

ALLEN COUNTY COUNCIL MEETING MINUTES
MARCH 17, 2016
8:30 AM

The Allen County Council met on Thursday, March 17, 2016 at 8:30 am in the Discussion Room at Citizens Square. The purpose of the meeting was for additional appropriations, transfer of funds in excess of the current budget, grants and any other business to come before Council.

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

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

The meeting was called to order by Vice President Larry Brown with the Pledge of Allegiance and a moment of silent prayer.

Larry Brown: To the best of my knowledge, we have no amendments to the agenda. It's pretty short and so we will get right to it. Tera, would you start us off with the financial report?

Tera Klutz: In your packet are the February 29th financial statements. So far we are on track. There are no general fund appropriations this month. We had the opportunity to run some financial impact analysis reports on the proposed annexation. I would like to be able to talk about that under Other Business later today.

Larry Brown: Are there any questions?

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

Joe Benz: Second.

Larry Brown: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Buskirk absent). We need to back up one step; I apologize, for the approval of the February 18th meeting minutes. Are there any additions or corrections?

Tom Harris: I will move for approve the minutes from February 18, 2016.

Bill Brown: Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

Larry Brown: All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Buskirk absent). I will state that Roy is not here because he has extreme back pain, possibly a dislocated hip. I hope he recovers quickly. Nick, would you highlight the monthly unemployment?

Nick Jordan: Yes. Good morning, Council. On your agenda you see November and December. January has since come out. January for Allen County is 4.8%. For Indiana it is 5.1%. Illinois is 7.1%. Michigan is 5.1%. Ohio is 5.7% and National is 5.3%.

Larry Brown: Are there any comments or discussion? Tom, you usually have something to say about this.

Tom Harris: I was just going to say that the gap seems to be widening just a bit.

Nick Jordan: You gave to keep in mind too that these are non-seasonally adjusted and for the November and December figures, it includes some of the seasonal workforce. In January, they tend to fall off because the holidays are over. If they were seasonally adjusted, it might be a little bit smoother but that is the reason for some of the uptick. In the spring and summer there might be an increase in the employment.

Tom Harris: Very good.

Larry Brown: You see before us that we have two line items of additional appropriations that we will consider. Next on the agenda is Economic Development. Please identify yourself for the record.

Rich Beck: I am Rich Beck with the Allen County Redevelopment Commission.

Darren Vogt: Darren Vogt, your appointment to the Redevelopment Commission.

Rich Beck: Thank you very much for your time this morning. Basically what we wanted to do is to come before you and bring you up to date on some of the things that have been going on with the Redevelopment Commission and economic development as it pertains to Redevelopment. I will give you a brief look back at the history. To put it into perspective, back in 2008 Council was approached for an appropriation to fund a land banking program. That land banking program essentially exists so that the control of ownership of the land can be contained by a unit of government so that we can contain the pricing of that land. That was appropriated at about \$4.8 million for that

ALLEN COUNTY COUNCIL MEETING MINUTES

program and fell under the direction of the Redevelopment Commission. They were the ones to administer the land banking program. We take that fiduciary responsibility of taxpayer money quite seriously within the Redevelopment Commission and exercise very prudent behavior with that. The loss of taxpayer dollars is just not an acceptable outcome to us. We take a very conservative approach. Nonetheless, we were tasked with securing land and we did make several land purchases throughout the County. As noted in the documents that we provided you, we purchased the Bandalier section of land and did a land-swap with SDI. We still own a 50-acre parcel up there. We purchased three separate parcels that now contribute to what we call Stonebridge across from the General Motors plant. We purchased a Fox North property which is north of General Mills on Bluffton Road and the Brandenberger property which is south of General Mills on Bluffton Road. During that time of the ownership, we continued to be good stewards of the land. It is important to us that you maintain the land. If you don't, it deteriorates very quickly. It was all under farming leases and we had farmers throughout the area that was farming our land. We realized that once we started acquiring this property that owning the dirt simply was not enough. We had to bring in the infrastructure to make it appealing to possible developers. At that time we went back to the Commissioners and Council and funds in the neighborhood of about \$4.5 million were put together so that we could improve the infrastructure at Stonebridge Park across from General Motors. We were aware of what was going on in the auto industry with the logistics issues. If you look at the mere position of where that parcel sits between two international companies and you have two major interstates. At the time, the proposal of Lafayette Center Road between Roanoke and I-69 was being considered and it just made sense to us to dedicate resources to that property. Inevitably, some day, it was going to result in some development. The money was put together through Federal sources and obviously you were instrumental in that and we were able to put in the infrastructure which includes concrete streets and curbs, a huge storm water system, City utilities and sewer and street lights. This was extremely important to us when it got down to actually entertaining an offer. When we did the ribbon cutting in August of 2014, we had an offer on the property at that time from North Point Development out of Kansas City, Missouri. We were able to secure a sale of forty acres to them. The forty acres amounted to about a \$2 million purchase price. That essentially covered the acquisition cost of the Stonebridge property. They have options to purchase the rest of the land at a fixed price. They have exercised their first-year option and have a second-year option waiting for them. The price is already pre-determined and in fact, it goes up five percent each year. The key behind that is that they had obviously been to Fort Wayne and Allen County and looked at this property and knew what they were purchasing. We asked them after we negotiated the deal and they basically paid us exactly what we had in it,

ALLEN COUNTY COUNCIL MEETING MINUTES

\$51,000 and change per acre. We are not in this to make money. What we are here for is to create jobs. Governments can't create jobs; they can only create the environment that attracts businesses here to bring those jobs. That is really what this is all about. In talking to the President of North Point, it was the key that the infrastructure was in place. That was a huge factor in their decision. They could have purchased land at a third of the cost but they would have had to have gone through all of the headaches, and trust me there were headaches, in putting in the infrastructure to that park. It has all paid off so far at this point in time. I feel confident that you will start to see some activity take place this year in North Point or in Stonebridge. We are looking forward to that. This really amounts to new businesses, new investments and new jobs. Recently we sold the Fox North Property which is the property north of General Mills to XPO Logistics and that hit the paper last week. That was a good transaction for Allen County. We are holding an option on the Brandenberger property and we will see whatever happens with that. As you can see, the fund balance is at \$4 million and we started with \$4.8 million and we still have land to sell. It has been a very good process for Allen County and has worked out very well for us. The timing has been excellent. The Allen County Redevelopment Commission considers the Council and the Commissioners our partners in working to put this all together. I know that several Council people have been engaged and involved in our Executive Sessions because we can't make a decision in a vacuum. When we get a purchase offer, we can only determine if we like the price per land. All of the incentives and everything else that comes into play is in your hands and so the partnership that we have with the Council is extremely important to us. That is another reason why we are going to visit with you on a regular basis, to keep you in the loop so that you know what is going on. I don't like surprises and I am sure you guys don't like surprises either. We will make a better effort of keeping you in the loop of what is transpiring. And that we can continue to count on your support. We don't have an ask today. When we came to Council eight years ago, that was for seed money and that seed money has performed exactly as we expected it to perform. We will be looking for other opportunities that make sense. We are now gathering Intel at this point to see if there are other opportunities for us out in the County. Darren has some comments as well.

Darren Vogt: I just wanted to talk about where we go forward. One of the things we have to talk about where we end up. We still keep in mind the short-term, long-term and mid-range term for property that we want to acquire and it makes sense. We do continue to work with local developers, commercial developers and commercial real estate agents to make sure that if they are willing to do it, we would gladly bow out of that. That is not what we want to do. If they are willing to go ahead and put that infrastructure in and do the investment within the community that's what we really prefer to

ALLEN COUNTY COUNCIL MEETING MINUTES

have but when you do it, there is a risk. Since we have been on the forefront of seeding it and selling it, there have been other opportunities for other businesses and other commercial developments. If you look, there is Stonebridge Two and Three behind Stonebridge and have worked out well. There are other opportunities for developers to do stuff. We will continue to keep you in the loop as we look at properties and opportunities to make sure the infrastructure, as Rich said is critical and ground is one thing. If you don't have utilities and roads and streets in place, it doesn't make a lot of sense. Some of the way we have developed the funds to come back is to go to the funds that we originally took the money from. My personal opinion is I would like to see that money stay there and be ready to go so that if we do buy land and need to put infrastructure in, the money is already set aside. Let's just keep it rolling and moving in the same direction. Appreciate your cooperation and the opportunity to do this and serve at your pleasure. The phones are always open if you have questions and feel free to call Rich or me, as your appointment.

Larry Brown: Thank you.

Bill Brown: This dynamic of how Redevelopment Commission, whether City or County, in conjunction with the Regional Partnership and Greater Fort Wayne, Incorporated, the partnership is marketing the eleven Counties and we hear a lot of talk about product that the LEDO's and GFW and the Redevelopment Commissions have the very best product to position us as good as we possibly can. I know you are thinking about this, Darren, and I appreciate the fact as moving forward and not to put you on the spot but down the road if you are planning on coming back, it would be nice to hear what you think is the very best product we can have. The concept of actually developing buildings and having a building that is ready to be populated is another step forward. Back in 2008 when we were land-rich and site-poor, the County got up to speed and got the land and got the sites, Shovel-Ready sites available, to fill the County with the right type of job opportunities is perhaps something to take a look at.

Rich Beck: I think clearly that there is a lot of discussion about spec buildings, which is what you are referring to and I think the County developed a very effective matrix about how you incentivize those kinds of projects. I think the key there is the continuity in the County in terms of how we incentivize those kinds of projects. The City and County really have to work together on that. I think the position of the Redevelopment Commission is that we like dirt. We think that the dirt and the infrastructure is really the key behind it. To us, building is a high speculation. Risking taxpayer dollars on buildings, I have a problem with. I don't have a problem pre-creating the incentive for the private sector to do that because that is not problematic. For

ALLEN COUNTY COUNCIL MEETING MINUTES

the Redevelopment Commission to take that risk on, we are not comfortable with that risk at all. We are comfortable with the dirt. They aren't making any more of that and we can bring that up to speed. There is a lot of study that goes into that selection and process and making sure that we have the right site and putting in the right infrastructure. Thanks, good point.

Darren Vogt: One thing that could work well with that is that private-public partnership where we have the dirt scenario and someone else is willing to come in and put a building up based on what we agree and makes sense for the location. Those are the kinds of things we are definitely willing to entertain conversations on.

Bill Brown: Sort of a public-private hybrid on these speculation pieces. The last one that was built populated quick but I appreciate what you are saying about not getting too speculative with tax dollars when it comes to a building. I am glad to hear that you are considering working with a private developer to work towards that speculation piece to have the product available.

Darren Vogt: The hard part on that is knowing when you build that you want it to attract someone new to the community and not relocation from one side of the County to the other side. That is the hard part when you build the building and the next thing is you have another building being empty in the County. It is a balancing act.

Bill Brown: Yes, that model needs to be perfected.

Larry Brown: Councilman Harris.

Tom Harris: First of all I want to compliment you on your success over these years and also say I like your approach in terms of kind of a pragmatic, no hype, steady approach and a strategic approach towards this mission. For clarity's sake, what is your balance in your funds available?

Rich Beck: The Capital Fund is a little over \$4 million.

Tom Harris: I was kind of looking at that and getting a little lost in the numbers. So you still have that \$4 million to work with.

Rich Beck: Plus properties to sell.

Tom Harris: You guys surely remember that it was a bit controversial a few years ago. Part of the initiative at that time was the economy was kind of in the tank and not doing well. We needed to look at some initiatives and some ways to kind of break out and do something different. We did that and the

ALLEN COUNTY COUNCIL MEETING MINUTES

economy is doing well now. It is cooking at a faster pace. Unemployment has changed and all of those kinds of things. What is the argument to continue in this mission when we may be getting hit with lots of opportunities coming at us? Should government buy land in advance like this even when times are good?

Rich Beck: That is a great question and is one that we toy with all the time. Darren touched on it and what we wanted to be is a catalyst to create that interest and develop that piece. General Mills is a good example. Now you have others coming in. We own that land but there is good reason to believe that there will be good private sectors coming along that corridor. With Stonebridge, as he mentioned, you have a developer that has created Stonebridge Two and Stonebridge Three. Do we need to do anything else there? It is debatable that we need to do anything else there. If we can be that catalyst to get things moving, I think that is a good thing. The intermodal is coming in on Adams Center Road and that will be a catalyst. I think the private sector is aware of that. There is a lot of import and export business that happens in and out of Fort Wayne. The intermodal could be a key to a lot of businesses. It has their attention. Does it make sense for us to run out to Adams Center Road? I am not sure that it does but we are going to stand by and watch. There may be some interest in some of that but I think you have to see what the private sector does. We monitor that very closely because there is a point where it doesn't make sense and we have to be cautious about that.

Darren Vogt: I think the biggest thing is that a lot of the private developers that I have talked to that the infrastructure and the utilities are the most expensive to put in and some of these may be ten-year payouts. When you look at the fact of what we did made no money. We did not sell it to make a profit. If I am a business and in development to make money, I am going to have to make a profit and if there is not a profit to be made, they are not going to do it. We still have to keep the conversation going with them and are they willing to put in the infrastructure, do all of those improvements and still be able to turn a profit and if they can't they won't do it. That is where I think there is still an opportunity for us to potentially still stay in the game just to be the catalyst. Maybe we get the infrastructure there, do a piece of it and recoup that money and then it spreads out from there on the private side of things. That is exactly what Stonebridge has done. We will continue to monitor that.

Rich Beck: Times were tough back then and the developers in the area were working on survival, frankly. Nothing else was happening. It is limited as to what government can do but one of the things we could do was that. Create

ALLEN COUNTY COUNCIL MEETING MINUTES

that environment to where we knew that some point in time it was going to turn around. We just didn't know how quickly.

Larry Brown: I will say, like you said earlier, this initiative is to create jobs. We are using taxpayer dollars as the initial investment and we are getting that back, no doubt about it. However, the taxpayers are entitled to some benefit from using their tax dollars. What I am getting at is that it may take ten years, it may take five years or it may take two years but some additional feedback or record keeping as to the jobs that are created off these opportunities so that we have this feedback to continue to justify this effort. I think that is important. I hope that is on your radar.

Rich Beck: It is absolutely on our radar.

Darren Vogt: And it is not only jobs but you are now taking a piece of ground that had an assessed value that had farmland on it and now has a structure on it. From the units of government standpoint, you increased your revenue as well and the schools' revenue as well as all of the other taxing units that helps feed the need and slow down some annexation as they get more areas developed.

Rich Beck: The comment made by the gentleman from North Point was that the land is the least expensive piece. They are going to build multimillion dollar buildings, put multimillion dollars of equipment in them and have good paying jobs. The land is just the piece that gets it started. To him, it was the cheapest piece.

Larry Brown: Very good. Does anybody else have anything? Thank you very much. Next on our agenda is a salary ordinance from Youth Services.

Chris Dunn: Chris Dunn with Youth Services Center.

Tracy Mitchener: Good morning, Tracy Mitchener, Assistant Human Resources Director.

Dawn Kennedy: Dawn Kennedy, Compensation Specialist. We are here today for an addition to an existing position. This was approved at Personnel Committee. There is no classification change. It is a Youth Care Worker, POLE 2/2 and the Department Head is here to speak to you.

Chris Dunn: Can I back up for a minute? I would like to talk to you about our budget. During the budget appeals last year, I was going to come back to you this year and ask for funds. I wanted to thank the Auditor's Office for helping us. We have been watching that very closely and it appears that we will not

ALLEN COUNTY COUNCIL MEETING MINUTES

need to come back to you and ask for those funds. That's a plus. Again, I want to thank the Auditor's Office. I don't worry as much knowing that they are helping me watch that. It has been a big concern. So, we won't be coming back to ask for those funds that we thought we would need to make it through the year. As far as the position goes, this is a position that we cut back in 2008 or 2009. We actually had to cut four positions back then. This is a position that directly supervises the residents in our care. When our numbers dropped, we could afford to not have this position however our numbers have started to go up. Things have started to change. I sent all of you a copy of our annual report for last year and it reflects that we have been showing increases in the average length of stay. The children are staying longer and our daily census has also increased. That is the number of kids we are having at the facility daily. We are having a difficult time covering the hole that was created when that position was cut. This was a third shift position. We have been using part-time staff to cover those hours and it worked well for a while when our numbers were low. We are having a hard time keeping employees in the part-time position. Everybody wants full-time. We have been using a lot of overtime and so we are hoping that by putting this full-time position back into our rotation we will cut our overtime and bring down some expenses there.

Larry Brown: Okay. Are there any questions?

Tom Harris: I can probably speak to this a little bit. As we talked to the Personnel Committee, the fact that there had been a little bit of a drop in the youths of the Services Center but it is now on an increase and you are anticipating more youth being sent there for various reasons. Important to your previous comments, you were able to raise the rate that was being charged to the State in terms of the cost of children staying there.

Chris Dunn: Correct. We went from a daily Per Diem of \$155 up to \$190. We are in the middle of doing our cost reports right now that will be due to the State by the end of the month and I believe we are going to ask for another ten dollars to put us up at \$200 per day, per child.

Tom Harris: So those funds help maintain the operations and in order to continue to maintain those operations, you need to increase that part-time person to a full-time status to retain your employee. This did get overall support of the Personnel Committee.

Larry Brown: Okay, very good. Are there any other questions or comments?

Sharon Tucker: I move for approval of the salary ordinance for a new employee, Youth Care Worker, POLE 2/2, at \$33,038 and non-exempt.

ALLEN COUNTY COUNCIL MEETING MINUTES

Bob Armstrong: Second.

Larry Brown: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 5-0-2 (Buskirk and Bill Brown absent). Next on the agenda is ACJC for a couple of grant applications.

Chandra Reichert: Chandra Reichert, Allen County Juvenile Center. I come before you today to request permission to apply for two different grants. The first grant is through the Drug and Alcohol Consortium. It is the ongoing Drug Free Communities grant that typically would come before you to be appropriated from them at some point in time. We hope to get some approval from them and assistance in regards to purchasing some portable breathalyzers. We are looking to purchase four. Two of those will be used with our Probation Officers that are on the street and are DAP, Detention Alternative Officers. Two will remain at our facility for our Security Officers to use. We will also be buying some supplies with that. The total amount that we are going to request which was submitted as \$1,710 is actually \$1,782. That is the amount we will request from the Drug and Alcohol Consortium. Those applications have to be in by the end of this month but they won't get back to us to let us know we have been approved until sometime in June. At that time we would come back and request that the funds be appropriated. The second grant that we are requesting permission to apply for is through the Juvenile Detention Alternative Initiative. Judge Heath has come before you several times and I am sure that he sends you guys emails regarding some updates that we have going on. This is just a continuation and I believe it is due at the end of the month. It is a total amount of \$82,000 and will pay for the Coordinator, a portion of the salary and for the coordination of efforts to continue the program as well as some additional salaries and supplies for programming. That will be due at the end of this month and I believe the fiscal time for this will start July 1. This is the second to the last year that we will receive funding from the State for 2016-2017 year as well as 2017-2018 year.

Larry Brown: Tom.

Tom Harris: The Coordinator position for \$82,000, is that the same amount that has been requested previously? You mentioned that it is part of their pay. Is that the full pay for that position?

Chandra Reichert: No, \$82,000 is the full amount of the grant request. So \$50,000 of that the State has allocated for us to use specifically for a JDAI Coordinator.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tom Harris: Excellent.

Larry Brown: Are there any other questions?

Joel Benz: I have a brief comment. I think the JDAI has been very successful and I would like to see it continue and so I am glad to see this request. I will go ahead and make a motion for both of these grants. I would like to make a motion to allow for the application to the DAC grant for four Intoximeters and a recharge canister for a total of \$1,782. Also for permission to apply for the JDAI grant for the Coordinator in the amount of \$82,000.

Sharon Tucker: Second.

Larry Brown: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Buskirk absent). Next on the agenda is Superior Court.

John McGauley: Good morning, Council members. I am John McGauley, Court Executive for Allen Superior Court.

Leslie Blevins: Leslie Blevins, Financial Coordinator.

John McGauley: We are on your agenda this morning for a couple of capital items. The figure that you are looking at represents the request for a multifunction printer, fax and scanner device for Judge Davis' office as well as a PC in our Small Claims Division. I'll tell you that we've tried to get by on what we have in our inventory for as long as we could. We got Judge Davis by for about a year on a secondhand machine that I believe we inherited from Veterans Affairs and it is subsequently broken down to where the vendor says they can't fix it anymore. The employee over in Small Claims, we have been getting by since about September on a loaner PC from Atos Origins. That is the entirety of our request this morning.

Larry Brown: Are there any questions?

Tom Harris: I will start with the amount of \$2,539. Is that correct?

John McGauley: Correct.

Tom Harris: And yet the letter we received is for \$2,040.

Nick Jordan: There are two pages.

Tom Harris: Thank you.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tera Klutz: One is the PC and one is the copier.

Tom Harris: Very good. And this is coming from our Capital Fund which we generally allow those capital request items such as these to come before us. These monies have been set aside to help with these situations, right?

Larry Brown: Are there any other questions?

Sharon Tucker: I will make a motion for Appropriation Reduction in County Council General Fund in the amount of \$2,539 to the Superior Court General Fund for Office and Computer Equipment for \$2,539.

Joel Benz: Second.

Larry Brown: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Buskirk absent). Next on the agenda is the Highway Department.

Bill Hartman: Good morning, Bill Hartman, Allen County Highway Director.

Kim Yagodinski: Kim Yagodinski, Finance and Personnel Manager.

Bill Hartman: Our first request is Highway Fund 250. Amber Road from 24 down to Redding Drive, coincidentally yesterday a culvert pipe in this reconstruction area collapsed. We are in there doing an emergency repair today to try to get the road back open. We had to close it yesterday. It is a narrow stretch that we had plans in the works for four or five years but didn't have the money to complete it. We have had some money become available and I will let Kim explain how that came about. As you can see, we have a laundry list of projects that we would like to fund with some of the money that we have been able to come up with from fuel that didn't have to be used and salt and sand etc. I will let Kim fill in those blanks.

Kim Yagodinski: Some of the money comes from reimbursements that we get throughout the year. That adds to our cash balance but primarily this appropriation request today is from money that we had rollover from the 2015 budget. For example, in our diesel fuel line we had nearly \$300,000 left from that. I did a little quick analysis for you guys but just as a note, in 2013 we were paying approximately \$3.42 per gallon for diesel fuel. Currently we are paying about \$1.46 as the wholesale price for diesel fuel. That is about half of the cost. We had that large winter storm that came through in 2014 and we used a lot of fuel. I like to have those dollars available in our budget line but then if we don't spend those we let them roll back to cash. Then we

ALLEN COUNTY COUNCIL MEETING MINUTES

come and ask for appropriation for these additional projects. Another big thing that happened, because we had a mild winter in 2015 and so far in 2016 we saved about \$225,000 in salt cost. To give you an idea, we used 6,554 tons in salt in 2013. In 2014, we used 10,806 tons of salt and in 2015, only 5,400 tons of salt. This year we have used only 3,200 tons. As those products, we don't have to use those then those dollars can come back for these projects.

Tom Harris: But we have already purchased those?

Kim Yagodinski: We put the money in our budget.

Tom Harris: So there is not salt sitting in the property out there?

Kim Yagodinski: No but we do have our new salt barn open and we do have our barns full of salt. We like to keep them full during the winter season just in case there is an event that happens. We will have them full at the end of the year so that we are ready for the fall of 2016.

Bill Hartman: We carry enough salt to manage about four events.

Kim Yagodinski: Some other areas where we saw some significant savings were in our PERF lines. I estimate that we saved about \$44,000 in PERF cost that we had set aside. We had some turnover in staff and with the changes that were made to PERF, we saved money there, of course. We also saved in our overtime lines because of the mild winter that we had in 2015 and so far in 2016. I estimate that we saved about \$62,000 in overtime. And that goes onto the PERF as well because I have to put PERF in there in case we have to pay overtime dollars. We saved some pretty significant dollars in those areas. Last year we saved about \$40,000 in our sign line too. We didn't have to do as many sign changeovers. They kind of split those up on an annual basis and on which areas they are going to work in and we didn't have to purchase as many sign blanks for that. At this point, we are here to ask for those dollars to be put into projects that we couldn't necessarily put in our budget, at that time, because the funds weren't available but now that they are here we will try to do some of those projects.

Bill Hartman: And then, of course, I talked about Amber Road and the second item is HMA Resurfacing for \$675,000. It costs approximately \$100,000 a mile to resurface and this would allow us to resurface six and three-quarters miles. Road Reclamation is when a chip and seal road or even a hot mat road gets in such bad condition that you can't resurface or re-chip and seal, we rent a grinder and grind it up and add stone and then resurface or re-chip and seal over the top. Generally those are chip and seal roads and runs about

ALLEN COUNTY COUNCIL MEETING MINUTES

\$60,000 a mile. This will let us do about ten and three-quarters miles of reclamation. Last winter, even though the snow events weren't so harsh it got quite cold and the freeze and thaw cycle broke up some roads a lot more than usual. That will help us catch up on that. Generally we will do about four or five miles a year but last year it broke up more roads.

Larry Brown: Okay, do you want to go on down the list?

Bill Hartman: Sure. Local Road and Streets, Drainage for \$500,000, we maintain in the neighborhood of 600 to 700 culverts and we have identified in our inventory that we have well over that and have rusted out culverts that need to be replaced. We are still working through which ones need to be done. Of course one of them was on Amber Road but that will be taken care of in that project. Last year in June, when we had 24 inches of rain, you have to go around and repair drainage and you never know what spring is going to bring. In Major Bridge, Ellison Road Bridge is actually a leftover structure from the 2004 Bridge Bond. Bridge bonds previously, with the estimates that we had, we didn't have enough bridges in the bond when the bids came in very successfully and we had to scramble to add bridges to the bond in order to take advantage of the money. In 2004, we really packed it but we ended up with about half a dozen bridges that didn't get done but that is not always a bad thing. This is one of the last bridges left over from that bond and we would like to get it reconstructed. In Contractual, we have four or five bridges that we would like to start engineering on and will most likely include the Edsel Avenue Bridge over the railroad. That is in Councilwoman Tucker's area and we are still working on the legal agreement between us and the railroad. It was a 60/40 split back in 1960 and so it is the City's Surtax/Wheel Tax money that pays for the total construction but to get some of the administrative cost that will be included in some of this. I have identified four other bridges and some of them have load limits, out in the County. Ternet Road has a 12-ton limit and is number two on our replacement list. Fisher Road Bridge has a 13-ton load limit and is number three on the replacement list. We have a culvert on Ham Interceptor that is causing some flooding. It is a small structure, at this point, but it will be expanded to a three-span bridge. This will allow us to start engineering on those projects. We go down to CREDIT and we have Bass Road which is a four-phase project. We are going to bid the first phase of that which is Bass-Hadley intersection that goes east to the bridge over I-69. That should bid in either August or September this year. There is another HMA Resurfacing of \$147,015. That will allow us to resurface another mile and a half of road.

Larry Brown: Quick question on Bass Road. When all is said and done, does that include a widening?

ALLEN COUNTY COUNCIL MEETING MINUTES

Bill Hartman: Oh yeah, essentially it will be a three-lane section from Hillegas Road to Scott Road. There will be a multi-use trail the full length as well.

Larry Brown: Okay. I think on the agenda that you have before you indicate that item number seven was withdrawn. We have eight items before us. Bill.

Bill Brown: I just want to say as liaison, I have met with Highway and I think this is very well thought out and a good utilization of funds because of fortunate weather conditions. With that I would like to make a motion.

Larry Brown: Kim does a good job of making Bill look good.

Bill Brown: She really does. Do we want to take all of these at once?

Larry Brown: Yes.

Tera Klutz: If you do, make sure that you read “Items one through nine but not number seven.”

Bill Brown: I will make a motion in Highway Fund 250, item one at \$750,000, item two at \$675,000 and item three at \$675,000. Also, move to approve an appropriation in Local Road and Streets Fund 255 for Drainage in the amount of \$500,000. In Major Bridge Fund 340, item five, Ellison Road Bridge, for \$600,000 and item six, Contractual, for \$400,000. In CEDIT Fund 329, item eight, Bass Road, for \$195,000 and item nine, HMA Resurface for \$147,015.

Sharon Tucker: Second.

Larry Brown: We have a motion and a second. Are there any further questions?

Sharon Tucker: I have a question. I don’t know if it is a question or more of a statement but Bill, thank you for Major Bridge. I was just questioned about that this weekend. I am glad to see that we are moving on it. Thank you so much.

Larry Brown: All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Buskirk absent).

Tom Harris: I do have another question. Talking about the annexation process that is coming up, we just paid for Flutter Road. We spent a lot of time, money and effort on it. Approximately how much was spent on Flutter?

ALLEN COUNTY COUNCIL MEETING MINUTES

Bill Hartman: It was a \$10 million overall project. So 20% of that would have been about \$2 million.

Tom Harris: \$2 million of the County's money and when an annexation takes place like this, first of all you wouldn't have known that these things would be happening. However, now that we have spent the \$2 million, this is what cities do they wait for this process or infrastructure to get built and then they come out and annex. Do we get any recoup or pay us back in any form for this?

Bill Hartman: We did not have an interlocal agreement on this project. On Bass Road, we do because we anticipated an annexation to the west along Bass Road.

Tom Harris: Should we do that with every project on the basis that a City might want to annex it?

Bill Hartman: I suppose as urban density takes place and utilities are extended, you can more or less anticipate annexation. In this case, we did not but in the future we should. Generally we develop the fringe and the City annexes it.

Tom Harris: Who makes that decision?

Bill Hartman: The Commissioners and us.

Tom Harris: We might as well begin to think that way. Not only because they are moving north but I think there will be interest in moving in other directions.

Sharon Tucker: Southeast.

Tom Harris: As we are looking at all of these different costs, how do we not know that next year the City will annex and we have paid for their infrastructure again?

Kim Yagodinski: We do have an agreement with Diebold Road South with the City of Fort Wayne. On the Gump Road Project, we have an agreement with Hometown to share in the cost of that.

Larry Brown: Thank you very much.

ALLEN COUNTY COUNCIL MEETING MINUTES

Tom Harris: If I can say one more thing. Thank you on the roundabout. I think I have been a skeptic on the roundabouts and the one on Auburn and Wallen seems to be fantastic. I have not seen any hiccups there and have heard good comments.

Bill Hartman: We worked closely with the school and the church.

Tom Harris: Have you heard any comments or complaints?

Bill Hartman: Nothing negative yet. You just never know because they are a mixed bag. Thank you.

Larry Brown: That concludes the items on our agenda. Are there discussion items? Tera, you have something.

Tera Klutz: I am going to turn it over to Nick. We worked together on compiling the financial estimated impact for the North IV Annexation that just came through. I will pass this on to Nick.

Nick Jordan: We are passing around a hard copy of the email that was sent out last night. If you haven't had a chance to look at it, what this does is take into account some of the early details from the City North IV Annexation. What we did as a basis is look at some 2015 actual revenues and 2016 estimates to try to say here is where we would be before the annexation and here is where we would be after the annexation. We did that with some of the major revenue sources and as you can see, we listed the revenue type and the first one is CREDIT. That is a form of income tax and is broken down by population and we have estimated a \$2 million decrease. I have already been emailed this morning and if you take into comparison of what the population was using the 2010 census compared to the 2015 figures, this will change. That is something to keep in mind that these are subject to a point in time and are estimates. As time goes forward, things can change and they will change. As you go down the list you see COIT Public Safety and COIT. COIT Public Safety is just the prior year certified levy. If the City's levy would increase based on the new population and the new assessed value, it is an estimate and we would lose approximately \$192,000 there. COIT is a combination of the prior year levy and the COIT Distribution and the same thing there if the City's levy were to increase greater than everybody else, it could generate a \$617,000 loss for the County. Excise Tax is based on your address and where you register your plates at. If these people were previously in the unincorporated area and are now going to be in the City of Fort Wayne, it essentially adds another taxing unit to the pie. Therefore, the City would get a portion of that and is approximately \$198,000 decrease for the County. That is based on the 2015 Excise Tax Revenue and two years

ALLEN COUNTY COUNCIL MEETING MINUTES

from now it will change based on the excise revenues at that time. Riverboat is based on the population and is similar to CEDIT with the same calculation. Highway, Local Road and Street and Surtax/Wheel Tax are a combination of mileage and population factors on how those revenues are calculated and distributed or allocated. As you can see it is approximately \$51,000 for Highway. The MVH and Local Road and Street are approximately a \$262,000 decrease and Surtax/Wheel Tax is approximately a \$446,000 decrease. The last piece and the largest dollar amount is the Property Tax and you can see there is an asterisk there. It does not take into account any mobile home improvement values, but it includes the land. It also does not take into account the property values. Those are a little bit harder to ascertain based on location. It can be done but just not quickly. We did not take them into account here. They would obviously add to the fact that the revenues that were previously in unincorporated areas would now be split with the City. Overall we have estimated, after looking at the 2015 actual revenue and the 2016 estimated revenue, around a \$5 million decrease as to what the County would potentially see. At this point in time I can take any questions.

Joel Benz: When you say that things are going to change, as far as your numbers and estimates, those numbers are going to go up which is basically going to contribute to more of a hit for us in three years, correct?

Nick Jordan: It is hard to tell and let's use income taxes as an example. Let's say we proposed a population income tax of 22,000 people would go to the City. What if income taxes increase ten percent in three years? In 2018, the actual income taxes collected increased ten percent, there are different scenarios. Additionally, the County's population could also grow in the still unincorporated area. As well as the tax rate, we looked at 2015 and 2016 tax rates. If assessed value continues to grow, as it does it creates a bigger pool to pull the tax levy from and the tax rates may be less or vice versa. That is why it is important to keep in mind that in two years is when we would actually experiencing these effects, so 2017 pay 2018 is when the property tax bills will reflect it. It is important to keep in mind that there are two years' worth of changes.

Tera Klutz: The important thing from this is that annexation does impact almost every unit in the County that is already collecting some income tax and property tax. So these estimates, though they may change, they are definitely great estimates on how it would impact us if the annexation would have occurred this year or next year. It is a tool that we need to use to communicate with not only this body but also the Commissioners. Nick is also working on something like that for all of the affected units especially Northwest Allen County Schools and St. Joe Township so that we can begin to plan and have the conversation with the City of Fort Wayne. This is the

ALLEN COUNTY COUNCIL MEETING MINUTES

very first annexation where we have Circuit Breakers implemented already. Instead of charging all of the taxpayers 40% more for City services, some taxpayers will pay zero and receive City services. That is excellent for the taxpayer but it will hurt the schools and hurt the Library and will hurt the Airport. Then begins the dialogue on how to proceed to make your City grow without hurting your schools but for part of the conversation, we wanted to be prepared to have numbers for everyone who may be having those conversations going forward.

Tom Harris: So with the number that the Mayor's Office communicates, the real number that we are looking at is \$5.3 million rather than something...

Nick Jordan: The Mayor's Office just communicated the property tax amount. One point five is very close to the one point four. We arrived at very similar amounts. That is the important part to note, they just put property tax.

Tera Klutz: And I will follow up to say that a lot of media outlets didn't pick up the property tax specification in the Mayor's news release. It said property tax shift and so a lot of the media outlets reported it as revenue loss. Clearly there is going to be a lot more revenue lost to Northwest Allen County Schools. They receive excise tax and also, St. Joe Township and the like.

Tom Harris: If you look at the whole pie, this is the revenue process. I am sorry, this is the second question.

Larry Brown: Go right ahead.

Tom Harris: This is the revenue piece. What about the cost savings, if you will? The Highway left the table a little bit ago and I meant to ask them what about less trucks? Should we buy one less truck next time they want to buy trucks? We don't have as many miles to cover. Where is the cost savings from this kind of process?

Nick Jordan: I think those are discussions that are just starting and will happen over the next couple of years. Not even just the County's piece of it. If they take 22 square miles as you are noting, it is the Highway or the Sheriff or those types of services that may cover that geographical area. Also, the Townships, if they are taking almost 90% of St. Joe Township parcels, does Fire need to still exist? Does it just become Township General and Township Assistance? Other Townships and Northwest Fire Territory and those types of things will be an overlap in coverage. Will we see decreases in tax levies because they will no longer provide the services that they are currently providing? There should definitely be some of those but as other people have noted, there are still things like the Jail and services of that which no matter

ALLEN COUNTY COUNCIL MEETING MINUTES

where the annexation occurs, the Jail still needs to be covered and potentially with less revenue.

Larry Brown: Good information. Thank you.

Sharon Tucker: Very good.

Larry Brown: Okay, Council, are there any other discussions?

Tom Harris: Might I ask one more question on that issue?

Larry Brown: One.

Tom Harris: An email has come to me and we are starting to get these kinds of comments, what can we do to stop this process? Does County Council or County government have any say in the process to help taxpayers to fight it? I guess I will throw that out to the Auditor and maybe that is not the appropriate place to throw it.

Tera Klutz: First of all there is a formal way to oppose an annexation and it is through a petition remonstrance. It can only be done after the City Council passes an ordinance. Until City Council passes an ordinance, there is nothing to petition or remonstrate against. Depending on how you like to lobby or whether you are in support of this annexation, let City Council know you are against it. Those are the only logical steps to take at this point because there is no ordinance.

Larry Brown: Okay Council, is there anything else.

Joel Benz: I do have a couple of things from my liaison reports if we are ready for those.

Larry Brown: Please.

Joel Benz: Okay. One thing that is coming up, I talked to the Coroner's Office and they are going to have one of their long-time, tenured employees retiring in the not too distant future. That is going to lead to them shuffling around. It is only a three-person full-time operation and so it is going to be some major restructuring for them. Also, tomorrow the Drug Task Force was scheduled to meet here in Fort Wayne. Judge Wendy Davis and Eric Zimmerman from Probation were going to do a presentation that goes directly to the Governor. It is basically a Task Force that looks at best practices. It is kind of a good thing and open to the public. They make direct recommendations to the Governor for the future of where money should be

ALLEN COUNTY COUNCIL MEETING MINUTES

spent. It has been rescheduled from tomorrow to May 17th. I plan on attending that. That is all I had.

Larry Brown: Okay. Bob.

Bob Armstrong: Back in January I asked for some information on what we are getting for our tax dollars in return for paying to the Chamber and the DID and Regional Partnership. It was supposed to be discussed last month. It was put on hold that we were going to have small meetings with the Commissioners and that has been put aside. I still need the question answered. We are giving tax dollars to entities and what is our return or what are the taxpayers getting back from these entities? It has been said that they are going to discuss that at budget time. That's fine but...

Tom Harris: They being the Commissioners?

Bob Armstrong: Yes. That is something that needs to be answered and I hope that the Commissioners plan on doing that. The other thing I would like to add is in July 2013 we disbanded the Allen County Redevelopment Alliance and joined the Chamber. I personally think it is something that should be brought up for discussion next month. What are we going to do funding-wise to that organization? City Council cut the funding to the Chamber on Tuesday and I have to go along with them and agree why are we taking tax dollars, giving it to an outside entity that potentially is going to go out and campaign for increases in taxes as they have brought out and said that they may do with this Regional Partnership development. I just want to throw that out. I think that is something that we should probably think about and discuss. We don't have the latitude that City Council has because if it is over \$100,000, they have the right to bring them to the table and scrutinize it and that is what happened Tuesday. We don't have that. The money from the CEDIT budget is already approved by this body. This year, in the CEDIT line, there is \$300,000 going to the Chamber. I just don't know if that is a smart way to spend our money. That is something that I just wanted to bring out and something that we should probably think about going into budget season. Are we getting what we deserve out of it? Should we look at re-instituting an Allen County Redevelopment Alliance and get away from the Chamber? Those are just my questions and feelings and I just wanted to bring them out. We should probably have a discussion about it.

Larry Brown: For clarity, you are using the term "Chamber", does that mean Greater Fort Wayne, Inc?

Bill Brown: A little bit on that. You are probably familiar, Bob, that at the Tuesday City Council meeting they really do have a solid separation between

ALLEN COUNTY COUNCIL MEETING MINUTES

the Alliance, which still exists, and the Chamber still exists within Greater Fort Wayne, Inc. They have two separate accounting firms and are distinctly separated. As you know, City Council asked for more clarity on the process and so they are working on that. To your point, they are two separate entities within a larger umbrella entity.

Tom Harris: I would probably just add that we talked with the Commissioners with the intent that they were going to come back and give more information about how they are spending CEDIT funds which is where some of that comes from. Then they indicated that we were going to move to small meetings and then they indicated to wait until the budget season. I think it might be prudent to have them come before Council to talk about that maybe even next month. It's just a thought.

Larry Brown: Okay, I guess I am hearing that you want a formal request initiated from Council to the Commissioners for them to appear at our next meeting.

Tom Harris: Yeah.

Larry Brown: To explain CEDIT dollars distribution, is that right?

Tom Harris: Yes.

Bob Armstrong: And also, the other thing that I have asked for and have not gotten yet is I would like to see in July of 2013 when we disbanded and joined the Chamber of Commerce, I would like to see what that agreement looks like. I have asked for a copy of that agreement and haven't received it yet. I think that is something that we should also look at to see what we actually agreed to when we went into that joint agreement.

Bill Brown: If I may, one of the points of clarity, Bob, is you refer to it as the Chamber of Commerce, however Greater Fort Wayne, Inc. is a combination of the Chamber of Commerce and the Alliance. Our dollars fund the Alliance side. I think that is important to realize it. It is not the Chamber of Commerce because that is more of a private entity, 501(c)(6) Business League.

Larry Brown: I don't doubt that. I don't doubt your word but show me.

Bill Brown: I have no problem with this whole process of demonstration but I want to say here and now to say that we are funding the Chamber, it is not funding the Chamber. It is funding Greater Fort Wayne, Inc. element of the Alliance.

ALLEN COUNTY COUNCIL MEETING MINUTES

Larry Brown: You have a different role. The rest of us are on the outside. You are more closely involved. You know some things that we don't, in my opinion. My point is, to the taxpayer, it is very confusing.

Bill Brown: Just to be clear, again, I am not saying don't get information for clarity. That is very important.

Larry Brown: I hear you.

Bill Brown: What I am doing right now, at this particular time is illustrating and clearing up that we are not funding the Chamber. It is Greater Fort Wayne, Inc. that we are funding.

Larry Brown: Okay.

Bill Brown: That comprises two entities. That is all I am saying.

Larry Brown: Okay.

Bill Brown: I think the concept of clarity and understand the mission of all of the various economic development entities is really important. If we could move onto this joint meeting that is coming together for Fifth Tuesday for City Council. That will be us and the City Council to get a presentation primarily about the RCI. Roy was going to discuss it today.

Sharon Tucker: A joint meeting.

Larry Brown: That was on my list to bring up.

Bill Brown: Very good.

Larry Brown: It is definitely confirmed and has been talked about but this is your notice that it is definitely confirmed. March 29th, what the City would call the Fifth Tuesday, will be a joint City and County Councils meeting in this room and at 5:30.

Tera Klutz: We will need to know for advertising purposes. Can you also confirm the room?

Joel Benz: No.

Bob Armstrong: It is going to be in this building.

ALLEN COUNTY COUNCIL MEETING MINUTES

Sharon Tucker: And we have had discussion on this?

Larry Brown: Have we had discussion? No.

Bill Brown: This is the discussion.

Sharon Tucker: Apparently it is we and not me. You all seem to know what is going on.

Tom Harris: No, I think in the last Council meeting, Roy mentioned that he was going to be in touch with City Council on the basis that we may get together and he has confirmed that, in essence.

Larry Brown: I believe that is correct.

Joel Benz: He had a meeting last Friday with City Council.

Tom Harris: In Roy's absence, Larry is letting us know that Roy confirmed that meeting.

Larry Brown: The delay has been because they had difficulty confirming a speaker. That speaker has been confirmed as of Tuesday night, I believe. That can now be a formal notice to us that it is a called meeting.

Bill Brown: Just a comment on that with clarity, I think that is what we are all looking for. To Bob's point earlier, the clearer we are on all of these entities and how they work and moving forward and the City using a Fifth Tuesday methodology to explain this, I think is really good.

Tom Harris: To my understanding, that meeting is focused primarily on the Regional Cities Initiative. I don't know that it is going to be beyond that. It could evolve into that but I think the intent of that meeting is to help City Council to understand some of the Regional Cities Initiative and possibly have some members of the committee come before both Councils and help us understand some of the initiatives as well as the timing of some of the events. The thing has been moving at a pretty good space and the thought was to bring the groups together and hear from the entities the timelines and what their initiatives are. If we are supposed to help down the road with some sort of funding, we should have some upside to understand what is coming at us.

Bill Brown: Just to be clear that's what I mean about clarity. Bringing it forward, Roy is very familiar with that and perhaps this group needs a subcommittee to carry forward and really look at continuing to bring clarity to the body.

ALLEN COUNTY COUNCIL MEETING MINUTES

Sharon Tucker: It is all about transparency.

Larry Brown: It's my understanding that a lot of things are moving quickly and the Regional Partnership is the business side, the administrative side for the RDA's. They needed someone to do their clerical side and that is the Regional Partnership. The meeting that we are going to have on the 29th, I believe the discussion will be led by John Sampson and it is not yet confirmed but is hopeful that one or more of the five RDA's will be in attendance. What they can add, I don't know. What little discussion I have been involved in they are still learning what is going on. It is moving and evolving. We want to be involved in the evolution. I think it is an opportunity for us to be brought up to date on what is going on and express our interest in being a part thereof.

Bill Brown: In that regard, the State Legislature just approved the funding. Just a little bit of information, they are in the process of hiring a Director, if you will. They would work with the RDA's and help manage all of these projects as they come in. Not manage the projects but manage the process. John will be able to speak much better about it.

Larry Brown: Are there any other liaison reports or information? Are there any public comments?

Bill Brown: Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of March 17, 2016.

Bob Armstrong: Second.

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

Bill Brown: Move to adjourn.

Tom Harris: Second.

Tom Harris: All in favor please signify by saying aye. Opposed like sign. The motion carries 6-0-1 (Buskirk absent). There being no further business the meeting was adjourned at 9:45.