collected except Food and Beverage.

CJ Steigmeyer: That is correct along with the income tax withholdings from the employers within that District. The sales taxes are what are earned at the facilities within that District.

Roy Buskirk: Okay.

Larry Brown: There are certain facilities listed within that geographic unit.

Randy Brown: Facilities as well as employers.

Larry Brown: Including the Holiday Inn across the street from you.

Randy Brown: That is correct.

Nick Jordan: It is an area and when Vera Bradley has their sale and IPFW across the street, it is very minimal when you think about \$3 million of all of the income taxes and sales taxes that may be collected in that geographical area. There are multiple employers within that area.

Roy Buskirk: A long time ago I saw a map showing that area and it is a little bit bigger than I thought it was.

Nick Jordan: It includes the Grand Wayne Center.

Sharon Tucker: I make a motion that we approve the appropriation in Sports and Convention Development Fund 248 for Equipment and Property Renovation in the amount of \$50,000.

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Bob Armstrong: Second.

Roy Buskirk: All in favor say aye, those opposed, like sign. The motion passes 7-0.

Randy Brown: Thank you so much for your time.

Roy Buskirk: Community Corrections.

Kim Churchward: Good morning, Council, I am Kim Churchward with Allen County Community Corrections.

Jeff Stevens: Jeff Stevens, Senior Finance Manager at Allen County Community Corrections.

Kim Churchward: I am happy to be here this morning at the end of your crushing agenda. This is just an item of daily business. As you know, we have recently moved into the end of our fiscal year and we have been inventorying and assessing some of our most serious equipment and service needs. I know that you received the comprehensive purchase list in your packet regarding our request for appropriation. We are here requesting an appropriation from funds other than the General Fund in the amount of \$199,883. Most notably on this purchase list in continuation of our attempt to upgrade computers and the vehicle fleet as well as some new things that we maybe haven't spoken about before and that is our handheld radios. The radios that our Field Division, who are special Deputies of the Sheriff and they are utilizing equipment that within the next couple of years will become obsolete and so we are trying to be proactive in keeping our Field Officers in communication with our Dispatch and the County City Dispatch Center and with other Police Officers who are out in the field. Our Tasers, we are told, have cartridges that are no longer going to work and cannot be replaced. We are looking to update that as well. Those are the most notable and costly purchases that we are seeking your approval on. We can go line by line but these are the most notable purchases that we need.

Tom Harris: One question would be on the vehicles, are those three new vehicles or are you replacing old vehicles?

Kim Churchward: These are three replacement vehicles for old vehicles. One of our Community Service vans that the Service Center can't band aid for us any longer that we are looking to replace. As we have been talking over the last year or so, our Field Division vehicles, we have always utilized hand-me-down vehicles from other departments and we are trying to replace those with more modern vehicles. Our Field Division has limited law enforcement authority and we are making arrests and transporting individuals to the Jail and so our vehicles are equipped similarly to a law enforcement vehicle.

Tom Harris: Some of these funds are coming from the overall grant that you receive for this year?

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Kim Churchward: We are able to utilize these funds in our PI budget because of some of the additional grant funds. These are Project Income funds exclusively.

Bob Armstrong: So the hand-me-down cars, I take it, are Sheriff's cars?

Kim Churchward: Some are Sheriff's and some are other departments that we have modified with cages.

Bob Armstrong: The portable radios that you have now; do they have GPS in them?

Kim Churchward: They do not.

Bob Armstrong: I take it the new ones will.

Kim Churchward: Right.

Tom Harris: I will make a motion to approve the appropriation in Community Corrections Fund 236 for items one through five in the amount of \$199,883.

Bob Armstrong: Second.

Larry Brown: All in favor say aye, those opposed, like sign. The motion passes 5-0-2 (Sharon Tucker and Roy Buskirk absent).

Tom Harris: We have the Personnel Committee Procedural Guidelines coming in front of us.

Tracy Mitchener: Tracy Mitchener, Assistant Human Resources Director.

Dawn Kennedy: Dawn Kennedy, HR Generalist/Compensation Specialist. This item should be pretty quick. It is an updated version of the Procedural Guidelines that I brought before you last month. I made changes to them and had Legal look at them and they have been okayed by Legal. All that needs to be done now is to be voted on.

Tom Harris: I think it is ironic that we are passing this and you are leaving.

Dawn Kennedy: Yes, this is my last County Council meeting.

Tracy Mitchener: We are very sad about this.

Tom Harris: And on that point Dawn, thanks for all of the work that you have done and you have been with us for how long?

Dawn Kennedy: A year and a half.

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Tom Harris: Thanks for all of the work that you have done and the commitment that you have had in this position as well as getting these guidelines established to make sure we have some consistency.

Dawn Kennedy: I think these will be very helpful for whoever takes my position. It will give them a basis for the work they will be doing. In my time here, we have really worked towards bring things in and sharpening them up a little bit. Thank you all for your input on these.

Tom Harris: With that I will move for the approval of the Personnel Committee Procedural Guidelines.

Joel Benz: Second.

Larry Brown: All in favor say aye, those opposed, like sign. The motion passes 5-0-2 (Sharon Tucker and Roy Buskirk absent).

Dawn Kennedy: Thank you all very much. I enjoyed working with all of you.

Larry Brown: Before we get into Upcoming Meetings, is there anything else to come before Council?

Bill Brown: The only quick thing I wanted to mention, I think we will see Dan Freck again but I think everyone understands what a great job Dan does but when it comes to his talent and his knowledge and his ability to save the County money and do the things that he does and do it with such a great unwavering attitude is amazing. He is really a go-to guy and I wanted to make sure I had the opportunity to say that. He is going to be hard to replace.

Larry Brown: I have been the liaison to his department for quite a while and there are always challenges but to copycat on what Bill said, he always has a can-do attitude. I think what they were alluding to is it is one thing to get the technical skillset replaced but it is another to incorporate the personality into or with those skillsets. It is going to be a challenge for whoever comes onboard. Those are big shoes to fill. Another person who is leaving shortly is Dave Fuller. His last day is July 29. Dave has taken the Allen County Building Department from prehistoric to current times. His replacement has been announced and it sounds like he brings quite a degree of skillset to the job. Back to Dave, if you get the opportunity, I am not aware of any planned party or anything for his departure but if you can, stop by before the 29th and wish him well.

Bill Brown: I would agree also. He is a creative thinker and someone about solving problems and making great things happen.

Larry Brown: Roy and I have worked, I don't know how many years now, with the Joint Oversight Permitting Board and Dave has been a member of that group since day one. It has turned his department around from a customer service standpoint. Being a contractor,

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I can tell you that going for a permit used to be almost equivalent to going to the dentist or the License Bureau. Now it is almost fun. It has changed a lot. Mr. Buskirk, you are back in charge.

Roy Buskirk: I assume you are taking liaison reports?

Larry Brown: No, we are still on Recent and Upcoming Meetings.

Roy Buskirk: Okay. Is there anything further? Are there any liaison reports? The ne big thing that we need to watch closely and as I said before, we have all had the opportunity to meet with the Commissioners concerning the Work Release building on Cook Road. I think that could have quite an impact because that building was built for a State contract to house inmates. This would enhance our Work Release program and relieve part of the population problem at the Jail.

Larry Brown: Can I ask a question? During the presentation and discussion, the Irene Byron facility was mentioned.

Tera Klutz: That is where Work Release is currently housed.

Larry Brown: On the property?

Roy Buskirk: In the building. Eighteen percent of it and there are approximately 80 in the program. It could be increased to 160 at this new facility.

Larry Brown: In the multi-story healthcare building?

Roy Buskirk: At the new building that they are purchasing.

Larry Brown: I am talking about where they are now.

Roy Buskirk: They are in the multi-story building.

Larry Brown: I didn't realize that.

Joel Benz: In the healthcare building.

Tom Harris: I was just going to mention in regards to the lengthy discussion that we had yesterday about budgets and such, one of the thoughts we had was that we could look at the overall report that Waggoner, Irwin and Scheele had given us. A suggestion for Council is that I can bring some of those back in the August meeting if that would be appropriate to do it at that time and discuss some of those rather than having a special meeting just to discuss other thoughts on the grids. The August timeline would give us further information in terms of what the Auditor receives from all of the different funds and we would have a better understanding and just tie it into the meeting. It wouldn't be a budget discussion, per se, but rather a discussion about the grids.

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Roy Buskirk: And we would also have the numbers as far as the three percent increase.

Larry Brown: Is there any clue or indication on how the agenda for the August meeting is shaping up?

Becky Butler: I only have one or two things so far.

Tom Harris: We wouldn't really have to decide the grid process in the August meeting. It could be part of the budget discussion in September. We could discuss in the August meeting some thoughts and ideas on the grids and then come back and when we do the budget in September. We could deal with it at that time for a final decision. Would that be appropriate?

Tera Klutz: That's possible.

Roy Buskirk: The other thing would be when we would make the effective date.

Tom Harris: This would be the 2017 budget and we could make this effective in 2017 as well or whatever.

Roy Buskirk: Is there anything else?

Larry Brown: Continue that thought one step further. Are you thinking these thoughts that you are going to put in writing we will see that in a couple of weeks?

Tom Harris: That is about right and in time to look at it in advance of the meeting.

Roy Buskirk: Any comments from the audience?

Larry Brown: Approval to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of July 21, 2016.

Joel Benz: Second.

Roy Buskirk: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Sharon Tucker absent).

Tom Harris: Move to adjourn.

Bob Armstrong: Second.

Roy Buskirk: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Sharon Tucker absent). There being no further business, the meeting adjourned at 11:19.