

**ALLEN COUNTY COUNCIL MEETING MINUTES
THURSDAY, APRIL 21, 2005
8:30 AM**

The Allen County Council met in the County Council Chambers/Commissioners Courtroom on Thursday, April 21, 2005 at 8:30 am. The purpose of the meeting was for additional appropriations and transfer of funds in excess of the budget for the current year; also Economic Development, Grants and any other business to come before Council.

Present: Darren E. Vogt, President; Paula S. Hughes, Vice President, Michael W. Cunegin II, Calvert S. Miller, Paul G. Moss, Roy A. Buskirk and Paulette L. Kite.

Also Present: Lisa Blosser, Auditor; Tera Klutz, Chief Deputy Auditor; Jackie Scheuman, Financial Advisor, Susan Whetstone, Administrative Assistant; Lin Wilson, Grant Administrator and F. Nelson Peters IV, County Commissioner.

President Darren Vogt called the meeting to order at 8:30 am with the Pledge of Allegiance.

APPROVAL OF MINUTES:

Cal Miller made a motion to approve the minutes of March 17, 2005 as printed. Mike Cunegin seconded it. Motion passed 7-0.

FINANCIAL REPORT:

Lisa Blosser, Auditor: The amount left for appropriation today in the County General Fund is \$9,069,080; for your consideration today are requests of \$13,500. You are still looking at an outstanding debt for the Boys & Girls School of \$8,371,104.

Paula Hughes made a motion to approve the financial report as presented. Patt Kite seconded it. Motion passed 7-0

ECONOMIC DEVELOPMENT: Resolution 05-04-21-02

Scot Harrold, Senior Economic Development Specialist: The first item is for Terex Advance Mixer located at 7727 Freedom Way. Based on the point system Terex is eligible for a 7 year abatement on real property and a 10 year abatement on personal property. This project involves about \$130,000 in improvements for the real estate and about \$2.2 million in manufacturing equipment as well as \$180,000 in IT equipment. The project will create about

75 new jobs and the salaries will average about \$37,000 each. As a result of the abatement the company will save about \$100,000 in taxes and they have agreed to contribute 10% of their abatement to the Tax Abatement Development Fund.

Darren Vogt: I will now open the Public Hearing for the waiver of non-compliance for Terex Advance Mixer. Anyone wishing to speak for the waiver of non compliance please come forward; seeing none; is there anyone wishing to speak against the waiver of non compliance for Terex Advance Mixer? Not seeing anyone I will accept a motion to close the Public Hearing.

Cal Miller made a motion to close the public hearing. Roy Buskirk seconded it. Motion passed to close the Public Hearing 7-0.

Darren Vogt: We have a consideration of a resolution approving a statement of benefits for Terex Advance Mixer located at 7727 Freedom Way.

Paul Moss made the motion to approve resolution 05-04-21-02 a statement of benefits for Terex Advance Mixer. Mike Cunegin seconded it. Motion passed 7-0.

Roy Buskirk asked questions regarding the delinquent taxes of the previous owner of Terex Advance Mixer.

Betty Glick, Controller of Terex stated that the real estate had to be paid before Terex bought Advance. She also said that for clarification and for the record that is a separate corporation.

Resolution 05-04-21-03

Scott Harrold: This is for consideration of a resolution approving a statement of benefits for Lutheran Hospital of Indiana located at 7950 Jefferson Blvd. Based on the point system they are eligible for a 10 year abatement for real and personal property. This is about a \$47,000,000 investment on four separate structures and about \$63,000,000 in IT equipment. The project will create about 20 new jobs with the average salaries being about \$44,000. The tax savings over 10 years will be about \$3.9 million which was based upon the city tax rate because they will be annexed next year. They will pay about \$1,000,000 in real estate taxes this year alone and next year when they are annexed that will increase by 50%. They have agreed to contribute 10% of their savings to the Tax Abatement Development Fund. This project also requires a waiver of non compliance and we will need a public hearing on that today.

There are 4 projects involved in the tax abatement that is requested today.

They are medical facility additions including a Heart Pavilion, and a three story tower, which will be attached to the existing medical facility. In addition there will be two parking structures, which will contain approximately 1,000 parking spaces. They will be retaining 2,000 jobs with this entire project.

Paula Hughes: For clarification; Mr. Miller when did you start and finish construction on the Heart Pavilion?

Mr. Miller: The Heart Pavilion was started in December and it took a year for this project.

Paula Hughes: So that was far before you knew that the IT abatement was available. I have a technical question if that is allowable; is that what the waiver of non compliance is for?

Scott Harrold: Yes the waiver allows a project to issue a statement of benefits.

Paula Hughes: From a tax roll standpoint; for the first year of the abatement have we counted on the value of the Heart Pavilion project? I would like to make sure that it is a part of the assessment that goes into factoring tax rates for the entire county and since you are such a large taxpayer in the county I want to make sure it will not impact our tax rolls going forward.

Roy Buskirk: To my knowledge Lutheran Hospital is the only hospital in the region that pays taxes.

Cal Miller: The people that come to the hospital are from a large area and bring money with them to spend in our community.

Darren Vogt: I will now open the Public Hearing for the waiver of non compliance for Lutheran Hospital. Anyone wishing to speak for the waiver of non compliance please come forward; seeing none; is there anyone wishing to speak against the waiver of non compliance for Lutheran Hospital? Not seeing anyone I will accept a motion to close the public hearing.

Mike Cunegin made a motion to close the public hearing for the waiver of non compliance for Lutheran Hospital. Patt Kite seconded it. Motion passed 6-0-1 with Paul Moss abstaining.

Darren Vogt: We have before us a resolution approving the statement of benefits for Lutheran Hospital located at 7950 Jefferson Blvd.

Mike Cunegin made a motion to approve the statement of benefits for Lutheran Hospital. Paula Hughes seconded it. Motion passed 6-0-1 with Paul Moss abstaining.

Resolution 05-04-21-04:

Scott Harrold: This is for consideration of a resolution approving the Statement of Benefits for Rehabilitation Hospital of Fort Wayne. The Rehabilitation Hospital is a separate entity under Lutheran's parent company and we thought it would be best to handle it separately. This is located at 7970 West Jefferson Blvd; based on the point system they are eligible for a 7 year abatement for real property and 5 year personal property. The proposed improvements are a 3,020 sq. ft. addition, which will cost approximately \$600,000 to the Rehabilitation Facility and will eliminate the need to transfer patients between the Rehabilitation Facility and the Hospital. They are also investing approximately \$170,000 in IT equipment. The project will create about 5 new jobs paying about \$30,000 each. The company will save about \$74,000 using the tax rate of the City of Fort Wayne. They have also agreed to contribute 10% of their abatement to the Tax Abatement Development Fund.

Paul Moss: Do we have a total of how much is in the Tax Abatement Development Fund?

Scott Harrold: There is about \$380,000 in the fund at this time.

Paula Hughes: We have made one disbursement in way of an incentive for BF Goodrich.

Paula Hughes made a motion to approve the resolution for the Statement of Benefits for Rehabilitation Hospital of Fort Wayne. Patt Kite seconded it. Motion passed 6-0-1 with Paul Moss abstaining.

Paula Hughes: Thank you for your investment in our community.

DISCUSSION ITEM:

Nelson Peters, Commissioner: This is a request to sell the property at 520 Mildred Avenue; this building was formerly used for the Juvenile Probation office and this has been consolidated into the Juvenile Center. We had 2 appraisals done one at \$65,000 and one at \$76,000; we are going to ask \$70,000 for the property.

Mike Cunegin made a motion to approve the Commissioners selling the property at 520 Mildred Avenue. Roy Buskirk seconded it. Motion passed 7-0.

Item 1: Patt Kite as liaison to the Treasurer stated that she had talked to Mr. Lee regarding this request. During spring and fall tax season the Treasurers office is inundated with the public coming in and numerous phone calls above and beyond what they normally handle. He is requesting an additional appropriation to pay a part time person \$9.00 an hour to help with this situation.

Bob Lee, Allen County Treasurer: Thank you Councilwoman Kite I couldn't have put it any better. The tax bills are going to be mailed tomorrow so come Monday my office the Auditors' Office and Assessors' Offices will be inundated at that point. We had no part time money this year due to the fact that I cut it to make my budget allocation. I am requesting \$8,000 in my Extra Deputy Hire line.

Patt Kite made a motion to approve item 1 in the amount of \$8,000 for Extra Deputy Hire in the Treasurers budget. Mike Cunegin seconded it. Motion passed 7-0.

Item 2: Cal Miller as liaison to the Building Department stated that there is a situation in the Building Department that was unforeseen for which they want a general fund allocation and one that they want to handle a different way because it doesn't fall under the unforeseen category.

Dave Fuller, Building Commissioner: In January there was a storm and the radio antenna was damaged by wind. We got 4 estimates and the lowest price was \$5,480.70 and the request is for \$5,500 and will permanently fix the antenna. If this is not repaired we will have no in-car communication. This will allow us to maintain car to car communication and verbal office to car contact.

Paula Hughes: Have you ever compared the expense of a system like Nextel who have the paging capability versus maintaining our own system?

Dave Fuller: We have looked at that and we have very little expense; our only expense is the tower rental. Our highway department has a radio shop that takes care of the maintenance on the equipment.

Paula Hughes: How old is the system?

Dave Fuller: We have had it since the mid 80's.

Cal Miller made a motion to approve item 2 in the amount of \$5,500 for Communication Repair. Mike Cunegin seconded it. Motion passed 7-0.

Items 3 & 4- Dave Fuller: This relates to extended warranties on the in car laptop computers. This is one that should have been foreseen but we weren't aware that the warranties expire mid year when the budget was prepared. These computers were purchased when I started with the County and the warranty will expire the middle of this year and in talking to Gateway they will not extend the warranties.

We have done some research and the City of Fort Wayne has used Radio Shack for extended warranties for their public safety laptop computers and have been very satisfied. We solicited quotes and for a 3-year extended warranty it is \$199 per computer and we can get a 2 year warranty for \$229 per computer. These computers are not eligible for the refresh program until 2006 and in talking to Ed Steenman he felt like it would over burden the system to replace all of them at the same time so what we are proposing is to put half on a two year and the other half on a 3 year.

The request is for a transfer of funds from extra deputy hire into Office/Computer Repairs in the amount of \$8,815. We will have to cut back on part time help to make the remainder of the budget last. The amount of part time labor is primarily dependent on contractors and how busy they are throughout the construction season.

Cal Miller: When Mr. Fuller and I met I asked him to consider making a general fund request but he felt it was something he should have foreseen and this is the way that he wanted to approach the situation.

Darren Vogt: Do we have any idea of how many extended warranties and contracts that we have?

Tera Klutz: The Purchasing Department should have a list.

Dave Fuller: The original request was for a transfer of \$8,815 based on 3 year warranties for all of our computers but since then we have gotten Radio Shack to agree to 2 year warranties on half the computers so the actual price is now \$7,903.74 so please change the transfer amount to \$7,904.

Mike Cunegin made a motion to approve items 3 & 4 reducing the amount of the transfer to \$7,904. Cal Miller seconded it. Motion passed 7-0.

Darren Vogt: Mr. Fuller I think you will have the sentiment of this Council that if you need extra deputy hire please feel free to contact your liaison.

Sheila Hudson, Executive Director of Community Corrections and Joe Brita, Superintendent of Allen County Juvenile Center were present requesting the appropriation of the second year of a three year Serious and Violent Offender Reentry Initiative Grant for both Juvenile and Adult offenders. The Federal Government awarded is \$1,000,000 last year and this is the second installment. The first part; items 7-16 are the Juvenile portion.

Sheila Hudson stated that she, her staff and Judge Surbeck are presenting this program to the Indiana Department of Corrections as they want to initiate a reentry initiative across the state and want to use us as a model.

Mike Cunegin made a motion to approve items 7-16 in an amount of \$157,926 for the Juvenile Serious & Violent Offender ReEntry Initiative Grant. Patt Kite seconded it. Motion passed 7-0.

The next portion items 17-30 are for the Adult Serious & Violent Offender ReEntry Initiative Grant and have been very positive in the community and we are on the forefront of getting individuals supervised and into the proper channels.

Mike Cunegin made a motion to approve items 17-30 in an amount of \$142,074 for the Adult Serious & Violent Offender ReEntry Initiative Grant. Paula Hughes seconded it. Motion passed 7-0.

SALARY ORDINANCE:

Roy Buskirk: This request is for a salary ordinance for 3 new employees for the Storm Water Program. This did not come before the Personnel Committee because these job descriptions are in existence. He is requesting this salary ordinance so he can post the jobs.

Cal Miller: Will these folks be dedicated to the Storm Water Program?

Al Frisinger: Yes they will be dedicated to Storm Water Quality Phase II.

Paul Moss: Do these numbers tie back to the request that was made earlier?

Al Frisinger: Yes the amount that was approved was \$200,000.

Cal Miller made a motion to approve the salary ordinance for the three new employees in the Surveyors Office. Roy Buskirk seconded it. Motion passed 7-0.

Items 31-33: Loren Robertson, Department of Health Administrator:

These items are for the remodeling of the STD Clinic; the increased patient load makes it necessary for another examination room. We are requesting that this be appropriated from the donation money that patients give from the free services that are offered.

Paul Moss made the motion to approve items 31-33 in the total amount of \$6,768 to remodel the STD Clinic. Patt Kite seconded it. Motion passed 7-0.

Items 34 & 35: Loren Robertson requested a transfer of funds from Gas & Oil into Field Travel in the amount of \$6,000 in the Department of Health budget. This is due to the fact that they have eliminated 10 vehicles from their fleet of cars and they will use this for mileage reimbursement. They will probably have to do this during the rest of the year.

Paul Moss: I have enjoyed working with you in the short time that I have been a Councilman and I would like to express my appreciation for your efforts at the Board of Health. I think this will be a test case and should provide us some data in terms of reimbursing the employees as opposed to the take home cars. I just ask that this is monitored and that your successor would help us monitor that as we move forward.

Loren Robertson: We have been tracking that and have the statistics from previous years for use of county vehicles and we are now tracking mileage reimbursements. All take home vehicles have been eliminated and then 10 vehicles from the entire fleet.

Paul Moss: As a taxpayer I certainly appreciate your doing that because I think it is the right direction to take.

Cal Miller: I would like to echo the comments of Councilman Moss. You have been the consummate professional and it is a joy every time you come before us. Your organization of thought and materials and the way in which you have guided the Department of Health is impressive and I wish you all the best in all of your future endeavors.

Mike Cunegin: We go back a long time and I want to thank you for your services. You have a wonderful staff and I want to thank you also for being very involved in the Allen County community.

Darren Vogt: When you talk about take home cars; are you talking about pool cars?

Loren Robertson: All vehicles are pool cars; we did maintain vehicles assigned to sections such as the TB Clinic because of specific use also Pollution Control and Rodent Control they do things that people shouldn't be expected to do with their personal car. The other main vehicles are pool cars available for daily use for individuals who have specific meetings, Indianapolis trips or other travel. If they are not being used for that purpose then individuals are using them for their daily inspections. There is no car setting during the day, they are all being used. The only car that is being used as take home is an individual who is on call on a rotating basis. They are often expected to leave during the night from their home for a fire at a restaurant or some other purpose.

Darren Vogt: I would also add to what Councilman Miller said I appreciate your willingness to hear what the Council is saying and eliminate items that we can from an expense standpoint.

Roy Buskirk: Where are the pool cars parked when the people switch from their personal car to one of the pool cars?

Loren Robertson: The Commissioners were kind enough to provide parking in the garage on the top floor. We were concerned about some vandalism we had because some of them have tools and radios in them. The employees would use the previous parking pass for their personal car and use the county vehicle during the day.

Paul Moss: Where did the 10 cars go that were eliminated go?

Loren Robertson: We took them to the County Service Center and it is my impression that they were going to be used elsewhere in the County. Most of these cars had 100,000 miles plus and he replaced them with cars that had more miles.

Paul Moss: I would still like to have another discussion at some point about the take home car policy because sometimes these things seem to be forgotten. I would also be interested in knowing that the fleet has really been reduced.

Loren Robertson: It was my understanding that they were going to replace them with cars that were in worse shape and they would be eliminated.

Paul Moss: So then the fleet has been reduced by 10 cars.

Mike Cunegin made a motion to approve items 34 & 35 for a transfer of funds in the amount of \$6,000 in the Department of Health. Paula Hughes seconded it. Motion passed 7-0.

RESOLUTION:

Loren Robertson: The Department of Health Board has designated the Health Commissioner as a full time position because of that it is a PERF covered position and we are requesting a resolution from Council to approve that designation.

Mike Cunegin made a motion to approve Resolution 5-4-21-1 designating the Health Commissioner as a full time position. Paula Hughes seconded it. Motion passed 7-0.

Loren Robertson: Thank you and the former Councils for the kindness you have show me over the years.

GRANTS:

Mike Cunegin as liaison to the Sheriff stated that the first grant is from the State Criminal Alien Assistance Program (SCAAP) and the amount is not determined. SCAAP provides federal payments to states and localities that have incurred correctional officer salary costs. Units of government that have authority over correctional facilities that incarcerate criminal aliens for a minimum of 4 consecutive days are eligible to apply. The award amount is determined once the application period closes and all data has been reviewed. We have been a recipient of this grant is the past.

Lin Wilson, Grant Administrator: The Sheriff asked me to speak for him this morning as he had to leave for a meeting. The SCAAP grant is really a distribution but we have to apply for it and the Sheriff never knows exactly how much the dollar amount is until the census is compiled for all of the days that they have had aliens in the jail so we get some federal reimbursement for that. It is an on line application and was due in March and has already been done but fell between the Council meetings; there is no match required. That would be an undetermined amount but we did want to go through the approval process and make sure we have gone through the proper channels. In the past we have received up to \$40,000.

Mike Cunegin made a motion to approve the SCAAP Grant. Paula Hughes seconded it. Motion passed 6-0-1 with Patt Kite abstaining.

The Sheriff also requests the approval to apply for a Parkview Hospital Community Health Improvement Program for 20 defibrillators at a total cost of approximately \$44,000. These would be used in the Courthouse, the Jail and the patrol cars.

Lin Wilson: This one is an opportunity to be able respond in an emergency situation especially when the officers are out in the County; sometimes it takes a while for the EMS to get there and sometimes they rely on volunteer fire departments as first responders. It would be advantageous to the community to have these defibrillators in the vehicles. It is a wonderful program and we are grateful to Parkview for offering the foundation this foundation.

Patt Kite: As part of mandatory training this year for the Sheriff's Department everybody is CPR and AED certified.

Cal Miller: Will court security personnel be trained also?

Patt Kite: Court security people have been trained and there are also police officers that work as bailiffs in the Civil Division; in fact one of the officers is an AED instructor. There have already been lives saved at the Jail with this equipment and training.

Paula Hughes made a motion to approve the Sheriff's request for Parkview Hospitals Community Health Improvement Program. Roy Buskirk seconded it. Motion passed 6-0-1 with Patt Kite abstaining.

Paula Hughes: Lin, have you heard back from the Federal Government about our request regarding sworn officers?

Lin Wilson: Every time we send something in they need a little something more but we are working through that. The final request that we received by phone yesterday was to get an accurate list of the sworn officers that are currently employed so that the number that was submitted is indeed what we are documenting. We think this is the last step but you never know.

Paula Hughes: Does this interaction make it seem more favorable that they are going to consider this?

Lin Wilson: I really don't know I am just very nice to them and they are very nice to me and I give them everything they need; we will just have to wait and see. I think we did a remarkable job because we got excellent figures from the Auditor's Chief Deputy for substantiating our need and that we are in fiscal distress.

Tera Klutz: They told me a couple of weeks.

Lin Wilson: That is what they said.

Darren Vogt: Please let me know when you find out so I can inform Council.

Jerry Noble, Superior Court Executive and Tim Miller, Circuit Court Administrator were present requesting approval apply for a grant for Foreign Language Interpreters through the General Assembly and the Indiana Supreme Court's *Commission on Race and Gender Fairness*. The application deadline was April 15th. The Allen Superior Court and the Allen Circuit Court will make a joint application once again as was done last year. This was discussed with the Council liaison, Paul Moss and the Grant Administrator, Lin Wilson.

Paul Moss: I did speak with them about this and it is a grant that we should certainly pursue.

Paula Hughes made a motion to approve the grant application for Foreign Language Interpreters through the General Assembly and the Indiana Supreme Court's *Commission on Race and Gender Fairness*. Paul Moss seconded it. Motion passed 7-0.

Cal Miller made a motion to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of April 21, 2005. Paula Hughes seconded it. Motion passed 7-0.

OTHER BUSINESS TO COME BEFORE COUNCIL:

Darren Vogt: Council at this time we are privileged to have an Auditor and her staff that have done an outstanding job in preparing numbers regarding the financial situation of the County. We will all move out into the audience so that they can present the power point presentation that has been prepared for us.

Lisa Blosser, Auditor: We have four topics to cover this morning; Revenue and Projections for the General Fund, Council Considerations for the 2006 Budget and beyond, Highway Funding and the Budget Process Timeline.

The maximum property tax levy includes the General Fund, Health Fund and the Reassessment Fund; the Cumulative Bridge was eliminated for the 2003 budget year.

The max property tax levy is determined by multiplying the previous years levy by the lesser of 6% or the 6 years average growth in non farm personal income; recently around 5%. For 2005 the levy increased 4.4%; the growth has been decreasing over the last few years and according to the DLGF the rate is expected to decrease again. However, we will not know what the rate will be before June.

For purposes of moving forward with our budget process I have determined that a 4% increase would be a good estimate with which to base our preliminary budget decisions.

Miscellaneous revenue includes all of the revenue that is not property tax; it is a combination of over 40 items ranging from other taxes such as income tax, excise tax and inheritance tax to user fees such as Court and Recorder fees.

Total miscellaneous revenue is conservatively projected at \$29.9 million a slight increase of 3% from the 2005 projections. The increase is primarily due to the increase in interest income projections.

The major components for miscellaneous revenue including COIT accounts for approximately 30% of miscellaneous revenue; actual COIT collections have been decreasing over the past few years. My projection of 5% less from the 2005 forecast is fairly conservative. License Excise accounts for approximately 10% of miscellaneous revenue and we are estimating approximately the same amount what we collected in 2004. Interest Income accounts for approximately 7% of miscellaneous revenue; interest rates have been relatively low over the past few years and are starting to increase. The 2006 interest income projection is triple the 2005 projection of \$700,000. As of the end of March we have already received almost \$500,000 in interest income.

The projected revenue of \$75.2 million is determined by adding the property tax revenue of approximately \$45.3 million to the miscellaneous revenue of \$29.9 million. I have compared this revenue with the 2005 budget allocations to determine the net increase; the 2005 general fund allocations have been adjusted for any one time capital expenses; for example the new cars for NIRCC and the Coroner. The 2005 general fund budget has also been adjusted for some county wide expenses. We are looking at a \$5.7 million increase over current adjusted budget allocations.

The first consideration that I have for Council is the current Boys and Girls School debt which, as of 1/1/05 is \$8,370,000. Pending legislation will require Allen County Council and the state budget agency to grant a repayment plan by August 15, 2005. If a payment plan is not signed by this date the State Auditor will reduce the property tax replacement distribution to the County over a 4 year period from 2006 to 2009 in equal amounts to reduce the debt. The current budget appropriation is \$1.4 million; in 2005 the general fund received an additional \$992,000 from the Children's Residential Psychiatric Treatment Fund that must be used to pay this debt. I recommend that this debt be paid off by 2008; the following table reflects this recommendation: Keep the current budget appropriation of \$1.4 million steady until the debt is paid off. I have included a conservative estimate of the Child Psych transfer of \$800,000 from 2006 through

2008 and have included an additional appropriation in 2005 of \$2,000,000. After accounting for the 2005 additional appropriation Council would have approximately \$6,000,000 left in 2005 for other purposes. The additional appropriation for 2006-2008 is made by increasing the allocation by \$500,000 in 2006 and 2007 and \$400,000 in 2008. In 2009 our budgeted appropriation could significantly decrease and we could allow the expense to be paid by the Child Psych transfer.

Department of Planning Services:

As you can see by the chart beginning in 2003 DPS was entirely funded by CEDIT revenue; in 2005 \$100,000 was allocated to DPS from the general fund. Because of Allen County's significant reduction in COIT revenue DPS had received part of its funding from the general fund; I recommend that the entire DPS budget come from the general fund in 2006.

Step Increases:

The step increases for the max levy funds as of March 31st are as follows: General Fund - \$242,700; Board of Health - \$23,000 and Reassessment - \$2,100. For those of you who may be unfamiliar with the County step increases; they are small increases in pay tied to years of service. Currently an employee is entitled to a step increase after 3, 5, 10, 15 and 20 years of service.

Funding employee raises has been a top priority of our current County Council; the Personnel Committee has been exploring ideas to revamp the current Allen County pay structure. The last time all Allen County jobs were evaluated for placement on the grid was in the early 1990's and most of these jobs have changed significantly with new technology. I recommend using a portion of this unappropriated balance of this year to re-evaluate the job descriptions and to implement the changes.

According to my projections we will have approximately an additional of \$5,730,000 to appropriate for 2006. I am recommending an allocation increase of \$500,000 for the State Debt; \$1,100,000 for DPS and for other departments that can no longer maintain salaries and other expenses in their other funds, \$500,000. I have included raises at 3% of \$1,350,000 and step increases of \$250,000. The remaining amount of \$2,000,000 could be used for other Council considerations.

Annexation:

Annexations have been common in Allen County and many do not have a significant impact on the county budget. However, due to the size of the Aboite annexation I have analyzed the effect it will have on county revenue. The Aboite annexation is effective January 1, 2006 and the residents will begin paying city taxes in 2007.

COIT is allocated to taxing units throughout Allen County; excluding schools by the proportion of the tax levy charged by a tax unit to the total taxes charged by all county tax units. As a result if the units' tax levy significantly increases from one year to the next and the other taxing units levy's stay the same that unit will be allocated more COIT then the year before.

Fort Wayne estimates they will increase their levy for the Aboite annexation approximately \$13.9 million. As a result they will increase their portion of the tax levy charge and will receive more COIT dollars. The County share of COIT is entirely deposited into the general fund.

CEDIT is allocated to Cities, Towns and the County on the basis of population. An estimated 23,000 people will be added to the Fort Wayne population and subtracted from the County unincorporated population. The County share of CEDIT is allocated to the Highway and the Department of Planning Services for economic development purposes. These decreases should be kept in mind as we begin to develop our long term financial plan.

All this being said; pending legislation specifically House Bill 1120, could change any future revenue forecast with respect to income tax.

As the unincorporated area of the County becomes smaller and we lose road miles due to annexation, the County Highway Department loses revenue from various sources including CEDIT, Surtax and Wheeltax. MVH & LR&S revenue is derived from fuel taxes and the local allocation of these revenues are determined by the state and are impacted by County unincorporated road miles, population and State unincorporated road miles. Wheeltax Surtax is collected by the BMV as an add on to Excise tax. This revenue is allocated to Cities, Towns and the County based on population and road miles.

CEDIT was discussed earlier and is income tax allocated on population.

The Cumulative Capital Development Fund, a property tax fund, has been supplementing the Highway Department the past few years by purchasing Right of Way for projects.

The Highway Department should prepare a plan to significantly reduce spending over the next few years to account for the projected 40% or \$2.6 million decrease in CEDIT by 2008.

Compare these cuts to the budget cuts the General Fund incurred in 2003 and 2004 after COIT decreased by 29%.

My office is currently working with the State Auditor's office to obtain MVH and LR&S revenue estimates for 2006. We will work together with the Highway Department to insure that they budget to anticipate revenue for 2006 and into the future.

Timeline for 2006 Budget Process:

1. We will be distributing pre-allocation questionnaires April 28th and will expect them back by May 20th.
2. Council will determine budget allocations on June 1st and 2nd.
3. Budget allocation forms will be distributed on June 9th.
4. All budgets are due July 1st.
5. Budget Hearings are scheduled for the week of August 15th – 19th.

Darren Vogt: Council with that we will open this up to questions and comments but before we do that I want to thank the Auditor and her staff for preparing these numbers for us. Obviously we are in the middle of April trying to do work ahead for August so some of these numbers are just projections and we hope they are as accurate as they can be based on the time frame. Those numbers may need to be adjusted based on information we have.

Paula Hughes: When we were talking about your suggestion of appropriating \$2,000,000 for the State Debt in 2005; the General Fund report today says that we have \$9,069,008 available. Nine million minus two million leaves seven million and you said that there is six million.

Lisa Blosser: You have to appropriate the Child Psych transfer which is \$992,000.

Paula Hughes: So that will be additional so then it will be \$3,000,000 going toward the debt.

Cal Miller: On the state debt I think that people may be clamoring that we should pay this down as aggressively as possible; I hope that it does past with the State giving us a 4-year frame work and there is no cost associated with repaying over those 4-years. I think the only risk involved would be if our funding projections aren't as solid as they seem now otherwise; if we feel comfortable that those revenues continue to support the projections that Lisa put up today it seems like we are in great shape to get that done and will allow us over the next 4-years to do additional planning. The only other comment that I had was the schedule of August 15-19 for Budget Hearings. I thought we would call those the budget appeals not the traditional hearings we have had in the past but for those people who are dissatisfied with their allocation would have the opportunity to come forward, present and lobby for additional funding. Was that the way were going to handle it?

Paula Hughes: Yes and hopefully we can reduce that to maybe even one day.

Darren Vogt: We reserved the entire week because we didn't know what the projections or the situations would be. We will take into consideration any of the Council members schedules that may have conflict that week and make sure that we get this done in a manner that meets everyone's schedule.

Mike Cunegin: Thank you to Ms. Blosser and her staff for a wonderful presentation. Right now HB 1120 has very little life left, if any; Senator Kennely made the announcement yesterday. How good is the number that you estimate for the Child Psych fund of \$800,000?

Lisa Blosser: That is a very conservative number; this year we collected \$992,000.

Mike Cunegin: I just wanted to make sure that the numbers were conservative because we are looking into adding a third tier to the Juvenile Center we will have more employees and it will be like a mini jail for juveniles. It will be different than the type of lock down that we have now. Councilman Miller and I have had several conversations regarding the Juvenile state debt and have a mutual agreement to move toward that.

Cal Miller: Mike has taken some of his personal time to go to the State House and show personal interest and trying to steer and contribute to getting a piece of legislation regarding the state debt giving impute and trying to give us a little more time.

Mike Cunegin: First of all, it is my time but I am also President of the Association so I am obligated to doing that. We are fortunate in Allen County because Judge Sims and the whole team have worked very hard; there is not a

Juvenile that goes to the Boys or Girls School without Judge Sims signature where as before they were pretty free in getting that accomplished.

There is some legislation that the AIC is sponsoring; there are 4-6 counties that owe the State money and there could be a couple more. What we are trying to do is to come to this body and the County Councils would have the opportunity to work outside of their levy to pay the State back. I don't foresee us doing that but the option would be out there.

There was some information e-mailed to me last night AIC and their executive board is trying to do regarding the COIT dollars, and so I have not had an opportunity to discuss this with the Auditor. Basically for HB 1120 this would be for Counties only an increase of 1% in COIT dollars if we are able to get this added on to HB 1120 that would breath life into it so all counties would be moving in that direction this is for Counties only. Even though there is annexation our justice dollars are still going up.

Darren Vogt: Are they talking about continuing the income tax replacement and adding this into it?

Mike Cunegin: Yes sir.

Cal Miller: Councilman Cunegin indicated that they were considering allowing some counties that aren't in as solid a financial condition that we appear to be now to go outside their levy. In no circumstances, if we were permitted to do that, would I ever be in support of that given our situation. This Council and all of the Elected Officials and Department Heads have worked very hard over the last few years to be in a position to pay this off and if we can do so responsibly over the next 4-years and still have money to embrace some of the other projects that have been mentioned and Council thinks are appropriate I couldn't be more proud. I hope your numbers come true and we get the luxury of no expense to pay it back responsibly.

Darren Vogt: Are there any further comments from Council? As you can see the next step is our pre-allocation questionnaire, does anyone have any modification to those forms before the forms are sent out next week?

Cal Miller: I remember talking about this, last year we asked only for an explanation of all funds that the Elected Official or Department Heads control if they were asking for a greater allocation then they were to identify all funds they had; the State, Local or Federal laws that apply, their current balances and what expenses and revenue have been over the past couple of years. I think we ought to make that a request even if they want to keep it neutral. We only asked if they were increasing their request. I would like to be armed with information

even if they are keeping the same allocation also to have them present what other funds they have available and how they are using them so we can see whether the neutral request for allocation should or should not be reduced based on the health of the other funds. This way we will continue to have some indirect impute on how the other funds, that we know represent about \$50,000,000, are being utilized.

Darren Vogt: I would support that change.

Paul Moss: Absolutely.

Cal Miller: Is anyone working with the Auditor's office to adjust our pre-allocation instructions? I will be happy to help with this and before it goes out if we could see what you have and make some changes based on our conversation.

Darren Vogt: Councilwoman Hughes and I will also work on this with the Auditor.

Lisa Blosser: We will work on the wording with you.

Paul Moss: I think that Councilman Miller's request is a logical next step and it makes perfect sense to better scrutinize the budget neutral departments.

Paula Hughes: I think if we do that this year, that is a lot of work for every single department but it is good for Council to be fully aware of how every department is allocating their funding or where they are pulling their funding from. I think that maybe for this year we can set that standard but for future years for neutral we can allow them to say, no changes from the prior year. It is a load and very time consuming and in some ways I saw the benefit of remaining neutral.

Cal Miller: I know that we looked at all of the funds with the help of the Auditor's office two years ago and were able to identify what the funds were and how they have been used in the past. I don't want to create more work for our Elected Officials and Department Heads, but I think these other funds because they are about 80% of the general fund forecasted revenue, ought to be always considered by us in terms of the allocation of general fund dollars that we extend to other Elected Officials.

Paula Hughes: Maybe in future years it should be funds that do not need to be appropriated by County Council. Because this body approves all expenditures out of the general fund and most other funds but there are a few other funds

that do not come before Council for approval and I certainly think that annually we need to keep tabs on that.

Cal Miller: That is really the point because I don't want to lose sight of the other money that is out there and I know is used by the Elected Officials and Department Heads, not necessarily in mind with the general fund allocation they get. I want to keep those tied together so we have some impute in the use of those funds.

Paula Hughes: Obviously for funds that are never appropriated by County Council that makes a lot of sense. I am not advocating it for this year but next year the step may be that they submit both budget requests at the same time for the general fund and all other funds so we can see the total dollar amount that makes up each departments budget.

Cal Miller: I think that is what we had done when they were asking for an increase we asked them to identify their other funds and how they intended to use those funds.

Paula Hughes: I think it is worthwhile to do one year but I don't think we need to go through that mechanic every year.

Darren Vogt: One of the advantages of them doing that is that once they have the frame work set up it would not be that difficult to do it the following year. Hopefully they would save it and be able to go in and easily recreate it from year to year if that is what Council requests.

Mike Cunegin: The only thing I would say is that I concur but I want to move cautiously because the State House is still open and with the new legislation coming out we may have to have more employees.

Cal Miller: That is a legitimate concern and we have demonstrated a conservative use of those and started backing some of them out and if the use isn't supported by the revenue projections then we shouldn't be tapping them out. I think this Council has bent over backwards to make sure it undertakes that analysis in those other funds so we can be good stewards of those dollars.

Roy Buskirk: I don't want to pick up the paper tomorrow and see that we have a surplus as far as the County is concerned because there are other things that are on the horizon. I want to take this opportunity to ask the Auditor if she has any more numbers regarding the updated Tax Accounting System.

Lisa Blosser: We have just begun the RFP process and it is quite a long process so no I don't have any solid numbers at this time.

Roy Buskirk: We talking in the range of \$1,000,000 for this system and I think we need to keep it in mind.

Brian Dumford, Human Resources Director: One of the topics in the presentation was classifications of jobs and looking at that this year. Just to remind the Council, along the same vein of the discussion if that were to take place during this year the Department Heads would have no way, at this point, to budget for any changes that may come from a complete reclassification. I just ask Council to be mindful that if we did do a classification project in 2005 there would need to be an additional appropriation for departments in 2006. I just want it to be kept on the radar screen.

Darren Vogt: For those departments that are still here, I didn't mean to slight you it is just that this was really not a meeting for individual questions those should go through your liaison. If you have questions with your questionnaire please discuss them with your liaison.

Cal Miller: As I understand our frame work for this year's allocation there will be an opportunity for the Elected Officials and Department Heads to present during the pre-allocation meetings in June.

Darren Vogt: We will set up a time frame for those who want to; some may not want to and leave it up to their liaison to speak on their behalf. We will set up a time table for 15-20 minutes depending on what we feel they need and go from there.

The next meeting will be held on Thursday, May 19, 2005 at 8:30 am.

There being no further business the meeting was adjourned at 10:27 am on a motion by Roy Buskirk and seconded by Mike Cunegin. Motion passed 7-0.

