

**ALLEN COUNTY COUNCIL MEETING MINUTES**  
**JULY 18, 2019**  
**8:30 AM**

The Allen County Council met on Thursday, July 18, 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 June 20, 2019 meeting minutes. Are there any additions or corrections?

**Sharon Tucker:** Move to approve the minutes from June 20, 2019.

**Bob Armstrong:** 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:** I won't go into great detail because we have the budget estimates at the end of the meeting but you will see the financials through June. Property Tax and Miscellaneous Revenue are trending a little ahead of the curve as they usually do at this time of the year. I can take any questions you have now or we can discuss them further at the end of the meeting.

**Larry Brown:** Real quick question. Many of the line items are exceeding 50%. Is that normal? I didn't go back and look at history.

**Nick Jordan:** Some of it is due to us being very conservative on our estimates. In history, we tend to pan out pretty close to 100% to 102% of Miscellaneous Revenue. Interest revenue as well as care of prisoners is very high compared to the estimates. Jackie and I are unsure of when the fund balances will be spent down. We are carrying very high fund balances in many funds and specifically the General Fund. Higher balances with greater interest rates will drive that. If we were to spend half of that today, we will see the interest revenue retract a little bit from how it has grown in the first six months. You will see, as we discuss 2020, we are starting to get a little less conservative on some of these

## ALLEN COUNTY COUNCIL MEETING MINUTES

estimates because of the current trends. No crazy but a little less ultra conservative. That is why you are seeing what you are seeing.

**Larry Brown:** Thank you.

**Tom Harris:** And to that point, the interest looks like 142% versus 50% of the year.

**Nick Jordan:** And I can't say that I anticipate having \$30 million and some sitting in cash in the General Fund at this point in time. You never know like last year when we had \$5 million given to Work Release that you will know what comes about at six months through.

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

**Sharon Tucker:** I move for approval of the Auditor's financial report.

**Larry Brown:** Second.

**Tom Harris:** All in favor signify by saying aye, opposed, same sign. The motion passes 7-0. Next up, our total appropriations in the General Fund are \$166,187 and in Other Funds is \$37,000. At this time, we will open it to public comment. If there is anyone who would like to share thoughts or comments this morning, you may have this time.

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

**John Modezjewski:** John Modezjewski, Fort Wayne, Indiana. We would like to first ask if we could suspend the rules on the two minutes. I don't think I can get through what I want to say in two minutes.

**Tom Harris:** John, go ahead. We will have a few minutes.

**John Modezjewski:** First of all, we are here to speak against the approval of the hotel tax. It is not necessarily the tax itself. If you read the packets, the information on House Bill 1115 and House Bill 1402, this goes back to the fiscal responsibility of Allen County Council. If you approve or vote yes on this tax, the local oversight will be taken away. It goes into a quasi-governmental agency, which if you read David Gong's piece in the newspaper, has no rules. They are lawless. They can do whatever they want to do with that tax and there is no guarantee that the tax will come back to Allen County. Also, they are taking your power away. Where is my representation? Where is the representation for the taxpayers? We have to get a hold on these quasi-governmental agencies or non-governmental agencies having the ability to raise taxes such as the CIB. They have the ability to increase taxes without any oversight from you, City Council or anyone. They can decide on their own to do that. This hotel tax also costs taxpayers in the way that Allen County government will still have to have the administration fees, collect the tax and send it to this quasi-governmental agency and we still have the administrative fees

## ALLEN COUNTY COUNCIL MEETING MINUTES

that go with that. The taxpayers of Allen County lose all the way around. I know the argument will be that I won't pay the tax because I probably won't stay at a hotel in Allen County. It will be paid by everyone that comes in. A tax is still a tax. I don't care how you cut it but it is still a tax. If we are going to be taxed, we need the fiscal bodies of our local government to step up and be what they are supposed to be, the fiscally responsible body of Allen County. I don't want a quasi-governmental agency having the ability to do what they want to do without anybody representing me. This is a bad, bad, bad tax. I don't like taxes but we need to regain the control away from the centralized government agencies and get it back to our local people where we control what is going on. If I only had two minutes, I don't think you would have had enough time to read everything in the packet. I had a conversation with Kyle Kerley, excuse me, Councilman Kerley last evening. We have to be sensitive to our taxpayers here in Allen County. If you vote to give that responsibility to a quasi-governmental agency that isn't responsible to me or to any of the other taxpayers, you are not doing your fiscally responsible duty and sworn duty to oversee Allen County. We need to really rethink what we are doing. The State gave the mandate in 1115 that it can be done but 1402 goes back and takes your responsibility away. I think even the proponents would agree that we know what is best for our local economy and local government. How come we have a State agency or quasi-governmental agency that is going to be appointed by the Governor and the Economic Development? Why aren't these people local? If we are going to do that have local oversight for the tax that is going to be approved? I find it offensive that the State would want to take away your fiduciary responsibilities as the fiscal body of Allen County. That is the short version. I would appreciate it if you would read the packet that has been given to you. It has both Bills, Councilman Armstrong's editorial and David Gong's editorial and a lot of other information that is pertinent to this. Please, think about Allen County and your fiscal responsibility to the taxpayers and to the businesses. There is no guarantee that the money will come back to Allen County. We have to stop somewhere and say enough is enough. Allen County and Fort Wayne have done a great job in promoting Allen County and Fort Wayne. Why do we need someone from the State or quasi-governmental agency to tell us what we need? That's it.

**Tom Harris:** All right. Gentlemen, thank you very much. Are there any other comments from anyone else? We have a presentation from Visit Fort Wayne. Did you want to do a public comment? You can do that now.

**Herb Hernandez:** Herb Hernandez, former County Councilman from 2001 to 2004. I was born and raised here in Fort Wayne. It is a great community and I really enjoy living here and being part of the process. I enjoy the way that City Council and County Council has approached each issue before you. This one is a little bit difficult because elected officials do not like to increase taxes unless there is a valid reason. Unfortunately I respectfully disagree with the individual who spoke about being against this tax. My understanding is that the increase of the Innkeepers Tax by one percent will be earmarked for marketing this area and Allen County businesses. As a spokesperson for the Greater Fort Wayne Hispanic Chamber of Commerce, who currently has 80 members which 25% are restaurant owners, we are in favor of the one percent increase in the Innkeepers Tax because the guests who stay at our hotels eat at our members' restaurants. One of the

## ALLEN COUNTY COUNCIL MEETING MINUTES

primary reasons is that it is a consumption tax and a use tax which is paid by corporations. Very few individuals from Fort Wayne and Allen County stay in the hotels. The large percent is corporations and they are accustomed to paying that charge. Those corporations get to deduct that as a business deduction. Also, this is the type of tax that can be an important part of the growth and advancement of the local community because it can be used for economic development and community purposes and when this tax is used for economic purposes the community will benefit from such a tax that may be used to promote Allen County. Lastly, the business owners will benefit from increased revenue due to the marketing of their business location. Although in the short term, the additional one percent may influence consumer behavior but in the long term, consumers will experience the value of improved business environment and that the benefits outweigh the nominal cost of the extra one percent. Lastly, the Allen County Innkeepers Tax rate has been seven percent since 2009. I haven't seen hotels stopping building places. I haven't seen other restaurants refusing or protesting against building here in Fort Wayne. We just had the Hampton Inns and one out north by the Parkview Regional Medical Center. Some of the other Counties, and I can't give you the exact date and time, Marion County, Carmel, Hamilton County, Westfield and Zionsville which are around the circle of Marion County. I am not suggesting we be like Marion County but they have increased their Innkeepers Tax also. I am suggesting that if Allen County uses this additional one percent for economic development, which it is earmarked for marketing, then our local community will experience more favorable growth. Thank you for the opportunity.

**Tom Harris:** With that we will begin to move forward with the agenda. First up is Visit Fort Wayne. There is a public hearing on Allen County Ordinance 2019-07-18-01 increasing the Allen County Innkeepers Tax from 7% to 8%.

**Dan O'Connell:** I am Dan O'Connell, President and CEO of Visit Fort Wayne.

**Gary Shearer:** Gary Shearer, President and CEO of PHP. I will go ahead and kick things off here. I have been a longtime Board Member and Past President of Visit Fort Wayne. Over the past six years, I have been the Chair of what we have called our Innkeepers Tax Committee. The charge of that committee was to look at getting an increase from seven to eight percent. I would like to take a moment and go back in time to talk a little bit of how we got here and where we are today. In 2013, the Visit Fort Wayne Board did conduct a strategic planning session. It identified four main initiatives that we needed to pursue to adequately promote Allen County as a tourist, convention and visitor destination. These initiatives were, and still are today, number one to expand our marketing reach, to attract more national associations and conventions to Allen County. The second was to become an adaptive sports capital to the Midwest and attract more adaptive sports and sporting events to Allen County. The third was to expand our marketing and advertising within the leisure travel segment which also would include enhanced marketing of the Allen County Public Library's Genealogy Research Center. The fourth was to conduct marketing research to really improve our effectiveness of advertising campaigns. In order to push these initiatives forward, in addition to our current activities, we identified the need to raise additional funding and in that strategic plan, we identified to tactics to do that. The first was to set up a charitable foundation that

## ALLEN COUNTY COUNCIL MEETING MINUTES

would allow our Board, staff and other supporters to raise funds and make contributions in promotion of tourism in Allen County. That tactic has been accomplished and we have the foundation set up and for a couple of years now we have been fundraising to do just that. The second tactic was to pursue a one percentage point increase in the Innkeepers Tax. That tactic would raise approximately \$750,000 per year that would go directly to Visit Fort Wayne for the promotion of tourism in Allen County. We were really too late to the game in 2014 to begin that initiative but we began to lay the foundation by going and talking to local leaders and State Legislators. We began that effort in the 2015 Legislative session and went all the way through until 2019 before we were able to get language inserted into a bill. That bill was House Bill 1402. The State Legislators put a twist in the language in 2019. That was that the Allen County Council would need to pass an ordinance for the Innkeepers Tax to move from seven percent to eight percent. Therefore, we are here today to ask for your support for this ordinance that would do move the Allen County Innkeepers Tax to eight percent. I would also like to point out that House Bill 1402 had bipartisan support in both the House and Senate and in 2019 was signed into law by Governor Holcomb. This initiative is supported by a long list of local entities including the Northeast Indiana Regional Partnership, Greater Fort Wayne, Allen County Commissioners, Mayor Henry and the City of Fort Wayne, Northeast Indiana Hospitality Association which includes many Allen County hotels and many other organizations including Turnstone and our Board at Visit Fort Wayne. In the end, the fact is we are in need of additional funding to make us competitive with cities throughout the nation of similar size but also to make us competitive within the State of Indiana. Fort Wayne is the second largest city in Indiana but Visit Fort Wayne is the eighth largest budget in the State of Indiana. We are behind cities like Evansville and Columbus. When you look at the competitive set of cities that we compete with, we rank nearly last and we have less than 25% of the budget of a city like Grand Rapids. Allen County is a great destination for tourism, convention and visitors. We are proud of our County and Allen County deserves to be promoted in the same fashion as an Evansville or Columbus. I would like to make three more quick points. There are ten new hotels coming on. That doesn't necessarily mean there will be more visitors but what it means is ten new hotels will take a slice of the pie that already existing. What brings more visitors to Allen County is the work that Visit Fort Wayne and Dan and his team do promoting tourism in Allen County. The second thing I would like to point out is that I have been involved with many for-profit and non-profit organizations throughout my career and I have never seen an organization be better stewards of the funds they have than Visit Fort Wayne. The third point I would like to make is that from an oversight standpoint, we bring our budget to the Allen County Council annually. You do get to review that budget and you get to approve or decline that budget. I just wanted to point out that we do give you a chance for oversight of what is happening annually through a budget process. Lastly, I just want to say thanks. I know all of you have spent an enormous amount of time trying to understand this issue and our need for funding. I want to say thank you for putting in the time and effort that each of you has done in that regard. We have a number of additional speakers behind me here. The next up is Randy Brown from the Memorial Coliseum.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Sharon Tucker:** Before you yield the floor to Randy, can you tell me in the fundraising, how much have you raised?

**Gary Shearer:** It is less than \$100,000. It is primarily used for the initiative, of the four initiatives, for research.

**Sharon Tucker:** Thank you.

**Randy Brown:** Randy Brown, Executive Vice President and General Manager of the Allen County War Memorial Coliseum. I am here today to speak in support of a one percent increase in the Allen County Innkeepers Tax. This increase will put us in a more competitive position as we work to attract national and regional events to our community. Visit Fort Wayne and the Memorial Coliseum frequently partner together to bid on major events. This partnership regularly includes a financial commitment to encourage event sponsors to choose our venue as a site for their events. Some examples of this include the Gold Wing Road Riders Association motorcycle event, USARS which is the United States Roller Skating event that was here some years back, Mat Mayhem Wrestling, the NCAA Division Three Men's National Championship and the NCAA Division One Women's Regional that will be coming this coming March. More and more event sponsors are looking for communities to provide financial incentives as part of an event bid in order to be awarded the event. These events can have a significant economic impact on our community. Last year, the Coliseum had an economic impact to the Allen County community of over \$100 million. We want to continue to build on our past successes but this takes money. This suggested increase will enable Visit Fort Wayne and the Memorial Coliseum to be more competitive as we work to bring events to Fort Wayne and Allen County. Dan O'Connell, President of Visit Fort Wayne has committed to a significant increase in events partnering with the Coliseum as we bid on events. This fall we will be engaged in NCAA bid cycle for events that will take place over the next six to eight years. Putting together competitive bids takes money and with this, I ask you to vote to increase the Innkeepers Tax. I would be happy to answer any questions.

**Tom Harris:** Randy, help the public understand a little bit. How much promotion happens from the Coliseum in terms of events that happen? Do you go out and promote different events for the Coliseum and the community? Are you doing the same thing or do you do something different than Visit Fort Wayne would?

**Randy Brown:** Let me answer that in a couple of ways. It really depends on the market segment that we are talking about. When it comes to concerts, family shows and attractions, we do that almost 100% on our own. I attend meetings in New York and Los Angeles, San Francisco and Nashville to work with agents and managers to attract those to Fort Wayne. There are market segments like the religious market where we partner together and jointly attend some of those meetings. There are many meetings where Visit Fort Wayne is going and representing the interest of the Coliseum as well as the community. We are trying not to double up in terms of presence at meetings by being good stewards of public funds. It really does vary from event to event. Visit Fort Wayne also helps us significantly, once we attract the event, how we market the event. Whether

## ALLEN COUNTY COUNCIL MEETING MINUTES

we market it locally or an event, I will use the Division Three Basketball Championship as an example. A good chunk of the attendees, I am not talking the players but about the families and connections with the universities and colleges involved. Visit Fort Wayne was heavily involved with the process of marketing those events and giving the fans a reason to attend. We have already started that initiative when it comes to the NCAA Women's Regional that will be coming. This week, we have a major event at the Coliseum which is called the Expedite Expo. It is a national event having to do with transportation freight systems. Visit Fort Wayne has been working with us on that too. That is convention support. Support really takes a range of different options depending on the needs of the client.

**Dan O'Connell:** I would also answer a little further for the education of the Council and general public that we try not to duplicate what is being done by the local markets for their advertising. If there are concerts, shows, farm shows, home shows or things at the Coliseum, Komets games and brand name concerts their marketing or the marketing of that promoter is primarily within the immediate market of the Fort Wayne area and are going out about 50 to 75 miles. They are using television, newspaper and radio to tell people to come to the Coliseum. We take that same information and go out beyond the 75 miles to 200 miles to try to get people that are in the region to come into Fort Wayne and Allen County to see the event. You won't see our advertising on Wane 15. You won't see us in the newspaper telling you to go see this concert. That is done by the promoter or the building. We try to get that extra person who comes in from the region and it is working. We get a significant amount of people that come for live entertainment at his concerts and the games and so forth. We see our role, whether it is Memorial Coliseum, the Zoo or festivals to get people from much farther away so there is not a duplication of marketing effort.

**Randy Brown:** The other element of that too is as we are going after these events, I am talking by and large regional and national events, the competition is as fierce as it has ever been. About every community has an arena or convention center of some size. In our case we have 200,000 square feet of exhibit space. We are the second largest in the State of Indiana. Event sponsors have gotten a lot savvier over the last 25 years and they are looking for support. They are looking for incentives that may be no rent, marketing or promotional help and all of those things. The Coliseum is restricted by the \$25 million of bonds, tax exempt, that you all have approved and have conditions related to them that we have to maintain our rental rates. We are not able to deviate. Our partnership with Visit Fort Wayne helps us with that so we are able to cooperate together and put together a competitive bid package that has been able to encourage that event like a Gold Wing to come to Fort Wayne and Allen County.

**Tom Harris:** Thank you.

**Dan O'Connell:** Next up is the Director of the Allen County Library's Genealogy Center, Curt Witcher.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Curt Witcher:** Let me add my thanks to the thanks that have already been expressed for the time you have taken to devote to this really important subject. I won't take a whole lot of your time. The Genealogy Center and the Allen County Public Library have been in partnership with Visit Fort Wayne for a number of years. They do for us what we, as a library and Genealogy Center, are not well equipped to do budgetarily or expertise-wise. Just to use one recent example, we had a national Genealogy Conference here last summer and there were about 1,300 people that spent an entire week in Fort Wayne and Allen County, rooms and restaurants along with attending the event. It was a very significant economic impact. We depended on Dan and the expertise of his staff to market that event and bring people into the community. It was very, very successful. We are able to do, at the current level of support from Visit Fort Wayne, a conference every five to six years. With increased support from Dan and his staff, there is no reason why we couldn't do a conference every year. That is where 1,200 to 1,500 people would be coming into this community and spending money for a week. Family history, Genealogy is still really hot. There are only 50 to 60 million people a week doing something online family history related. An increasing slice of those online people want a real experience. We just heard on this morning's news that Amazon's Prime Day among their record setting profits, among the top three sellers were DNA kits. Those weren't for medical reasons. Those were for genealogy reasons. The interest is there. This community and you and your predecessors supported the library and Genealogy Center. We look forward to having Dan with his expertise and the expertise of his team help us market that much, much wider than we are able to do on our own. I think it would benefit the community greatly to have increased exposure for this really tremendous asset that we have here.

**Dan O'Connell:** It will be one of the key focuses of the increase of this revenue. We are addressing a need. The promotion of the Genealogy Center, which is a national resource, is underserved. It is a lot of word of mouth and reputation of Mr. Witcher but it could be as popular for Fort Wayne as Salt Lake City. It is just not being marketed to the nation and it is an opportunity that we would like to take advantage of.

**Tom Harris:** Thank you.

**Wilmer Delagrange:** I am Wilmer Delagrange, President of Grabill Town Council. We are in support of the tax. Back a few years we had the Gold Wing Convention in town and we had the welcoming day to this area. We had between 1,500 and 1,700 bikes. It was a very hot day, about like it is today. The Visit Fort Wayne crew was out there working with us handing out water and different things. We still see the Gold Wing Convention bikers come into town. Every so often there will be five or six bikes and I think we need the extra tax just to bring them in. That keeps us alive out there. We are very happy to help back this thing and I hope we can get the votes to do it today. We have partnered with Visit Fort Wayne on a lot of things and I think we need to keep that up. They need the funds to reach out and bring them into town.

**Tom Harris:** Thank you.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Dan O'Connell:** It is also important to hear from the businesses that are being taxed. We have two individuals involved in our hotel community. First to speak is Tim Hall, owner-operator of the Guesthouse and numerous restaurants with his family.

**Tim Hall:** Thanks for having us. I just have three quick points. Some of them have been touched on but the main thing is that we have such a good package here in Fort Wayne for tourists. Fifteen years ago, I didn't feel the same. We have some wonderful, wonderful things happening and lots of new attractions and better attractions. In a few weeks, we are going to have a great riverfront park that hopefully we can get the word out to attract visitors. That is one of the main reasons I support the one percent added to the Innkeepers Tax so that we can use it for further reach out into the region. The second point I wanted to touch on is that we have ten new hotels opening in the next year or so. Some are opening in the next week. That is a stock of 1,000 new rooms for Fort Wayne. I don't remember ever seeing that big of an increase in this short of time. For us, as an independent hotel operator, it is a little concerning if the demand doesn't increase and we have such a big increase in stock, it is going to be very difficult. The Innkeepers Tax might not be the full answer but it can help remedy that. My third point is what tourism does to our local economy. It is not just hotels that we are talking about here. I think Mr. Hernandez touched on this. The restaurants benefit greatly because when people are visiting Fort Wayne, they are visiting our restaurants, our shops, our attractions, the Zoo of course and even the sporting facilities. They are filling up their gas tanks. It is very good for our local economy and this is new money. When someone is coming to town, this is money that is new to the community being spread around as opposed to us, we like the Buy Local slogan and we always try to buy local but what is better than that is bringing new money into the economy and that is what tourism does.

**Tom Harris:** Tim, do you represent the hospitality industry on the Board?

**Tim Hall:** Yes.

**Tom Harris:** So these are your customers that you are applying the additional tax too. Are there any thoughts on that?

**Tim Hall:** My office desk is right behind the registration desk and I never hear any bellyaching about the Innkeepers Tax. I think it is very modest in comparison to other communities. We never hear anything. People are accustomed to it. If it goes up one percent, I don't anticipate hearing anything yet because it is still a pretty modest rate.

**Tom Harris:** Thank you and I guess the other thought is that the additional hotels that are going up are going up because they see a demand to put their hotel here. They are not counting on Visit Fort Wayne to carry the day. That demand is happening regardless.

**Tim Hall:** They are seeing it somewhere.

**Kyle Kerley:** Dan, what is the current occupancy rate?

**Dan O'Connell:** It is about 64% to 65% on an annualized basis.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Kyle Kerley:** And you had a peak last August?

**Dan O'Connell:** Last July we were up to 75%. That was primarily due to some of the large conventions that we were able to bring into our community.

**Tom Harris:** Thank you.

**Dan O'Connell:** The second person from a hotel is Rob Evans. He is the Director of the Holiday Inn, General Manager. Sharon, do you have a question I can field for you?

**Sharon Tucker:** Yes. I know we have seen information that you are anticipating about 75 cent per room. What do you think the overall estimated increased income would be?

**Dan O'Connell:** Average daily rate that is what a hotel with many price points, an average daily rate of \$100 will add 75 cents to the cost of the room. Those 75 cents will add up to about \$750,000 over a year in new revenue for us to use for sales and marketing.

**Sharon Tucker:** Okay that is what I was looking for.

**Dan O'Connell:** On the back of piece of paper that I am handing out in a minute is the budget of how we plan to spend that \$750,000. What is handed out now is some factual information that Mr. Evans has put together for you. I will let him explain that.

**Rob Evans:** Good morning and thank you very much for your time. My name is Rob Evans and I have worked in ten different States and three different Countries in my career of more than thirty years. I am currently the GM of the Holiday Inn in Fort Wayne. I am also Vice President of Focus Hotels. We have two properties in Fort Wayne, Candlewood Suites and the Holiday Inn at Purdue Fort Wayne. I sit in a seat that is a little bit more unique because I see leads that come to Fort Wayne but then I will be in Battle Creek at our Holiday Inn there or Dundee, Michigan at our waterpark there or in Valparaiso at our Holiday Inn there and I will see the exact same proposal going to that community. If you take a look, I will walk you through this document in a minute. I see the work that Dan and his group does to get as much here as possible. I personally employ 100 families in this community and that means a lot to me. It is a huge responsibility. I have a question and Ken promises not to answer the question.

**Kenny Fries:** I promise.

**Rob Evans:** What happens every time we sell sixteen rooms? One housekeeper gets eight hours of work. Twenty-eight minutes per room. Every time we sell sixteen rooms, a housekeeper can provide for her family or his family. That is what I am here to talk about. Let me share this on a larger scale. Page one, of this document you will see the second to the last line is Fort Wayne. Those are our marketing dollars to help my 100 families, Tim's families and all of the other fifty hotels in this area. If you look at the

## ALLEN COUNTY COUNCIL MEETING MINUTES

second page, this is a lead that just came in this week. This exact same lead is sitting on Jeremiah's desk in Battle Creek. If you look at the next two pages, you will see all of the different groups that have come to Fort Wayne in the last year or so. All of these leads have gone to different cities as well. We have captured the business here and we have made a lot of sixteen-room sells. If you look at the last three pages, you are going to see a 120-room hotel and you are going to see a staffing guideline. If you look at the first page of the staffing guideline, the very bottom line, you will see 27.5% occupancy. You will also see in an eight-hour day, one of those hours equals \$966.44 of hourly labor. That means if our hotel has 27% occupancy, it is \$966.44 per hour that gets paid out. If you take a look at the next page of the staffing guideline, the very bottom line, coincidentally it is 64%. That is a number that Dan just shared with us. This hotel will spend \$1,593 to local people. That is one hotel. If you look at the third page of the staffing guideline, at 100% occupancy we will be spending \$2,089 per hour. It goes back to the question what happens every time we sell sixteen rooms. If you take these numbers and multiply them by an eight-hour day and take that number and multiply it by 365 and take that same number and multiply it by 50 hotels in our area, using the 64% occupancy, our industry spends \$232 million on hourly labor. If you take that number up one percent to 65%, the number goes to \$234.5 million. In this example, in this city, one occupancy-percent is \$2.5 million. We can take the \$2.5 million here in Fort Wayne or if it goes to Battle Creek and they raise their occupancy by one percent, they get the \$2.5 million and now we are down. That is a lot of housekeepers that don't have work. In this example I shared with you, I didn't put food and beverage labor in it. This is strictly front desk, housekeeping and maintenance because that is the majority of hotels in this example that do not have food and beverage. The larger hotels, such as the Holiday Inn, the Courtyard downtown, the Hilton downtown, the new Hampton downtown and the Ramada, the numbers are even larger when you start adding cooks and servers into it. We need the hospitality jobs. I am responsible for the 100 families in just my company alone. We just need you to help my families. I can answer any questions and I feel very comfortable in the operation of the hotel and I can answer any questions about jobs. Thank you. Every sixteen rooms, someone can provide for their family.

**Kenny Fries:** I have a question. Gary brought up the charitable foundation that was established two years ago. To date we have less than \$100,000 in there and yet you are telling me that if you get a one percent increase in occupancy in your hotels it will add an additional \$2.5 million.

**Rob Evans:** No, in a city. If you take one percent from 64% to 65% and multiply that by 50 hotels...

**Kenny Fries:** So why, with all of the groups that are involved with Visit Fort Wayne, and I have told Dan I think that Visit Fort Wayne does a great job, why have you guys not given more to Visit Fort Wayne to help advertise for you. It is in your own self-interest.

**Rob Evans:** We do. I don't have a Visitors' Guide but we all pay into the Visitors' Guide. We all provide rooms to help bring people in. Tim and I aren't competitors. Tim and I are partners. We work with Visit Fort Wayne and the other 48 hotels work with

## ALLEN COUNTY COUNCIL MEETING MINUTES

Visit Fort Wayne. The charitable number is hard cash which doesn't include the money that we invest in the Visitor's Guide, our help to support writers coming to town and we do give a great deal. In our hotel, we also give two percent to Purdue Fort Wayne. Since our hotel has opened, we have given over one million dollars to Purdue Fort Wayne with regards to our revenue share.

**Kenny Fries:** Isn't that a land-lease deal?

**Rob Evans:** Absolutely it is. It has to do with the Hospitality School and the 100 or so people going through. We are continuing to support, not only through Dan and Visit Fort Wayne but also through secondary colleges.

**Kyle Kerley:** I guess to go on with Councilman Fries' point I am kind of with my day job I travel up to forty weeks a year. Every city that you have put on here, except for Sioux Falls, South Dakota, I have been to a conference in every city. When you guys first came to me, I started making phone calls. You want to compare us to other towns but that is hard to do for a number of reasons. One is that every State has different tax structures. Where that funding comes from is all different. I know that when I called a number of these cities, some of the visitor bureaus are receiving as much as 40% of their annual budget from private entities. It is not coming from taxpayers or food and beverage tax. It is actually coming from hotels and the food industry saying we believe in our visitor industry and we are going to invest in it. Having heard from over a half-dozen hotel owners in the area that are actually against this, what is to prevent the ones that are in favor say that they are going to increase their room rates one percent or two percent and give that money to Visit Fort Wayne?

**Dan O'Connell:** If I could address that Councilman Kerley, the State of Indiana has a pretty good model to show that we're not as competitive because our tax rate is pretty common in that it is about five to eight or ten percent and the Innkeepers Tax is a way to ensure that those properties legislatively are required to pay that tax on the visitors. Voluntarily we get about 20% of our budget from other revenue streams, Councilman Fries. Sponsorships, advertising, memberships, donations, ad sales and things like that. To get to that next level where we are really going to compete nationally, you need hundreds of thousands of dollars. When we have gone out to the industry, they have been very supportive but you just don't get that jump. You get \$40 or \$50 or \$100 thousand but you don't get that money that really takes it to the next level, voluntarily. Henceforth, of fifty States in this country, 49 have Innkeepers Tax legislation. In Indiana, sixty Counties of the 92 have Innkeepers Tax legislation. A consistent financial stream is generated to sustain the marketing and sales of our organization.

**Rob Evans:** I would like to add that all of the hotels in this community just don't rely on this one resource to promote. In addition to that ten cents of every dollar spent in our hotel goes to sales and marketing through staff and other ventures that we do to try and promote more people to come to this town.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Sharon Tucker:** Dan, I am one of those rare Democrats that doesn't like tax increases, no matter in what form they come in. I am listening and struggling with this and I hear you say we need these dollars because it will help us promote. Then I hear you say there are areas that we are not competitive. I want to make sure I am not hearing wrong. I thought I just heard you say we are not competitive and in my mind, if we are not competitive at seven percent, how will we be competitive at eight percent? Can you help me make sure that I didn't hear the wrong thing?

**Dan O'Connell:** Yes I can. In the area of national conventions and it means regional conventions too, five or seven States in the Midwest, there are nine shows that event planners go to and make the decision as to where they are going to bring their delegation and attendees. With the current funding, we can go to four. We would like to go to more of those. The second opportunity for more resources was in the un-marketed assets that we have built. One is the Genealogy Center and the second is Turnstone. It is a new venue in our area and is a \$14 million hall that wants to host sporting events. We would like new resources to take that nationally. It is now an Olympic Training Center. There are only fourteen in the United States. For us to go to adaptive sporting events, adaptive trade shows, court the people in Colorado Springs where the Olympic Headquarters are is going to take resources. That is why we are not competitive. I think the last point I will make, Sharon, is that we have seen too often when we have been bidding on NCAA events and sometimes of the Gold Wing events that there are more resources being promised and pledged by other communities that we don't have. That is what is making us uncompetitive. Our packages aren't as enticing enough. New resources allow us to be competitive. I often tell our Board that we make a lot of soup with our stones. It is the support of our industry that gives us free room to entertain travel writers. They give us free rooms and meals when we are having conventions. Clients check us out and that helps but to really have the marketing out there that positions Fort Wayne as a popular destination beyond the immediate region, people have not heard of us. We did that with the International Jugglers who had just met here. Seven hundred people from across the world came here and their meeting planner, four years ago, asked how come he hadn't heard of Fort Wayne. You have built a fabulous project. A fabulous convention center attached to hotels, theater on one side where we are going to perform and a ballpark. This is a fabulous package. That is what we are trying to do, Sharon, is get a fabulous return on that investment. The community has already built one of the best Coliseums and Arenas in the nation. We have done that for downtown and are doing it for Turnstone and the Riverfront. Now is the time to step up and start telling the world about those fabulous facilities so we get a return on the capital investment that the public sector has already made.

**Sharon Tucker:** One additional question for you. We would be remiss if we didn't ask you this. I know your Board member mentioned that you guys did some research but in your budget, did you look at every line item to see if there is anything that is no longer relevant and those funds could be directed to the advertising that you say is needed? Did you turn every stone over to make sure there isn't any other place to get these funds?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Dan O'Connell:** Yes. During our strategic plan, we realized we needed more resources to do research and educational stuff. We started a foundation that has raised almost \$100,000 to do that meaning we now have \$100,000 back in our regular budget because it has gone to a different organization to do marketing. That is how we started working on the International Goalball and Judo event that was here because we had additional resources freed up. There was also a question about oversight. I think it should be pointed out to the Council members that not only does this body approve our budget every year but so has the City Council. On our Board that reviews our budget is the Director of the Coliseum. The Chairman of the Board of Trustees, Mack Parker, serves on the Board and oversees the budget. Commissioner Nelson Peters serves on our Board and reviews the budget. We do a financial report every month before our Board meeting to showcase where the money is going and be really transparent and accountable with the public funds. These are public funds. They are tax dollars. It is different than somebody's donation and private resources. Finally, the State Board of Accounts requires us to audit our books every year. We go through an independent audit and it has passed with flying colors for thirty years and they send us the seal of approval. I think they are being spent appropriately and fiscally too.

**Tom Harris:** Dan, thank you. Mr. Evans, thank you very much also.

**Kenny Fries:** I have never sat through the budget process with you guys. What happens, Nick, if we don't approve their budget?

**Nick Jordan:** According to law, they can only spend based on the approved budget. If you didn't approve the budget, you would still have to dialogue. You are approving the CIB which includes the Grand Wayne and Visit Fort Wayne.

**Kenny Fries:** Has it never been approved?

**Nick Jordan:** Not to my knowledge. I don't know if there has ever been a no vote.

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

**Nick Jordan:** In the last eight years, I cannot recall any.

**Dan O'Connell:** Lastly, I wanted to bring a speaker who is the Chairman of our Board, Danette Fitzgerald. She has been a leader for us and we wanted to address the additional topic of oversight.

**Danette Fitzgerald:** Thanks for your time today. I also serve as Vice President of Marketing and Communications at Parkview Health. I have been on Visit Fort Wayne's Board for a number of years and it has really opened my eyes to the good work that Visit Fort Wayne does for our community. As you have talked about oversight in some of your questions, I know that there was also some interest in having a representative from Council on our Board. As Dan said, we are a transparent organization and since these are public funds, we would welcome that.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris:** You would welcome the idea of one of us would be on the Board.

**Danette Fitzgerald:** To join our Board, yes. We would amend bylaws, of course, to do that and could do that in the coming months. If there is indeed interest in that it is something that we would welcome.

**Kenny Fries:** How many Board members are there currently?

**Dan O'Connell:** There are 21 Board members that represent a wide variety of people and businesses in our community. The Coliseum, Grand Wayne Center, the Children's Zoo, people from the arts community, sports community, general business and civic leaders like Gary Shearer and other who are very interested in promoting this destination.

**Tom Harris:** Thank you. Is there anyone else?

**Dan O'Connell:** No, we have sent this packet with the details.

**Sharon Tucker:** Dan, how many of these costs are recurring?

**Dan O'Connell:** Let me look. Virtually all of them and our goal is to set a trend and campaign that would be repeated as attending those trade shows and setting up marketing programs to penetrate the consciousness of the nation. Some of the profile studies would not be.

**Joel Benz:** I have a number of questions. First of all, about the oversight, I think Mr. Modezjewski raised a good point. I appreciate you being willing to add an additional Board member. I think, in my mind, it alleviates some of my concerns about that issue. If this passes today, we are giving you a pretty significant increase of funds and I feel like there is fairly limited oversight on where those are spent, where they go and what they do. One other thing that comes to my mind is there is additional wear and tear to the infrastructure. I know it is minor and most of these people are flying in and not driving on our roads a lot. They come downtown to stay and they go to restaurants and back to the hotel and they probably walk for the most part. It would be nice if we could recoup some of that back more directly. I don't think that the current structure, the way the State has set it up, allows for that. Do you have any comment on if there is a potential way to do that?

**Dan O'Connell:** Not through the Innkeepers Tax. State law has really been firm that these are restricted funds for conventions, tourism, marketing and development. They are very firm on that. They are taxing visitors for their intended uses. I see the growth in the industry is where the General Fund is being benefitted. There are \$30 million in taxes that visitors pay annually into Allen County by the refunds through their payment of sales tax; the use of property taxes on just the hotel sector and that is \$3.5 million a year from their property taxes. As we add new properties, new taxation and new venues and new opportunities to bring in, you are getting increases in the new property taxes and sales taxes.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Joel Benz:** Someone said along the way that 48 or 50 hotels are involved and would potentially be affected by this.

**Dan O'Connell:** A little over 55.

**Joel Benz:** Is there a certain criteria that sets something up as a hotel? What exactly puts something into that category?

**Dan O'Connell:** There is no requirement for membership to benefit from our marketing. Is that your question?

**Joel Benz:** No, at a State level, who gets taxed specifically? Do you have to have an overnight stay or what is required in all of that?

**Dan O'Connell:** If you rent a room in Allen County, you will pay seven percent sales tax and a seven percent Innkeepers Tax. That money is paid by a property to the Department of Revenue when they pay their sales taxes. It doesn't go to the County Treasurer and there are no administrative expenses. Then the State reimburses it by sending it to the County Auditor as an accounting is done on it. Then it is processed through the Capital Improvement Board. The Capital Improvement Board annually gives us a grant.

**Tom Harris:** I am going to jump in at that point. A comment was made that there is no guarantee that we get those funds back. Are there any thoughts to that comment?

**Dan O'Connell:** Not true. It is by State statute that the percentage that is remitted to the Department of Revenue is returned to Allen County.

**Tom Harris:** Okay.

**Nick Jordan:** I am glad that was asked. The only reason it goes to the State is because it is paid through Intax which is a State portal with the sales tax and it gets submitted back to us. We can ask for information as needed. The biggest question mark that has been there in years past is lack of payment by the entities to begin with whether they charge the individual staying in the room and don't remit it or they are just not charging the tax to begin with. That is something that we look into every other year or as often as we can.

**Tom Harris:** To put it in laymen's terms, the hotels may not be counting every room to be able to pay that tax.

**Nick Jordan:** There is a twenty-page Department of Revenue bulletin that addresses the Innkeepers Tax and I can send that around as needed. There are some exclusions that apply.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Dan O'Connell:** The exemption in this statute is if the party is staying at a property for over thirty days. They don't pay the State sales tax or the Innkeepers Tax. It is viewed legally as a lease more than a rental.

**Joel Benz:** That is what I am trying to get to. As we bring on more of these motels, there is a significant increase in the number of rooms that are going to come online. It seems to me that a lot of them are going to be higher dollar motels that are going to have additional revenue that is going to come into the Innkeepers Tax. A higher room rate translates into higher revenue for you, basically.

**Dan O'Connell:** I can't deny that Councilman Benz. As we are successful to have more rooms built in our community, our revenue streams will increase marginally. The demand to fill those rooms, I don't want to see the same pie cut up ten more additional ways. We need to kind of influence the demand. What I see and hear is that a lot of properties see the investment in Fort Wayne because it is a strong community. It has a lot going for it. We have a Northeast Partnership generating jobs and what we are trying to do is capitalize on that hospitality industry growth to be really competitive in the nation and fill those rooms. Not just depend on off the road highways and normal business traffic. We are trying to grow the visitor industry and help people like Tim Hall and other locals who start to depend on this business over the years. The demand has to be increased through marketing and sales. It is not going to automatically happen. They are not going to start showing up just because there are more hotel rooms.

**Tom Harris:** Dan, I am going to be supporting this but as a Republican it just kills me to have to vote. I come back to a foundation of economic development and the right thing to do. The fact that I coach business owners to make sure that they have a marketing system established to continue to grow and it is a scaling process that businesses go through and that is that they need to establish a marketing piece and a lot of times they will get very busy with capital and the business becomes very successful. Then marketing drops off and they find themselves in a dangerous spiral of not being able to market and they have too much capital. I think about that in the terms of our community as well. We are gaining ground in the number of things we can offer but we need a revenue stream to be able to continue to see more and more of those features that we provide. This is a way that we don't put the burden on the local taxpayer to do that but bringing in success and through that success we are able to get more success. While it kills me to have to vote for that I think systematically and for the growth of our community, it is the right thing to do. The concern that I might have is are you going to be back next year saying that eight is great but ten would really be cool. What are your thoughts to coming back in the next ten years, let's say, for another increase?

**Dan O'Connell:** I couldn't have said it better than you. Maybe I should have had you write some of our public relations statements. Thank you for your support. No, we won't. We are trying to set ourselves up for at least the next ten years. We have been asked ahead of time before we went to the Legislature, of going to ten instead of eight and then you can get lots of money. This isn't a money grab. We have systematically assigned these dollars to markets that we want to grow. We don't expect to be back in the next five

## ALLEN COUNTY COUNCIL MEETING MINUTES

to ten years looking for revenue. We are looking for revenue because the need exists to capitalize on what we have already built.

**Tom Harris:** The beauty of that is it is on record. Sharon?

**Sharon Tucker:** Dan, a tax is so permanent and one thing about our community is we rarely cut them back. Someone had mentioned earlier that there were hotel owners that disagree with this. Do you know why they disagree?

**Dan O'Connell:** It is the general reaction of your consideration as well. They just don't like to see an increase in taxes. That bothers them.

**Tom Harris:** But the industry representative...

**Dan O'Connell:** The industry representative, our Board members, the majority of properties that we have talked to. A lot of people that don't like it are not informed. They are not involved in our organization and pretty much don't get involved in attractions. Maybe they are just against it by philosophy.

**Kenny Fries:** Why isn't there a membership fee? The Better Business Bureau has one. Greater Fort Wayne has one.

**Dan O'Connell:** We used to have one. It raised about \$40,000 only for us. We have found it better to have industry partners. We gain about \$80,000 to \$85,000 from people who give us money for advertising and sponsorship and another \$50,000 to \$60,000 from people who underwrite our events. Membership fees have just been a situation where we were spending more money to cater to the membership by having member directors, networking functions and sales than the money was really coming in. The model is slightly different. We still get money in from the private sector but it is not called a member but called an industry partner. They opt in and now we have partners that we are spending money to do co-marketing with instead of feeling like a member who can govern how we do things.

**Kenny Fries:** I will step off my soapbox if we are getting close to a vote. I am born Republican, I live Republican and I will die Republican and I have a problem raising taxes especially when it doesn't go to a government entity. That is why government was established so we would have a tax base to do for the citizens what they couldn't do for themselves. I have a real problem with that. I also don't find it palatable to say that we are going to charge a tax to people we don't know because we don't want to charge a tax for people we do know. I agree with Tim Hall that we are much better off than we were fifteen years ago. I think Visit Fort Wayne is doing a great job selling Fort Wayne and Allen County. I think you have your hearts in the right place and Fort Wayne and Allen County is a great place to visit and we should do all we can except raise taxes. As Councilwoman Tucker says, they don't go away. I think the public is taxed enough. I hate to say it but I won't be supporting it today.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Larry Brown:** I have a procedural question. We are in the midst of a public hearing. Do we need to close the public hearing before we proceed for the vote?

**Nick Jordan:** Yes, you waive the second reading.

**Larry Brown:** Usually the procedure is written out here for us.

**Nick Jordan:** That is what I am saying. In the eight years that I have been here, you have waived the second reading and you don't have a second meeting. You take action on it at the public hearing/vote. If you would choose to, you can kick the can to the next meeting.

**Sharon Tucker:** This is just for us and that is the time to digest all of this information. That requires the tabling of any decision that we make.

**Bob Armstrong:** We can make a motion to table this for thirty days and come back to vote on this next month. I am in the same position you are in that there is some information here that I need to look at. One of the biggest is House Bill 1115. If you really look at that when you take the article that was in the paper where it says the quasi-government thing and some to little rules, I guess my biggest thing is why did our State Legislators pass this Bill to give up their responsibility to pass to the local, us, to make this decision? In this quasi-governmental new tourism committee or whatever the Governor has authority of, what is bothering me and I will be voting against this just based on this article is they stand to benefit some marketing. If the State is talking about a quasi-government in marketing and selling, and we are talking about marketing and selling, we have two entities that should be working together in the Indiana Department of Economic Development. We have taken and gotten rid of one facet of it and gave it to an appointed quasi-governmental agency to render decisions with very little State oversight and rules. That scares the crap out of me. Go in and look at how our State Legislators and State Senators voted on these two Bills especially. They supported it and have taken their sworn oath of office, gave up their power and pushed it to us and then they pass this Bill 1115 and take our fiscal responsibilities for this County away. You now have somebody looking at this that is appointed and not elected. I would like to see the thing tabled so that I can review Hose Bill 1115. Everybody sitting here should be looking at this because what is next?

**Tom Harris:** Joel, do you have another question?

**Joel Benz:** Mr. O'Connell did you or have you marketed this increase to all of the innkeepers of Allen County?

**Dan O'Connell:** We have been at it for several years. We have had several briefing meetings. We have gone to the Hospitality Association and we have invited them in for clarification at several meetings.

**Joel Benz:** So you have touched each in Allen County.

**Dan O'Connell:** Those that have responded, yes.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Joel Benz:** That was just a purely voluntary thing that you just said. If you went to them and said that we have this for sale promotionally and we want you to invest. Here is the fund and here is the structure and not a tax increase per se, if you are going to prove the same as you are to us that there is a return on investment from people and innkeepers, I believe they would jump onboard. I don't believe it would have to be a mandatory thing. I know you said that you kind of explored that but I think a full court press with us involved could be looked at. I kind of agree with Sharon and Mr. Armstrong that there are more things that need to be explored. I am going to make a motion that we table this discussion.

**Tom Harris:** I think we are still having a public hearing.

**Nick Jordan:** I think if you want to close the public hearing.

**Kyle Kerley:** I don't want to get on my soapbox because it sounds like we are going to table it until next month but I did have a question. Obviously, I mentioned earlier that I have traveled and called some of the other Visitors' Bureaus. The reason I asked what the occupancy rate was is when I talked to people in Des Moines, Lexington and Grand Rapids, 65% seemed to be threshold where that occupancy was when more hotels decided to come into the area. That seemed to be the threshold. When I spoke to people in Des Moines and Lexington, and I didn't get a straight answer from Grand Rapids, they had seen similar increases to what we are viewing. Fifteen to twenty percent of rooms in a three to four-year span and in both cases they did not receive additional government funding. Their budget or tax revenue remained the same. In the case of Lexington and Des Moines, short term they only saw one to two percent decrease in occupancy rates and over the course of five years they actually rebounded and were equal or higher. You have to look at other data that is out there. One of my concerns is that you said we can't build it and they will come. When I look at some of the other cities that you have given me as evidence that we are competing against, they literally took the idea that if you build it they will come and they have been very successful and have seen increases in their budgets. Based on the 1,100 rooms that are coming inline in Fort Wayne and that would hold true here, granted it is an "if", you would see a \$350,000 to \$400,000 increase in short term anyway. My question is, if we would give you those taxes and you would see the \$400,000 increase, now instead of getting a \$775,000 a year increase it would extrapolate out to almost \$1.5 million. Where do you see that extra \$750,000 a year going?

**Dan O'Connell:** Those cities that you reference have been very successful in marketing themselves as convention and tourism destinations. They have changed from agri-business communities to destinations. As you have said, they have built some fabulous product. Greater Fort Wayne, Inc has traveled to Des Moines and we were very impressed with their riverfront. Being destination tourism is a new venture for their destination and is working for them. In Allen County there is a little apple to crab apples comparison. Here, we take our seven percent and it doesn't go all to the Convention and Visitors' Bureau. We have a split of that seven percent and in Des Moines and Louisville,

## ALLEN COUNTY COUNCIL MEETING MINUTES

they have a larger share. To your point, I don't foresee us gaining oodles of money in our marketing program with an increase in the hotel inventory. A marginal increase, as I said earlier.

**Kyle Kerley:** I know Des Moines has two percent that specifically goes to the Convention and Visitors' Bureau and two percent goes to Arts. Their Convention and Visitor's Center is one entity and they operate their Convention Board and Tourism Board. Two percent goes to marketing and two percent goes to building. The reason I looked at Des Moines specifically was because it was a two percent split. The other difference in Des Moines that we don't have here is of the seven percent hotel tax, three percent actually goes back to the County General Fund to pay for infrastructure and Police and Fire Service. We see the same thing in Grand Rapids. Kentucky is similar to Indiana and the hotel tax is all restricted. It has to go to Arts Programs or Tourism. In Des Moines, they have had exponential growth because since 2008 they went from 8,000 hotel rooms to almost 14,000. They are also a little different because they draw that tax from a multi-County region.

**Dan O'Connell:** And it is the State capital.

**Tom Harris:** I am going to jump in. Councilman Benz, you mentioned that people might support and put some money in but the concern I have with that approach is that we get into some favoritism where one entity might give you more than another and all of a sudden you are promoting that entity more than the other. I would be worried from that standpoint. I like the approach that everybody is getting the same amount. Otherwise the Board gets challenged and you may have members saying that this one entity has given us a lot more and we should be doing something to promote them.

**Sharon Tucker:** Out of the box thinking for Council. Currently we have an agreement with Greater Fort Wayne where we give something out of the General Fund. Is there anything to stop us from setting up some kind of agreement of that sort with them? In my mind, I see where they need the funds. I struggle with the tax increase. We would be able to draw that back if we created a similar agreement with Greater Fort Wayne to fund their marketing project partnered with some of those entities that Councilman Benz is talking about to help sustain the money that they need.

**Bob Armstrong:** You raise a good point. The money that we give to GFW to market us, maybe Chris can answer this. Do you know on the Commissioners' side how much money that we give to GFW goes to marketing? Do you have any idea?

**Chris Cloud:** Chris Cloud, Chief of Staff for the Board of Commissioners. Marketing versus marketing that Dan does, I couldn't tell you. They would say the bulk went to marketing but what we support is their economic development wing which used to be called the Alliance. That arm doesn't really do marketing in the same way that the Chamber does marketing. It is more economic development business visits and stuff like that. To my knowledge they don't duplicate local hospitality marketing. Their marketing would be in a similar vein but to different people and for different reasons.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Bob Armstrong:** I think where Sharon was going is the same place I was going. How many entities are we giving taxpayer dollars to that market? We could go to one marketing system. Is that the direction you were going?

**Sharon Tucker:** No. Where I am heading is I see the need and we have created this and we need to get this jewel out to the market. My hesitancy is increasing the tax because we can't draw that back. However, if we do fund a line item for this, we have the ability to defund the line item. How can we help them but still not make it a permanent tax.

**Tom Harris:** I want to clarify that in moving forward, whatever we might vote on does include the idea of adding a County Council person to your Board. Councilman Brown.

**Larry Brown:** Joel, I want to make sure I understand your suggestion. You are saying voluntarily hotels and motels would contribute to this non-profit entity which means that it is coming from the ownership instead of the user. Do I understand that correctly?

**Joel Benz:** Yes however it translates to the user.

**Larry Brown:** So it comes off their bottom line.

**Kyle Kerley:** It would but they could easily, I think what Joel is saying is instead of us raising a tax by one percent, what is to prevent any of these owners that want to participate from bumping up their room rates one percent and writing a check to Visit Fort Wayne.

**Joel Benz:** Or even having it as a fee. There would be taxes and fees and it would be a fee.

**Larry Brown:** If I do and my neighbor doesn't, what happens to my competitive position?

**Joel Benz:** I think this bears further discussion and review and I think that is why I think we should table this for now.

**Tom Harris:** We probably need a motion to close the public hearing.

**Joel Benz:** Motion to close the public hearing.

**Bob Armstrong:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The public hearing is closed.

**Joel Benz:** I will motion to table this until next month for further review.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Bob Armstrong:** Second.

**Tom Harris:** We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 4-3 (Fries, Brown and Harris) and it is tabled.

**Kenny Fries:** Thank you all for showing up.

**Tom Harris:** Next on our agenda is...

**Larry Brown:** Can I suggest a break while the room clears?

**Tom Harris:** We will take a five-minute break.

BREAK

**Tom Harris:** We will resume our meeting. Next up is County Services.

**Dawn Rose-Hunnicuttt:** Dawn Rose Hunnicutt, Purchasing Director.

**Kim Yagodinski:** Kim Yagodinski, Finance and Personnel Manager for the Highway Department.

**Chris Cloud:** Chris Cloud, Chief of Staff for the Commissioners.

**Ed Steenman:** Ed Steenman, Director of Technology.

**Dawn Rose Hunnicutt:** I am here asking for an appropriation for a County-wide fleet management program. I am trying to keep my points brief but that first session was a little long and so I have added. First of all, I am not requesting appropriations to upgrade or replace an existing program. Allen County does not currently have a fleet management program. Currently we utilize spreadsheets, databases and paper files to manage over \$22 million in assets. These assets require fuel, tracking warranties, mileage, hours of use, repairs, service and tires, preventative maintenance and specific reports that some departments are required to send to State, Federal or local agencies. Mostly that is for reimbursements. For the past two years, we have researched several different fleet management programs. We have had webinars and had a couple of in-person demonstrations. Ultimately and unanimously we have decided on the Faster Asset program. One of the first questions that is asked and we have met or spoken with all of you on the phone, is what the cost is and what are the cost savings? My answer was that it is really difficult to offer a dollar amount or compare this program's efficiencies to a non-existent program. What I suggest is that we poll each department and ask them for the number of employees that manage their internal fleet information and the number of hours spent. We could then give that information to the Auditor and have him add their salaries up and that would give you an amount of what we are spending inefficiently right now and compare it to the cost of the program. That is probably the best I can give you right now. My department has at least seven employees out of nine who have some sort of responsibility of overseeing the County fleet assets. Part of our responsibilities are

## ALLEN COUNTY COUNCIL MEETING MINUTES

fuel, mileage, repairs, warranties, billings, titles, plates, acquisition to disposal, GPS, fuel keys, cards, pins and a lot more. I know the Highway Department has at least ten plus employees who also touch and need this information. They manage their program internally as well. I am pretty confident that if you would just add up those salaries and benefits, it would more than pay for this program. One of the things I want you to remember is that the Allen County Strategic Plan that we are all working on, one of the goals is to equip employees at every level to ensure that they are efficient and properly equipped and work in an updated and modern and functional infrastructure. I would consider this program to be a piece of equipment that is needed to be efficient. Another goal of the Strategic Plan is to develop an asset management plan. I happen to be on that committee and I believe this program falls right in line with that task. This program allows for the ability to schedule preventative maintenance which will save money and prolong the life of vehicles and I think that will bring great cost savings. The program, I believe, provides County Council, Commissioners, Departments and employees who are all taxpayers the confidence in the oversight management of Allen County's fleet. My request is \$166,187 but there was shock when I brought that up in our meetings and so I want to break down the cost in bitesize pieces. The program is around \$72,000. That program is based on the number of assets that we have.

**Tom Harris:** Which is a great question to ask, what is the total number of vehicles in our County?

**Dawn Rose Hunnicutt:** At this moment, I am going to say it is probably about 700.

**Tom Harris:** Seven hundred what?

**Dawn Rose Hunnicutt:** Pieces of equipment.

**Kim Yagodinski:** It includes trucks and trailers...

**Tom Harris:** How about the value? What would the value be?

**Dawn Rose Hunnicutt:** I have \$22 million, at least. To be honest, I believe that is a little low. I don't have a list of all of the equipment in other departments.

**Tom Harris:** Please continue. I didn't mean to derail you.

**Dawn Rose Hunnicutt:** The cost to host this program is \$25,000 per year and is included in this cost. The benefit of hosting in a cloud is that it addresses the disaster recovery goals. Upgrades are installed instantly. The Faster program can be assessed from any location remotely and wirelessly. The remaining amount of that request is for setup, implementation, training and equipment that we will be able to upgrade to.

**Chris Cloud:** The \$166,187 is a one-time request. There is ongoing maintenance and hosting but this item on the agenda is a one-time upfront cost.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Kenny Fries:** When we were talking yesterday, I forgot to ask if the \$166,187 includes the MAC books that you are going to be using?

**Dawn Rose Hunnicutt:** Yes.

**Kenny Fries:** Do you know how many of those there were?

**Dawn Rose Hunnicutt:** I am going to say nine.

**Tom Harris:** This is the purchase of the software system like a ten-year investment?

**Dawn Rose Hunnicutt:** I would hope longer.

**Ed Steenman:** The City of Fort Wayne uses the same software system and has been using it for twenty years.

**Tom Harris:** So this could be a twenty-year investment.

**Dawn Rose Hunnicutt:** It could be a forever investment.

**Tom Harris:** Council, any thoughts or questions? We have all had a chance to look at this. I have been on Council for approximately nine years and we have always struggled with trying to get better information when it comes to vehicles and acquisition of new vehicles. What do we do with the old ones and what is the value and all of those kinds of things. I kind of like the idea that we are stepping up in terms of strategy. Dawn, I challenge you a little bit on terms of savings in if you add up everybody's time, usually in the private sector when they put software in they are usually reducing staff. We try to offset some of that by purchasing efficiencies and processes that go faster and possibly I can possibly reduce labor. We are not doing that in this case. What we want to do is get better decision-making out of this that is futuristic. From that standpoint, I don't look at a cost savings by doing something differently. I am looking at better decision making on our end. Sharon is first and then Larry.

**Sharon Tucker:** I will be supporting this but I also wanted to say to Dawn, thank you for being so diligent. I know you came before Council last year or the year prior to create and start this process. Everybody that has been involved, thank you and kudos to you.

**Larry Brown:** To your point about savings and reduction in staff, I would hope that number one why I would support it is because of better information system-wide. I am confident that every department whether it be Highway, or Health or Sheriff's Department or whatever has their own internal system that monitors but there is not a program that is system-wide. I guess my point is that if this is approved and implemented, I would hope that those individual departments would see the benefit of jumping onboard to this system-wide program and throw their other program away. I am sure there will be duplication for a period of time but I hope when they see the reports and benefits that they will throw their spreadsheets away. I am fully in support of this. With that I will make a motion to approve the request for an appropriation reduction in

## ALLEN COUNTY COUNCIL MEETING MINUTES

Council General Fund in the amount of \$166,187 and the appropriation in County Services General Fund for the same amount.

**Sharon Tucker:** Second.

**Tom Harris: We have a motion and a second.** Just a couple of questions, to Larry's point is this required that the departments will have to go on this or is it up to them whether they go on this?

**Larry Brown:** Can I answer that? After our discussion, I believe it is our responsibility to make sure it happens. We are the common denominator with our budget approval of all of our departments and I don't think Purchasing has the authority or ability to require everybody but we do.

**Tom Harris:** That is a great point and your thoughts to that Dawn or Ed.

**Chris Cloud:** What I would say is they don't have a choice because the entire fleet is overseen by these two departments. Where they would have a choice is how much they as the department choose to use the data already in the system to help them make better decisions internally. As far as maintaining our assets and fuel and repair information this is mandatory because these two departments oversee the entire fleet. That is not an opt-in thing. What is opting is not using the spreadsheet and instead going into the database running reports and accessing the information. That is the part where we would encourage them to use the information that these departments need but can also leverage instead of the stuff they are creating in-house.

**Tom Harris:** Councilman Armstrong. Do you have a comment or question?

**Bob Armstrong:** No, I am fine.

**Tom Harris: We have a motion and a second. All in favor say aye, those opposed, like sign. The motion passes 7-0.** I had asked for the report list.

**Dawn Rose Hunnicutt:** I have it for you.

**Tom Harris:** This is a list of reports that can come from this software can be beneficial for us. Next up is Superior Court.

**John McGauley:** Good morning, I am John McGauley, Court Executive for Superior Court.

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

**John McGauley:** As I am sure, all of you will recall we were here in April to ask for an additional appropriation for several high profile trials that were coming up. At the beginning of the year, we were actually facing three of these. All of those have been

## ALLEN COUNTY COUNCIL MEETING MINUTES

disposed of via guilty pleas. We are very close to being able to wrap up the extraordinary expenses that we were facing. The last of those is scheduled for sentencing at the end of next week. Very shortly, we should be able to wrap up the extraordinary expenses that we were facing. The vast majority of what you gave us back in April is remaining. What we have on the agenda today is a request to allow us to transfer part of that to deal with a capital need that we have in the Courthouse. Specifically, the refresh and replacement of sound gathering and recording equipment assisted listening equipment and evidence presentation systems. All of the hardware that does that job right now is fifteen or sixteen years old and it is a vital part of what we do. I think a lot of folks, when they picture what goes on in the courtroom envision a stenographer taking down every word when in reality what happens is that those proceedings are recorded and transcribed as necessary. What we need to be able to do in our courtrooms are to gather sound, record sound and provide ways for folks to listen to that accurately and produce transcripts for the Court of Appeals or for those who might request those subsequently after a hearing is over. What we are running into is this equipment is just old. It is failing on a fairly frequent basis. What we have is a request to deal with that in two of our courtrooms, specifically Courtrooms One and Three. Those are the most profoundly problematic areas for us where we are having failures that are taking those courtrooms offline from hours to even a full day. As busy as our calendar is, it is tough to handle. What we are doing is phasing this in as the Courthouse Preservation Trust replaces carpeting in the courtroom. A lot of the infrastructure for our sound system is under the floor. The Preservation Trust is coming into Courtrooms One and Three this fall and we would like to attack the sound system at the same time. We did put this in our capital spreadsheet during the budget process last year and the cost estimates are right in line with what we thought it would be. If we are able to do this, and we would like to...

**Tom Harris:** John, can I jump in there?

**John McGauley:** Sure.

**Tom Harris:** That was part of your budget request, why are you transferring money out of Pauper Attorney?

**John McGauley:** We put that in our capital spreadsheet during the budget process just to let you know we anticipated this.

**Tom Harris:** I see.

**John McGauley:** If we are able to do what we would like to do and get these in as the Trust comes along with carpet, we probably wouldn't be back to you before the late 2020 or into 2021 to do Courtroom Two and work with our colleagues in Circuit Court would like to do as well. We will talk to the Commissioners about getting that into the CUM CAP budget instead of coming back to you and since we have a little bit more lead time.

**Tom Harris:** What would you have done if they had not settled these cases?

**John McGauley:** We would have had to come back and ask for additional money.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris:** Right now or would you have waited until after the trials? You are using some of those additional funds to do this now.

**John McGauley:** Exactly. We would have had to come back here and hat in hand to ask for \$150,000 additional. I will tell you that we waited as long as we could to make this request because we know that we have asked you for a lot of resources.

**Tom Harris:** Would that come from the Commissioners expenses, generally?

**Nick Jordan:** That is what John just mentioned for the next part of it. They can dialogue with the Commissioners for the CUM CAP fund...

**Tom Harris:** But this could pay for that as well? CUM CAP could pay for this request?

**John McGauley:** We talked to the Commissioners about this informally. The word we got was that those dollars were committed out for several years and that we probably needed to get in line a little earlier.

**Tom Harris:** So they were not in favor of this improvement.

**John McGauley:** This year. They have been receptive to programming into the next year.

**Tom Harris:** So that is something that could be part of CUM CAP for next year.

**John McGauley:** Probably more like 2021.

**Tom Harris:** I guess I derailed you a little bit.

**John McGauley:** I was just going to give a little better idea of what this entails. We are not asking for new bells and whistles here but are doing a one-for-one refresh of what's in these courtrooms with current technology. Our microphones, recording equipment and assisted listening systems the technology has gotten much better in recent years as well as our document presentation and evidence presentation systems that we use to show documents and evidence to jurors. We are not trying to expand or add.

**Tom Harris:** Councilman Benz.

**Joel Benz:** Your expected cost for this is \$278,000 and you are asking for \$138,651, is that correct?

**John McGauley:** The \$278,000 figure is what it would have cost to cover all four of the third floor courtrooms. What we are asking for now is just to cover Courtrooms One and Three.

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

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Sharon Tucker:** I have a statement more than a question. I remember when we gave those dollars for the court costs. It was huge dollars and we were kind of like this was a lot of money for us to give away but we really didn't have an option because we had to hold the trials. Now we have found that we can get some of that money back but we see a different way that we can spend the money. That just doesn't sit well with me. I am going to support it but I have to express that I don't like the bait and switch.

**John McGauley:** We understand that completely. What we thought we would do instead of coming back and making a fresh request was to limit the pain and give back the vast majority of dollars you gave us in April but also take care of this in the process.

**Tom Harris:** Is this possible for Council to pass this to a CUM CAP expense?

**Nick Jordan:** Not today. We would have to advertise an appropriation in CUM CAP and since the Commissioners traditionally propose the CUM CAP budget, it would probably be wise to dialogue with them in advance.

**Tom Harris:** I see. So that might be something that we could talk through with the Commissioners.

**Bob Armstrong:** So, do you table this?

**Tom Harris:** You can move to table it. That would give us the opportunity to discuss it with the Commissioners.

**Larry Brown:** Before we do that I have a question. What is the timing with the carpet?

**John McGauley:** The timing is the October-November timeframe. We have waited as long as we thought we could and to make sure that we wouldn't be asking for \$150,000 on top of almost one million. We really did want to see if we were going to be able to give back the majority of the dollars we got in April. We are running out of time but I won't tell you that we are out of time.

**Tom Harris:** But the August timeframe could work.

**John McGauley:** I can't tell you that because we would have to talk to some of the vendors.

**Kyle Kerley:** Of the million, do you have an estimate of approximately what would be coming back?

**John McGauley:** Right now it is about \$750,000.

**Leslie Owen:** I am still receiving invoices for some of the costs that have happened leading up to the guilty plea and probably will for the next month to month and a half.

## ALLEN COUNTY COUNCIL MEETING MINUTES

The majority of that money was going to be for housing, feeding and transporting the jurors.

**Tom Harris:** I like the idea of having further discussions with the Commissioners and I am trying to understand the CUM CAP a little bit. I think the August timeframe may not put you behind too far. My concern is if you were going further with those trials, you wouldn't be doing this right now.

**John McGauley:** I think we would have been back to you but would have been asking for more.

**Larry Brown:** Chris is in the audience and so he can take this back but the message needs to go back to the Commissioners as well as the Courts that we ask for a plan and to spring something like this, maybe the message goes back to the Preservation Trust if they are going to be asking for money let's plan ahead. They have known about this and this is nothing new but it is new to us. Why wasn't it in the budget cycle under a capital line item rather than spring it on us at the last minute?

**Jackie Scheuman:** This was listed as a capital item.

**Larry Brown:** Where was the money coming from then?

**Jackie Scheuman:** They requested it from the General Fund.

**Nick Jordan:** There are two alternative means of doing this. What we have historically done to not artificially inflate departmental budgets' one-time expenditures was to put money in Council's Capital. Since we are going into 2020 with \$900,000 sitting in there this year, there is \$500,000 and some left. If you don't want to go that route, we can put what they budget on their five-year capital plan into their departmental budgets and you will see an increase in the overall General Fund and rollover increase substantially for the fact that departments may not spend it.

**Tom Harris:** I guess, from my standpoint, the Judge sat in your seat when we had these discussions and looked directly at me and said of course they would give it back if these cases are settled.

**John McGauley:** Any timing issue is really on us. We know that we have been asking for a lot this year. Before we did it again, we wanted to see how these things sifted out.

**Kenny Fries:** In the end, these have to be replaced whether it comes from CUM CAP and the Commissioners or from us. They have to be replaced.

**John McGauley:** Correct. Our ability to generate a clear and concise and accurate record is essential to what we do.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Kenny Fries:** Make sure it is done and ready to be done at the time they replace the carpet.

**Bob Armstrong:** I guess my question is should this be tabled and wait to have further discussion? One way or the other, we are going to pay for this. We just don't know who is going to pay for it.

**Tom Harris:** It could be prudent for Council to have further discussion on it.

**Joel Benz:** I will make a motion that we table this for further discussion.

**Bob Armstrong:** Second.

**Tom Harris:** **We have a motion and a second. All in favor of tabling this say aye, all opposed. The motion passes 5-2 (Fries & Kerley).**

**John McGauley:** Our second item is much less complicated. For the last five years we have received a grant from the State of Indiana Supreme Court for the Legal Education Opportunity Fund 850. It is a program designed to improve diversity in the local Bar. It has given us an eight-week internship. We have gotten it again this year and we are looking to get those dollars appropriated so we can pay the intern.

**Larry Brown:** I offer a motion to approve the appropriation in legal education opportunity fund 850 in the amount of \$7,000.

**Joel Benz:** Second.

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

**Nick Jordan:** Your paper agendas are printed incorrectly. If you look at the electronic packet the Commissioners have a temporary salary ordinance and then after them would be the Public Defender.

**Chris Cloud:** Chris Cloud, Chief of Staff for the Commissioners. We unfortunately have a retirement in our office. Our Administrative Assistant has been there ten years and she is retiring. This position is really critical for us. She is not only the front desk person for us but in our office we have a lot of meetings going on and this person is crucial for us. We need a temporary salary ordinance so there can be at least four or five days of overlap for the person and the incumbent so they can be trained on some of the ins and outs. We are not asking for additional money and think we will be able to cover it. We just need the salary ordinance to allow for two people to be paid for the same position.

**Bob Armstrong:** Is this incumbent internal?

**Chris Cloud:** We have not hired someone yet. We are in the process of taking applications.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Sharon Tucker:** I will make a motion for consideration of a temporary salary ordinance for pay of an employee within the budget of the Commissioners in the amount of \$36,409, OSS 4/2 and is effective from 8/19 to 9/1.

**Kyle Kerley:** Second.

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

**Larry Brown:** I have a question. Should we have that date on there?

**Chris Cloud:** For a temporary ordinance, they are usually dated. I gave enough of a range for when we hire that person. We intend to only have a two or three-day overlap.

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

**Eric Ortiz:** Eric Ortiz, Director of the Public Defender's Office.

**Michelle Kraus:** Michelle Kraus, Interim Chief Public Defender.

**John Surbeck:** John Surbeck, Public Defender Board.

**Michelle Kraus:** We are here to ask for a salary ordinance to change the salary for the Chief Public Defender to full-time. As part-time, we are currently paying \$91,298 and full-time would be \$156,137. That is the same salary that the Prosecutor receives and the Prosecutor is full-time. When we say full-time Chief Public Defender that means we will have a Chief Public Defender who will not have any private practice. It will be someone who is strictly handling Public Defender matters. There is quite a bit of administration that comes in to the Public Defender's Office. We have 63 employees and we have a total budget of \$4,030,000. In order to appropriately administer the Public Defender's Office, we think it is time to move to a full-time Public Defender. I am sure you all know about the Public Defender Commission which is the statutory body that reimburses Public Defender agencies as long as we are in compliance with all of their standards. There is not currently a standard for a full-time Chief Public Defender but there is a push from the Public Defender Commission to mandate that all Counties that are within the reimbursement system that they have a full-time Chief Public Defender. I know there is some legislation this past year asking for money to help that mandate take place. That did not pass but it remains one of the goals of the Public Defender Commission. I have been acting as Chief since October of last year and I find that so much of my time is spent on the administrative side of running this office. In order to do it correctly, I believe it is absolutely necessary that the Board hire a full-time Chief Public Defender. The Commission standards say that if there is going to be a Chief there needs to be salary parity with the Prosecutor.

**Tom Harris:** Where is that coming from? Is it from the Commission or the State?

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Michelle Kraus:** The Public Defender Commission. It is not a mandate, yet. That is one of their priorities is to make that a mandate.

**Sharon Tucker:** But it is not mandated right now.

**Michelle Kraus:** There are a lot of things on public defense that are on the horizon. I have quite a few contacts in Indianapolis and I was on the Board of Directors for the Public Defender's Council and they work hand in hand with the Commission. The perception of Public Defender is changing and there are new things that are happening after the Task Force went around the State last year. We think that either the Commission or the Indiana Supreme Court are eventually going to start mandating things like full-time Public Defender, the way that we monitor our cases and if we are ahead of the curve and have those things in place, then we don't have someone telling us how to do it because we will already be doing it the correct way. I think it is inevitable that there will be a mandate to have a Chief Public Defender. There is a Chief Public Defender's Association that gets together and work with the Commission. They are strongly recommending the Commission that they adopt a standard to make the Chief Public Defender a full-time position in every County where reimbursement does occur. If you adopt the salary ordinance, 40% of that salary will be reimbursed by the Commission. If I did my math correctly, I don't promise that I did because I am a lawyer and not a mathematician, at the \$94,000 you are getting \$37,600 reimbursed. That means that the cost of a part-time Chief Public Defender to you is \$56,400. At \$156,000, you would be reimbursed \$62,400 and so the cost to you would be \$93,600. The difference for the County would be \$37,200 to go from part-time to full-time Chief Public Defender. Talking among other Chief Public Defenders, there are a number of Counties that have gone to Chief Public Defenders.

**Tom Harris:** How many?

**Michelle Kraus:** I can't pull that number out of my head. I can tell you locally, Noble County is the County closest to us and they actually have a full-time staff. Jim Abbs is the full-time Chief Public Defender. He has been the Chief for a good seven to ten years. Adams County is not in the reimbursement system. Whitley County is not in the reimbursement system. Dekalb County is but they have a part-time Chief Public Defender.

**Tom Harris:** So there are some but not most.

**Michelle Kraus:** Most of them probably do not have a full-time Chief Public Defender.

**Tom Harris:** What is the, kind of a hard thing to figure out, change in the model that we have had for a long time. So, what are the unintended consequences? What is the negative or downside that can come from this process?

**Michelle Kraus:** I can't imagine the downside.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris:** You can't think of anything?

**Michelle Kraus:** Part of what I have implemented and I hope whoever is my successor is would follow up on this is that there is quite a bit of accountability that I have put into place in the Public Defender's Office. I have talked about this before but we have never had any kind of performance standards. It is hard to judge how a lawyer is performing. It is not a win or loss. As a Public Defender, we can't say that you did a good job because you won a trial or you are doing a bad job because you lost a trial. It depends on what the evidence is. There has to be some way to do performance standards and the Indiana Public Defender Council has developed certain performance standards and I have implemented those. Right now, in the Misdemeanor Division and my intent is to roll those out to the Felony Division as we work out the kinks. I have been working with the Prosecutor's Office and we spend a lot of money taking depositions. We are going to try to start a pilot program to take more informal depositions so that we are not transcribing as much. We are going to digital discovery. We were here a couple of months ago asking to switch money so we could buy a server because we are getting to the point where we are almost going to be paperless. That scares me because I am not ready to go paperless but some of the younger attorneys are. With all of the new technology that is in place, the performance standards and the accountability, I have Judges who on a regular basis, we have a lot of clients who complain about their lawyers. When the Judges get a complaint, they send me an order to investigate this complaint to determine whether or not it is a legitimate complaint and do we have to reappoint a new Public Defender. Since the time that I have been here since October, I have probably done 25 or 30 of those and they are time consuming. I talk to the lawyers and I talk to the client. I review the cases and then I have to make a written report back to the Judge. The majority, I have said you are not getting a new Public Defender because it is not the Public Defender's problem. It is that kind of administrative work that quite frankly was not getting done in the past. I think that the Judges are throwing stuff at me like that and I really have to investigate this. They see a response and so I think they are more comfortable with asking the Chief to do those types of investigations.

**Tom Harris:** Councilman Brown.

**Larry Brown:** A couple of things, I think that statewide the Public Defender's system is under the watchful eye of the Supreme Court in a lot of different areas. I fully support this request. All of you will remember the case that is slowly going through the system right now that involves us directly. I really think that having a full-time Chief Public Defender where they are not dealing with their private practice is the right way to go. I think it gives us and the system a point of accountability. Kind of a sidebar here, rumor has it that Mickey has accepted a position with the Federal Court and I congratulate you on that. I wish you the best of luck.

**Michelle Kraus:** Thank you.

**Tom Harris:** So that is not a rumor, evidently.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Larry Brown:** I will share with you that she has done a marvelous job of putting controls in place to create accountability for attorneys who have, in the past, have kind of been floating their own boat in whatever direction they wanted to go. I very much appreciate that.

**Joel Benz:** I am just going to second what he said and also to Judge Surbeck I appreciate you jumping onboard with both feet. I know you introduced yourself as the Head of the Board but you are just the newest member also. The energy that you are bringing to that and subsequently the Chief Public Defender position, there is a lot of history here. It got on our radar because of the lawsuit and as we have looked through it and had long conversations with Eric Ortiz and others, I am glad to see this come out of it. Before, there was a little lack of accountability and it was “talk to the Board”. This provides someone who is directly responsible and not holding a side job. The salary is extremely high but I believe in order to get somebody that will do the job and is qualified, I believe it is an appropriate salary.

**Sharon Tucker:** I am supporting especially because of all that we have been dealing with. To make sure we have somebody that overseeing the helm. I just want to make sure for the Board, in their hiring process there is no conflict of interest. That we make sure that the individual is working for the County and not holding some extra part-time work on the side.

**John Surbeck:** That will be made perfectly clear.

**Kenny Fries:** I think Nick said there is a way to check that.

**Nick Jordan:** County Attorney Fishing has made a good comment. The Courts are only open so many hours and you can see the attorneys representing cases are listed through the State system.

**Tom Harris:** From a cost perspective, Nick, this is going to possibly save us some?

**Nick Jordan:** I think the intangibles that they talked to at the beginning you can look at it from the indigents that they are defending and not only to the unknown to what we don't know yet. We know where we are coming from in the part-time aspect that we can only improve upon, I hope, in a full-time scenario.

**Joel Benz:** My understanding is there were times where the Public Defender wasn't carrying a caseload and I believe this position will carry a caseload.

**Michelle Kraus:** My thought is they wouldn't carry a full caseload because of the amount of administrative work that needs to be done, you have to provide effective representation to the client and you can't be distracted by the administrative side. I've handled that death penalty case that I saved you all that money by getting the client to plead guilty. That was hard during the months of November and December and January as we were pushing up against the April trial date. I was Chief and I was crying a lot but it got done. I was recently asked how many fires I had to put out and I will tell you that

## ALLEN COUNTY COUNCIL MEETING MINUTES

we don't have that many fires because between the two of us are on top of everything that is going on. I think the Chief would carry a smaller caseload. Quite frankly if I were in the position, I wish I were but I am not because I have accepted the Federal position, I think whoever comes into this position is going to be an experienced attorney. The mentoring that can go on with the Chief, the Chief ought to be carrying a caseload that involves some complex cases but there always needs to be a second chair on the Chief's caseload because you are killing two birds with one stone. You have one of the best lawyers handling a complex case but you are bringing along a less experienced attorney to get the experience that they need. I think that is the model that needs to be set up. Hopefully the Board will express that in the hiring process.

**Larry Brown:** That is another aspect that Mickey has brought to the situation. Mentoring the newbies alongside the more experienced attorneys which I think is a fabulous step in the right direction.

**Sharon Tucker:** Do you ever see this going to an elected position?

**Michelle Kraus:** I don't. Everything I know about legislation and we represent indigent people who have committed oftentimes egregious crimes. Nobody likes to talk about public defense and so I really don't think the Legislature would every move this to an elected position.

**Larry Brown:** With all do that discussion I will make a motion to approve consideration of a salary ordinance reclassifying the pay for an employee within the budget of the Public Defender's Office, Chief Public Defender from part-time\$91,298 to \$156,137 full-time.

**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.** I wish the best of luck to you and thank you for all of your help.

**John Surbeck:** If I may take a moment, you all have had a long morning but I will commit to all of you there is a new Board. I am the Chair, Scott Bunnell and Joe Jordan from the Boys and Girls Club. All three of us are interested in the same way as what has been happening here. When I was appointed, I promised the Commissioners that I would keep them up to date. I will do the same for you all too. The other thing I would like to use this venue for is acknowledge Eric, whose light has come out from underneath the basket. He is doing a great job and his position is being acknowledged as it has not been acknowledged in the past as well as I think it should have been. He does a fantastic job.

**Tom Harris:** Next on the agenda is Community Corrections.

**Jeff Stevens:** Jeff Stevens, Senior Finance Manager at Allen County Community Corrections. I am here to ask for an appropriation from funds other than the General Fund

## ALLEN COUNTY COUNCIL MEETING MINUTES

in the amount of \$30,000. This is a grant from the Indiana Office of Court Services, the 2019 Problem Solving Court grant award. Details are \$10,000 per court Reentry, Mental Health and Veterans Court.

**Tom Harris:** So it is a matter of moving those funds to cover those costs. Council, are there any questions?

**Sharon Tucker:** I would like to make a motion to approve the appropriation in Problem Solving Court Fund 852 for Other Services in the amount of \$30,000.

**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.** Up next is the 2020 budget discussion and pre-allocation.

**Nick Jordan:** I handed out the six-pages that I had not sent but everything else is in the email. If you have any questions, interrupt me as need be. The first page is the 2020 Allen County Budget Allocation Summary. If you look at the top section, it starts with the Projected Revenue of slightly above \$110 million. Property Tax is at \$62.5 million at the 3.5% increase over this year. That is what is allowed by law based on a six-year average non-farm, personal income growth quotient. The other piece is the Other General Fund Revenue Estimate. In the six pages, the second to last contains the detail between the \$47 million. I compared it to the five-year average and it also has a difference between 2019 and 2020 and reflects the percentage. We can go through any of those that you would like. I will point out that some of the larger increases based on the conservative estimates of the prior year as well as some changes that have happened throughout the last couple of years. The first one is Child Support, 4D and Direct Cost with a big jump. That was due to an extremely conservative estimate being made last year. The actual cost, as you can see, will be closer to \$500,000 and some for 2019 and so I have bumped that up in the 2020 estimate. That is based on some of our expenses. We only get reimbursed on what we spend. That fluctuates because the Prosecutor or Clerk representing 4D issues, they can use special revenue funds. If they use special revenue funds the reimbursement will follow and go into the special funds. A couple below that is Youth Services. That fluctuates based on two things. One is the cost they can charge. As some of you are aware, over the last five years we have had substantial increases in our reimbursement rate and that was due to coming closer to matching what it actually costs us. We are at \$300 reimbursement and four to five years ago we were at \$150. That is the billable unit and the days that they stay there. If you go down the Sheriff, there is \$5,000 increase which is 27% and the basis of that is Work Release. There are 100 people that they can house and when we move to the new Work Release that will double. They are charging around the low 20's and if you double the individuals, you should be able to double the revenue and it goes into this line. The other piece of that is as we have more School Resource Officers, the reimbursement goes into this line. I am going to jump down more to the last section of the page because it is the biggest. Election revenue ebbs and flows based on the elections. It is a big drop because we have the City election this year and

## ALLEN COUNTY COUNCIL MEETING MINUTES

next year we will have the Federal and so you will not see that reimbursement. The interest on investments, as I mentioned, we continue to have record high fund balances not only in the General Fund but also five or six Other Funds. It won't affect the interest in the General Fund but the General Fund shares in its fees based on proportion. The second, pending any Federal decreases in the rates towards the end of this month, we have seen upticks in the interest rate we are receiving from the banks. If the Federal does lower the rates, it will lower the rate that the banks offer and work against us in this regard. Given our highly conservative estimate and very high fund balance I think we should be safe going into 2020 unless you guys start to give it all away.

**Tom Harris:** Ouch. How about the Public Defender, what we just passed. Is that figured in here, what we just passed a minute ago?

**Nick Jordan:** You will see that I have it around \$1.6 million. As we just talked about that was not going to be huge. I think it was a \$30,000 net difference. I am increasing it by \$100,000. Not only that but also that last year we reclassified the Felony Attorneys. You permitted six new Misdemeanor Attorneys and we are not reimbursed for those. Only the Felony side is. This encompasses both the increases in the reclassifications that were around \$190,000 total of which we get 40% back along with the \$30,000 that Mickey mentioned this morning. The last piece, down at the bottom, Care of Federal and State Prisoners is only a ten percent increase. It could be more than that but my struggle with this estimate is I have heard that population estimates have leveled out this year. If that is the case, if you open up Work Release and move more inmates to Work Release and you have a level population then you are reducing the population in the Jail. That is where this revenue comes from. The second piece of it is, as Tom mentioned at the last meeting, the Level Six reimbursement from the State is becoming a one-time payment. We just received the one for 2019-2020, the State fiscal year, and it was about \$1.5 million. That is our average for the last two years. Assuming that they do around that same amount next year then we would have \$1.5 million from the State that would go into this \$3.2 million and the remaining \$1.7 million would be based on Federal reimbursement. That is at a higher rate also. The other thing to factor in is based on the current legislative session in House Bill 1001. They increased the amount of reimbursement up to \$37.50 for 2019 and then goes up to \$40 on 1/1/20. I feel comfortable unless we see a miraculous drop in inmates I think we should still be able to achieve this \$3.2 million. There are a couple of unknowns going into next year. The other two things at the very top, you won't see a massive or substantial dollar change but you will see seven percent increases for Local Income Tax Certified Shares and LIT Public Safety. Those are significant estimates because as of right now, you will recollect, the last few years we have received a supplemental distribution from the State that they didn't factor into our monthly and so they gave us another \$1 million. I have factored those in here and that's some of the driving factor in the seven percent increases. I could be wildly off but I hope not and I hope they factor in the prior year supplemental into our monthly certified distribution. The \$47.6 million goes back to the first page and that is where we get the \$110.4 million. Right below that you see the \$103 million. That is the prior year adjusted General Fund budget allocations. If you look at the page that looks like this, it says General Operating Fund 2020 Estimated Revenue and Adjusted 2019 Budget Allocations. We have touched

## ALLEN COUNTY COUNCIL MEETING MINUTES

on the top section which is the revenue and if you look in the middle there is the graph, it starts with 2019 budget of \$106.5 million. We back out the ARC and Mental Health levy. I have taken out the County Council Capital. We have put in increases for steps based on the grids and included PERF and FICA. The Sheriff's pension, as Sheriff's salaries rise, which they did in 2018 and depending on the market, the pension number may fluctuate. It is going up, the other piece. Their service of process fees, they are not collecting as much as they used to. If we can't get as much from the service of process fees, the General Fund has to contribute more for the Sheriff pension.

**Tom Harris:** Jumping back to the Capital, is that \$900,000 the same amount or higher?

**Nick Jordan:** This year it is \$900,000 and that is where we are taking it out. The prior year I think we did \$800,000. If you look at the last page, you can see what the budget was. It was \$900,000 then \$800,000 and then \$700,000 and you can see in the last column how much was spent. Going into 2020, you will see that I have \$750,000 in there. You see the \$200,000 increase for the Sheriff pension. Other County-wide expenses are \$141,000 which includes health insurance, life insurance, contractual obligations that we do on the other post-employment benefit plan.

**Tom Harris:** That group insurance is holding strong, right?

**Nick Jordan:** Yes group insurance is holding strong. That does not factor into the \$141,000. I am budgeting the same \$8.25 million in the General Fund and I am reducing the amount that Highway is contributing by \$800,000. The thought being that the health insurance fund currently has \$11.5 million half way through 2019. Perfectly we would like to have that around \$3 million to \$4 million which is about 10% of our claims expenses. It has been able to grow because we have had excellent claims experience these last few years. Reducing with all of the discussion of Highway and all of their projects and bridges, reducing the \$800,000 allows them to put that \$800,000 to the roads. I do not feel that it harms the health insurance balance. It is a one-year thing and we can revisit it next year to see if they need to contribute it again. If we have a great balance and they are actually putting the money towards roads then we can say they don't need to contribute again. Going on down the sheet, \$199,340 is what Election Board feels they need to operate the 2020 elections. That is subject to discussion but that is how we do it by asking Beth what she feels they need. It is not for full-time personnel increases. It may be for part-time that is needed for running an election. Any full-time increases would have to come before you anyway. This is more or less contractual obligations. If you would like her to come, we can ask her to come in September. That next is a decrease in Council for unspent economic development money. Back in 2018, we were late in the budget season when New Allen was coming for their request, I budgeted \$2 million. You guys only approved \$1.25 million that would have fallen into rollover and I have simply pulled it out here saying \$750,000 is for sure going into rollover. Increases due to salary reclassifications are all reclassifications that have been done since we passed the 2019 budget. Anything you have done through June, this is the dollar amount that will be in the 2020 budget.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris:** That is not COLA, correct?

**Nick Jordan:** No, COLA is going to be a couple below. This is what you have approved already. Depending on whatever sheet you want to look at, the \$103 million is where we start adjusting 2019 for the 2020 budget. That would leave us a little over \$7 million of revenue exceeding the adjusted budget. I have added \$1.5 million of rollover. I feel very comfortable with that and if you took the \$750,000 with that it would be \$2.25 million of rollover. You see the three percent increase that I have thrown in for COLA and will amount to a little over \$2 million. The 27<sup>th</sup> pay, as I mentioned before is about \$2.5 million. That will leave you with a little over \$3 million to fund budget appeals that would come in September. The adjusted 2020 allocations prior to appeals is also in the packet and you can see the difference whether it is step or payroll, grid adjustments, PERF or COLA. You can see how each department has fluctuated. If the departments can't work within, such as the Clerk can't work within the \$3.496 million then he would appeal his allocation in September along with all of the other departments if need be. You would have \$3.3 million and some to fund at this point in time. Keep in mind that these estimates are fluid. We get better information as days goes by, we will definitely update them.

**Tom Harris:** Nice job. I can remember back when that amount of exceeds 2019 allocations used to be almost nothing.

**Jackie Scheuman:** Or negative.

**Tom Harris:** Exactly.

**Nick Jordan:** This is just the General Fund. All throughout the year, you talked about CUM CAP today and LIT Economic Development but I sent you about seven to ten other funds that have substantial fund balances. Those are ones that have been brought up because of road funding. Those shed some light on the ten-year history of ins and outs as well as fund balances. The budget time, if you want to address those, now is the time to do it versus after the fact next year. You are going to approve their budgets and now is the time to ask those questions.

**Tom Harris:** One question is if we were in favor of and I don't know that we need a vote, per se about the 27<sup>th</sup> pay.

**Nick Jordan:** I would only ask for it if there was not a consensus. If not a consensus, then yes because we are going to send this off to the departments saying that there is going to be a 27<sup>th</sup> pay with a three percent raise. If you are unsure about it, we can postpone it.

**Tom Harris:** Council, let's open this up for those two items. Is everybody comfortable with identifying that there is a 27<sup>th</sup> pay and the second piece being the three percent. The State...

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Nick Jordan:** The Judicial which is Public Defender, Prosecutor, Sheriff and Judges are being given a 2.7% raise. The City, I confirmed with them, are asking for a three percent raise. I do not know what State employees were given as of 7/1/19.

**Tom Harris:** Council, let's open that up for discussion.

**Kenny Fries:** When it comes to the cost of living, do we know what the actual cost of living increase was for 2019?

**Nick Jordan:** I don't have it off the top of my head but I can tell you that if you that if you look at the basket of goods in Allen County, the only thing that has gone down is gas. Housing and so forth, whether utilities...

**Larry Brown:** Bought a steak lately? Would it actually be 2018 stats?

**Nick Jordan:** You guys gave a cost of living increase for 2019.

**Larry Brown:** To answer Kenny's question, I think it is 2018 stats.

**Kenny Fries:** What would happen if we wouldn't raise property taxes to the highest level by the State?

**Nick Jordan:** That is a good question. Nowadays with approximately \$40 million in Circuit Breaker losses, if you have a property that is not at the caps, compared to the property owner that is already paying at the caps, if we don't raise our property tax levy they may not pay any less. They are already at the cap and so the only thing to go down is the Circuit Breaker losses. If, as a taxing unit, we don't increase our levy at the same as all of the other units they get more piece of the Circuit Breaker pie. If you are at the caps and that is about 30% and some of homesteads. It amounts to about \$40 million of loss of property taxes to caps. If you are in an area where the tax rate is not putting people at the caps, one percent of homesteads, two percent apartments or three percent commercial then potentially you may see a reduction in the tax rate. I can tell you that for Pay 2019, across the board, the tax rate decreased. That's not because units didn't collect the max levy. It was because assessed value increased at a greater rate than we are allowed to increase the max levy. Our max levy can only go up 3.5% into 2020. If this year is any indication, the net assessed value going into 2019 increased almost six percent. Next year, if you look at Realtor.com you will see that we haven't seen a decrease in prices and so the assessed value is along the same lines. Even if they stayed flat, we would be lopsided but I would presume we are going to see at least a three percent increase in net assessed value going into Pay 2020. There are multiple factors and I can't say that you can directly correlate and say we reduced our levy to say you reduced taxes. You do that anyway because we have done that for the last four years. The County's tax rate has gone down because the assessed value as increased at a greater rate even though we captured the max levy.

**Kenny Fries:** Which means that the cost of living has increased at a greater rate.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Nick Jordan:** As I said, if you look at your basket of goods, I don't know what decreases you are going to find.

**Kenny Fries:** I would be more interested in a four percent than a three percent.

**Nick Jordan:** I think milk has gone down.

**Kyle Kerley:** Nationally the CPI for the last twelve months is 1.6%.

**Nick Jordan:** The Community Research Institute, I can ask Rachel Blakeman because they subscribe but on a local level it is much harder to get local CPI soon. A lot of times it lags. Nationally is a lot easier but I will check with the Community Research Institute.

**Kenny Fries:** I am more interested in locally.

**Joel Benz:** I have one comment. I have advocated every year that we pretty much stay in line with what the State does. A few years ago there was an issue where we went over and above what the State did and it caused some people not to get the same amount of a raise. In the interest of fairness, I think it is easier to stick with what the State does which is 2.9%.

**Tom Harris:** So you are suggesting 2.9% or three percent?

**Joel Benz:** 2.9%.

**Nick Jordan:** If you are saying State employees, I would have to see. The 2.7% was just the judicial employees. There are 20,000 and some State employees. I have to find out what the State has given as a raise on the State fiscal year. They are on a different fiscal year than we are.

**Tom Harris:** I had a chance to talk to HR in terms of turnover and Jackie, you might be able to help us out on turnover but I think we are still in single digits, somewhere around seven or eight percent. I look to COLA, rate increases based on are we losing people, are they satisfied. One of the things that we forget is that we are paying 95% to 98% of the cost of health insurance. Nobody else does that. Even if we come in at a three percent that benefit of savings in health care is saving them a tremendous amount versus if they were in the private sector having to pay larger premiums.

**Jackie Scheuman:** I just wanted to address Joel's comment. That was when the Probation Officers were on the UPROB grid but we fixed that. We changed their grid so that all County employees would get the same rate. It is no longer relevant in what the State gets due to the fact that we increased those lower levels of the Probation so that it is higher than the State. That is no longer a factor for your raise decision.

## ALLEN COUNTY COUNCIL MEETING MINUTES

**Tom Harris:** Council, from the standpoint of moving forward, we have the option...Nick we are in a timeframe where we have to give you that number so that you can move forward with the departments, correct?

**Nick Jordan:** We could go without it but procedurally it is much more efficient to have consensus on the 27<sup>th</sup> pay and the raise so that we can tell departments for their budget. If not, we would have to adjust it in the Auditor's Office.

**Tom Harris:** And that would be an enormous amount of work.

**Sharon Tucker:** And we have done it before, given them the number so they can properly budget. I would like to say that I look at all of these fund balances and we are doing really well. We are experiencing tremendous success. Although four percent is really, really generous it is probably more generous than I could be. I would like to see us do three percent. I think the employees, staff and our teams should benefit from our success. We are in a position where our General Fund balance and allocated dollars and Rainy Day dollars are just growing and growing and growing. I don't see a reason why we would go less than three percent.

**Tom Harris:** Is that in the form of a motion?

**Sharon Tucker:** Kenny has a question.

**Kenny Fries:** I would agree primarily because in 2020 we are going to have an extra pay and if we agree to the 27<sup>th</sup> pay that will turn out to be...

**Kyle Kerley:** About a six percent increase.

**Larry Brown:** Don't confuse yourself. Twenty-seventh pay is still going to be the same paycheck if we approve it. If we don't approve it, you are going to get less.

**Sharon Tucker:** I will make a motion that we approve a three percent salary increase.

**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.

**Nick Jordan:** The 27<sup>th</sup> pay will not go to Elected Officials or the Chief Deputies that are tied on a percent. It will also not go to State employees such as Magistrates and Judges.

**Sharon Tucker:** I would like to make a motion that we approve the 27<sup>th</sup> pay.

**Kenny Fries:** Second.

ALLEN COUNTY COUNCIL MEETING MINUTES

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

**Nick Jordan:** In August you are required by statute to look at the estimates from the DLGF and I invite the tax units. The only tax unit that has come historically is the Library. I presume they will come again. You only have to approve the budget if they plan to exceed the growth quotient. I will invite them to come but if they do not, you can look at the State estimates. All appeals to this will be done in September. Community Corrections may be asking for a General Fund allocation for the first time...

**Tom Harris:** To get them through?

**Nick Jordan:** As some may be aware, the State has not increased their allocation in at least one year if not two. The State doesn't always like to pay for our COLA's or the 27<sup>th</sup> pay. They may be coming to seek a General Fund allocation and that will be discussed at the September meeting as well.

**Tom Harris:** From the standpoint of Visit Fort Wayne and the Convention Center, when do they come back?

**Nick Jordan:** They don't usually come back for their budget approval until October or November.

**Tom Harris:** Council, are there any other thoughts or comments on the budget? Are there any other announcements or upcoming meetings? How about liaison reports?

**Larry Brown:** I will share that Community Corrections continues to struggle with the change from a fiscal budget cycle to an annual budget cycle. It is going to be difficult and there may be some interim dollars that may be needed.

**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 June 20, 2019.

**Bob Armstrong:** Second.

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

**Joel Benz:** Move to adjourn.

**Bob Armstrong:** Second.

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