

**ALLEN COUNTY COUNCIL MEETING MINUTES**  
**JULY 19, 2018**  
**8:30 AM**

The Allen County Council met on Thursday, July 19, 2018 at 8:30 am in the Discussion Room at Citizens Square. The purpose of the meeting was for additional appropriations, transfer of funds in excess of the current budget, grants and any other business to come before Council.

Attending: Joel M. Benz, Larry L. Brown, Justin T. Busch, Tom A. Harris, Eric M. Tippmann and Sharon L. Tucker. Robert A. Armstrong was absent.

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

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

**Joel Benz:** Good morning everyone. First on the agenda is the approval of the June 21, 2018 meeting minutes. Are there any additions or corrections? I do have one adjustment that I would like to make, if I could. In the very beginning of those minutes, it had me calling Councilwoman Tucker as Councilman Tucker on the first page? I would appreciate that being corrected.

**Becky Butler:** Yes.

**Sharon Tucker:** Thank you for protecting my honor.

**Tom Harris:** Move to approve the minutes from June 21, 2018.

**Sharon Tucker:** Second.

**Joel Benz:** All in favor signify by saying aye, opposed, same sign. The motion passes 6-0-1 (Armstrong absent). Next is the financial report from Auditor Nick Jordan.

**Nick Jordan:** Good morning, Council. I won't spend too much time here because I will talk later. In your notebook you see the General Fund financials and the property taxes collected. We have a little over 55% which is expected because some people pay the full year in the spring. You will also see that Miscellaneous Revenue is trending a little bit higher and that is attributed to one of the biggest pieces being the care of prisoners, Federal and State, due to the conservative estimate as well as the continued high population count that we have at the jail. I can take any questions now or at the end of the meeting when we can talk in more detail.

**Joel Benz:** Council, are there any questions for the Auditor?

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**Tom Harris:** I will move for approval of the financial report.

**Sharon Tucker:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent). This morning we have a total appropriation requested in the General Fund in the amount of \$230,168 and in Other Funds for \$110,629. At this point, I would like to open it up for public comment on any matters that are going to appear before us this morning. Is there anyone out there that would like to come before us? Seeing no one, we will have Community Corrections come forward.

**Jeff Stevens:** Jeff Stevens, Senior Finance Manager for Community Corrections. I am here for your approval of two recent grants that we were awarded. The first one is in the Problem Solving Court in the amount of \$30,000. The second one is the IJC Veterans Treatment Court in the amount of \$2,500.

**Tom Harris:** These are annual grants? You get these on an annual basis?

**Jeff Stevens:** It is about the fourth one and they come out at about the same time.

**Joel Benz:** Both of these are from the State, correct?

**Jeff Stevens:** Yes, specifically from the Indiana Office of Court Services.

**Joel Benz:** Council, are there any further questions?

**Larry Brown:** I will offer a motion to approve both requests, Court Fund 852 in the amount of \$30,000 and in Court Fund 857 for \$2,500.

**Tom Harris:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent). We will scratch the Public Defender Settlement Agreement. We don't have any further developments there. We will move onto Economic Development.

**Rachel Black:** Rachel Black, Allen County Economic Development.

**Jeff Smith:** Jeff Smith, Senior Vice President of Production for Northern Indiana Anodize.

**Mark Rupp:** Mark Rupp, Board Chair for SAC Properties.

**Bruce Fogler:** Bruce Fogler with NIA, Northern Indiana Anodizing CFO.

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**Rachel Black:** First we have consideration of a Resolution 2018-07-19-01 approving a Statement of Benefits for SAC Properties LLC and NAI LLC. They are requesting a Statement of Benefits at 13026 Bluffton Road which is at the northwest corner of Pleasant Center Road and Bluffton Road. The company plans to build a 45,000 square foot building for anodizing aluminum. The facility will have one truck dock, two pull-in truck bays and include a 2,000 square foot office space and breakroom. The proposed project involves an investment of over \$2 million in real estate improvements and \$4.6 million in personal property investment. Construction is set to begin, hopefully, this month and finishing in the spring of next year. They plan to create 48 new jobs with salaries estimated at \$1.7 million. The majority of those jobs will be around \$16 per hour. Based on the system, the company is eligible for a seven-year tax phase in for both real and personal property. The company will save around \$287,000 over the seven-year period. If you have any questions, I will be happy to answer them and we have the gentlemen that introduced themselves earlier to answer questions.

**Tom Harris:** Maybe tell us a little bit about your operation, what you are doing and a little bit about the business.

**Jeff Smith:** We will get products from other companies. We don't manufacture product but will do a coating on it, aluminum anodizing. I will go down a series of tanks where it will be cleaned, anodized and sealed which gives it a permanent finish.

**Tom Harris:** Is your business local or regional or national?

**Jeff Smith:** A fair amount locally but regionally as well. We will be getting some stuff from other states, too.

**Joel Benz:** Is this a combination of a couple of businesses and that is why you are expanding your facility? Or are you just moving out and building a new facility and expanding?

**Mark Rupp:** I also happen to be the Board Chair of a company called Fast Tech. We use a lot of aluminum guarding. We were having a problem getting our aluminum anodized. Our parts are anywhere from eight to twenty-two feet long. There are no tanks in the area that are big enough to do the anodizing. We then ran into an anodize operation that has a plant in Indianapolis and a plant in Minnesota that were also having problems getting their products anodized. We had an extruder that was operating at 50% out of Indianapolis and about 85% out of Minnesota. Nobody could get their stuff anodized so this was a kind of scenario where we were forced into doing something because we couldn't get product. That is how this got started and is a venture between a numbers of different operations to make this happen. The location in this area is really perfect because of the access to Detroit which is using a lot of our products and a lot of the aluminum extrusion goes on to the east coast and going right through the Fort Wayne area makes a lot of sense from a strategic standpoint.

**Joel Benz:** Councilman Tippmann.

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**Eric Tippmann:** Since this is the perfect location, if you weren't to get this abatement, would you continue with the project as it is?

**Mark Rupp:** We had looked at Hicksville, Ohio which is not that far from being in the same location but we liked the road system better here. If we can't get something worked out, we certainly have the opportunity to look at another location. Our preference location would be the road system here.

**Eric Tippmann:** I noticed that you are not planning to give tuition reimbursement for your employees. I think that is a question for Mr. Fogler.

**Bruce Fogler:** That is one of the things that when we were checking off the different benefits, I guess we are more stringent that we will do health benefits. The tuition reimbursement, we do that at Fast Tech and we have very few people that would use it so it is not something that was a top priority. It is probably one that if people asked, we would probably consider it.

**Eric Tippmann:** I know I would be more in favor of supporting this if you would check off that box. Is there any way that I can get you to check off that box?

**Mark Rupp:** I bet I can check that box off right now.

**Tom Harris:** The question about the 48 jobs, is there a span of time that you are thinking about filling those and how are you doing presently on positions?

**Bruce Fogler:** Right now, at Fast Tech, I think everyone knows that labor is harder to get today than it was two years ago. We believe the \$16 for factory labor will be very competitive. At Fast Tech we are in that not having trouble...

**Tom Harris:** Are there any current openings?

**Bruce Fogler:** Right now we have everything filled. We know that we have to be at the \$16 in order to be competitive in the area.

**Tom Harris:** About those 48 jobs, what is the span of time that you plan to fill those?

**Bruce Fogler:** We would hope to open in April 2019 and probably take a year to get to the 48. We would probably start in the mid 20's and go to the 48, we ramp up.

**Joel Benz:** Councilwoman Tucker.

**Sharon Tucker:** On the jobs, where do you find your pool of employees? Are you using temporary services or are you doing your own hiring?

**Bruce Fogler:** We mostly do our own hiring. We work with hiring some of the people that were dui...

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**Sharon Tucker:** Out of the drug courts?

**Bruce Fogler:** Yes. We have several people from there that we have brought into Fast Tech and will continue working with them. They are very good employees. They are very thankful that they have jobs and they tend to be very good employees.

**Sharon Tucker:** I love the fact that you saw a need and are combining two companies together to answer that need. I think that is dynamic and that is how small business flows and works. I love it.

**Mark Rupp:** It is interesting if we add the people that the companies that were involved in putting this together, we actually have one shift already filled before we open the doors. Are we excited about doing this? Yes, we are and hopefully we will be able to get enough people.

**Eric Tippmann:** If I were a poker playing person, which I am, there is something in poker called a tell. You have already tipped your hand and said we are the perfect location. I bet you would do this probably without this abatement anyway. I wonder if driving a harder bargain, what if we gave you 95% of what you wanted of \$272,650? Would you take that? Would you feel like you had won today if that was the offer?

**Mark Rupp:** That is an interesting thought.

**Eric Tippmann:** I am just trying to be a good steward of the taxpayer money.

**Mark Rupp:** I understand. I know I said we like the roads and we certainly do but we are not opposed to putting it someplace else. When the original information came out, I think we were pretty happy with that original information. What is the dollar difference that you are talking about there?

**Eric Tippmann:** Five percent.

**Mark Rupp:** Yeah but what is that in real dollars?

**Eric Tippmann:** Fifteen or fourteen and change.

**Mark Rupp:** Even if we add the education program?

**Eric Tippmann:** I like how you think, Mr. Rupp. That is a negotiation.

**Mark Rupp:** We would love to do that and see our people progress. We like to hire from the inside, I mean promote from the inside. Our current president at Fast Tech started out as a worker bee in the shop and he was able to advance through a whole variety of things that we did. I would like to encourage our people to be better educated and sometimes

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they end up taking jobs somewhere else because they have gone through that system. I don't think that is a bad scenario either. I guess we would prefer to keep it where it is.

**Joel Benz:** Councilman Tippmann, I believe this was an offer we extended to them.

**Eric Tippmann:** I understand that.

**Joel Benz:** If we were going to make the negotiations, we should negotiate on the front end.

**Eric Tippmann:** Correct.

**Joel Benz:** Not at the table here.

**Tom Harris:** Another question. Can I ask another question?

**Joel Benz:** Go ahead.

**Tom Harris:** Sometimes businesses have the opportunity to give some back during that period of time. Is that something that was discussed?

**Eric Tippmann:** It did and the box in there, they checked the five percent and there is a ten percent box they could have checked as well.

**Mark Rupp:** Obviously, if we are successful, it is a good thing for everybody. If we opted to give you more money back, I assume you wouldn't object.

**Tom Harris:** Well put.

**Mark Rupp:** You have to understand where I am coming from. The proposal you gave us was X and we want to be good citizens, no question about it. You have kind of put me in a scenario that is a little tougher.

**Eric Tippmann:** It wasn't binding. I appreciate your opinion and it flushes out other things that we discuss here at this table. I appreciate your candor. You have to see where I am at protecting people by driving a harder bargain.

**Tom Harris:** I want to say congratulations on your growth and continued thoughts of expansion in the community. With that I will move for consideration of Resolution 2018-07-19-01 approving a Statement of Benefits for SAC Properties LLC/NIA LLC.

**Sharon Tucker:** I am going to second and I would just like to say that I stand by my comments. I think this is great that you found a need and you are trying to fill the gap. With our current unemployment rate, you will be stretched and with the education program and thinking outside the box to fill in and bring those employees in will be your biggest challenge but I wish you guys much success.

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**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent).

**Eric Tippmann:** Rachel, how will that be corrected that they agreed to give tuition benefits since we just passed the resolution for that? Would that be considered a friendly amendment to that document?

**Rachel Black:** It is just on the application and not part of the resolution.

**Elissa McGauley:** They are already maxed out on their points but we don't include any of that information on those resolutions to address that. If you want something started to do that we can. You would have to tell us how you would like to structure that. If you want to make changes at the table, we can make changes at the table.

**Rachel Black:** It is in that part of the application and in the point system. It is kind of lumped together and there are a couple of different ways to score it. They were given the majority of those three points because they offered a majority of the benefits within that question. If they are only giving two things like dental and health, they would maybe score lower. It is kind of all lumped together. The point system is there for us to guide with those percentages.

**Joel Benz:** To Councilman Tippmann's point, I think what you are saying is that it is on their honor to hold up that end of the agreement.

**Rachel Black:** Yes.

**Tom Harris:** And it does help with recruitment.

**Eric Tippmann:** That will be fine.

**Nick Jordan:** In talking about the point system, even if they offer no benefits, they still would have qualified as the exact same abatement.

**Eric Tippmann:** I am thinking of it in terms of like a contract.

**Joel Benz:** Gentlemen, we look forward to you doing business in Allen County.

**Justin Busch:** Safe travel home on Indiana's beautiful roads.

**Rachel Black:** The rest of the items on the agenda are based off the compliance and the majority of those were heard last month but I will do a brief summary for each one of those. The next one on the agenda is Resolution 2018-07-19-02 confirming substantial non-compliance with Statement of Benefits for 2018 for Canalway Properties LLC. Today we have Mr. Dan Adams. I will do a quick overview. The company was approved for a tax phase-in in 2013 for real and personal property in the amount of \$2.3 million.

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The personal property abatement has expired but there was real property tax phase-in that still has one year left after the 2018 pay 2019 period. The company is compliant in terms of the jobs and salaries but they were late in submitting their compliance paperwork. If you recall, they needed to submit by the 15<sup>th</sup> of May and they submitted on May 21<sup>st</sup>. The resolution before you, if you decide to approve would find that the company is not in compliance and they would no longer be eligible for tax phase-in for the remaining time period. If you do not approve the resolution before you, they would go ahead and move forward for next year. As a reminder, the 2018 pay 2019 deduction would be around \$450,000.

**Joel Benz:** Welcome, Mr. Adams. I think the first question is, what happened so that the paperwork submission was late?

**Dan Adams:** It was my fault. I got it back from the accountants and had it on my desk and misplaced it. I found it a couple of days later and mailed it in. Totally my fault and I take the blame for it and ask for forgiveness.

**Joel Benz:** Council, are there any questions for Mr. Adams?

**Eric Tippmann:** If you pay your property taxes late, what is the penalty?

**Dan Adams:** There is a percentage late fee.

**Nick Jordan:** Five percent first and eventually another five percent and it keeps going.

**Eric Tippmann:** Seems like a good rule of thumb for these economic development issues.

**Tom Harris:** That might be something that we discuss with economic development for the future.

**Larry Brown:** I think the important thing, and that is a good idea, is to stick with what we have done in the past. It is important that you understand, and that is why we have asked you to come today, these are important deadlines and don't let it happen again.

**Dan Adams:** Yes, sir.

**Larry Brown:** This is serious stuff. There is a deadline. The line is drawn in the sand. The next time we won't be so forgiving.

**Dan Adams:** Understood.

**Tom Harris:** So, Mr. President, with no action it makes them move forward. Is that correct?

**Rachel Black:** That is correct.

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**Joel Benz:** Council, do we have a motion on the floor for this?

**Larry Brown:** I believe the reply to our request is appropriate in that we take no action. I guess that would be a motion.

**Tom Harris:** I will second that.

**Sharon Tucker:** I would like to thank you for coming down and you have heard the passion behind it but thank you for taking time out to come and talk to us. Some have not.

**Dan Adams:** Thanks for hearing me out.

**Joel Benz:** Hearing no movement, this will die.

**Tom Harris:** He moved for no action and I seconded it.

**Joel Benz:** We have a motion and a second for no action. All in favor say aye, those opposed, like sign. The motion passes 5-1 (Tippmann)- 1 (Armstrong absent).

**Eric Tippmann:** I think it would have been a good time to instigate that.

**Larry Brown:** That is fine but take it up with economic development in a meeting and we go across the board.

**Eric Tippmann:** I am just stating.

**Larry Brown:** I don't think that during a Council meeting is the place to initiate a new tactic.

**Eric Tippmann:** I agree. I was making it known for the people that may be watching we are going to be serious about this. Put something behind it.

**Larry Brown:** Cool.

**Rachel Black:** Would you like to introduce yourself?

**Andy Boxberger:** Andy Boxberger with Carson and I am the attorney for R3 Composites.

**Kirk Klein:** Kirk Klein, CFO for R3 Composites Corp.

**Rachel Black:** R3 Composites was approved in 2011. They came before this board last year to give reason for non-compliance and were approved to continue with their abatement based on their explanation at that time. The company was not able to meet their goal of 400 employees. They missed the County's policy by one percent totaling

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74%. Again you have a resolution before you, if approved would find them in non-compliance and would no longer be eligible to receive their tax abatement. Currently they have different ones running, between three years and eight years running. I want to mention that the job numbers from last year were at 131 and they did increase to 295. Their salaries were reported at over \$6 million. The deduction amount for 2018 pay 2019 if they are allowed to move forward would be around \$848,000.

**Andy Boxberger:** I emailed all of you yesterday but they had a devastating loss last year losing about 73% of their business when they lost their largest customer. Even with that significant loss, they were extremely close to meeting those job numbers and had a significant amount of growth. I believe the statute contemplates factors out of their control and this was certainly out of their control. They have been good stewards of the community and have invested a lot of money in this company over the years and ask for your grace in allowing them to continue with these benefits as they are extremely beneficial and necessary to them for the continued growth. I think they are confident that they will hit those numbers in the coming years as they make up for that big loss in business from that customer.

**Eric Tippmann:** Mr. Klein, who was that customer?

**Kirk Klein:** Aquatic.

**Joel Benz:** Councilwoman Tucker.

**Eric Tippmann:** Don't tell me they bought abroad.

**Andy Boxberger:** They bought their own company and started making some of their own stuff.

**Eric Tippmann:** In Wisconsin?

**Kirk Klein:** Illinois. There is a silver lining to that. They did move their stuff out but they found that they couldn't make it and now they are moving it back. We have gotten about 20% to 25% of it back.

**Sharon Tucker:** So you can increase the contract.

**Kirk Klein:** The other things that we have done, currently we have about 33 positions open and besides them coming back, we are growing the business. We got a couple of major customers that we're looking at. We did win an award from another automotive supplier that starts in 2020. We are also working with a big automotive company in the truck industry and we are doing painting for them. If that project goes forward, we will need to invest about \$2 million more to get all three paint lines up and running. We have to prime it, paint it and clear coat it for them. The other thing that Andy mentioned is we have been really good stewards of the County but we are like everybody else and are having a hard time getting labor. We have increased our wages from ten dollars an hour

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to thirteen dollars an hour. We have been working with the Allen County Work Release program and we have people in that program. We are also working with people in the Blue Jacket and have gotten employees through that firm. We are trying to employee people from those two agencies.

**Joel Benz:** Councilwoman Tucker, did you have a question?

**Sharon Tucker:** Yes, he kind of touched on my question which right now every company is having this same struggle of finding staff or employees to put the widgets together. That is what I was going to ask. Last year, when you guys were here, part of the problem was the same issue where we didn't quite make the threshold for the employment and that is where we are again. What new initiatives are you taking to hit the goal for next year?

**Kirk Klein:** As I said, we raised our wage from ten to thirteen dollars an hour. We have also started engaging Blue Jacket and Work Release. Besides that we are rethinking possibly increasing that wage again to be a little more competitive. We might be increasing it later to fourteen or fifteen dollars an hour depending on the scarcity of the labor. We are looking at other things to do and with these new projects that we potentially have, not getting the extra labor could hurt us from growing that business.

**Sharon Tucker:** Do you use temporary services?

**Kirk Klein:** Yes we do. The problem with our temporary services is that our turnover rate with them is like 89%. We have people that come in, work two hours and go home and never come back. They don't give you a reason. It's a hot job. It's a compression molding facility and it gets hot especially at this time of the year. It's itchy but what we do to try to mitigate that is we bring people in through the temp agencies and we give them a tour of the facility before they even start. We put in two to three hours of training and going through the facility so they get an idea of what they are getting into. Like anything else, it is easy to see it but when you are actually out there doing it is a different situation. We try to use that method to mitigate the loss of people.

**Sharon Tucker:** It's itchy?

**Kirk Klein:** The SMC compound gets itchy. For some people, it irritates them more than others but it can cause you to itch.

**Tom Harris:** That showing up and disappearing is happening all over. I just met with companies yesterday that are having the same thing where employees show up and simply disappear. There are things you can do and maybe we can help.

**Joel Benz:** Rachel, I have a question for you. I remember that they have come before us for a number of years for failing to meet the criteria. How many years in a row?

**Rachel Black:** I want to say three.

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**Andy Boxberger:** I am confident and am being speculative that they were on pace to meet it this year then they had the loss of 73% of their business.

**Rachel Black:** Each year they have increased employees even though they didn't meet the 75%.

**Andy Boxberger:** Did you say they missed by one percent this year?

**Rachel Black:** Yes.

**Eric Tippmann:** In Mr. Klein's defense, I have teammates who work at his facility and they enjoy their job. They are happy there.

**Kirk Klein:** I would like to add one more thing. Our revenue has increased double digits over the last three years. We were doing the right things and then this customer pulled out. Now we are rebuilding and we will get back to where we were. When we get this paint line in there, you will see substantial growth.

**Sharon Tucker:** Have you seen a turnover in your management staff?

**Kirk Klein:** No, not really. We have had maybe two people leave in the last couple of years. We have a very stable management team.

**Larry Brown:** With that I will make a motion to take no action. I think their employment numbers speak highly of their effort. Granted they are not meeting their original goal but as they have come before us several times before we at least know why. I think we need to hang with them.

**Tom Harris:** I'll second that.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 5-1 (Benz) - 1 (Armstrong absent).

**Rachel Black:** I will let Kevin introduce himself.

**Kevin Scholze:** Kevin Scholze, Director of Real Estate for Parkview Health.

**Rachel Black:** This was originally under Feenix LLC Fort Wayne Medical Oncology and Hematology. It was approved in 2008 for \$7 million in real estate investment. They were to construct a 48,000 square foot medical facility on the Parkview North Campus providing patient services and to house the company's headquarters and executive personnel. They were approved for a ten-year tax phase-in for the real property and the company did not file the paperwork as required. I spoke with Kevin about this. I have not yet received the form but he is here today to talk about that a little bit. They have five remaining years. Parkview purchased this and I think it got lost in the shuffle. As far as

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the deduction amount, it would be a little over \$373,000 for 2018 pay 2019. I will let Kevin speak to what is going on.

**Kevin Scholze:** We purchased the building in November of last year and through the course of the due diligence and information that we received from the seller, we were not made aware of this. Feenix has since been dissolved and Parkview Health System is the owner of the property now. It is not our intention to pursue the abatement further. The building is not a part of the Health System that would become exempt. It is a taxable building and the medical oncologists still have space in the building. Parkview Health System has some space in the building that will become a physician office, PPG which is a taxable entity. That is our position.

**Tom Harris:** In essence, giving up the abatement.

**Kevin Scholze:** Right.

**Tom Harris:** Okay. Well, great. In that case, you didn't miss the deadline.

**Justin Busch:** Thanks for coming in and hanging out with us today.

**Tom Harris:** With that I will move for Resolution 2018-07-19-04 confirming substantial non-compliance with Statement of Benefits for 2018 for Feenix LLC c/o Fort Wayne Medical Oncology and Hematology.

**Larry Brown:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent).

**Rachel Black:** The next two for Blue Kingfisher LLC, we are going to take together. I will let Mr. Thompson introduce himself.

**Kevin Thompson:** Kevin Thompson, Director of Public Affairs for Walmart in Indiana.

**Rachel Black:** We have Resolution 2018-07-19-05 confirming substantial non-compliance with Statement of Benefits for 2018 for Blue Kingfisher LLC. And we have 2018-07-19-06 waiving non-compliance for Blue Kingfisher LLC. We will take those separately but I wanted to talk about them together. Blue Kingfisher was approved in 2016 for a tax phase-in for both real and personal property in the amount of \$165 million. The company is a dairy processing facility and they were required to file their 322RE Form. Part of that form they are also required to file a CF-1 Form. Today we are not looking at compliance, jobs or investment but just that the required form was late. It was supposed to be filed on the 15<sup>th</sup> but was filed on the 16<sup>th</sup>. Again, you have a resolution before you, if approved, would confirm the non-compliance. Do you want me to talk about the second piece? The other form, the 322RE, we would have to have a public hearing for that and it would be waiving the non-compliance as they submitted in not a

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timely manner. A Form 11 is sent to the applicant and they have 30 days to submit that form. They failed to file that form in a timely manner. Mr. Thompson is here to answer any questions and then we can open a public hearing.

**Larry Brown:** First of all, thank you for coming and for your investment in Allen County. The purpose of asking you to come here today is to basically put your hand on the table and allow us to spank you.

**Kevin Thompson:** I understand.

**Larry Brown:** Rachel that is your job. I doubt if you personally will be in charge of making sure these forms are filed in the future. Take back to your team, whoever that is, these are important. We intend fully and totally to hold you in compliance to the due dates.

**Kevin Thompson:** Absolutely.

**Larry Brown:** The citizens and taxpayers of Allen County have committed to join with you in this investment. We have done our part and now it is time for you to do your part. Again, thank you for your investment and thank you for the large number of employment figures but again these forms and deadlines are important.

**Kevin Thompson:** Councilman, I agree with you completely and to say I am a little sheepish or embarrassed to be here is an understatement, obviously. We do have the resources and personnel to comply with the different tax ordinances around the country. In this case, my understanding is we simply misunderstood the statute and didn't realize until Rachel alerted us that preconstruction and preplanning were to be included. We thought it was keyed off the Certificate of Occupancy. Not that it is an excuse but is what our thinking was. I can tell you that there have been some very high level conversations about this oversight on our part. I appreciate Rachel reaching out and working with us and the message is clearly received and understood, thank you.

**Sharon Tucker:** Rachel, we have the forms now?

**Rachel Black:** Yes.

**Sharon Tucker:** And they are in compliance other than just the timing.

**Rachel Black:** Yes.

**Larry Brown:** With that I will make a motion for both resolutions that we take no action.

**Tom Harris:** I second that.

**Nick Jordan:** You want them to take action on number six.

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**Rachel Black:** Yes.

**Nick Jordan:** You don't have to make a motion for no action. You can just do nothing. Number six, you need to pass waiving the non-compliance.

**Larry Brown:** Oh, I'm sorry, I misunderstood.

**Rachel Black:** We do need to open up public hearing to see if anyone would like to speak.

**Larry Brown:** I will amend my motion to specify on number five that we take no action.

**Tom Harris:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent).

**Larry Brown:** We have to have a public hearing?

**Nick Jordan:** You gave them a chance when we had public comment but you can do it again. At the beginning, Joel asks for public comment.

**Rachel Black:** Okay.

**Joel Benz:** So I can do it in this setting is what you are saying.

**Rachel Black:** Yes.

**Joel Benz:** Okay, we will open it up to the public for any comments on for resolution of non-compliance for Blue Kingfisher LLC. Seeing none, we will close the public comment and then we actually have to pass the waiving of non-compliance.

**Larry Brown:** Move for approval for waiving non-compliance for Blue Kingfisher LLC, Resolution 2018-07-19-06.

**Tom Harris:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent).

**Rachel Black:** We have one more, Resolution 2018-07-19-07 waiving non-compliance for NP Fort Wayne 40 LLC. Miss Harshbarger is here.

**Angela Harshbarger:** I am Angela Harshbarger and I am an Incentive Specialist with Northpointe Development.

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**Rachel Black:** This is a similar situation in that the company did not file their Form 322 RE in a timely manner. They did file the compliance forms and that is why we are not seeing that piece of it. It is just that they were late in filing the 322RE. The Form 11 is sent to the applicant and they have 30 days to submit that form. They failed to file the form in that 30-day window and it was filed on June 14<sup>th</sup>. Miss Harshbarger is here to answer any questions.

**Larry Brown:** Again, the reason we asked you to come is to emphasize the importance of timely filing of the forms. I don't think we intend to do anything drastic or nasty but other than slap you on the hand and say make sure the forms are on time. With that I will make a motion to approve waiving the non-compliance Resolution 2018-07-19-07 for NP Fort Wayne 40 LLC.

**Tom Harris:** Second but with a question. Maybe an explanation of how that happened. How do you rectify that not happening again?

**Angela Harshbarger:** I absolutely apologize for the mistake. It is completely my fault. A new employee that started last November, this is one of the tasks that I was given. I was not entirely familiar with the process and thought I only had to file the CF-1 Form. Later when someone was reviewing it in late June, they said where is the 322 Form because it needs to be filed as well. As soon as we became aware of it, I got it in and contacted Rachel immediately. It was very much a mistake and assurance that it will not happen again.

**Sharon Tucker:** So you are new to the company?

**Angela Harshbarger:** I am.

**Sharon Tucker:** Welcome.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent). I think we may need to review our process a little bit, Rachel. It seems like a lot of these are well, I was contacted and didn't have enough time to get the information in. Maybe you can move up your timeline a little bit.

**Rachel Black:** In the previous year, Elissa and I reached out to half to set up meetings to physically help people fill out the forms. No one took us up on the offer. We would be happy to talk to you guys about other alternatives.

**Sharon Tucker:** Rachel, how many forms do you receive? How many companies have to report?

**Rachel Black:** I am drawing a blank.

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**Nick Jordan:** Company-wise, for the County, there are less than fifty. For each abatement they could be required to file three forms, one for real estate, one for personal property and one compliance form. To Joel's comment, Elissa and her staff reach out and it is also on the onus of the company. You are getting a tax abatement and it is not hard to file the forms. The City of Fort Wayne does the same thing and has many more abatements. It is an across the board problem. This is not new.

**Sharon Tucker:** I think that was the reason for my question. If there are 50 companies and we have only had six on this one, is there a reason to change the process? If there were 40 companies...

**Nick Jordan:** I don't know what else they could do unless they go out and file the paperwork for them.

**Rachel Black:** I do meet with each of the others. This isn't the only table I am sitting at. Those other companies are distributed between Grabill, Monroeville, Huntertown and all of our different cities and towns that we have within Allen County.

**Sharon Tucker:** That is more of my point. I don't think that there is a reason to change the process if they get thirty days and working at a desk myself, you can get paperwork and say oh this one has time on it and then there is the delay.

**Nick Jordan:** I think Fort Wayne had 55 of them that were in this ballpark. It is not new.

**Elissa McGauley:** What is tricky in the last one you reviewed is when a building is constructed you may get a partial assessment. This company filed last year to begin their abatement and filed it on time and I think they misunderstood that they had to file again to pick up the remaining assessment. It gets a little tricky and it gets tricky on our end because we have to watch that. We have great partners with the Assessors and the Auditor's Office and we all kind of watch out for each other.

**Sharon Tucker:** Thank you.

**Joel Benz:** The Commissioners are up next.

**Chris Cloud:** Before I begin, I would publicly on behalf of the Board of Commissioners thank Becky Butler for her many years of service. She used to work in the Commissioners' Office. She has been a ray of sunshine in our lives for many years.

**Becky Butler:** Thank you, Chris.

**Chris Cloud:** Several months ago you approved increases for three of the people in our office and today I am coming back for the appropriation for those increases. At the time, we were not sure if they would be approved or the rate so we didn't necessarily have the calculation done and so we came back at a later date to get that done.

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**Joel Benz:** Council, is there any discussion? Auditor Jordan, did you have anything to say?

**Nick Jordan:** No, just do one through five together and ix through eight together because they are from different funds.

**Tom Harris:** I will move for approval of items one through five for a total of \$10,378.

**Larry Brown:** Second.

**Joel Benz:** We have a motion and a second.

**Eric Tippmann:** I will go on the record that I wasn't for this and so my objection today is related to the previous vote that I didn't vote for initially.

**Sharon Tucker:** Ditto.

**Joel Benz:** All in favor say aye, those opposed, like sign. The motion passes 4-2 (Tucker and Tippmann)-1 (Armstrong absent).

**Tom Harris:** I will also move for the appropriations in Public Information Fund 218, items six through eight, in the amount of \$7,713.

**Larry Brown:** Second.

**Joel Benz:** Council, we have a motion and a second. Is there any further discussion?

**Eric Tippmann:** I am also going to oppose this one because the conversation that came out of HR that day was that the gentleman was worth more than that to us and for some rather strange argument, they came up with a different level. Are you a PAT or Special?

**Chris Cloud:** I believe it was PAT 8 but I am grateful to receive either one.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 4-2 (Tucker & Tippmann) – 1(Armstrong absent). Superior Court is next.

**John McGauley:** John McGauley, Court Executive for Superior Court. With me is Rachel Wagner, Assistant Director at Criminal Division Services. The two items on the agenda the appropriation of some grant dollars that we have received from the Supreme Court in support of two programs. One is a very important program that we are involved in as a pilot County exploring ways to keep people out of the jail. This is a pre-trial release project that Judge Surbeck is leading. The other grant is in support of our Veterans' Court program. If you have any questions, Rachel can help me out.

**Joel Benz:** These are grants that you have received how many years in a row?

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**John McGauley:** The pre-trial pilot project is a multiple year program and I think it is the third year.

**Rachel Wagner:** It is the third year. On the Veterans' Court grant, we were recently certified and so this is the first year for that one.

**Joel Benz:** We always appreciate when the State comes in with a little bit of funding to help us out. Councilwoman Tucker.

**Sharon Tucker:** Do we know, he just gave them a compliment and I am going to take it away. We have seen the State gives grants and once they gotten us hooked on that bait, they pull the grant away. Have you heard any hubbub when we would have to fund this 100%?

**Rachel Wagner:** Not as of right now. Thus far, all three years we have been given the grant for pre-trial. Without fail, they need to keep it going. Criminal Rule 26 is supposed to go into effect on January first, 2020. That is when everyone is to be in compliance with this Bell Project that we have been doing a pilot on. We have not heard any word as to when they would stop the funding.

**Sharon Tucker:** Do we have a plan for when they may pull it?

**Rachel Wagner:** We currently have two part-time staff which is the majority of the grant money that is helping with the Bell Project. They are aware that they are only going to be employed as long as we have the grant money coming in. They are made aware of that at hire.

**Sharon Tucker:** So this isn't one that you would pull in house, John?

**John McGauley:** No. This is a data gathering project for a different approach for releasing low risk offenders instead of keeping them in the jail. Our assumption all along has been when the grant goes away, the program goes away.

**Eric Tippmann:** Mr. McGauley, this Veterans' Court grant, is that for veterans who find themselves in the court system specifically?

**John McGauley:** I will let Rachel jump in as well but this is a spinoff of the drug program specifically designed to help veterans. This isn't an overall process to address them in the court system. This specifically has to do with substance abusers.

**Eric Tippmann:** Those are also veterans.

**Rachel Wagner:** Yes. These are pretty much defendants who would have been in drug court anyway. We are taking those that are veterans into a special separate part of the

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program. This grant can be applied for every single year. It has been available for the last few years and we are not using it to fund any staff or anything like that.

**Sharon Tucker:** Is this the maximum amount?

**Rachel Wagner:** The \$10,000 is the maximum you can apply for.

**Eric Tippmann:** How many veterans might pass through it in a year?

**Rachel Wagner:** We currently have 11 veterans on the program.

**Eric Tippmann:** That is an excellent number given that there are 20,000 plus veterans in the County.

**Joel Benz:** You have promotional in here. What is that?

**Rachel Wagner:** What we found is that we want a higher number of veterans on the program. It is a voluntary program and the defendant not only has to be eligible and referred but they have to accept the program. We get a lot of veteran referrals but a lot of them are declining the program. We feel that they think it is too hard or they don't understand what is going to happen and are declining to be assessed. We reach out to places such as the VA Hospital and things like that. We would have some meetings or things like that about what the program entails and what it is like to try to gain some interest so that maybe the veterans would be more likely to accept or attempt to come on the program instead of immediately deciding it is not for them and they want to decline.

**Tom Harris:** With that I will move for approval of the appropriations in Community Development Block Grant 741, items one through three for \$18,859.

**Sharon Tucker:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent).

**Tom Harris:** I will also move for approval of appropriation in Veterans Court Grant 741, items four through eight in the amount of \$10,000.

**Eric Tippmann:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent).

**John McGauley:** If you are in the mood for a positive update on some help you gave us earlier in the year, I believe it was back in April you approved and additional position in the Family Relations Division. Simply put they were drowning in work. They have three Court Reporters dealing with 30 to 40 hearings a day. You granted us the ability to hire

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an additional Court Services Representative in that division to try to bring down the turnaround time on the generation of orders which at that time was pushing the limit of about 90 days. That turnaround time has gotten as low as five days since you permitted us the additional help. We recently had a staff member in that division pass away and so we are down a person at the moment but even at that our turnaround time is about two weeks. We have hit the tipping point where we can keep that turnaround time. I wanted to give you an update. I said I would come back in a year for an update and the results came faster than that. I thought you would enjoy knowing that your trust in us to have that additional position is paying off.

**Eric Tippmann:** Mr. McGauley, I will tell you something funny. I specifically remember when you said that and I put it in my calendar for a year to ask you. If I ask you again, it will be weird.

**John McGauley:** I suspect that if it is that good in three months, it will be even better in a year.

**Joel Benz:** Next is the Health Department.

**Kara Simonoff:** Good morning, Council. Kara Simonoff, HR Generalist Compensation.

**Mindy Waldron:** Mindy Waldron, Department of Health Administrator.

**Charity Murphy:** Charity Murphy, Director of HR.

**Kara Simonoff:** We are here to review some reclassifications of positions for the Health Department. There are five and I don't know if you want to take them individually or ramble off all of them at once.

**Larry Brown:** All of them at once.

**Kara Simonoff:** The first one is a reclassification of an existing position, Environmental Technician. It was an OSS 5, \$44,479 at 37.5 hours per week, non-exempt. It is going to Environmental Health Specialist I at PAT 3/5, \$47,305 at 37.5 hours per week, non-exempt. At Personnel Committee, the reclassification was approved 3-0. Number two is a new position, Environmental Health Specialist I at PAT 3/2, \$40,864 at 37.5 hours per week, non-exempt. That new position was approved 3-0 at Personnel Committee. The third one is a new position, Environmental Services Division Director, PAT 7/7, \$82,604, 37.5 hours per week, exempt and effective August 1, 2018. This was approved 3-0 at Personnel Committee. Number four is a new position, Pollution Control Program Coordinator, PAT 5/7, \$64,691, 37.5 hours per week, non-exempt. This was passed at Personnel Committee 3-0. The last one is a part-time to full-time position Vector Control Administrative Assistant, OSS 4/2, \$35,354, 37.5 hours per week, non-exempt. We did a conference call and it was approved 3-0.

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**Joel Benz:** I would appreciate it if Mindy would just talk through the impetus for this whole process and what you are trying to achieve.

**Mindy Waldron:** Sure. This is part of an actual reorganization. There is really only one new position and the other four will be existing staff and they will be able to apply for those. As we did with our clinical divisions about eight years ago, we found that consistency was really important. We combined those and called them Clinical Services and then put the programs under that. We had consistent responses, policies, procedures and the ability to share staff. This is much the same thing. We have realized over the last few years the importance of consistency in our environmental inspections. We have two very large divisions who have gone from roughly 3,000 complaints a year to 6,000. That is just complaints and not regular inspections. There have been two new ordinances enacted that has fallen under one division which overly burdens them. I also find that...

**Tom Harris:** Complaints in what areas?

**Mindy Waldron:** Environmentally, mainly housing. Similar to the ones you have heard in the last few weeks. Apartment complexes, homes, neighbor to neighbor disputes and you name it. I can probably give you a list of the top 50 topics that unfortunately we are responsible for. Those have significantly increased because our transparency has increased with our inspector app that was released several years ago as well as social media overall. Combined with changes in the technology for septic systems, as an example, where we went from one to two inspections required per system to now four to six. It has significantly expanded what we do. What I would like to do is be able to share staff among divisions, have consistency in the policies and procedures for inspections and enforcement and hearings and just how we do things every day. Scheduling would be very easy if we did them similarly. This is not something novel but something I think the public craves. Our facilities crave it. We wanted to make this change to accommodate all of that given that it has worked out so well in the clinical environment where we can actually share staff and have consistent response to similar complaints. I sent around a graphic, if it helps you understand what our plan is. Basically we are combining our Vector Control Division which covers the topics that you will see under that as well as our Pollution Control Program under an umbrella of environmental services so that they can all be done consistently. One position would be increased to oversee that. The others would be Program Supervisors to oversee the day to day operations. We needed to change one position from an OSS position to a PAT position so that it does the same type of duties so that we can equitably, because there are only two of them, divide the County in half so they do the same thing throughout making all responses daily easier. There is the need for one brand new position. As we did with our Food Division, I don't make these decisions lightly. We watch trends and data for a number of years before we make a determination whether we need to support a new position. This came from several years of inspectional information where we cannot keep up, similar to the Building Department. Building and construction and all of those associated duties have increased over the last three years to a point where we can't get them all done in one day. Not only does it take longer, documentation is more constraining and there are more of them. That

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has not waned. We are at the point where we need to add that other position to ensure that we can keep up. I am glad to answer any specific questions.

**Joel Benz:** Councilwoman Tucker.

**Sharon Tucker:** Mindy, the overall impact on the budget from us is just the new position? Do you have that in your budget too?

**Mindy Waldron:** Some of it was in the budget only because we have had transition and one position would be paid less. We are asking for additional appropriations just to cover for the rest of this year for two of them. I believe that is around a \$40,000 range. Yes, we do have it in our budget to be proposed for 2019 and would come from our unexpended balance. Not any General Fund money is being requested.

**Sharon Tucker:** Thank you.

**Joel Benz:** I do want to point out here that you mentioned that one of these positions is going to be paid less. Basically you had two even heads of departments and you are going to put one over and one under. I don't know that it is totally clear from your chart here. That was part of the impetus for moving all of this through. Councilman Harris.

**Tom Harris:** Mindy, a general kind of question, will you ever have enough? The challenge for your function similarly to a Sheriff is that you can continue to use more funds, more resources and you will never have enough. Are you there yet? Does this meet that need or does it never end?

**Mindy Waldron:** I will harken back to the 2007 timeframe when we voluntarily gave up four Environmental Health Specialist positions. We felt that was right at that time based on what was found inspectionally. So snap forward ten years, we have had so many changes in what it is we do, how we do them, the fact that we have attempted to be really paperless, more efficient and as time has moved forward in those ten years, we have only added two new Environmental Health Specialists. I don't have a crystal ball, I wish I did, but we are very thoughtful in our decisions. To answer your specific question, I don't know if this will be enough but it should be enough for several years. We pay overtime if we get to a point where we need to get certain things done in a day where we are running over. We will do that for a number of years but when it gets to being an enormous portion of what you are paying and is not fair to the constituents that are asking for inspections, you look at your overall staff. That is what we do every several years. But again, in 2007 we felt we didn't need as many as we had and we discontinued those positions and let those people go. Now we are at a rebuild because, as you've heard from John Caywood and others that construction is booming and we are attempting to keep up. Plus, we do it differently and I feel that we do it much better. I don't know if that specifically answers but I feel we only do it when we need it.

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**Tom Harris:** It is a tough question. I guess I have challenged over the years a little bit of that growth but the fact that you are pointing out that you haven't had that much growth is important.

**Joel Benz:** Councilwoman Tucker.

**Sharon Tucker:** That is kind of hard to predict, right? You don't know how many people will complain, how many properties will go down and you and I talked about Astoria Apartments and the sadness that is going on there. It is kind of hard to predict. Like Sheriffs, they don't if crime is going up or down but they have to have somebody there to fight it, right?

**Mindy Waldron:** With the addition of the two new ordinances that we have taken on and there will be a third one here soon, we took on no new staff to do those. We have really done a good job, I would say, we have a good compliance level but there is just more work. There is just more of it. Not only from the complaint aspect but from inspections and facilities seeking licensure it is just growing. But again, ten years ago when we saw it doing a down trend, we said we didn't need them. Because we are honest and it comes from our unexpended budget, we want to preserve as much as we can. We are only doing this because there is a need.

**Tom Harris:** I will move for consideration of the salary ordinance reclassifying the Environmental Tech from OSS 5/5, \$44,479 to Environmental Health Specialist I, PAT 3/5, \$47,305 at 37.5 hours per week, non-exempt.

**Sharon Tucker:** Second. Are we doing one at a time or all of them?

**Tom Harris:** Can I hit all five of these?

**Nick Jordan:** You can unless someone objects, you can do them all.

**Tom Harris:** Number two, consideration of a salary ordinance establishing the pay for Environmental Health Specialist I at PAT 3/2, \$40,864 at 37.5 hours per week, non-exempt. Number three is consideration of a salary ordinance establishing the pay for Environmental Services Division Director, PAT 7/7, \$82,604, 37.5 hours per week, exempt and effective August 1, 2018. Number four is consideration of a salary ordinance establishing the pay for Pollution Control Program Coordinator, PAT 5/7, \$64,691, 37.5 hours per week, non-exempt. Last is consideration of a salary ordinance amending the pay for Vector Control Administrative Assistant, OSS 4/2, \$35,354, 37.5 hours per week, non-exempt.

**Sharon Tucker:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent).

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**Nick Jordan:** We have the appropriations for those positions.

**Tom Harris:** I will move for approval of the appropriations in the Department of Health Fund 285 for salary increases in the amount of \$41,557.

**Justin Busch:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-0-1 (Armstrong absent). Next up we have an appropriation in the Council's Legal Services.

**Nick Jordan:** Council, you see \$20,000 in the Legal Service line and it is to appropriate more money so we can continue to pay the attorney fees related to the Public Defender lawsuit. The second piece, \$100,000 in County-Wide Expense, Liability Self Insurance is for the potential PD settlement.

**Joel Benz:** Nick, did you want to do that today or just hold off?

**Nick Jordan:** I want to do it today so it is ready. We already have two invoices for Posey and so we need the \$20,000 for sure. It doesn't hurt to do the \$100,000 because we know the settlement is coming. This would be sitting and waiting then. We actually have a County Liability Fund separate in the General Fund and that is where we usually pay this stuff. If they decide that it is going to be higher than the \$100,000, we can still pay it from that fund and then we would have to come back and get an additional. The last meeting that we had that was the threshold that you had.

**Larry Brown:** I will make a motion to approve the request for additional appropriation in the Council General Fund for legal services in the amount of \$20,000 and the appropriation in County-Wide Expense for Liability Self Insurance in the amount of \$100,000.

**Justin Busch:** Second.

**Joel Benz:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 4-2 (Tucker and Tippmann) – (Armstrong absent).

**Nick Jordan:** The next item is for the Building Department. I am handling this one also. You approved the positions changing from 37.5 hours to 40 hours as well as one additional Property Maintenance position and overtime request. This is just doing the appropriations for those items.

**Sharon Tucker:** I will make the motion for appropriation in the Building Department General Fund for overtime and salary increases in the amount of \$81,985.

**Tom Harris:** Second.

**Joel Benz:** We have a motion and a second. Is there any further discussion?

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**Eric Tippmann:** I am going to oppose this because I opposed it the first time around. I didn't make my reasoning well understood at that time. Mr. Caywood does an excellent job running that department and what he is striving for is a perfectionist with a 96% approval rate with the people he deals with and he is going for 99%. He does not work for Rolls Royce and he doesn't have to be perfect. We are chasing some kind of perfection and we are not in that business. It is just throwing away good money here.

**Larry Brown:** I will offer a comment that will contradict your thoughts on that. Contractors approached me that inspections were lagging five, six, seven days and it is because he lost three people in three weeks. If you dig down to the bottom line, it is all because of wages. All three left because of better opportunities outside County employment. I encouraged him to go to 40 hours to help improve the backlog of inspections and that has indeed happened.

**Eric Tippmann:** Did we not replace those positions?

**Larry Brown:** One has been replaced so far.

**Eric Tippmann:** We approved all of them but he has only hired one.

**Joel Benz:** We don't approve if it is an existing position. He has the ability to hire.

**Nick Jordan:** The positions still exist and the money still exists. You approved one additional Property Maintenance position but he just has to rehire those positions.

**Eric Tippmann:** So when he fills those, it would obviate the need for this if he had those filled, wouldn't it?

**Sharon Tucker:** The overtime pay?

**Eric Tippmann:** Yes.

**Sharon Tucker:** If it is already earned, we have to pay it. If he has already paid his staff that overtime, we have to allocate the money to pay his staff. We have an obligation to make sure that...

**Eric Tippmann:** I thought this was going forward. This would allow him to use overtime in the future.

**Joel Benz:** The salary increases are the move is from the 37.5 to 40 hour week.

**Nick Jordan:** The overall majority but there is the one little piece in there or about 25% that is for the new position. The existing 30 some are all going up the 2.5 hours and one brand new position. The overtime is a mix of his overtime line and part-time line and one of them is negative at this point in time and he needs to make it whole as well as in the

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absence of the two new people, if he needs to incur overtime, this money needs to be available. If it is not used, he would have to transfer it out of the 100 series and he would have to come before you guys to do that.

**Joel Benz:** Councilman Harris.

**Tom Harris:** Councilman Tippmann, I agree with your sentiment and I guess that is where I was headed a little bit with the Board of Health. Will we ever meet the entire need? The challenge that we have had with the Building Department is that I have been here long enough to watch the economy go down and have pulled positions. I'll watch for the benefit of the citizens that if we start to have a downturn, we might pull back on those resources. We are still waiting and this is not a heavy hit, but we are still waiting on the bird flu that was going to come. The Board of Health, if you are in that world, you have to always prepare for more, more, more and at some point we have to say how much is too much? Do we go for 99% or live at 90% effectiveness? We are left to those Directors and departments to articulate whether they need more help. We have to assess that based on their needs.

**Larry Brown:** Keep in mind that we have taken on a goal of being a leader in the nation for economic development. We are seeing results of that.

**Tom Harris:** That's a good point.

**Larry Brown:** It takes an ongoing effort, every single day, to stay the leader of the pack. Do we need to be there? I guess that is debatable but it is hard to argue with the results.

**Sharon Tucker:** I think we should be mindful that we are looking at numbers on paper and they are living the life every day. They know the number of complaints, the workload that is being carried while we are just looking at the numbers. Although we have a responsibility to make sure we are being good stewards of those numbers, we also have to rely on the information they are providing us. To date, I can only think of two people who I can question whether they were providing true documentation to us with the information given because we are not out there working in the field to be able to see the number of inspections and the number of arrests that are being made. Being that we are going for the leading community with economic development and the Road to 100 and all of the development, it doesn't come for free. Some of the stuff we will have to but it is good points that you are pointing out. Being a good steward and not giving it away, I question myself if we are the candy man but on things like this where we are moving forward, it is hard not to support that when the community if we want to see that growth we can't have 60-day delay on approving building permits.

**Larry Brown:** If you go back to the revenue explanation sheet that Nick provides us, look at the Building Department. They are at 69.38% of anticipated revenue for the year and we are at the 50% mark on the calendar. They are self-supporting.

**Joel Benz:** We don't have a motion on this one.

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**Nick Jordan:** Sharon made the motion and Tom seconded. We are waiting on the vote.

**Eric Tippmann:** I derailed the discussion.

**Joel Benz: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 5-1 (Tippmann)- 1 (Armstrong absent).**

**Nick Jordan:** I have the next one also. This is for Voter Registration. Last month you approved their positions reclassifications and the \$17,805 is to fund the remainder of 2018.

**Sharon Tucker:** I will make a motion for approval of the appropriation in Voter Registration General Fund for salary increases in the amount of \$17,805.

**Larry Brown:** Second.

**Joel Benz:** Is there any further discussion?

**Eric Tippmann:** I am going to go on the record again opposing this because I wasn't in favor of it originally. Their argument was decidedly weak.

**Joel Benz: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 5-1 (Tippmann)- 1 (Armstrong absent).**

**Larry Brown:** Can we take a five minute break?

**Joel Benz:** A five minute break and then we will be back.

BREAK.

**Joel Benz:** Auditor Jordan, if you would go ahead with the 2019 budget discussion.

**Nick Jordan:** I handed you six papers and you also received it electronically. I am going to start going through it but you can interrupt me at any point so that we can address any questions or concerns that you have.

**Eric Tippmann:** In the notebook?

**Nick Jordan:** There was a separate notebook with six pages in it. I also gave you a hard copy. Just to be clear of what is going on; today we are asking that you set the allocations for the departments. If they don't like the allocation, they need to appeal it. In September is when they will come and plead their case to get an increase in their allocation. In October you will adopt the budget. This would be the allocation step but we have combined this so that we didn't have redundancy. One other thing that we would love, procedurally and administratively if we could, come to a resolution if you would like to give a raise or a cost of living adjustment because it makes it so much easier on the

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Auditor's Office and departments to factor that in sooner than later. If you look at the second page that was in the notebook, it is the summary. What that starts off with at the top is it shows approximately \$103 million. If you would want to do a side-by-side, the next sheet shows the detail and they tie together. You can kind of see the figures that I am talking to. Of the \$103 million, the two largest pieces, one is the \$59,729,565 and is the property tax estimate net of the Circuit Breaker and of the Mental Health and ARC levy. That is about a 3.4% increase from this year and that was the growth quotient. The growth quotient going into 2018 was four percent. What happened was some of the earlier years dropped off and was the change from 2010 and 2011 when we were coming out of the recession. That was a six percent increase in the growth quotient formula and has been replaced with the newer years of about a three percent increase. That is why we saw a decrease from the four percent to the 3.4% that we can grow our property tax levy. That is almost a \$2 million increase from this year's property tax levy. The second piece of \$43.690 million is about a seven percent increase over this year's estimated revenue. That is a combination of things. One is we are usually very, very conservative in our revenue estimates. Some of the things that I have bumped up quite a bit, based on the recent trends, is the care of prisoners' revenue as you can see in the current year financials. We are wildly exceeding where we had estimated to be and if you look at past years, it is growing quite a bit. The other two things are our Local Income Tax, our certified shares and Public Safety. It all grows by the same rate but is dumped in different buckets. The State's initial estimates that they sent to us as of 6/1/18, which is very early and the first time that they have done that and so these are subject to change, but they had it increasing almost eight percent. I have discounted that down to five percent increase and hopefully when they come in it will be between the five and eight percent. We also are now seeing, one because we have significant cash balances but two the banks are starting to increase the interest rate, our interest revenue is starting to go back up. The detail of the Miscellaneous Revenue is in the notebook that was given, 2019 General Fund Miscellaneous Revenue. I did the 2019 estimates and the change from 2018 to 2019 and I included the five-year average. That is the revenue aspect of it.

**Tom Harris:** Maybe a quick question is that is probably the highest I have seen on Miscellaneous Revenue, isn't it, for the last several years?

**Nick Jordan:** For the last several years, yes for sure. As you were talking earlier, as an example the Building Department, when we looked at their permit revenues you would have to go back to the early 2000's. When we had the housing boom in the early 2000's, the Building Department was almost approaching \$2 million of fee revenue. They are back up around the \$2 million figure and exceeding it. It goes along with the economic trends for the Building Department. Some of the other ones, Care of Federal Prisoners, to my knowledge has never been as high as it is but it ebbs and flows with the current environment of arresting people and their time to sit there. Additionally, I think it was two years ago, the Sheriff's Department was successful in getting the Federal reimbursement piece increased. The State is still the same but the Federal reimbursement increased which also helps. In the last few years that is the highest estimate. In 2017 we had about \$44.9 million in actual revenue. The estimate is a little bit lower but again, we are conservative in our estimates because we try to not miss the mark. I hope with the

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current trends that we will be around the \$45 million mark of actual revenue. Now, looking at the expense side, you will see that we have prior year adjusted General Fund Budget Allocations of \$97,265,136. If you look at the page that says General Operating Fund 2019 Estimated Revenue and Adjusted 2018 Budget Allocation, in the middle section there I want to walk through how we got to the \$97,265,136. We started 2018 with our budget of \$99,381,353. We back off the ARC and Mental Health levy because we just pass that through and they are not one of our expenses. We take out the County Council Capital of \$800,000 figure is subject to change as you'll see below. I have bumped it up to \$900,000 for next year. The step increases, which is based on the payroll grids including PERF and FICA is estimated at about \$384,000. The Sheriff's pension is going up because of a combination of two things. One is we increased the Sheriff's salary, to begin with and we changed their merit structure. Too, it also depends on the experience of the Sworn Officers that are retiring. If you recall, we did two changes to their pension plan when Officer Cox passed away. It had a little fiscal impact but the biggest piece here is the changes in the Officers' salaries that were effective 1/1/18. Group insurance and health, I decreased that budgeted expense \$500,000 to \$8.750 million for 2019. We continue to see excellent experience with our health insurance. We are trending right now between 2017 and 2016 with right around the \$11 million mark in health insurance claims. The balance in the Health Insurance Fund continues to be above \$10 million. Even if I take this \$500,000 out and we have an incredible increase in claims, we are still fine for another three to five years. That is what I anticipate year after year continuing to be able to, at least for the next three years, to be able to pull this \$500,000 out and you guys can fund one-time type things. I don't want to build it into somebody's operating budget because it is only a three to five year thing but we need to spend down the over \$10 million balance that we have in the Self Health Insurance Fund. Some of it is the initiatives that we are taking such as being with one provider and some of the things the Commissioners did about the Spousal Rule forcing you to take your primary coverage elsewhere and things of that regard as well as healthy people.

**Larry Brown:** Nick, can I interrupt you on that?

**Nick Jordan:** Yes.

**Larry Brown:** Have you asked or has anyone offered an explanation why?

**Nick Jordan:** Each year Nyhart, a third party consultant, is engaged by the Commissioners and HR to give an update. I haven't been in that meeting I think in the last two years but they provide as well as Pro Claim does a great job shedding light on those experiences and the discounts that we are currently receiving from providers. The information is available but I don't have it here with me.

**Larry Brown:** It would be nice to know what is going right so that we could continue it or improve upon it.

**Nick Jordan:** Knock on wood that it keeps happening. If you wanted to, that \$500,000 could be increased reducing the \$8.7 million lower. What will happen is that every year,

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half-way through the year the claims will start going up. People will have met their deductibles and so we will see claims gradually increase. If there are tragic instances, not workers comp claims, but health insurance stuff those could add to the mix. I don't think we will be over the \$10 million at the end of the year but how it has played out so far. Other County-wide Expenses, you see a \$30,000 decrease is a grab bag of other stuff, life insurance, some consultant type stuff and other post-employment benefits, soldier burials and things of that regard. We anticipate spending \$30,000 less in 2019. The next section says Decrease in Election Board but should say increase, my apology there. It is \$6,243 and next year is a City election and so they have a slight uptick there for that. The last line, through the fall of 2017 and June first of 2018, \$1.1 million is the increase due to all of the salaries you have approved. We factored that in. It wasn't in the 2018 budget but we added it to the 2018 budget because it will be in there going forward. Net of all that you see a \$2.6 million decrease and that gets you to the \$97,265,136. Going back to the summary page, if you can look at them side by side, I am throwing in a \$2 million of what I feel is a conservative estimate for rollover. A five-year average of rollover has been about \$4.1 million. That is because of some large ticket items that we didn't have to do. One was, if you think back to PERF, when we thought we were going to have to make a lump sum payment to PERF for pulling out. We didn't have to do that. In the last five years, the lowest rollover has been \$2.2 million so I feel it would be safe to estimate \$2 million roll back into the cash balance. I am taking off \$900,000 and will be budgeted into your Capital line. That is for the \$500,000 that I decreased Health Insurance and again I would like to use it for one-time type of expenses. The other \$400,000 is the estimated reimbursement we will receive for the Election Board's City Elections. That is not ongoing but once every four years. Then as capital comes before you throughout the year, you can pay for it from there. The \$1.3 million is the estimate for a two percent cost of living adjustment increase. We chose two percent based on a variety of factors. One is that the State gave 2.1% for the Judges and Prosecutors. I also found out that the State is able to do this but we haven't been able to in the County and they have a merit structure in some of their departments with a zero to four percent range. Depending on your performance evaluation, you could have gotten all of the way up to a four percent raise and if you met expectations you got a two percent raise. The City is going to ask their Council for a three percent increase and so we will see how that plays out. It is being budgeted for the CCP, Consolidated Communication Partnership because they follow the City's benefits and salaries. That is already factored into what they are asking.

**Eric Tippmann:** And the Federal government is asking for what and the rest of the State employees are asking for what?

**Nick Jordan:** I don't know on the Federal government. The rest of the State employees, from what I understand, the Judges and Prosecutors are getting 2.1%. I checked with State Board of Accounts and they are in that range of two to four percent. I don't know if the 1.9% is an average.

**Eric Tippmann:** I thought they did what the Federal government did which was 1.9.

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**Nick Jordan:** I don't know. It could be for some different departments or divisions throughout the State. Per the State Board of Accounts system, you could have gotten less than that based on your performance evaluation. The Amount Available to Fund Allocation Requests, if everything stays as it is on here, would be \$5.9 million. Just to be clear, the \$5.9 million is estimated revenue exceeding estimated expenses. It has nothing to do with the cash balance. As of 6/30/18, in the General Fund and you add my \$6 million earmark, you have \$20 million in cash available to appropriate in the General Fund. If that was to stay constant for the remainder of 2018, we would begin 2019 with estimated revenues surplus of \$5.9 plus the \$20 million that was already sitting there. We began 2018 with \$29 million. That is just in the General Fund. In the Council meetings, you have financials at the beginning and you take that group of ten funds plus the self-health insurance fund and add them together, as of 6/30/18 there is \$108 million cash. That is not available to appropriate, it is just cash. When you look back at 17, 16, 15 and 14 the cash is steadily increasing and we are in an incredible financial position. There is no arguing that. That would be the envy of most local governments. The question now is if you didn't like that cash position and you wonder how you spend it down but that is for you and the Commissioners to decide. Some options are that you can always forego, when I talked about the property tax increase, let's say you said you weren't going to do that and you were going to remain constant. You could forego that. As a tax payer and you are a homeowner and are about one-third of the homeowners are at the cap, if you reduce the County's tax rate as a homeowner at the cap I may see no change. All that happens is the schools and the cities get a bigger piece of that pie. If you are below the cap, you may actually reduce my tax bill. Another option is to keep it as it is the cash balance is there. The next time we have that big project, is it the jail, is it Work Release, is it Community Corrections, is it the Coliseum, we can fund that out of cash instead of incurring indebtedness and all of the legal and financial fees that come along with that as well as the interest. Then you carry that cash balance. There are multiple options.

**Tom Harris:** What about a rebate? A rebate to tax payers, is that even an option?

**Nick Jordan:** Legally, I would have to check and see. What we could say is you paid this much in taxes last year and as a pro rata of the overall of every single tax payer, this is the chunk you would get. If you would say that is for every property tax record in the County meaning my personal property tax bill, do you include that? Do you include companies? Are you saying only homeowners? It is those types of things would have to be hashed out. If you wanted to go that route, you have to factor in that you are talking about a significant administrative cost for the Auditor's Office, mailing, cost of checks and things of that regard in order to do that.

**Eric Tippmann:** What mechanism of tax relief would be the cheapest, wheel tax?

**Nick Jordan:** We can take action at the August meeting because I don't have to certify that until September first. I have already let the State and BMV know that you may discuss that further. If you wanted to reduce the wheel tax/surtax rates, I would encourage you that from this meeting until the August meeting to talk to the Commissioners and talk to Highway and make sure they are on the same regard. It is ultimately Council's

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decision. You could reduce that. This \$5.9 million includes about a \$2 million increase in property tax. If you say that we are not going to capture that \$2 million, this goes down to \$4 million. You can do that by not capturing the growth quotient.

**Eric Tippmann:** And more expensive to implement.

**Nick Jordan:** Not this. This is easy.

**Eric Tippmann:** Wheel tax would hit more people, I believe.

**Nick Jordan:** If you have a vehicle or trailer and you go to the BMV, it is going to affect you. It also affects the Cities and Towns because they receive a share of that. I would encourage not ever reducing the full thing...

**Eric Tippmann:** Get rid of it, no, you have to keep it.

**Joel Benz:** Councilman Busch.

**Justin Busch:** Also, those that live in the City and the County are also getting an additional wheel tax, right? The City passed their wheel tax as well within the past twelve months. We are effectively saying that we are not going to lower the property tax but look at those who own a vehicle. It would be some relief for folks who have complained about being double taxed.

**Eric Tippmann:** Yeah, right. I think using the term that we are in historical standing on our financials. What would also be historic is lowering a tax. It has been done once in this State. A few years ago they lowered the income tax from 3.5% to 3.4%.

**Nick Jordan:** The legal aspect that we have to see on the wheel tax/surtax is for the Maplecrest Bond and wheel tax is one of the pledges. It is not being paid from there but what I have to check and see is if we can lower it and how much can it be lowered. It is in the bond covenants as one of the pledges. We are paying that from Major Bridge and property tax but I'll see if you can legally do that without falling aside of the bond covenants.

**Joel Benz:** Councilwoman Tucker.

**Sharon Tucker:** I would like to see us be able to implement what would benefit the widest majority of people. I am concerned too that if we look at the wheel tax, will that then leave freedom for the City to come behind and increase theirs.

**Nick Jordan:** Right now, since we have a Transportation Asset Management plan, we are at \$20 for surtax and I can go up to \$50 when you have that TAM. The same thing on the wheel tax side, we could also almost double that. I believe the City is in the same boat and they could increase theirs if they so choose. If you did reduce the County's one, all Cities and Towns would lose a piece of it and their revenue would go down also. That

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directly affects us for Woodburn, Huntertown, Monroeville and they contract with the County with interlocal agreements where they give us back some of the wheel tax/surtax in order for County Highway to fix their roads. The City of New Haven and Fort Wayne backed out starting this year. There is a ripple effect depending on what happens. It may be cleaner if you looked at the property tax side. You can't do anything on the income tax. That is the City's bailiwick there. The wheel tax/surtax, if you wanted to make it less controversial would require more discussions up front before you reduce that.

**Sharon Tucker:** I know you said with the bonds that we have that the wheel tax could have some changes there but if we didn't take the increase this year, would that be easier?

**Nick Jordan:** For property tax? Oh, yes. There are multiple funds, General Fund, Board of Health, CUM CAP that all receive property tax. If you chose to forego the property tax piece of it that can easily be done. I caution you to say that we will not grow the growth quotient but what actually happens next spring in a tax bill the taxpayer may not be able to correlate with the County decreasing or not capturing the \$2 million. We capture over \$70 million of levy right now and the \$2 million is less than a two to four percent. What will happen, in looking into 2019 and 2020, is our debt is rolling off for the Juvenile Center and the Jail. In 2019 the Juvenile Center debt will roll off completely. There is about \$3 million on the property tax rolls for the Juvenile Center and the Jail. In 2019, the Juvenile Center rolls off and in 2020 the Jail rolls off. It will decrease in 2019 because the Juvenile Center rolls off and decrease in 2021. By 2021, we would have had assuming we don't incur any new debt the \$3.1 million of Debt Service levy will be off the tax rolls. That is two cents of 100 dollars of assessed value. It is not significant but it is going away. That only leaves Maplecrest, GM TIF and Coliseum that are still out there. Coliseum is paid from different revenue. Maplecrest is paid from property tax and GM TIF is paid from TIF property tax revenue. We are in a very, very desirable financial position.

**Sharon Tucker:** Switching gears a minute then, on the cost of living increase, your estimate was two percent. We could go to whatever we wanted, right four percent, five percent or ten percent?

**Nick Jordan:** Yes.

**Eric Tippmann:** Let's not get carried away.

**Joel Benz:** We could, however last year we did a higher cola than the State did and that really caused some internal problems. There were some departments that had some different raises within their department.

**Nick Jordan:** Just to be clear on that there is one thing to help alleviate that is the UPROB which was previously paid on the State's Probation. Instead of getting the 2.1%, we are already above the State's minimum Probation Officers. Whatever raise you choose is what the Probation Officers will also get. The only people in the County that will get something different would be the Prosecutor and she doesn't get paid by the

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County, Sheriff, Chief Public Defender but the vast majority and Probation Officers were the biggest subset.

**Joel Benz:** Councilman Harris.

**Tom Harris:** Just maybe a couple of points on that. One is that I would be in favor of going above that two percent. It used to be that for every one percent it was recognized as \$500,000, what was the equation?

**Larry Brown:** \$600,000.

**Nick Jordan:** What you are seeing there is \$625,000 is going to be the ballpark because of the increases that have been given with the Sheriff changes.

**Tom Harris:** What is going through my head is that we have spent an inordinate amount of time trying to get wages competitive. Wages in the marketplace are headed up and we know that. We can play it tight and come in lower than that but then we risk the same problem we had a couple of years ago and that was that people were supposedly leaving. A couple of thoughts and one is I think we could consider a three percent. Nationally that number is being looked at by SHRM which is the Society for Human Resource Management. I think it is also being looked at by Kiplinger and they are forecasting three percent. Three is not beating the market but is probably getting us competitive. We know those numbers are going to keep going up in the marketplace. One of the things I think we also want to keep in mind is the fact that we are doing so well and the County and reflects economic development in the community. We know that. We can also credit employees, management and staff running a tight ship in their departments. This is a way to kind of give back to them too to stay competitive and recognized in the work that they are doing. Just a consideration, maybe.

**Larry Brown:** Another item that we need to keep on our radar for this budget consideration is called the interim financing that will probably be necessary for Community Corrections' relocation. I am just going to throw out \$6 million. It will not be Council's responsibility to foot the bill for the entire amount but we will be wise to be the interim finance mechanism between acquisition of new property, remodeling, relocation and sale of existing property.

**Tom Harris:** Particularly since interest rates are up.

**Larry Brown:** Yes.

**Tom Harris:** We want to keep that internal and not borrow that money.

**Larry Brown:** Exactly. As we have done with dump trucks and whatever, we have saved the taxpayers many, many dollars in finance cost by being frugal and planning for anticipated expenses.

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**Joel Benz:** Councilman Busch.

**Justin Busch:** You took the words out of my mouth. I think that we should look at some of these larger ticket projects and long term planning in a time of plenty right now. I think it is a testament to the folks and management but also the past Councils that have been very frugal and kept that frugality up even in times of plenty. Thinking about a new Jail, would it be there and that facility is something we should be thinking about. With that said, I think it is worth exploring more deeply into a possible alleviation of pressure with some these taxes where we have an abundance of \$6 million this year and we have our \$15 million in the Rainy Day Fund and I am a strong support of the economy flowing up and down and as we see it dips, I think a future Council will benefit our long term planning of having that money to not have to raise taxes. Also, looking deeper into it, we have over \$20 million in the Economic Development Fund, the Commissioners have. These are things we need to be thinking about, large ticket items but also think about due diligence of looking into alleviating that tax where people now are getting wheel tax twice if they live in the municipality and also in the County. I think we should look a little more, Nick, and come back with maybe some solutions and keeping an eye to save away for some big ticket items.

**Joel Benz:** I do have a couple of points. Councilman Harris, you brought up the raise amount for the cost of living. I think the Auditor gave us a two percent recommendation based on historical stuff but also our main competitor is the City. It bears in mind watching what they do with their cost of living raise. We have spent a lot of time and money here over the last couple of years adjusting our wages to alleviate the internal equity issues. I think we have hopefully gotten the majority of that handled. I do see your point of a cost of living higher than what the Auditor recommended. I think the City is probably going to come in more towards the two percent and I really don't think that we need to be outpacing them. We have kind of equalized and I think we may need to stay in that area. That would be my caution going against the private sector. Councilwoman Tucker.

**Sharon Tucker:** I agree that we put a lot of work into our report. I also think we are in a better financial position than some of our competitors.

**Tom Harris:** The City.

**Sharon Tucker:** I didn't want to say it.

**Tom Harris:** I thought I would fill that in for you.

**Sharon Tucker:** I support a large increase than the two percent because of our financial place. I think we have the opportunity to do a couple of things with making sure that we can give back or help out our constituents or County with the taxes and be able to help give a good cost of living. It doesn't have to be ten percent although we would be loved by many if it was. I do think that two percent is very, very conservative.

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**Eric Tippmann:** Nick, at one point you mentioned the average salary of the County versus the private sector. What was that? Are we outpacing them already?

**Nick Jordan:** The Fort Wayne MSA is around \$43,000 or \$44,000. MSA includes some of your outlying Counties. Taking every County employee including the \$5,000 stipends that are given to the Judges, ours is closer to \$50,000 for the average County employee salary.

**Eric Tippmann:** There is no equity problem. In fact, you are competing with the private sector by driving up the cost of doing business.

**Tom Harris:** I don't know that I would be competing because the private sector is probably going to be going three percent or higher and adding benefits and doing a number of different things.

**Eric Tippmann:** We have benefits.

**Tom Harris:** Right but I think it is going to be more aggressive in the private sector than three percent. You are probably seeing that in companies already.

**Joel Benz:** Councilwoman Tucker, do you have something else?

**Sharon Tucker:** I would like to see us, different direction again, see us go a little bit detailed into some of the reports. I know I would like to see and Nick pointed this out in the last Council meeting, on the Commissioners' LIT to do a little bit deeper detail on that. I don't want us to pass that opportunity by like a couple of years before in budgeting.

**Tom Harris:** Maybe to that point, one of the things that we have done in the past is those exceptions are brought back and we scrutinized those exceptions. Let's just say that we are going to look at the Commissioners' budget a little bit deeper than the exception process. Maybe that becomes a discussion item in itself. I think it is healthy or that we are trying to critique the Commissioners. It gives us an opportunity to maybe connect a little bit and understand their vision and they can understand where we are, a little bit. We are not going out of the way to scrutinize the Commissioners' budget but want to work better with them.

**Joel Benz:** To your point as we are in a better financial position, instead of being purely dollars and cents driven and you aren't going to make it in your allocation then maybe we will look at it. Instead there could be more of an approach of here is your goal as a department. Here is where you are headed. I think the Commissioners are kind of starting a process to kind of work through this. And how does this fit into your goal as a department rather than okay, you can't make it. Your department, this is where you are headed and how does this help you get there? Is your spending not really getting you there? That impetus to dig down and look at it is on us and the Commissioners and also on the Department Head. I think there is a process started to kind of do that and change

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that kind of thinking for us as we move forward. As that moves forward, maybe we will see some things brought to our table.

**Larry Brown:** Would you categorize that as strategic planning and strategic spending?

**Joel Benz:** Yes, it all fits in.

**Larry Brown:** They go hand in hand and many times they are considered separate items.

**Tom Harris:** Another thought might be, as the Auditor pointed out, the State is doing this a little bit by looking at merit increases based on performance.

**Joel Benz:** It is amazing that the State can get to that point.

**Tom Harris:** That said, possibly through these discussions, we could identify some portion for consideration for merit increase. Preliminarily we don't want to throw any numbers out but is through some of this discussion, we might put some money aside for that merit consideration. A lot of discussion would have to take place including HR and how you go about it.

**Larry Brown:** And perhaps training.

**Tom Harris:** Training and maybe consideration of a pilot program.

**Nick Jordan:** Just to rehash the discussion of many years past, this all faltered at the start of having departments that don't do performance evaluations. If you are going to give out a merit increase, there needs to be something to tie that too. If we still have departments that are not doing performance evaluations we will be at the exact same place we were.

**Tom Harris:** I suspect they would have an interest and consider it.

**Nick Jordan:** It would be interesting to see if anything has changed since the last time we talked about this with Councilman Vogt and to see if they have started doing them.

**Tom Harris:** They didn't see any money in the pot for it.

**Nick Jordan:** Maybe what they did was just sit there and not do them and continued to get the same two or two-and-a-half.

**Tom Harris:** You can set this up to where there is no money given. Just sitting up a process to determine what that might have looked like if you get enough departments doing their performance appraisals. That might be an exercise that we would want to discuss during the budget process.

**Nick Jordan:** If I could just add one thing that Larry and Councilman Busch touched on. We talk about the little things here in the department budgets and want \$500,000 more, I

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say little because in the context of things but whether it is the Community Corrections or the Jail or Work Release, those are huge expenses. I have not been involved in any meetings for those. If those are upcoming, those are the type of things that before we say that we are not going to collect our property tax levy we need to know if we are going to need \$6 million here, \$3 million here or \$20 million here because if those happen in one year, everything is gone we are back to not having this money. Work Release we acquired in 2016. There is no clue where that stands. Community Corrections, the Riverfront has been being developed for almost a year now. These aren't brand new. If those discussions aren't happening, we need to know those in advance. Once we forego that property tax levy, there is nothing to do until the next year.

**Larry Brown:** Community Corrections is a reality.

**Nick Jordan:** We already own Work Release but what do we need to do to start using it? We bought it almost two years ago.

**Joel Benz:** Okay, Council, we will wrap this one up.

**Tom Harris:** The Auditor needs some kind of...

**Nick Jordan:** Two things I am coming back with is wheel tax/surtax and whether we can do anything, the Commissioners' General Fund budget is not much to look into so it really becomes LIT and Economic Development and the other special funds they have. They have no problem doing it. They used to come in prior years. Also in prior years, Highway would come willingly to discuss their projects and we can ask them if you would like them to go through the Highway projects, if you want them.

**Tom Harris:** You need a recommendation on the cola. I will move for a three percent consideration.

**Sharon Tucker:** Second.

**Eric Tippmann:** I will just add that going from two percent to three percent put this in what I will call is a wheel tax units. That is 60,000 extra wheel taxes that we have to collect.

**Tom Harris:** I would also be interested in the wheel tax change too, those two together. We don't need the wheel tax on the table at this point. I think giving the taxpayers a break makes sense. I think recognizing the employees' performance also make sense.

**Joel Benz:** Councilman Tippmann, What is your dollar amount? You said 60,000 wheel tax units but what is the dollar amount? Every one percent is \$625,000.

**Eric Tippmann:** We have already done \$1.2 million in adjustments over the last couple of years.

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**Sharon Tucker:** But the wheel tax relief that we decide on and based on the numbers that Nick provided, we have \$5.9 million and would still be at a great surplus of unallocated dollars even if we went up that one percent.

**Eric Tippmann:** So your argument is that the money is there so do it?

**Tom Harris:** Not from my standpoint. My argument is that from a competition standpoint, from a marketplace standpoint and the fact that we are ending up with \$5 million a chunk of that goes to the revenue that is coming in and also to the work that the employees are doing for the County.

**Sharon Tucker:** That would be my argument in rebuttal to you for your reason of what I think I heard that there is no reason to. The cost of living increase with the tax doesn't put a strain on us and we have employees and competition that we are trying to stay ahead of. We are always fighting the challenge of attracting new talent. This helps reduce that fight of attracting new talent.

**Joel Benz:** One other thought is that we have, over the last year or so given some employees almost a ten percent raise plus a three percent cost of living. Another three percent would be almost a sixteen percent raise.

**Larry Brown:** Do you realize how old that study is?

**Joel Benz:** That is true.

**Larry Brown:** Time has flown by.

**Sharon Tucker:** I think that would be an additional reason why for County employees overall that we favor the increase but we would be more responsible on those SPEC OCC's that we tend to give raises there for the ones that don't get step increases. We would tend to give those increases freely and it would be more reason for us to scrutinize a little bit more. We don't want to go backwards.

**Joel Benz:** **We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 4-2 (Benz & Tippmann) – (Armstrong absent).**

**Nick Jordan:** Thanks on behalf of all of the employees.

**Tom Harris:** The budget hasn't passed yet.

**Nick Jordan:** Then I can take my thanks back if you don't pass it.

**Joel Benz:** Councilman Harris, I will leave my microphone to him if you want to come forward.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris:** Becky, if you could come over here. Becky Butler has been with the County a number of years and something that Council has recognized is all of your dedication and commitment. We have created and gotten a memento for all of your hard work and what you have done. I want to just read this. This is presented to Becky K. Butler in appreciation of your commitment and dedication of your excellent service to the citizens of Allen County and the members of Allen County Council for over 14 years. We the members of Allen County Council thank you for all that you have done to make our time together successful, enjoyable and memorable. This is dated July 31<sup>st</sup>, 2018.

**Becky Butler:** Thank you.

**Joel Benz:** I want you to know he labored long and hard over that wording.

**Tom Harris:** Along with that we also have a gift certificate for you and Steve to one of the newer restaurants.

**Becky Butler:** Thank you.

**Tom Harris:** God bless and you won't be going far. We thank you for all you have done.

**Becky Butler:** Thank you. I don't know what to say. You guys have been a challenge at times but most of the time we have had fun.

**Larry Brown:** Thank you, Becky.

**Justin Busch:** Thank you, Becky.

**Joel Benz:** Thank you, Councilman Harris, on your work on that.

**Larry Brown:** Thank you, Tom.

**Joel Benz:** Are there any recent or upcoming meetings or liaison reports? The Allen County Fair is coming up July 24<sup>th</sup> through the 29<sup>th</sup>.

**Tom Harris:** Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of July 19, 2018.

**Larry Brown:** Second.

**Joel Benz:** **All in favor please signify by saying aye. The motion passes 6-0-1 (Armstrong absent).** The next meeting will be in the Discussion Room on August 16, 2018.

**Tom Harris:** Move to adjourn.

**Sharon Tucker:** Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Joel Benz: All in favor please signify by saying aye. Opposed like sign. The motion carries 6-0-1 (Armstrong absent).** There being no further business the meeting was adjourned at 11:00.