

**ALLEN COUNTY COUNCIL MEETING MINUTES**  
**AUGUST 15, 2019**  
**8:30 AM**

The Allen County Council met on Thursday, August 15, 2019 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, budget approval and any other business to come before Council.

Attending: Robert A. Armstrong, Joel M. Benz, Larry L. Brown, Kenneth C. Fries, Tom A. Harris, Kyle A. Kerley and Sharon L. Tucker.

Also Attending: Nick Jordan, Auditor and Jackie Scheuman, Finance and Budget Director

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

**Tom Harris:** Good morning everyone. First on the agenda is the approval of the July 18, 2019 meeting minutes. Are there any additions or corrections?

**Sharon Tucker:** Move to approve the minutes from July 18, 2019.

**Larry Brown:** Second.

**Tom Harris:** All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Next is the financial report from Auditor Nick Jordan.

**Nick Jordan:** Good morning, Council. In your packet is the financials through July and we are trending well ahead on Miscellaneous Revenue. A couple of items to note there is Local Income Tax and we had a \$1.3 million supplemental distribution that we had not budgeted for. We don't know what we are going to receive until the year-end trust balance was at the State. On the second page, Care of Federal Prisoners is 140%. As we talked about a few months ago, the State changed the way they are going to reimburse and it is one lump sum for the State's DOC Inmates. We received \$1.5 million and even when you take into consideration that we are still trending ahead on year-to-date it is due to the population that is in there as well as a low estimate.

**Tom Harris:** I also had a chance from the Building Commissioner to find out that we are nearly at or already at the billion dollars of investment in the community this year. A year ago, the number at approximately the same time was at \$600 million. We are already far beyond that and is interesting news as well. If you look at the Building Department licenses and permits, it is at 78% even though we are only 58% into the year. Council, are there any questions for the Auditor?

**Sharon Tucker:** I will make a motion that we accept the Auditor's report as provided.

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**Larry Brown:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0. Total appropriations for today out of the General Fund are \$138,651 and out of Other Funds is \$51,023. This time we will open up for public comment.

**Bud Mendenhall:** Bud Mendenhall, Fort Wayne, Indiana.

**John Modezjewski:** John Modezjewski, taxpayer in Allen County. This morning, I would like to address your vote on the Innkeeper's Tax. The issue comes back to Home Rule. A yes vote on this tax is giving up your fiduciary responsibilities as the fiscal body of Allen County. You are going to be giving your representation of taxpayers to a quasi-governmental agency. Even if you get one person from this Council on that committee, he will be outvoted ten to one. I find it repugnant. I find these quasi-governmental agencies just repugnant. They are taking the representation that we have elected including the Fort Wayne City Council and the Allen County Council it is your responsibility as elected officials to oversee the fiscal responsibilities of the taxpayers' money. I can't understand why House Bill 1115 even got passed. This is not about the Innkeeper's rate increase if Mr. Jordan was still here. We still have quite a bit of money sitting on the sidelines where a check could be written to Visit Fort Wayne paid in full. I don't think the understanding of this from reading in the paper is lost. You are giving up what we elected you for, oversight of taxpayers' money. That is what you are elected for. It just keeps going. The CIB just gave through economic development \$3.9 million additional to the parking structure right down the street. Where were you guys? Was anybody even asked on this Council for approval? That is \$3.9 million. Oh well, what is \$3.9 million? The Vera Bradley property, do you remember when I came and asked where you stood on the Vera Bradley property? How did that get transferred? That was taxpayers' property. Were you asked? As the fiscal body of Allen County, were you asked? Where did that go and how did that happen? I ask you right now, how did that happen? What was that property valued at? There isn't an answer because you weren't involved in it. As the fiscal body of this County, I don't understand why nobody can give me an answer. We are looking into it. Unlike the GFW and their Sycamore report, which was confidential and deliberative, here is what the NUG and I asked to be put on this agenda as the Neighborhood United Group and this is an argument for another day. Right now this conversation needs to be on House Bill 1115 where you, as the fiscal body of Allen County, are giving up representing me. Unlike the GFW and their Sycamore report, here is our handbook and Bud is going to pass these out to you. We had a great meeting with Luke Britt from the Indiana Access Counselor two weeks ago when we filed our information and argument on the Bridge Tax. We were there for about five hours talking about public access and how that needs to follow a transparent government. Why can't the fiscal body of this County answer a simple question? I am going to pick on Vera Bradley because that really irritates me that the property, taxpayers' property, how was that transferred? Who did that? Who gave the Commissioners the approval to do that? There are more but that is just the glaring one that we are focused on right now. How

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does that happen? As you look at the budgets, how can we have \$114 million plus sitting on the sidelines with a Rainy Day Fund probably in excess of \$23 million now? I haven't really kept up on the actual accounting of that. As the fiduciary body, how can you give up what we elected you for by voting yes? This is about House Bill 1115 that is taking away your responsibilities as the fiscal body of Allen County. We elected every one of you to do that and watch over my money, Bud's money and your money and have accountability on how our money is being spent. I challenge every one of you to vote no on House Bill 1115. This goes beyond a one percent tax increase for Visit Fort Wayne. This is giving away what you were elected for as the fiduciary body of Allen County. I am done and have said what I wanted to say. Thank you.

**Tom Harris:** All right, John, thank you. Are there any other comments from the public?

**Gary Shearer:** Gary Shearer, Board member of Visit Fort Wayne.

**Dan O'Connell:** Dan O'Connell, President of Visit Fort Wayne. In the public period here, we didn't expect to make comment but we feel because of the previous speaker that we should comment. It is House Bill 1402 that was passed by the State Legislature authorizing several Counties that if they would like to, they could have their County Council decide if there is an increase in the Innkeeper's Tax. That is what we appealed for you to do last July and again this morning. House Bill 1115 is a completely different situation where the State government has decided to outsource by building a cooperative and collaborative Board of Directors comprised of State Officials, State DNR, State Tourism Office and the Lieutenant Governor's Office as well as business leaders to set up a separate organization known as the Indiana Tourism Council. They are not related. We work with the Tourism Association and the Lieutenant Governor's Office but the two bills are completely different. To John's comment as to whether the State should be outsourcing building independent Boards is completely beyond discussions in our Boardrooms. We are appealing to County Council's support and we have offered to have a County Council member put on our Board of Directors. We are open to having more frequent meetings with County Council to educate them on the process of how those funds are used. As I said earlier, there is plenty of oversight by the State Board of Accounts and who are financial accountants. We respectfully understand we work in a democracy and have different opinions and respect those but the two bills are completely different.

**Gary Shearer:** The other point that I would make is that our budget every year is passed by our Board, passed by the CIB Board, City Council and by County Council. You do have oversight as to how we spend money.

**Dan O'Connell:** Thank you.

**Tom Harris:** Thank you. Bob.

**Bob Armstrong:** How many are on that Board?

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**Dan O'Connell:** We have 21 members on our Board of Directors.

**Bob Armstrong:** So there will be 22 with one from us?

**Dan O'Connell:** Correct.

**Tom Harris:** All right, Council, as we move forward on the agenda the next item up is, we will just ask one more time if there are any other comments from the public. Hearing none we will move forward on the agenda to the Visit Fort Wayne Ordinance 2019-07-18-01 increasing the Innkeeper's Tax Rate from 7% to 8%. Council we have had a number of opportunities to learn about this. Are there any other questions that we would ask to be answered or I will leave it open for any discussion at this time.

**Larry Brown:** I will offer a motion to approve the Innkeeper's Tax increase from seven to eight percent in Ordinance 2018-07-18-01.

**Sharon Tucker:** I will second.

**Tom Harris:** Is there any further discussion?

**Larry Brown:** I will ask for a rollcall vote.

**Tom Harris:** Nick, will you lead us off in that process?

**Nick Jordan:** Sharon.

**Sharon Tucker:** Yea.

**Nick Jordan:** Ken.

**Kenny Fries:** Nay.

**Nick Jordan:** Larry.

**Larry Brown:** Yea.

**Nick Jordan:** Tom.

**Tom Harris:** Yes.

**Nick Jordan:** Joel.

**Joel Benz:** I have a brief comment before I vote. I have struggled pretty publicly with this decision and it comes down to what does being conservative really mean? I think that part of being conservative is looking for good deals. I don't think that the State will go back and revisit this and so I don't think we will get a better deal. I think this is the best deal, so to speak, that we will get and on that basis I will support it, aye.

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**Nick Jordan:** Kyle.

**Kyle Kerley:** Nay.

**Nick Jordan:** Bob.

**Bob Armstrong:** Nay.

**Nick Jordan:** It passes 4-3.

**Tom Harris:** Thank you very much. Next up is the Fort Wayne-Allen County Airport Authority.

**Nick Jordan:** This is a short segue, you approve the Airport's budget and additional appropriations and today you are approving the issuance of this bond and additional appropriation of the proceeds.

**Scott Hinderman:** Scott Hinderman, Executive Director of the Airport Authority.

**Robin Strasser:** Robin Strasser, Director of Administration and Finance with the Airport Authority.

**Scott Hinderman:** As Nick indicated we have a couple of items to come before you. One is the approval of a bond as well as two separate additional appropriations. You guys are our fiscal body. Just a quick background as far as infrastructure debt, we are becoming debt-free in January. Then we are looking to sell a short-term bond. We have been unable to do some of the projects that need to be. This will be a three-year bond. Some of the projects that we are looking at are an Aircraft Firefighter Truck, some solar panels on the rent-a-car canopies to help mitigate some of the inflation in our utility costs, some small portions of our parking lot repairs and not a complete rehab. We can't use salt on the airfields. Our truck is a 1987 model and we need a truck to spread liquid deicer on runways. The last item is a tractor. Regulatory, we are required to keep the airfield grass between six inches and twelve inches for wildlife purposes. Those are the items that the bond will pay for. We are looking to use the existing same dollar value we are using to service on today's debt and roll that over into this bond. It would be the same debt service level.

**Tom Harris:** Say the length of the bond again.

**Robin Strasser:** Three years.

**Scott Hinderman:** If there are questions, Robin is here. If there are questions as to how we are going to sell it or if there are competitive prices, Robin can bail me out.

**Tom Harris:** For the layman's understanding, you basically have some debt that for taxpayers is going away and this is going to fill that spot. Is that correct?

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**Robin Strasser:** Yes.

**Tom Harris:** This is a three-year commitment for all of those things.

**Robin Strasser:** Yes.

**Tom Harris:** Council, open for discussion.

**Joel Benz:** I have one question. You talked about the parking lot improvements and that is in conjunction with some longer term changes that may be coming down or what exactly does that entail?

**Scott Hinderman:** We anticipate making a significant parking lot improvement in the next ten years. This will be in some of our drive lanes we have some work. It is not a complete rehabilitation but more patchwork so that we can extend its useful life. We are working towards putting some money aside for a significant parking lot project in the future.

**Joel Benz:** Thank you.

**Scott Hinderman:** Do you want us to talk about the additional bonding or have three separate items?

**Nick Jordan:** Today we only have the bond for the \$4.155 million.

**Tom Harris:** That has been published, at this point.

**Scott Hinderman:** We should have two additional appropriations.

**Nick Jordan:** What is the total dollar amount? Does it exceed the \$4.155 million?

**Robin Strasser:** Oh yes.

**Nick Jordan:** We don't have the other ones.

**Robin Strasser:** The other one was scheduled for July as well.

**Scott Hinderman:** We have the \$4.155 million which would be the additional for this bond so that we can spend it. We received a \$9.2 million grant from the Federal government. We anticipated receiving something significantly smaller than that but we competed very well amongst all airports in this country and we got \$9.2 million. The project opened at \$12.9 million and we had the other dollar value of a smaller item within our budget but not the \$9.2 million grant. We only need an additional \$9 million to do the appropriation. We don't need the money because the Federal government gave us the money but in order to expend that we have to do the appropriation.

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**Tom Harris:** Does that have to be advertised separately?

**Nick Jordan:** We will have to advertise it and I will apologize in advance if I dropped the ball on this. For this meeting today, we can only do \$4.155 million. If you are not going to spend that all before September 19<sup>th</sup>, we can appropriate the additional in September.

**Tom Harris:** It would just mean moving the second part of that vote to the September meeting.

**Kenny Fries:** Does it cause a delay in a project for another month?

**Tom Harris:** If that challenges operations, we can discuss that afterwards and talk about some other opportunities.

**Scott Hinderman:** It is a very short construction season and the contractor does want to do a little bit. The Board will be approving awarding the contract on Monday.

**Nick Jordan:** Procedurally we can do the appropriation in September and make it retroactive. It's just that we don't have it advertised.

**Tom Harris:** And this is the grant money that you are speaking of.

**Robin Strasser:** Yes. It is a different project from the projects that are being funded by the bond.

**Tom Harris:** Why don't we go ahead and move on this item and then we can determine our next steps and course of action for the next project.

**Sharon Tucker:** I will move to approve the Resolution 2019-08-15-06 for the issuance of General Obligation Bonds in the amount not to exceed \$4.155 million and the additional appropriation of the proceeds thereof by the Fort Wayne-Allen County Airport Authority.

**Kenny Fries:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0. Next is how do we deal with this, Nick?

**Nick Jordan:** You can't appropriate.

**Tom Harris:** I understand that but we will plan to put it on the September agenda.

**Robin Strasser:** And make it retroactive.

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**Nick Jordan:** Yes, we can make it retro.

**Scott Hinderman:** We will figure it out. We will award the project and not allow the contractor to spend a certain dollar value and look at what we have in our budget. It will just be a little bit different.

**Tom Harris:** Speak with the Auditor's Office in terms of the coordination of that.

**Scott Hinderman:** I don't do what you guys do but it should be an easy decision.

**Sharon Tucker:** Is this one that they would have to come back for or can you present it for them?

**Nick Jordan:** I can present it. If you want to discuss the project or ask the questions now then Scott and Robin would not have to come back.

**Larry Brown:** They are here so we might as well.

**Scott Hinderman:** The ramp project, we had anticipated getting a grant in the area of \$3 to \$4 million. There is supplemental funding that the Federal government created through the Department of Transportation and not the FAA. We competed for it and got the grant for \$9.2 million. That gave us the opportunity to do the entire project in one year as opposed to taking a \$13 to \$14 million project extending it out to three to four years and because it was a smaller scope it would be an \$18 to \$19 million project. It is a win-win for everybody. Our challenges are that we have had nine consecutive years of passenger enplanement growth. Aircraft has gotten bigger over the years. If you look at our ramp, it is the same size as in the 1980's when we had turbo prop aircraft and we don't have those anymore. We have moved to the 50-seat jet and we were able to accommodate. Now we have much larger aircraft but we can't put eight aircraft at our eight gates at the same time because of wingtip conflict. This project will help us put additional linear feet of terminal ramp in front of us and we anticipate doing something to our terminal in the future by adding gates or getting the gates farther apart and accommodate the aircraft at the same time. Today, we have aircraft that are waiting to get to the terminal because they are full. This project, on the quick side, will give us more additional concrete to where we can push aircraft over in the winter months and de-ice over there while other aircraft comes into the terminal building to load or offload. We have some operational issues but they are good issues because the community is growing and people are using our airport. They are good issues and we just have to take care of them. We are very fortunate and we are blessed that the Federal government came through and gave us this grant to mitigate this. We will be coming next month anyway because we will be presenting our budget and we can talk to you guys as well then. We can make all of this work. We will have the contractor where they can still start but we will make sure they can only do so much work. This project will start this year. They are not going to do any concrete work but will do some earth work and such. The bulk of the project will start taking place in next year's construction season. Normally, when the Board approves something, we have

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things in place where we can encumber those funds. We're okay but it is just a different procedure than what is normal.

**Kyle Kerley:** What is the total cost of the project?

**Scott Hinderman:** That is the good news. We had opened bids on the 23<sup>rd</sup> or 24<sup>th</sup> of July and anticipated somewhere between \$14 and \$15 million. The total project came in at \$12.9 million. We got three very good bids and so competition is still out there and is alive and very well.

**Kyle Kerley:** So the grant is going to cover most of it.

**Scott Hinderman:** We are not doing an additional appropriation for the entire thing because we had some dollars in our budget because we anticipated doing some of it. The grant will cover 90%. Five percent of the project, we are getting from the State Office of Aviation. Local dollars, which we have, is five percent. We are fortunate to bring the money to a very highly needed project as well as bringing the external money to the community.

**Tom Harris:** Scott, is this recognition from the Federal Aviation or FAA? I am not sure if that is the right group but is it recognition that the airport is growing or met a new threshold in order to get this grant? Or are these grants given out all over the country for all sorts of reasons?

**Scott Hinderman:** They came through the Department of Transportation which the FAA is a part of. It was a separate from the FAA, this \$9.2 million. They have a priority and I do think it is a whole lot of our project has a higher need than a lot of the others that were submitted. They prioritized and our project came to maybe not the top but at least to the top that they could award. I do think and I am not breaking mine or staffs' arms but I think we had a great opportunity to build a relationship with the Department of Transportation and the FAA to explain and educate our need. It is a heck of a story when you say you have eight gates but you can't use them. It hears and plays really well. The fact that the community has really supported our airport and we have nine years of growth, nine years is not coming out of the recession and in the last three years we have broken the all-time records of activity at the airport. Those are all good stories with good talking points of how this grant came our way.

**Tom Harris:** Council, are there any other questions? We will talk a little bit later but if you can get with Nick and then we will talk with Nick and if the need arises for a specially called meeting, we can consider that as well.

**Scott Hinderman:** We will make sure we have the right communication for the September agenda.

**Tom Harris:** Next before us this morning is the Allen County Library 2020 budget discussion.

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**Nick Jordan:** There is no formal approval here. This is part of this meeting at the very end, we are required by law to go over budget estimates and you can invite units or require them to come here. In the past, the Library has come to talk about their budget. Unless they exceeded the average growth quotient then you would have to formally approve the budget.

**Greta Southard:** I am Greta Southard, Director.

**Dave Sedestrom:** Dave Sedestrom, Chief Financial Officer.

**Greta Southard:** As we normally do, Dave is going to talk about the numbers because that is what Dave does best. I will talk a little bit about the actual work of the library. I will turn this over to Dave.

**Dave Sedestrom:** Thanks. Good morning and thanks for having us in. As we have done in the past, we just want to bring you up to date on the 2020 budget. We have no intention of going over the growth quotient factor. It is 3.5% and I believe ours is 3.498%. That will result in an increase around \$1.1 million. Some of the highlights of that budget will be almost 70% is tied up in salaries and compensation for the staff. It is all about people at the library. Around 13% is for library materials and those goods. Seven percent is slated for capital items and that is basically the maintenance of buildings and grounds etc. Obviously with the 3.5% would increase the official budget about \$32 million but there are tax caps and right now the DLGF is estimating those at \$2.9 million. Right now we have an internal balanced budget of around \$29 million. The percentages are based on that number and not the official budget. It is a typical budget year for us with nothing out of the ordinary. I would be happy to answer any questions on the number side before Greta goes into the programmatic side.

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

**Larry Brown:** Refresh my memory because it has been a while since I looked at your numbers. Do you have a Capital Fund specifically for buildings and grounds including expansions, roofs and things like that?

**Dave Sedestrom:** Yes the Library Improvement Reserve Fund and it has about \$3.3 million. We use that for special projects, land, buildings, maintenance etc.

**Larry Brown:** Is that projected to keep up with demand?

**Dave Sedestrom:** No. It is just what we have on reserve.

**Larry Brown:** Okay. Help me understand or I need to find out from our representative what the thinking is on that.

**Dave Sedestrom:** Maybe I should clarify. That is a separate fund all together and we would come to Council for additional appropriation if we were to use that. We currently

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have \$1.9 almost \$2 million budgeted in the General Fund as part of the \$29 million for the capital upkeep. We are paying it as you go and it is part of the General Fund budget and is being addressed every year. We have a ten-year facility assessment showing the cost going out ten years. We try to match our budget for those items. The expansion of the library took place almost eighteen years ago and we are running into additional items whether they are HVAC systems, roofs or carpets and things like that. The Board is currently in the process of reviewing all of those reports and seeing what needs to be scheduled.

**Larry Brown:** Thank you.

**Dave Sedestrom:** The \$2 million is to keep things the way that they are.

**Greta Southard:** You do raise a good point. That is on our to-do list in the sense that we know we have to have a plan for refreshing our facilities. As you have pointed out, they are aging. With the amount of wear and tear that we get, we know that we have things that will need to be replaced beyond the scope of our normal expenses. That is one of the projects that we will need to take a longer and deeper dive in looking at to come up with a longer term plan of how we want to address that. It is not something that will be done overnight but we need to take a long, hard look at what is feasible and what is the planned approach for getting that done short-term and long-term because buildings need ongoing maintenance, as we know. Just to give you some scope and scale, you know that we serve a community of 360,000 and some residents or whatever numbers you choose to look at. To put it into scope and scale, we provide over 41,000 hours of service annually and we are open a lot. We have a lot of people who come through our doors. We have over 2.2 million visits. To your point, our buildings get wear and tear. Last year we had over 4.5 million items borrowed from our collections. Of that, 1.4 million items were children's materials. That is to give you some scope and scale of what we have. One of the areas that we see constant increase in use would be internet and our electronic materials. We have 460 public computers throughout the system. In terms of using those computers, we had 385,000 public internet computer uses. That only counts on the uses of those physical machines. It doesn't include the wireless internet use and of that we had 1.8 million uses. That area continues to skyrocket. To your point, we know we need more electrical outlets and we need more places for people to plug in their own devices. More and more people are coming with their own machinery, if you will, where they need to plug in and spaces to study. Students need small spaces because they are meeting with their tutors. Kids need places to work collaboratively when working on school projects. We understand that we need to look at our spaces and think about use differently. Twenty years ago, when computers were sort of the new thing and they were a commodity that was rare, we had to think about making sure that we have one person at a time on a computer and how do we make sure that we don't have more than two people at a time on a computer. In this day and age, you sometimes need two people on a computer because they are working on a joint project. Or you have someone who is talking to someone on the phone while they are trying to troubleshoot the issue on the computer. We understand that people are using our spaces differently than they did twenty or thirty years ago. We have to rethink how we have spaces configured so we can allow for all different types of

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use. That is something that factors into the facilities look at as well. We just finished our summer learning programs but I don't have any numbers to share with you at this time. The program just ended July 31<sup>st</sup> and shockingly enough the staff wanted to have some vacation after that. We will have those numbers in a few weeks. Something to point out to you, our collection expenditures, we pride ourselves on spending at least 13% of our budget on the collection. The State standard is like seven or eight percent. We exceed the State standard. The national average tends to hover around eleven percent. We are doing remarkably well and that is a testament to the financial management of the system, community and staff and looking for ways that we can work smarter so that we can devote our resources to the areas that will make an impact on the community. I am happy to answer questions.

**Tom Harris:** Initially, the 2.2 million visits this year, how does that compare to last year and the 4.5 million borrowed.

**Great Southard:** I didn't bring my comparisons with me but they tend to hover about the same.

**Tom Harris:** Is it possible to see those?

**Greta Southard:** I am happy to send that to you.

**Tom Harris:** The 460 public computers, the idea is that it will probably continue to grow and the issue of the need for bricks and mortar? I know that Southwest there is some concern in terms of the size.

**Greta Southard:** We do know that we have pressure points. We know that the Aboite Branch is undersized for the community it serves.

**Tom Harris:** And the community is growing.

**Greta Southard:** The community is growing. We know the parking is inadequate at that building. We know that the building has some structural issues. We know that is a pressure point that we will have to do something about. We know that Dupont is a potential pressure point in terms of the amount of traffic that it gets. We know there are areas of the community that are growing. We have to look at how we address that. Do we have the right number of libraries in the right locations? Are they the right size? Those are things we have to think about.

**Tom Harris:** Is that a study that is ongoing or has it started?

**Greta Southard:** It has started and is in progress. There are lots of pieces of information that come into play.

**Sharon Tucker:** If I can interject. The Board has had several consultants come in and look at all of those pressure points. They have provided suggestions to us with facilities and improvements that need to be done. I think it is whether or not we need to move

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some buildings. Some of the areas real estate is prime and that is a challenge that you look at. Those are all things that we are looking at to determine how to answer that exact question. It is in motion but which way the ball is going to land hasn't been decided yet.

**Tom Harris:** Council, any other questions or comments?

**Greta Southard:** If I could circle back to a question about computers, one thing that we are observing is that we may not have the same need for as many desktop stations. What we are seeing is that some of our locations are saying that their computer desktops are maybe being used about 50% of the time and what we really need is more workspace. I really don't need eight computers here but I really only need four. I need more spaces where people can work because they are bringing in their own laptops. I need more places where people can charge their devices and more places where people can sit and work collaboratively.

**Tom Harris:** And the challenge is that this is what the need is today and how do you project that eight years out?

**Greta Southard:** Exactly. How do you build that flexibility in so that you can pivot based on how the needs of the community change as opposed to having so much stuff hardwired in to your buildings?

**Sharon Tucker:** I think I had said it before where the library is at a unique spot because they are planning for the future, working for the current and trying to remember and maintain the past. How do you come across all three generations and not lose something? That is a unique spot. Everybody wants nothing to change except for their paychecks. They want those to go up and it is hard to do all of that and keep everything the same.

**Greta Southard:** It is a balancing act and you have to be mindful of all of those things. How do you make sure to accommodate all of those priorities and needs and how do you address all of those in ways that are thoughtful and sustainable? How do you make sure that you are taking on projects that will truly be sustainable? There have been technologies that we have looked at and said that this would be great technology but long term it is not sustainable for us. It would eat up too much of our budget if we went down this path.

**Kenny Fries:** I have one quick question about genealogy. Do you have any numbers on the visits to the Genealogy Department at the library?

**Greta Southard:** I can probably get you those numbers because we do keep door counts. We have a tremendous amount of folks who come in and use the Genealogy Department but I don't have them at my fingertips.

**Kenny Fries:** Visit Fort Wayne touts that they work with you all the time.

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**Greta Southard:** They do and they have been very helpful to us in terms of genealogy conferences that have come into the community. We have smaller regional conferences that come and we have communities that plan day trips, bus trips where they swoop in for a day or two. They are looking at where to eat, where to stay reasonably and where can our spouses go while we are here?

**Tom Harris:** Council, any other questions? No action is required but thank you very much for coming. Send the stats to Nick and he will get them to us.

**Nick Jordan:** Do you want to put the Sheriff's Pension Amendment in here so we can get Stan going?

**Tom Harris:** That would be fine. We are making an adjustment to the agenda.

**Charlie Edwards:** Good morning, Council. Charlie Edwards, Chief Deputy.

**Stan Brown:** Stan Brown with McCready and Keene.

**Troy Hershberger:** Troy Hershberger, Deputy Chief Operations.

**Charlie Edwards:** We are here to get permission to amend our pension. Stan is here to answer the questions. I know you received the packet from Nick earlier. If there are any questions, now is the time.

**Stan Brown:** This is actually the sixth amendment to the Pension and Supplemental Benefit Trust. There are two primary items in the amendment. The first is to add an early retirement benefit to this plan. Surprisingly this plan is a hazardous duty plan and doesn't have an early retirement. That is very rare. It is going to require the attainment of age 52 and the completion of 20 or more years of service. If anyone takes advantage of it, the benefit is reduced for early commencement. It is not a subsidized early retirement. The reduction is five percent per year by the number of years that the commencement date precedes the normal retirement age of 55. As a point of reference, PERF already has an early retirement age in the statute and the reduction in PERF for early retirement prior to age 65 is 1.2% per year and the benefit for PERF commences within five years of the normal retirement date and if it commences prior to age 60, it is an additional five percent per year. The early retirement provision being added to the Sheriff's plan has the five percent per year reduction for each of the three years for the retirement date that precedes normal. The second item is adding what is called in-service retirement to the plan for elected officials. The eligibility requirement would be the attainment of age 55, which is the normal retirement age in this plan, and have 32 or more years of benefit service. The benefit is calculated using the service and the participant's average monthly compensation as of the in-service date. There is no reduction for early commencement because this benefit would be paid the participant would have already reached normal retirement age before it could be paid. There is a similar provision in PERF for elected officials. The requirements in PERF are the attainment of age 55 and 20 or more years of service. Those are the two primary changes.

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**Tom Harris:** How does this particular pension line up with other Sheriffs throughout the State? Are we exceptional? Are we the same?

**Stan Brown:** All 92 Counties have a County Police Retirement Plan. The last holdout was Perry County. They were in regular PERF until the start of 2018. This plan, in terms of comparison with provisions for benefits is pretty much where most plans are with a normal retirement age of 55. The benefit formula is the maximum allowed by State statute. The one thing, I mentioned, was not in this plan was the early retirement.

**Tom Harris:** Is that provision in most other plans?

**Stan Brown:** Yes. In fact, in most other plans it is age 45 and 20 or more years of service. The reduction is still five percent per year. We typically don't see a lot of Deputies in Counties with the 45 and 20 take advantage of it because if you did at 45 it is a 50% reduction.

**Tom Harris:** While a lot of these have 45, we have 55.

**Stan Brown:** No, this is the early retirement age. The early retirement age in this amendment is 52. There may be some interest in taking advantage of that.

**Tom Harris:** This would be available to all Sworn Officers.

**Stan Brown:** Yes.

**Kenny Fries:** With early retirement, most people are going to have to have a special situation before they would decide to take that because they take a hit on the percentage. The other one that gives the Sheriff the ability to retire and stay the Sheriff is that he gets his pension and his salary. Currently you can still do that but it is not in the plan. It would be legal for him to do that now without it written in the plan, correct?

**Stan Brown:** We think it has to be written in the plan. The IRS does as well. In service distributions are allowed and were put into law under the Pension Protection Act of 2006. That is for all retirement plans. But it is not addressed in this plan.

**Kenny Fries:** So you believe that currently, if the Sheriff would want to retire and draw his pension and still get his salary, if we wouldn't approve this he wouldn't be allowed to do that.

**Stan Brown:** That would be our take, yes. There have been other County Police plans that have amended their plan to put this provision in for the same reason.

**Kenny Fries:** By voting for this, we would allow the Sheriff to retire and stay the Sheriff. He could get his pension and his salary.

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**Stan Brown:** The Sheriff, as the elected official, would satisfy the eligibility requirements which are 55 and 32 or more years of service, yes you could start an in-service distribution.

**Kenny Fries:** And that is what PERF currently does.

**Stan Brown:** For elected officials, yes.

**Nick Jordan:** Less service time.

**Stan Brown:** Yes.

**Nick Jordan:** With less service time.

**Kenny Fries:** With the same theory.

**Nick Jordan:** We have had some I would say less than ten in my tenure that have done this. That is on the PERF side and not the Sheriff.

**Kenny Fries:** There would certainly be a legal battle from the Sheriff's standpoint if PERF already allows it. I don't know why a court would say that we wouldn't have to allow it.

**Stan Brown:** Except the PERF statute has it but the PERF statute doesn't govern this plan. There is a separate statute that governs the County Police plans. It was put into the statute sometime after the Pension Protection Act specifically for elected officials that satisfy this requirement.

**Tom Harris:** I understand that this discussion has been going on for a bit of time. How long?

**Charlie Edwards:** Oh, yes, at least nine or ten months or so or close to a year.

**Tom Harris:** This also had to pass your Merit Board. Has that happened?

**Charlie Edwards:** Yes.

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

**Larry Brown:** I will be honest that I am troubled by the fact that this allows a middle aged Sheriff to complete his term, which is term limited to eight years, take off four and come back again or even retire at 55. Fifty-five and 32 is not uncommon. Then come back and run for Sheriff again and double-dip.

**Kenny Fries:** This doesn't do anything with that. If you were a current Sheriff right now and you were 55 and had 32 years on right now you could retire and draw your pension.

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The current Sheriff has three years left in his term he would draw his pension plus his salary for the next three years. Anybody and I could run for Sheriff again. This just says that the current sitting Sheriff could technically retire but yet stay as Sheriff.

**Stan Brown:** It could also mean any future Sheriff that satisfied those requirements.

**Tom Harris:** Your reaction to Councilman Brown's concern about double-dipping.

**Stan Brown:** That is sort of a loaded term, a little bit. The salary is one portion and the pension benefit is another. The internal revenue code allows it in pension plans across the country if they put it in their plan.

**Tom Harris:** This is being done in how many other Counties?

**Stan Brown:** Four other Counties have it. Making the requirements and that is really the intent of the In-Service is that it is not going to be for everybody. Making the requirements that you have maxed out on service in this plan, 32 years is the maximum used to determine benefits in this plan. The other part of the eligibility is age 55 which is full retirement age. It is providing a benefit to someone who literally could retire.

**Sharon Tucker:** I am struggling with this one. Am I to believe right now, let's use the current Sheriff as the example, is elected and still on the County payroll as an employee?

**Stan Brown:** As an elected official.

**Sharon Tucker:** So there was no requirement once he was elected to become the elected official and not the employee anymore in the same status he was before being elected?

**Charlie Edwards:** Anybody can run for Sheriff. You don't have to be a Police Officer with the County.

**Sharon Tucker:** I understand that. What I am trying to ask and my mind goes back to what Larry is saying. Is he being paid a salary as the County Sheriff or as an employee of the County under the Sheriff's Department and he is being paid as the Sheriff?

**Charlie Edwards:** The current Sheriff is not eligible. It is coming up but whether he takes advantage of it or not. The way it is set is if it would happen before he was elected into office and December 31<sup>st</sup> he hit that number, he could retire and still be sworn in. It is an earned benefit.

**Sharon Tucker:** Not my question though. My question is to not even say they are at retirement age. When you are employed by the County, in the Sheriff's Department, you are a County employee working for the Sheriff's Department. Then you become an elected official. Is he still receiving a check as a County employee?

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**Nick Jordan:** He only has one salary. That is dictated by State law and is tied to the Prosecutor.

**Sharon Tucker:** That is what I was asking.

**Kenny Fries:** This then allows them to continue that salary and your retirement.

**Joel Benz:** I just have one comment on that. There are a lot of Firefighters that go down this same road and other people typically retire and go work in the private sector. To the extent of double-dipping, they usually go and find a retirement job and still have an income stream and draw on their pension. This is basically the same thing except we are paying from public funds.

**Nick Jordan:** As noted earlier, we have elected officials outside of the Sheriff that have done this. I believe the Surveyor is doing it right now and I think we had a Commissioner, if I recall correctly.

**Tom Harris:** So what is being done here is in order for that to occur, they need it in the pension written document. It is currently not in the pension document.

**Stan Brown:** That is what we believe, yes.

Kyle Kerley: Is it possible for us to approve the early retirement provision and not approve the in-service provision?

Nick Jordan: You would have to draft a new amendment but yes. Stan would have to give us a new amendment. We wouldn't need to come back before Council if you wouldn't approve that piece. It would still be the sixth amendment less the elected official portion.

**Tom Harris:** That would probably end up back before the Merit Board. Is that appropriate?

**Charlie Edwards:** Yes. They have already approved it and are waiting for your approval. Separating a benefit of retirement and current wages, it would be no different if we had hired the current Sheriff once retired and hiring Mr. Fries back. He would still draw his retirement and still work for us. It is two different animals. It is an earned benefit and he contributed to it and you no longer contribute to it after 32 years. It can't grow any bigger than what it is. He or she can take advantage of it but it doesn't happen that often. Kenny, I don't think you were eligible for it at the time. I know you came on at 21 and there are not too many people that come on at 21.

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

**Joel Benz:** I will make a motion. I make a motion that we amend the Allen County Police Department Pension and Supplemental Benefit trust as presented.

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**Kenny Fries:** I will second it.

**Tom Harris:** We have a motion and a second. Are there any other comments, questions or concerns?

**Larry Brown:** I have concerns, major concerns. One is that fellow Councilman Fries here is not abstaining apparently. It is direct involvement and I see it as a conflict. That is my personal opinion.

**Tom Harris:** I guess that is an item open for discussion. Council, are there other questions? We have a motion and a second. All in favor say aye, those opposed, like sign. The motion does not pass 3 (Fries, Benz and Kerley) – 4 (Tucker, Brown, Harris and Armstrong).

**Kyle Kerley:** Can I make a motion to amend that now? I will make a motion to amend the amendment to exclude the section about In-service. Did I say that right? We would approve the section for early retirement. We would not approve the part with the Sheriff being able to quote “double-dip”. We would start with the early retirement at 52 and exclude the In-service component.

**Nick Jordan:** For the elected official.

**Kenny Fries:** I will second that.

**Tom Harris:** We have a motion and a second.

**Sharon Tucker:** My question is you are allowing the retirement age to be 52.

**Stan Brown:** That is an early retirement age with a reduced benefit.

**Sharon Tucker:** Thank you but not allowing an elected official that retires to draw from PERF.

**Kenny Fries:** It is not PERF. It is Sheriff’s pension.

**Sharon Tucker:** Thank you.

**Kyle Kerley:** Yes.

**Sharon Tucker:** At what point, if they are the ones that take an early retirement are they able to at the end of their elected terms?

**Stan Brown:** The requirement for the in-service was going to be 55 and 32 and so it wasn’t going to have anything to do with early retirement. They could have the full unreduced benefit. Whoever is not 55 can do the in-service.

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**Charlie Edwards:** Nobody has brought up what the pension is going to cost. It's like for anyone else that is going to retire, the 52 would be replaced by another Officer and there would be neutral cost on that.

**Bob Armstrong:** If this passes, how many people will this affect?

**Charlie Edwards:** That is 52 and has 20 years of service? I don't know that number. We do have a couple of Officers in the Department that are suffering from injuries from over the years like back pain and such. They may be eligible for that but it is a great reduction. It is a hit but if they are hurt bad enough, they could probably do SSI or something along that line. I don't know of anyone who has spoken up about it yet. We are just trying to get in line with everybody else.

**Larry Brown:** I am a little concerned that if we vote for this and it passes and doesn't first go to the Merit Board and back to us, are we going the wrong direction on a one-way street here?

**Tom Harris:** Should this go back to the Merit Board, would they come back with further thoughts or input?

**Charlie Edwards:** The Trustees voted. We can check into it and I am sure they would be willing to listen and do whatever they can for the support of the Officers.

**Tom Harris:** It might be prudent to get input from the Merit Board.

**Nick Jordan:** They have already approved it.

**Tom Harris:** So if we were to approve one of those, the thought would be that the Merit Board would still be in favor of that.

**Charlie Edwards:** Absolutely.

**Tom Harris:** Council, we have an amendment and it is to allow for the early retirement but remove the in-service possibility on the pension plan. We have a motion and a second. All in favor say aye, those opposed, like sign. 4 (Fries, Benz, Kerley and Armstrong) – 2 (Harris and Tucker) – 1 (Brown abstained). Next is Economic Development.

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

**Bob Weir:** Bob Weir, Manager with Auto Truck Group.

**David Scheitlin:** David Scheitlin, General Manager.

**Rachel Black:** We are here to talk about another exciting project in Allen County. We are looking at Resolution 2018-08-15-01 Statement of Benefits for Auto Truck Group.

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Auto Truck Group is a work truck up fitter and they specialize in the design, manufacturing and installation of truck equipment. They are looking at moving from their current facility to a new parcel at 12777 Stonebridge Road which is just south of Stonebridge Park. They plan to build a 72,865 square foot production facility. The proposed project involves an investment of over \$5 million in real estate improvements as well as \$750,000 in personal property. From their application, construction is expected to be completed by March of next year. In addition to that, they plan to create 50 new jobs with salaries a little over \$2 million while retaining 76 positions with current salaries of about \$3 million. Based on the review system that the County Council has put in place, they are eligible for ten-year tax abatement on real property and seven-year abatement on personal property. Do you have any questions for me?

**Tom Harris:** Rachel, thank you and gentlemen, welcome and good to have you here this morning, to one of our more eventful mornings. With that maybe you can talk to us a little bit about your plans.

**Bob Weir:** Sure, we currently have a facility just a little over 20,000 square feet and we have outgrown the capacity there. We are looking to effectively little more than double our production capacity and add storage capacity etc. Another aspect of our business is to be able to park our vehicles and the new facility will satisfy all of those needs. As Ms. Black said, it is an investment of over \$6 million to really help us grow and operate more efficiently and continue to grow in the area.

**Tom Harris:** Talk to us a little bit about what you do and are you nationwide or international and such.

**Bob Weir:** Yes, Auto Truck Group is nationwide. We have twelve facilities around the country. We design, manufacture and install equipment on truck and van chassis to fit the specific needs of companies to help them operate as efficiently as possible.

**Tom Harris:** I assume you are tied to the locations of the truck industry, I suspect.

**Bob Weir:** Exactly. It is light duty, medium duty and heavy duty, a significant portion of the business is around rail business, putting rail equipment on vehicles so they can operate on rails and fix and update rails around the country.

**David Scheitlin:** One of the things that we are tied into at this location is the GM facility. As they have continued to invest in their plant, it helps us because we actually take the vehicles from them and we give them back to them. They then ship them across the country. We are tied specifically to that plant and the development and this helps us expand. We actually have 13 acres currently and an 18 acre parking lot diagonally from us and so we have some inefficiency built into that. This plan would combine that and will also help with the development of a company that is renting some space from us. This will help more than just us.

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**Tom Harris:** Other than this particular growth issue, what is your biggest challenge for the business?

**David Scheitlin:** The biggest challenge, which I think is nationwide right now, is employee development and finding quality people and the development of them. We are developing apprenticeship programs and are going to start going to different high schools explaining the value that we bring. I think there is a stigma of somebody who is working on a day-to-day basis is not as glamorous but yet we have the ability to provide a very robust life and generate income for people. I think it is a lot about explaining what we do because it is an exciting industry in the sense that when you are anywhere in the country and you see a vehicle that has any type of additional equipment on it, we are actually helping grow the industry of America in the sense that we turn trucks into tools. When you see three-quarters of the trucks out there, we can say that it is actually a part of our business and we did that.

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

**Kenny Fries:** Rachel, do they have any abatement on the current property or not?

**Rachel Black:** They do not currently have one now but I would have to go back and look.

**Kenny Fries:** What is going to happen to the current facility? Is it going to be leased or rented?

**Bob Weir:** We are going to be selling that property along with the south lot.

**David Scheitlin:** It is kind of a switch in what we do another company also does and they are tied directly to GM. They are looking to expand and we have been working with them and have been renting property to them. We are looking to make a deal that will help everybody. They will continue to expand and grow as well.

**Kenny Fries:** Will they come in front of us for abatement?

**Rachel Black:** They have not currently but we have had discussions about their project though.

**Sharon Tucker:** You answered one of the questions that I always ask which is how to find employees. Everybody is looking for skilled and unskilled trades and everyone else down the line. You have kind of already answered what your plan is but one of the things that we value or score on is your employees. We are going to talk in a little bit about companies that have told us that they will have 50 jobs to get this abatement and yet they are not able to meet that threshold. We then question whether or not to continue the abatement with them. You have to keep it in your mindset that you are going to employ 50 people and how are you going to do that and still maintain us saying yes we will give the abatement? That is a big challenge.

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**David Scheitlin:** You are saying from the standpoint to maintain?

**Sharon Tucker:** Yes because part of the scoring is that you are going to create 50 new jobs and we are having such a hard time of getting people for those new jobs.

**David Scheitlin:** Right now we have a 23,000 square foot building and it is jam packed. If you have been by it, there are trucks everywhere. One of the difficulties that we have had is securing night shift employees. People just don't want to work that. They want quality of life and they want to work first shift. The biggest thing we see by moving to the first shift, we would be able to attract more employees in the sense that when they come in and say they have kids and want to work days, that is one aspect. The second aspect is we are going to be able to increase our serviceability where we are entering into repairing trucks which is a higher skillset of employees. That will give us the opportunity to continue to have advancement. As you continue to advance in your skills, you can continue to advance doing more complex stuff and your wage can increase. It creates a pipeline of bringing people in at a lower skill and you can train up and show them all of the advancement opportunities.

**Larry Brown:** A better career path.

**David Scheitlin:** Yes.

**Sharon Tucker:** How much overtime is the current staff working?

**David Scheitlin:** Currently we are running about 50 hours a week. We have a program where we only require 40. We do not mandate but we have a lot of individuals that are willing to and they know the work needs to get done. We have a good workforce. One of the things is we have a tenure at this facility. We have been there since 1986 with 1987 being the year when the building was put up. Our tenure is easily over ten years in the sense that we have some individuals that have been there 20 plus years, I have been 25 years with the company. As we bring new people in, they see the advantages of all of the people that have advanced and grown within the organization. Now that we have more facilities across the country, they have advancement opportunities. If they want to leave, we have more difficulty with people not wanting to leave this area because it is so nice.

**Sharon Tucker:** We are the number one city.

**David Scheitlin:** When we say that they can move, they say they want to stay here.

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

**Kyle Kerley:** Do you have an estimate of what the total value of the abatement would be?

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**Tom Harris:** It looks like approximately \$416,154 savings to the company. They would be paying \$424,561 in taxes.

**Rachel Black:** That is just on real.

**Nick Jordan:** On personal it is just \$18,000 more for the company savings. It would be more like \$440,000 over the ten-year period.

**Sharon Tucker:** I will make a motion for the approval of Resolution 2019-08-15-01 Statement of Benefits for Auto Truck Group.

**Bob Armstrong:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 6-1 (Benz). Congratulations on your growth. Rachel, we have some other items.

**Rachel Black:** Next on the agenda is...

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

**John Deere:** John Deere, COO for R3.

**Rachel Black:** This one is a little bit different. I haven't done this in previous years but I have included two resolutions for your consideration. One would confirm that the company is in non-compliance and that would terminate their abatement from here on out. The second one would waive non-compliance and would allow them to continue with the abatement for one more year when we look at compliance again. Currently they have between three and eight years remaining on the personal property.

**Tom Harris:** So the intent is to stop the long-term abatement plan but allow it for one more year, is that what I understand?

**Rachel Black:** Each year we have to do compliance. Do you understand what I am trying to say?

**Tom Harris:** No I am not.

**Rachel Black:** Every year they have to turn in their paperwork and so every year I come to present. If we pass the resolution waiving non-compliance for the paperwork that they turned in for 2019 pay 2020, it would allow them for that year. Then we would come before you again. I just wanted to let you know that there is between three and eight years remaining if they would continue through all of the abatement for each of the years if they complied. Do you understand?

**Kenny Fries:** If we vote for number two then number three goes away.

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**Rachel Black:** Yes.

**Kenny Fries:** It is one or the other. If we vote for number two saying that we are terminating...

**Rachel Black:** That would end the abatement and they would not come back again.

**Kenny Fries:** Or we could vote for number three and give them a waiver and say come back next year.

**Tom Harris:** That is generally what we have done in the past. Councilman Benz.

**Joel Benz:** How many years now because this has been several years in a row.

**Rachel Black:** I have been here four years and it has been each of those four years. I cannot say before that. I can get that information to you at a later time.

**Nick Jordan:** It has been since inception because right away they had lost a client. The jobs never amounted to what was estimated.

**Rachel Black:** They were approved in 2011.

**Andy Boxberger:** I will start with that John is new to the company. They have made some management changes and the CFO is no longer with the company and had been here with me in the past. There are a few new faces here and I been here several times and I don't mean to belabor the point of the story. When Mr. Kiver bought this facility, it was a vacant facility in Grabill. The main purpose was to make feed bins for Monsanto. That was the purpose of buying the vacant facility. Unfortunately, right out of the gate that fell apart and the purpose of the company was thwarted almost completely. He thankfully pressed on and found a team to help find more business and was doing well and growing pretty quickly. About two years ago, they lost about 75% of their business again. They took another big hit from a bathtub company that bought another company and started to make the product themselves. Fortunately R3 does such a good job that they got some of that business back and hopefully will continue to get more. Yes we are here again and it has been a roller coaster ride for this company but they have stuck with it. I think most people would have shut the doors when the Monsanto deal fell apart because they didn't have much in it at that point. Then to lose 75% of the business was a huge challenge but they pressed on and are growing again. They have twenty jobs that are unfilled right now and are at about 175 right now. They have grown since the report was filed. They are hoping that they will start a third shift which would add about 30 more jobs. They have a big project down the pike that could add another 50 or so jobs in a year or so. Yes, they are non-compliant. The statute provides for an opportunity for the Council to review that and consider factors outside the company's control, which I would say these factors are. They employ a lot of good people in the County and have stuck with staying in this County when Mr. Kiver has no ties here. It was a good opportunity to buy that building and it fell apart but he stuck with it and continues to invest. They are

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starting to grow again. I have mentioned two big hits and hopefully there won't be a third one. These incentives are very helpful. We ask for you to approve the waiver of non-compliance so they can continue to do that.

**Tom Harris:** Rachel, remind us in terms of finances on this. What is the company saving on this particular abatement?

**Rachel Black:** I don't know if I have that information.

**Tom Harris:** Nick will get that in a moment, if you would like to talk about this as well.

**John Deere:** Yes, we currently have 187 employees and we are looking to fill 22 more. Our third shift would expand us to another 30 employees. We have some work that we are looking at for 2022 which is heavy truck. It would require some more capital investments as well as investments in people. Like Andy mentioned, we would probably add about 40 hourly jobs at that point and maybe another ten to twelve salaried jobs. Our business is growing and we are trying to hire people.

**Tom Harris:** I think the 400 that was stated in here initially was that you would be able to provide 400 jobs in the community. Was there a timeline that we would have set for that 400? Was that to be done in the first few years?

**Andy Boxberger:** I think it was in the first three years. It was the fourth year after that we had to start coming before the Council.

**Tom Harris:** And you are at 175 with the intent of getting to 200 soon.

**John Deere:** We are actually at 187 with 22 open positions. Our third shift will start in about one month and will be another 30 positions.

**Tom Harris:** It would be interesting to see from the company's perspective what the savings might be. Are you working with the Town of Grabill to give back in any way?

**John Deere:** We do some donations to the Town of Grabill. I think there is a donation that goes to the Grabill Fair.

**Andy Boxberger:** Like I said, Mr. Deere has only been in this position for a couple of months. I am sure that he is getting familiar with everything that is going on out there.

**Tom Harris:** Are you from this area?

**John Deere:** Actually I am from Michigan.

**Kenny Fries:** This is on Roth Road, correct?

**John Deere:** Correct.

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**Sharon Tucker:** While Nick is looking that up, this one is hard for me. I am sorry you are in this position because since I have been on Council, this has come before us all that time. The three-year ramp up, I am going to disagree with it but I don't have the paperwork in front of me. The hard part is that when you say you have the 20 jobs that you are going to bring in and the 30 if you can do the night shift, everyone is struggling to find employees. I just don't see that being a win. I am not really a gambler or risk taker when it comes to that and so I won't be able to support it. We keep putting good behind unfortunate un-successes. For me it will not be a go vote for it.

**Andy Boxberger:** I appreciate that and I am certain I am not going to sway your vote but the only thing I would disagree with is I think this is a success. This is a company, a vacant building and they came before you saying that they were going to have 400 jobs. Almost immediately they had no work and had to start over again. That business model completely changed. These incentives helped this company grow and while it is not 400 people, it hopefully will be up to 230 jobs in the next month. There are good jobs and some salaried positions in there as well. I don't think it is a failure and they are not meeting the expectations, which is why we are here but from day one it kind of got diverted. They had to go down a different path than what they thought when they filed that paperwork.

**Sharon Tucker:** That is true but they are asking us to maintain the abatement based on the original application. If that application is pulled and rewritten, there may be some different things. And I don't even know if that is an option. You are asking us to provide abatement to you based on 400 jobs and the original incentives and investments that you were going to make in the community and those, we all agree, don't exist right now. For me, I can't do that. We are getting 200 and we change that benefit for what that real investment will be, then that is a different story.

**Tom Harris:** Nick, is there any luck on that?

**Nick Jordan:** Yes, I am using 2019 and unless there has been a significant difference in personal property in 2019 pay 2020, the deduction last year was \$848,000 and if you took that by even ten percent, it would be \$84,000. With the three percent cap, it would potentially be around \$20,000.

**Tom Harris:** So the company is saving approximately \$20,000 with this phase-in.

**Nick Jordan:** That would be a high estimate. The tax rate out there is 1.68.

**Tom Harris:** So from a company's perspective, should this be voted down today since they would lose about \$20,000 in savings?

**Nick Jordan:** If we went with two percent, it would be about \$16,000.

**Tom Harris:** For how many more years?

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**Rachel Black:** They have different ones running currently and with different schedules so it would be between three and eight years.

**Nick Jordan:** I don't have everything at my fingertips but I don't think there was even a deduction for the real property because the value didn't increase.

**Rachel Black:** That part of the project never happened.

**Andy Boxberger:** The project happened but there was no increase in the property value.

**Tom Harris:** So to Councilwoman Tucker's point, if it is voted down today does the company have the ability to come back and ask for a further phase-in?

**Rachel Black:** I don't believe so. It would have to be something that was new. Like he said that they were going to be doing a new project in 2022, they could apply and it would be based on that.

**Joel Benz:** I believe Council has been really very lenient on this over several years and the company came in and promised a lot. We responded based on that and I am going to agree with Councilwoman Tucker. You haven't lived up to the expectations and I don't believe that you will and therefore I don't believe that this abatement should remain in place. I went out and looked at the facility in my very first year on Council and you have done some things to fix it up however if you are going to make promises, I think you have to live up to them. I don't believe you have been able to do that at this point. I am going to be a no vote also. I am going to make a motion unless someone else has comments. I will move that Resolution 2019-08-15-02 confirming substantial non-compliance with Statement of Benefits for R3 Composites Corporation.

**Sharon Tucker:** Second.

**Tom Harris:** We have a motion and a second. Are there any other thoughts?

**Kyle Kerley:** I have a question. Based on the scorecard, had they come and said they were only going to create 200 jobs, how would that change the scorecard or abatement amount? Would there have been any substantial difference or would they be on the same schedule?

**Tom Harris:** Four hundred versus 200. Would 200 have been a ten-year or seven-year or what?

**Andy Boxberger:** I am glad you asked that question. I wondered that but as a lawyer you are never supposed to ask a question that you don't know the answer to.

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**Rachel Black:** Based on the current point system, if it was over 250, they would have gotten a ten points. If it is 100 to 249 that is eight points. The salaries would have been about the same so that would have scored the same.

**Larry Brown:** There are two categories, retained and created. If it is over 250 retained, they get 10 points.

**Andy Boxberger:** I don't think there was any retained.

**Rachel Black:** They were all created.

**Kyle Kerley:** That was kind of my question. They shot for the moon with what they promised but at the end of the day even though they are delivering 175, it is still if they had said they would provide 175 we would have approved this abatement they would have met compliance but because of our score system that is what I was trying to figure out.

**Larry Brown:** And they still met real property investment.

**Tom Harris:** I had the chance to be involved with the community of Grabill before you guys were on the docket and there was concern about water and sewer and the whole structure out there was in a really bad situation. From my standpoint I look at it that you have 187 new positions, you've done a lot to the land and the value of it and to Councilman Kerley's point you might have set that at 400 you do provide for 187 with the potential for growth I look to the tax savings to the company versus what taxes the citizens are giving up and I am going to be voting in favor of allowing this. I guess the challenge for the company is to get real with those numbers. That is the challenge every year and while there is a mixed message as to whether this passes or doesn't pass recognize that we value your location and that you are in the community and we want you to grow. We are bound by agreements in the past. Councilwoman Tucker.

**Sharon Tucker:** I wish we had the full paperwork because there is a reason that we are here discussing non-compliance. We keep hearing that the investment and the property but if all of those things were 100% we wouldn't be here discussing non-compliance. That is your own personal vote on what we do or don't do. I wish we had that information.

**Rachel Black:** As far as what? I have some percentages.

**Tom Harris:** Maybe explain that a little bit.

**Sharon Tucker:** There is 39% reporting 155 jobs down from last year by 140. The salaries did not meet at 44%.

**Rachel Black:** Last year, if you recall, they were at 73%. I don't know what happened between last year and this year. I believe that in the letter Andy spoke of...

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**Andy Boxberger:** That is right around when they lost 73% of their business.

**Rachel Black:** Last year they were close to the 75%.

**Tom Harris:** Council, We have a motion and a second on number two. Number two is basically ending the phase-in process. If you vote in favor of number two, number three goes away.

**Kyle Kerley:** So this vote would be to end the abatement.

**Tom Harris: Yes. All in favor say aye, those opposed, like sign. The motion passes 4 (Tucker, Fries, Benz and Armstrong) – 3 (Harris, Kerley and Brown). The abatement stops now.**

**Andy Boxberger:** Thank you.

**Tom Harris:** Item number three goes away. We are on to item number four.

**Rachel Black:** For the next two, we do not have representatives. At our last meeting, you stated that you wanted to waive non-compliance and so we are here to run through that. I have Resolution 2019-08-15-04 waiving non-compliance for Michelin North America. As a brief reminder, they were approved for abatement back in 2008 for real and personal property in the amount of estimated \$44 million. Their personal property CF-1 paperwork was not filed by the May 15<sup>th</sup> deadline but they submitted it late. They are compliant based on the County's policy in terms of jobs and salaries. They have two years remaining on that abatement. The resolution today, if approved, would waive non-compliance and treat the company as if they had complied with the procedural requirements.

**Ken Fries:** And you had said that it was unusual for them.

**Rachel Black:** Yes this was the first time this had happened with them.

**Nick Jordan:** They have multiples and they filed on two of them and didn't on one of them.

**Rachel Black:** They had a personnel issue and all of the paperwork except for one document was filed on time.

**Larry Brown:** As I recall, I don't know if the title was CFO.

**Rachel Black:** There was a letter submitted from the Tax Manager.

**Larry Brown:** I will make a motion to approve Resolution 2019-08-15-04 waiving non-compliance for Michelin North America.

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**Sharon Tucker:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0. Item number five.

**Rachel Black:** Moving on to Resolution 2019-08-15-05 waiving non-compliance for General Mills. They were approved for tax abatement for real and personal property in 2011. The amount was \$36.1 million. Their CF-1 paperwork was filed with the deadline for personal property but the real property was not received until May 29<sup>th</sup>. The company is compliant with the County policy in terms of salaries and investment. They have four years remaining on this abatement.

**Sharon Tucker:** I was going to make a motion to approve Resolution 2019-08-15-05 waiving non-compliance for General Mills, LLC.

**Kenny Fries:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0.

**Larry Brown:** Rachel, before you leave the table, I would appreciate if you or your coworkers could put together a letter of reprimand for those that didn't get their paperwork in on time and that we expect it to be timely.

**Rachel Black:** Okay. I also want to mention and have not received it yet but I know it is coming, there was an additional one that I had presented to you. It is Bandera known now as Viant. They should be submitting their paperwork. There was a fee of \$500 for the paperwork that was not submitted on time. The situations that we had today did not fit under that policy but the one that I didn't get the paperwork, if I get it will be coming before you in September.

**Larry Brown:** You might include in that letter that if it happens again they will be sitting right beside you so that we can scold them.

**Rachel Black:** Okay.

**Tom Harris:** Very good and thank you. Next item up is the Recorder's Office.

**Nick Jordan:** Council, I am handling this one. As we have done in the last couple of years, Anita has a special revenue fund and under Indiana law as long as she provides the affidavit, on page 54 of your packet, noting that she can cover expenses out of the Recorder's Perpetuation Fund. As she has done the last couple of years, she is requesting it again for pay 2020. That alleviates the General Fund>

**Larry Brown:** Actually that started before Nick was even out of college, I think. Former Recorder McGauley started that.

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**Sharon Tucker:** I would like to make a motion for Ordinance 2019-08-15-07 approving the Recorder's request to fund the Recorder's Office expenses out of the Recorder's Perpetuation Fund 245.

**Larry Brown:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0. Next up is ACJC.

**Nick Jordan:** They are also not coming today. As in years past, they have received the JDAI Grant. This is a combination request to apply for it and to appropriate the money in the amount of \$51,023.

**Tom Harris:** Have we done this in the past where we have approved both of them together?

**Nick Jordan:** Yes because timeliness doesn't always permit them to come and request approval to apply and also appropriate.

**Tom Harris:** We appreciate that they requested it before they received it.

**Sharon Tucker:** I would like to make a motion to approve the request for permission to apply for the JDAI Grant through the Indiana Department of Correction and the appropriation in the JDAI Grant Fund 223 in the amount of \$51,023.

**Larry Brown:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0. Next up is Superior Court.

**John McGauley:** John McGauley, former Recorder and current Court Executive of Superior Court.

**Leslie Owen:** Leslie Owen, Financial Coordinator Superior Court.

**John McGauley:** Not that we are proud of it or anything but the self-funding of the Recorder's Office began in the 2010 budget. That is something that we experimented with a long time ago and it stuck. You have been here for a while and so we will provide as much or as little of what we are here to talk about. Essentially what we are trying to do is to replace sound and recording and assisted listening systems that were installed 18 to 20 years ago. The systems have long outlasted their lifespan and we are not looking to upgrade capabilities but looking at a one-for-one replacement in Courtrooms One and Three that are breaking down with some regularity. It is costing us court time and generally jeopardizing our ability to create the record that everything is based off of. Everything that we do to create a record depends on our ability to make those sound

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systems work. The reasons we are focusing on Courtrooms One and Three are that there is a carpet replacement project going on through the Courthouse Preservation Trust that they want to do in October. We are willing to bide our time on the other Courtrooms on the third floor so that we are not pulling up carpet twice. We are hoping to do that later this year in conjunction with the Trust's carpet replacement.

**Tom Harris:** And that is what this request today is for.

**John McGauley:** Correct.

**Larry Brown:** I get what the money is going to be used for and I appreciate the forethought to get that done. It is like paving the street and then coming back and digging it up to put water in. I would like to hear your input on the fund that this money is coming from. You aren't going to be back in November trying to get more money into the Pauper Attorney.

**John McGauley:** No, we thought we were saving an extra request here. This is money that you were kind enough to appropriate to us in April when we thought we were going to have three high profile trials with sequestered juries. Most of that money is still there.

**Tom Harris:** I think the issue that came up at the last meeting was if this was a CUM CAP issue from the Commissioners. I have had a chance to talk to them and they believe it is not and that this falls into a different category. I came back with the realization that whether it comes from that fund or this fund, it is something that is needed and the timeliness is important and is for the taxpayers of this community. Are there any other thoughts or comments?

**Larry Brown:** John, is this based on an actual quote?

**John McGauley:** Yes, we sought three and got two. One of them was responsive and it was our current vendor that we are working with. They know our needs and are there every day.

**Sharon Tucker:** John, how much money was actually left from the cases we didn't have to do?

**John McGauley:** We are still getting some bills in the Dansby case but we are looking at least a half a million dollars that we will be able to return.

**Tom Harris:** That is minus this \$138,000?

**Leslie Owen:** No. That is what we are planning on returning at this point. I am still getting some bills in.

**Tom Harris:** I understand. I think we gave something like \$900,000 and we have spent around \$400,000 even though it was settled.

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**Leslie Owen:** We had attorney fees and contractual leading up to it as far as experts, analyzing things and stuff like that.

**Tom Harris:** So if the remainder of that case was to go on, you would have had only \$500,000 left.

**John McGauley:** And that would have taken care of us. We still think our estimates were sound. We thought at least half of that was going to actually support the cost of the trial.

**Sharon Tucker:** You have \$500,000 left minus the \$138,000?

**Leslie Owen:** No that would be on top of.

**Sharon Tucker:** So you have already calculated the \$138,000 out and will return \$500,000 or a little less.

**Leslie Owen:** Depending on the rest of the bills.

**Joel Benz:** I will make a motion that we transfer within Superior Court General Fund \$138,651 from Compensation-Pauper Attorney to Miscellaneous Capital.

**Bob Armstrong:** Second.

**Tom Harris:** **We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0.** Next is the Levy discussion.

**Nick Jordan:** I will handle this. It was a separate notebook posted on the website and I sent a link to it. Under Indiana law, it is required that the County Council at their meeting in August you review the estimated levy limit or max levy that is provided by the Department of Local Government Finance as well as their estimates for the Circuit Breaker. As I noted earlier, you can request units to come and I did send out an invite to all of the units. The Library came but none of the others choose to. After this meeting you can make a written recommendation or I let everyone know that the minutes are out there, everybody meaning the Tax Units. Nothing you say or wish is binding on these units. This is in essence, the Non-Binding Review. They can choose to oblige or completely disregard.

**Tom Harris:** And so today we are starting that process or communicating to them.

**Nick Jordan:** Non-binding units. Next month you will have the Airport and Southwest Fire District and you can decrease or approve their budget as is. The City does it for Citilink or any other binding unit. Those are the ones where the Boards are not elected. That is why they come before you. Visit Fort Wayne, CIB and Grand Wayne come later usually around November or December. Looking at the PDF document, it is 110 pages because I threw in the DLGF's estimates in the back part of it but the first five pages are my summary. What I wanted to point out and give a brief overview of what you are looking at, on page two with Aboite as the example, the civil levy might be the Township

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and Township Assistance and if they had Park or something of that nature. For the County that would be our General, Reassessment and Board of Health. That is limited at a 3.5% increase into 2020. The reason, for Aboite, you see 4.05% increase is because they weren't at their max levy prior to or they can request an excess levy appeal for the DLGF to approve for a variety of reasons. My guess, in the instance of Aboite, is that they haven't captured their max levy in the past and that is why they can increase by 4.05. You will see CUM FIRE below that. Cumulative funds are rate controlled meaning that a rate is set unless the Township Board holds a hearing. The Commissioners did that this year for the County Major Bridge Fund to increase that CUM rate. If that was to be approved, the County Council or the Township Board or City Council could adopt a higher rate. The CUM funds, you may see no change because they are not anticipating changing a rate. If you do see a change in CUM FIRE it is because they are potentially requesting an increased rate which means they can tax higher. Debt is always tied to debt obligation. There are some controls in that regard that you do not tax more than the debt service needed. On the right-hand half of the page you see the Circuit Breaker comparison. Historically the DLGF estimates high on the Circuit Breaker. It is better to be high than low. In this instance, if you tallied them all up it is about 30% higher than 2019 actual. I believe Circuit Breaker will come in pretty close to Circuit Breaker 2019 because our assessed values are at a greater rate than what our levy increases can be. All in all, Townships, because their levies are so small even if they increased by ten percent they don't make a significant dent in the pie so to speak. Your bigger units are Fort Wayne, New Haven the County and then the schools. When one of the schools, as an example, are anticipating a referendum or can increase more than the max levy because they have a different calculation they will take a bigger piece of the pie in areas where there are tax caps. If you want to concentrate on an area, it would be those bigger units. In the past, what the fiscal body has noted is as general guidance is to use the reserves that you have on hand and stay within the growth quotient.

**Tom Harris:** As we are looking down through here, if we come to the Town of Zanesville, I see 40%.

**Nick Jordan:** They haven't captured their max levy in prior years. If they were to go all the way to their max levy...a few years ago the law was if you don't take your max levy you lose it. Lafayette Township was penalized in that regard.

**Tom Harris:** But that law has changed.

**Nick Jordan:** Yes. That is why you see a 40% increase for Zanesville.

**Tom Harris:** So one of those taxing units could choose not to accept the increase.

**Nick Jordan:** You could almost be penalized for not deciding for...

**Tom Harris:** But if you chose not to accept it one year, you could come back the next year.

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**Nick Jordan:** Yes. The penalty, so to speak, is gone. If you didn't capture the max levy it was almost like you were penalized because you can't go in three years when you need more money to capture it. It has been a handful of years since it changed.

**Tom Harris:** Do we need to do anything in terms of passing anything at this point?

**Nick Jordan:** No there is nothing to pass. If you want to make a recommendation, I can formally write something up or I can say here are the minutes and if you make that comment I will note that it is in the minutes that the Council has requested the units stay within the growth quotient.

**Tom Harris:** I think that is appropriate and I think Council has done that in the past to ask the units to keep their increases within the growth quotient of 3.5%. If Council is okay with that we will make that comment to the taxing units. Are there other questions or concerns that we need to talk about? We have the addendum to talk about yet.

**Nick Jordan:** Attorney Fishering is coming.

**Bill Fishering:** Bill Fishering, County Attorney. In 2018, you approved the purchase of ground at 10209 Coverdale Road for drainage purposes for part of that road construction project. We bought approximately 6.05 acres principally to install a facility to slow the water flow generated by the highway project into a couple of mutual drains. That project has now been completed and we would like to now sell that property. Statutorily since it is in excess of \$25,000, Council has to approve any transfer. We have caused two appraisals to be made and the average of those appraisals is \$225,000 which miraculously is what we paid for the property. The process basically is that we have to run an advertisement allowing people to submit bids. We accept the highest bid. If it is over \$225,000 we don't have to do anything. If it is less than that but more than 90% we have to have a public hearing before we can accept that. If it is less than that we will probably hire a realtor to sell it in the standard fashion.

**Tom Harris:** If we made improvements to the property, wouldn't it be worth more than what we paid for it?

**Bill Fishering:** What we put in was a weir at the end of a pond which just slows down the discharge of the water. It is of very little value to the property itself. It is only valued to the mutual drains keeping erosion from occurring where they come together.

**Larry Brown:** By giving up ownership, do we lose control of that weir?

**Bill Fishering:** No, we will retain the drainage easement allowing us to maintain the weir and there are a couple of pipes running under the driveway which are a part of the mutual drain system which we also maintain.

**Larry Brown:** We bought this piece of property and then after the project, we didn't need it?

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**Bill Fishering:** No, in order to do the project, we needed to buy the entire parcel. The owner was unwilling to negotiate the changes and that is why you approved the purchase of the entire parcel. We are now turning around and selling the parcel subject to the drainage easement and our maintenance of the two facilities used to maintain the flow.

**Tom Harris:** Is there action required of Council today?

**Bill Fishering:** Yes, I need you to approve the sale.

**Larry Brown:** I offer a motion to approve the request from the Commissioners to sell the property at 10209 Coverdale Road.

**Joel Benz:** Second.

**Tom Harris:** We have a motion and a second.

**Kenny Fries:** Where does the money go when it is sold?

**Bill Fishering:** The money came from Highway and I assume it will go back to Highway.

**Tom Harris:** All in favor say aye, those opposed, like sign. The motion passes 7-0.

**Larry Brown:** Before Bill leaves, there was a question brought up earlier today and I would appreciate clarification. The Vera Bradley property was referenced and there was transfer of ownership apparently.

**Nick Jordan:** The boutique hotel?

**Larry Brown:** Yes.

**Nick Jordan:** The parking lot or the flat lot.

**Bill Fishering:** I thought you were talking about out by GM.

**Larry Brown:** No, the hotel property downtown at the corner of Harrison and Main.

**Bill Fishering:** Yes I am familiar with that.

**Larry Brown:** Educate me and maybe Council too on how does that transfer occur? We were not consulted at all.

**Bill Fishering:** We bought bonds issued by the Fort Wayne Redevelopment Commission which pays us out of TIF. We are the first payees out of the TIF. As I recall, it was \$2 million worth of bonds. Therefore, there is no standard process applicable to us for the transfer of that property.

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**Larry Brown:** So the property was sold via...

**Bill Fishering:** I am sorry but I have no knowledge of that. I do know that the owner at the time that of the bonds issued bonds but if it was sold it would be like a mortgage subject to those obligations.

**Kenny Fries:** I think the same thing is true, a question came up earlier about the parking lot at Superior and Clinton that just went to Redevelopment not too long ago and the County owned it. There were questions about how that happened.

**Bill Fishering:** Superior and Clinton?

**Nick Jordan:** Superior and Calhoun, the Highway parking lot.

**Kenny Fries:** No this is Superior and Clinton where the new hotel and 700 parking lots...

**Bill Fishering:** That was never our property. We owned at Calhoun and Duck that is north of Superior between Superior and the river. That was transferred in exchange for other parking. We have a 99-year lease for 270 some odd spots on the old parking lot.

**Nick Jordan:** To clarify, the \$2 million was transferred from us on the boutique lot from Redevelopment to the City. That is what they are paying the \$2 million for. I don't know if it was gifted or given but we gave the \$2 million.

**Bill Fishering:** Actually they owe us \$2,200,000 and something of which the \$200,000 represents the value of the lot according to appraisals. The City's Redevelopment is paying us for the lot plus the \$2 million loan.

**Tom Harris:** All right and thank you very much. Next on the agenda are any recent or upcoming meetings. I will start out. I sit on the Plan Commission and the County Plan Commission has a governing Board that oversees it. The governing Board is in the process of looking at a ten-year plan. Some of you might be familiar with Plan It Allen which set up ordinances and processes and how we deal with land use in Allen County. We have before us this week five different consultants that are representing how they would help us develop the next ten years. We hope to make that decision soon but upon agreement of a consulting firm coming onboard, two things will probably happen. One is that the Department of Planning Services will come before us requesting additional funds to be able to pay for that contract over a ten-year period. Secondly, the group would then begin to work with the community in 2020 of establishing a process to get input from all of the communities and all of the different entities to put plan ideas together. I wanted to make you aware of that. Are there any other meetings or things that we have attended from liaison appointments or updates?

**Larry Brown:** I would like to make sure that we follow through and don't lose track of the fact that we need to make an appointment to the Visit Fort Wayne Board.

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**Tom Harris:** And it might be a good time to mention that Joel had mentioned interest in having that established and I will just ask if you would be interested in serving in that capacity?

**Joel Benz:** Yes.

**Tom Harris:** Is there anybody else interested in that position? I think first they have to come back to us with an official request, I suspect. Then we can officially vote on it.

**Nick Jordan:** We will confirm that they have amended their governing documents to provide for that. In your Board appointments that you usually do in the fall will have Visit Fort Wayne on there.

**Tom Harris:** Thank you for your interest in doing that as well. We have a comment from Bernie Beier about the sirens and have been getting some interest in the community as well. Bernie is going to come before us in September to give an overall update in terms of the siren process and some of the long term needs. My meeting with the Commissioners was a healthy one but I think ultimately for Council as we go into the budget, understanding our long term projects that are coming at us is really crucial. We are blessed and lucky to have a balance in our funds as they continue to come but we have some enormous projects coming to us and we are going to have to get our arms around those and understand those.

**Sharon Tucker:** Does Planning meet today?

**Tom Harris:** Yes, Plan Commission meets this afternoon.

**Sharon Tucker:** What is going on with the influx of emails that we have gotten on building?

**Tom Harris:** I am getting a ton of those and what is happening is a developer wants to be able to put housing in the County and as developers are moving outside of the Fort Wayne area, people have large lots. Farmers and the Amish have large lots and builders and developers feel they can come in and for profit they want to make sure they get X amount of lots per development. I think what is happening is the folks that live around that proposed project are saying that they are not opposed to development but why so many small lots? One of the questions I will ask is does that reduce their values of their property? I think that is a big concern and there are probably other pieces to it. If additional houses are selling for more and more, even though they are smaller, does that help adjacent lots? We are going to see a lot more of this just because development is moving more into the County adjacent to either farmland or larger lots or different areas. People that have moved farther from the City to have the quiet are now being challenged with growth. Did I answer that?

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**Sharon Tucker:** You did. I have directed all of the questions that have come to me to attend the planning meeting today at 1:00 whether it was email or not. You guys may have a large gathering.

**Tom Harris:** We have anticipated that.

**Kyle Kerley:** I have done the same.

**Tom Harris:** Council, just for your understanding, the first step in the process is that the Plan Commission has a rule of law that says we have to follow certain kinds of criteria. If the developer comes to the table and follows all of the criteria, we are in a tough position because we basically have to say are they following the rules? If that is the case, chances are that it will pass out of Plan Commission. Then it moves to the Commissioners and, in my words, they get the political vote saying is this something we want to do or not. Plan Commission is locked into a set of rules. That is why a lot of times the Plan Commission votes in favor because the developers know the rules. They are not going to come before the Plan Commission and present something that is not within the rules.

**Nick Jordan:** That ties in, you already mentioned Plan It Allen, with reasons to look at Plan It Allen again. That is next month you will see that Planning is requesting a budget increase appeal to fund that. The other thing is that in five minutes we have the State Board of Accounts exit conference if anybody wants to come up there, they can. It is upstairs in the Commissioners' Office.

**Tom Harris:** Is there anything else?

**Kyle Kerley:** I've got one issue that IT asked me to bring up because it is budgetary. If we go one route it is not in the budget but if we go another route, it is in the budget. At some point next year, all of our licenses for everything all expire. We have to make a decision whether to replace that hardware which would cost about \$400,000 and is estimated to last five years. The Commissioners are recommending that we go to the cloud which would cost about \$182,000 a year but they are agreeing to pay \$100,000 a year out of CUM CAP. That would leave us with an approximate \$86,000 a year commitment assuming Microsoft doesn't raise their fees. If we replaced the hardware it would be \$400,000 in the 400 Series. If we go the cloud route, it would be \$82,000 in the 200 Series.

**Larry Brown:** Isn't there one way or the other, the potential not adding to or replace servers?

**Kyle Kerley:** If we go to the cloud, we don't have to replace the servers but the cost per license will be at least \$182,000 a year forever. That is assuming that Microsoft doesn't raise prices. If we go the hardware route, we would pay upfront \$400,000 and that would have a five-year lifespan.

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**Sharon Tucker:** Would going the cloud route eliminate any other hard costs or soft costs? Would we need less or more people?

**Kyle Kerley:** There is not going to be a change in staffing at IT and actually the Atos contract is up next year as well. That will go out for RFP in 2020 for 2021. This is just basically an either or that Ed is just asking us to give him guidance whether he budgets the \$82,000 as a 200 line item.

**Tom Harris:** We are going to be able to hear more about this and this is part of the budget or outside of the budget?

**Nick Jordan:** He is going to have an appeal.

**Tom Harris:** And so it will be a part of the budget process. We will be able to have him in front of us and be able to ask a lot more questions.

**Kyle Kerley:** The Commissioners have kind of already decided.

**Sharon Tucker:** So if he budgets worse-case scenario and we change, it would roll back into the General Fund anyway, right?

**Kyle Kerley:** We are going to have to do one or the other. We will either have to go to the cloud or replace out the servers. One is the 200 Series that would be included in the budget. If we go the other route, it is the 400 Series and he would come to us early next year and say that he needs \$400,000 to do this. Since the Commissioners are agreeing if we go the cloud route, they are committing to paying \$500,000 over the next five years out of CUM CAP that affects their budget. The budgets are due to Nick tomorrow.

**Tom Harris:** That is one of those items that I mentioned earlier about talking to the Commissioners. This will be brought up in the budgets. Tomorrow is the deadline and so if you have not talked to your liaison groups, you might touch base with them about their budget proposals. We will have a better idea tomorrow of how many departments will want to appeal and come in above the 3.5%. Council, are there any other issues?

**Sharon Tucker:** Approval to waive the reading on any matter approved today for which it may be deemed necessary for the County Council meeting of January 17, 2019.

**Kenny Fries:** Second.

**Tom Harris:** All in favor please signify by saying aye. The motion passes 7-0.

**Sharon Tucker:** Move to adjourn.

**Joel Benz:** Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris: All in favor please signify by saying aye. Opposed like sign. The motion carries 7-0.**