

**ALLEN COUNTY COUNCIL
MEETING MINUTES
DECEMBER 16, 2010
8:30 AM**

The Allen County Council met on Thursday, December 16, 2010 at 8:30 a.m. in the County Council/Commissioners Courtroom. The purpose of the meeting was for transfer of funds in excess of the current budget, grants and any other business to come before Council.

Attending: Paula S. Hughes, President; Darren Vogt, Vice President; Roy A. Buskirk; Maye Johnson; Paul G. Moss, Larry L. Brown and Robert Armstrong.

Also Attending: Lisa Borgmann, Auditor; Tera Klutz, Chief Deputy Auditor; Jackie Scheuman, Budget and Finance Director; Nelson Peters, Commissioner and Becky Butler, Administrative Assistant.

The meeting was called to order by President Paula Hughes with the Pledge of Allegiance and a moment of silence.

Paula Hughes: We are going to have a slight change to the agenda. We are going to consider the approval of a Statement of Benefits...

Roy Buskirk: Madam Chairman, I would like to turn the floor over to Councilman Vogt before you start.

Paula Hughes: Okay.

Darren Vogt: Today is one of those days that is bittersweet for some of us that have been involved with Council for a few years. We are losing two members of Council and it is important that we take a moment, while we have some folks in the audience who know them, to recognize them and say thanks for their effort. As I look back, we talk about things like Maplecrest Road and arguing and debating the Maplecrest Extension. Last year, at this time, the Commissioners and us were on really good terms and we decided to cut their pay. As I reflect on the memories of Council over the last eight years, it has been a great pleasure to be a thorn between two roses as I sit up here. There is an expression about shoes and the size of the feet and the job they have done. I am never, ever, ever going to say the size of a woman's foot that is not a good thing. The two gentlemen that are going to replace them are going to have some big shoes to fill and I hope they are up to the task to working hard. I know that we are going to deeply miss Councilwoman Johnson and Councilwoman Hughes. It is going to be an all-boys fraternity

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and it will be interesting to see how that plays out. I just want to say from me, and I will let anyone else make any comments that they want to, thank you for your dedication to Council and your hard work and you will be missed. As I got up here, there was one thing that I was going to do. We got you a little gift and those of you that know me, know that I cannot carry a tune but I will go ahead and sing. If you will go ahead and cue the music, it plays the song Unforgettable. You two are unforgettable to us. It says Paula Hughes, Allen County Council, 2003 to 2010 and Maye Johnson, Allen County Council, 2007-2010. Thank you very much for your service.

(Applause)

Maye Johnson: Thank you, Councilman Vogt, for not singing.

Paula Hughes: Thank you. This has been quite a season in my life. I can't believe that I am crying over this. It is bittersweet. I have talked about the work that I have done on County Council and when I talk to people about it, I say that it has been the most challenging work that I have ever had the pleasure of being involved in. When you have big challenges, that is when it creates big opportunities. I think that the County, in many ways, has been transformed by the work that we have done at this table over the last eight years and it has been a true pleasure and honor for me to be a part of it. Thank you all for serving with me and the send off. A little notice would have been nice but thank you very much.

Darren Vogt: You're welcome.

Maye Johnson: I had made up my mind that I was not going to cry. The past four years has been an experience that I would not have missed. I will never forget some of the highpoints. The first was Maplecrest. I think the next was finding that I was agreeing with Paul Moss.

Paul Moss: It hurts, doesn't it?

Maye Johnson: I would just really like to thank the many employees and staff of Allen County because I know that you are some of the hardest working people in local government. We are very fortunate to have you. Becky, we couldn't do it without you. Lisa and Tera, your contributions in terms of guidance and support are unparalleled. I wish to thank the voters of Allen County for giving me the opportunity to serve in this capacity and I look forward to new opportunities. I would not have missed this and I thank you all.

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Paula Hughes: Thank you and now we will get onto the Statement of Benefits. In Economic Development, we have a Statement of Benefits for property located in sections 16 and 17 of Lafayette Township more commonly known as General Motors Truck Assembly.

Mark Royse: Good morning, I am Mark Royse, Deputy Director of Economic Development in the Department of Planning Services. This request, and for some of you on Council that haven't been aware of the history and the process, is that GM is the only company that has an unlimited designation in tax abatements. With the change in State law in 1992, they still need to come in and submit a Statement of Benefits in order to qualify. It is a State form that they need to submit. That is the history as to why this isn't what you would normally see as far as information. Secondly, as far as the process goes, when they are considering potential new investment, what they need to do at the local level is to build the best business case for getting that capital investment into the local plant. Besides the original construction of the plant, seven other investments have been made in the same fashion. They understand our process and we understand their process. This is the first step so that they can go back and show that they have the abatement in place. The second thing, from a permitting standpoint, is that we can issue the permits and get them where they need to be in the time that they need to be there. With that, before you this morning is consideration of a Statement of Benefits. I think we will continue to work with the local Plant Manager as we have in the past and help them make this the most viable option for that new investment. With that, I would be happy to entertain any questions.

Paula Hughes: Council, are there any questions?

Roy Buskirk: On the list, it showed \$126 million for special tooling. That number is a max that they can go to? If they acquire less than that, the abatement would only be on the amount that they actually spend?

Mark Royse: The abatement would be based on what they expend. At this point in time, that is what they are projecting. If it is more, we allow them to go more. There was one project, as we went through, they went through all of the investment and that was back in 1999. They made the investment but the product never materialized. To answer your question, the abatement will be based on the investment and not what is said in the Statement of Benefits.

Roy Buskirk: Part of my question is for the benefit of others. A lot of people don't understand that tax abatement way. They have to actually spend the money and it is only on additional assessed value that they bring into the County. The abatement is not on any existing assets that they currently have here.

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Mark Royse: They currently do have three abatements still going on.

Roy Buskirk: Correct. What we are voting on this morning is only for new assets that they would be bring into the County either through buildings or equipment. I was going to ask Mike, currently are you in preparation for demolition of a building for this, right?

Mike Glinski: I am Mike Glinski, Plant Manager of the Fort Wayne Assembly here in Allen County. We are not going through any demolition right now. We are looking at some surveys so that we can understand costs that are associated with this going forward. There is no building that is being demolished for this.

Roy Buskirk: I understood that the old Training Center building is being torn down.

Mike Glinski: We are going to demolish the old Training Center but that is totally separate from the business case that we are putting together for potential future product. We would have torn that building down regardless.

Roy Buskirk: Okay.

Paula Hughes: Council, are there any further questions?

Paul Moss: Mark, normally we would have a spreadsheet that shows the specific numbers in terms of the investment and the assessed value and actual reduction via the abatement. Am I the only one who doesn't have that?

Mark Royse: No, none of you have that. Typically what happens is that based on this just being a potential investment, what we have done is have it fall in the guidelines of getting it adopted and considered to be a super project which is an investment over \$10 million. I can get you the savings and we can run those numbers.

Paul Moss: I don't need them right now but it is something that we would normally have.

Mark Royse: Basically, off their personal property and investment of manufacturing equipment, the savings over the ten years would be \$2.3 million. The special tooling abatement, because of the way that it is reduced and assessed would be just a little over a million. The real property improvement of over 41,000 square feet would be \$865,000.

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Paul Moss: I would move for approval of the resolution approving the Statement of Benefits for General Motors Corporation for economic revitalization of area number fourteen.

Bob Armstrong: Second.

Paula Hughes: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0. Next we will hear the Grand Wayne proposed budget for 2011.

Marvin Crell: Good morning, I am Marvin Crell, attorney for the Grand Wayne Center. We are here today to present the operational budget for the year 2011. We are asking that this Council approve the same. If you have questions, I ask that you address them to the President Ben Campbell and Bob Lister whom we have all known over the years. He is the Director of the Grand Wayne Center. If there are any questions that I need to answer, I will get up and do so.

Ben Campbell: We are pleased to be before you this morning to present our 2011 budget. Perhaps it would be appropriate to quickly revisit 2010. That was a good year for the Grand Wayne Center. We had forty-five conventions this past year and that is the purpose of the Grand Wayne Center to attract visitors from outside of our community, to bring them here to enjoy the benefits and see the sites. We are pleased with those results even in this rather sluggish economy. As you can see from 2010, we were roughly on plan on the revenue lines. We were slightly below especially if you take away the Professional Sports Corporation increase in revenue. Our expenses were well below plan. I think Bob Lister and his team has done a very capable job of managing the expense side especially where it relates to salaries and wages. One point that I would like to make before we go into the 2011 discussion is that when the Grand Wayne Center expansion was proposed back in 2003, it was envisioned that there would be a cash shortfall for the first few years. We hold a \$5 million cash reserve from which we are paying out any shortfall. The shortfall is largely coming from the Innkeeper's Tax not being at the level that we enjoyed back in 2006. It is down rather significantly. Also, we are not enjoying the interest income on our \$5 million reserve. With that being said, we would like to open it up to all of you for questions.

Roy Buskirk: On the \$5 million reserve, how much do you still have in the reserve?

Ben Campbell: We still have the full \$5 million.

Bob Lister: Tab B shows that we have a total of \$4,639,568.

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Roy Buskirk: So you have used a little bit of it.

Bob Lister: Yes, we had to make a \$400,000 payment this month. We are in pretty good shape.

Roy Buskirk: In addition to that \$400,000, you have \$250,000 a year for ten years?

Bob Lister: That begins in 2011 and is a ten-year commitment.

Roy Buskirk: Is that where you see possibly paying that commitment from the reserve money?

Ben Campbell: We certainly hope our revenues exceed that but if need be, we certainly will use that money.

Bob Lister: If you look at three years ago, the room tax was at \$3 million. Last year it was at \$2.3 million and that is a \$700,000 drop. The Board had prepared itself for that by keeping a fairly good reserve on hand. We anticipate that this will get back to those levels. Three years ago we had \$200,000 in interest, now we are getting \$40,000. That is what really made us cut into that reserve.

Ben Campbell: In the 2010 budget, we thought we would have a \$700,000 shortfall but we actually had a \$280,000 shortfall.

Roy Buskirk: Currently the room tax is, I don't know if this is the right word, paid voluntarily. There are no checks and balances on the room tax collected and what is being paid. That is being paid to the State and then the State allocates it back to the County?

Bob Lister: Right.

Roy Buskirk: How do you feel on the revenue through the actual room occupancy?

Bob Lister: Thanks to Tera, she has been watching over this for us with as much as she can by law. She can get the reports and take a look at what's behind it. We cannot do that. Every month, she has watched it for us. Are there some major hotels that are behind or not? Once a year she goes with the State on a little deeper report. A year ago, we talked about doing it ourselves and taking it over and the County agreed that they would help us do that. The cost to do that would probably end up to be about \$100,000 a year by the time that you pay for accounting staff and that sort of thing. We

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thought that maybe that would help us in the first year and that there was \$100,000 in there somewhere that we are not getting now but to keep that \$100,000 every year, there is just not enough out there to make that happen.

Roy Buskirk: There are some Counties in the State that are currently doing it themselves.

Bob Lister: That's correct. Treasurer Orth did a very deep dive throughout the County to discover how other Counties are doing it. Allen County and Marion County are two of the few that do not collect their own Innkeeper's Tax. (Inaudible)

Paula Hughes: Councilman Moss?

Paul Moss: The older I get, the more my memory fades. Can you refresh my memory as to when the expansion was complete?

Bob Lister: In 2005 and we opened in June.

Paul Moss: If you look at the past five years as far as room rental income, in 2010 you projected \$850,000 which is the same as your budget. In 2011, you are projecting \$900,000 in revenue. Do you recall what it was in 2006?

Bob Lister: 2006?

Paul Moss: Let's use 2005 actually.

Bob Lister: In 2005, we were only open for half a year.

Paul Moss: Prior to the expansion when you were open for a full year.

Bob Lister: Prior to the expansion, we would probably have to go back to 2002 for a full year because we were closed in 2003 and 2004. We were probably in the \$400,000 to \$500,000 range.

Paul Moss: Is the room rental the best? I know it probably gets a little redundant because I ask this every year. It is kind of like the bus company. They put numbers out there. I am always curious as to what the actual utilization and how it has grown or decreased whichever the case may be. Is the room rental income, in your opinion, the best way to look at that? Is that the best metric for gauging the usage of the building?

Bob Lister: I think a lot of the people do but there is a little more involved in that. We are an organization that bids conventions out. We are doing that all

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of the time. Our rental, I don't know if that is a good indication. We may have a huge convention that pays us only a few thousand dollars. A better way of looking at why our purpose was here is how many more conventions we are doing and what conventions are we doing and didn't have before. I think that is the best way to look at it. We do about four hundred events a year. Could we do six hundred? Yes, in a better economy we probably could. We do a lot of smaller events, whether they are corporate meetings, corporate Christmas parties or all of the local events, we don't do a lot of those right now. That is because of the economy. Could we do a hundred more events? Absolutely. Is it what we are here for? No, it is a convention center. A little bit about the conventions, when we were in the old building, we were doing twenty to twenty-five conventions a year. Now we are doing forty-five and next year we are looking at fifty. We have doubled what we are doing convention-wise. I think the big thing for us, Paul, is that when we had the one hotel, it limited us. Opening the second hotel this year has really helped us a lot. We have gotten a lot more bids out and we have been able to compete a lot better. I think the real guideline for us is what we are bringing into town.

Paul Moss: We could argue the merits of essentially subsidizing the kind of activity or not but one thing that I think would be useful, on a retrospective basis and on a prospective basis and you may provide it to your Board, the number of conventions, a breakdown going back quite a few years and then as we move forward tracking that and understanding that. That is the best way for you to justify the subsidy that you are getting, significant subsidies to bring these conventions in.

Bob Lister: I will get that info.

Paula Hughes: Councilman Vogt?

Darren Vogt: As a person who is always looking for savings, I am trying to figure out how you cut your phone bill. It went from \$4,200 to \$1,300. Is that going forward and if so, we need to take note of that.

Bob Lister: We have been bidding and rebidding everything this year. We used a company that cost us about \$2,300. It is Lee Kelso's business and I should give him some accolades. Our initial phone bill was running us about \$2,600 a month for all of the phones in the building and some of the internet. We have gotten the same service and better service and higher internet speed at \$800 a month. We saved almost \$20,000 and some on just redoing our phones. We don't use too many people to help us out or as consultants but that was well worth it.

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Darren Vogt: It is a local company that can do local phone work. One other quick question, your 2010 projected catering, I am curious about the numbers. Your budget was \$15,000 and the projected was \$33,000 but 2011 is \$65,000. If catering is up, does that equate to higher revenue somewhere else?

Bob Lister: Give me those numbers again.

Ben Campbell: That catering relates to a five-year contract with a servicing company to enable us to improve the kitchen facilities. They paid us \$250,000 over five years.

Bob Lister: What numbers were you looking at?

Darren Vogt: I am on page four of the spiral notebook in Tab C.

Bob Lister: I think we are talking about two different things here.

Darren Vogt: I am assuming that it is a revenue line, right?

Bob Lister: On that one, you are looking at professional fees. It says catering but should say catering attorney fees. We have a five-year contract and that was the renegotiating of that contract. We know we are going to have some legal fees but we don't know how much. That is the reason that the line is up. It is not a line that we are hoping to use a lot of but as we have been negotiating this contract, we knew attorney's fees might get to that stage. This whole page is just professional fees. Baker and Daniels is helping us renegotiate that contract and we are hoping that it doesn't get to that line but we wanted to make sure that we had enough.

Darren Vogt: Okay, once it is just catering, it would be somewhere in the neighborhood of \$30,000 or \$15,000 going forward or not?

Bob Lister: Normally there wouldn't be any expense in there.

Darren Vogt: So it is just for the contract negotiation.

Bob Lister: For the catering, go to the first page of Tab A. We look at doing \$550,000, our share this year. That is our revenue from catering.

Darren Vogt: Okay, now I am following where it is going. That was just the attorney's fees for catering and nothing to do with the actual catering.

Bob Lister: These are attorney's fees while we are negotiating the contract.

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Darren Vogt: Now I have it.

Paula Hughes: Council, are there any further questions?

Roy Buskirk: I was just going to make a comment that some of it is difficult to realize the benefit on the number of rentals because a local company's Christmas party does not generate near as much revenue for the community on the spinoff money spent as would a State-wide convention or Midwest convention or whatever. You would think there wouldn't be too many rooms rented after a local company's Christmas party.

Bob Lister: Exactly but there are some. Those help to cover fixed costs. We don't do a lot of those anymore. Most of the companies don't do Christmas parties. We used to do nineteen or twenty and maybe do \$700,000 in Christmas parties. We are doing three or four now. We are doing the big ones like OmniSource. We are the only place that is big enough for them to have it. We figured that there are thirty-three other halls or caterers to go to and can handle three or four hundred people. That is what they are for. They are local and we are here to bring the outside stuff in.

Roy Buskirk: On the catering income and expenses, the catering is a private company, right?

Bob Lister: Back in 1985, in order to get the hotel built, we entered into a contract with them for the rights to catering. It was an exclusive contract with them. Every five years, that is up for renegotiation. It was a marriage that we had to live with and it was a marriage that was put together by the authority at that time to ensure that we got a hotel.

Roy Buskirk: So, the income from catering is part of the catering charge that the Convention Center receives to cover the kitchen costs and things of that type.

Bob Lister: That \$550,000 represents sales of about \$2.5 million in food sales over a year. We get a percentage of all alcohol and food. We own the kitchen and all of the equipment. The caterer supplies all dishes, tablecloths, set up and that sort of thing. They pay utilities on the kitchen. There is a lot in the agreement but this \$550,000 only represents the share that we get.

Roy Buskirk: That is the reason that I brought that up. The \$500,000 is not the total charge for catering at the Grand Wayne.

Bob Lister: Oh, no. It amounts to about twenty percent.

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Roy Buskirk: Okay, thank you.

Paula Hughes: Council, are there any further questions?

Darren Vogt: Move for approval of the Grand Wayne proposed budget for 2011.

Maye Johnson: Second.

Paula Hughes: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0.

Marvin Crell: Now we will be followed by the Convention and Visitors Bureau and they will present their budget.

Paula Hughes: Thank you.

Jim Anderson: I am Jim Anderson serving as Chair of Visit Fort Wayne which is the new name for the Convention and Visitors Bureau. With me is Dan O'Connell, President and CEO. Behind us is Gary Shearer, our Treasurer. I might add that the County provides excellent representation on our Board of Directors. Serving on our Board is Nelson Peters, Randy Brown, Mac Parker and Maye Johnson has attended several of our meetings. 2010 was a big year for the organization. We changed our name. Dan's staff moved offices to help create a bigger and better visitors center. Dan will highlight some of the good work that we did in 2010. By State law, two percent of the seven percent of the hotel room tax levy is dedicated to Visit Fort Wayne to help attract visitors to Fort Wayne and Allen County. Dan and his staff do an excellent job in that regard and there are a few more exciting plans for 2011. Dan will walk us through that.

Dan O'Connell: Thank you, Jim. Each one of the Council members should have received this packet. I don't want to take your time and go through every detail of that. We are pretty clear on how we market, advertise, sell, promote and generate traffic not only to the Convention Center but to other buildings in our community and other attractions, museums and special events. We put a lot more effort on tourism than we do on convention sales. We focus a lot on getting citywide groups. We have had great success this year with USA Roller Sports Association. They chose us for the national championships. They have two, one is in speed skating and the other one is in figure skating. I would like to take the opportunity to show the Council the video that we put together with a local firm, Punch Films. It was part of the package that we presented on why they should pick Fort Wayne. Only one of the fourteen members deciding where to go had ever been to Fort Wayne. The

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opportunity came through Kim Wall and his family that operates the Roller Dome and we put the package together and would like to take the opportunity to show it to you. If the Council members could, would you please come around and take a look at this video.

(Video played)

Dan O'Connell: Mike, thanks for your assistance in playing that. That is an example of some of the effort that we do on a regular basis. We make about twenty bids a year but not all of them have this degree of presentation but when you are going out after a group that has seven thousand people coming to Fort Wayne for these two national championships, you do this. They will be staying here for a long time, over the course of three weeks. There is a three-week rental of the Coliseum. We were very pleased to beat out cities like Peoria, Des Moines and Lincoln, Nebraska. It took a big collaborative effort. The County was very involved in the decision making with Randy Brown and Nelson Peters as well as the City. I wanted to give you a personal view of some of the work that we do to help champion our County and City. With me is Gary Shearer, he is our Treasurer and if you have any questions, he is prepared to answer them.

Gary Shearer: Good morning, I will quickly walk you through the budget. It should be the last tab in the bound packet. On the left-hand side of the budget, you will see the revenue and expense categories and the middle column is the projection for 2010. On the right is the 2011 budget. We are projecting total revenues of just over \$1.185 million versus expenses of just under \$1.170 million. It is projecting a net surplus of just over \$15,000. If we move into the 2011 budget, our main revenue category there is the room tax. Right now we are projecting about a four percent increase in the room tax to just over \$1 million. Similarly we have some slight increases in advertising and kiosk sales. That is kind of a new revenue source for us. We are also looking at applying for a couple of grants to bring in around \$25,000 and would be new revenue for us. We are projecting \$1,245,000 for total revenue for 2011. In the expense categories, I will hit the three main ones. From expense standpoint, our operating expenses are very similar to 2010. Our personnel expenses have increased because of two main things. Late in 2010, we filled a Sales Manager position that had been open for a good majority of the year. Also, we had about a twelve percent increase in health insurance. When you look at advertising and promotional expenses, you can see pretty flat from year to year. There is some shifting of dollars with more advertising and marketing expenses being spent on internet marketing. When you move down to administrative and operating expenses, you can see in 2010 that we had some unexpected expenses which really related to our move. In total, it is

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pretty even for the year. In total, our expenses of \$2.240 million and are projecting a slight surplus of just under \$400,000.

Paula Hughes: Councilman Vogt?

Darren Vogt: Can you tell me about the grant that you are going to apply for?

Dan O'Connell: The State has created a special grant pool for communities to compete for sports and tourism events just like USA Roller Sports. If you match it on a fifty-fifty match, it will create some funds that will match that as an economic development grant. This is to get national championships to come into the State of Indiana. There are twenty different communities that will be pooling their resources and try to work on NCAA Championships. We will be applying for a grant to bring this group back to us in 2014. We have some other sports championships that we are not at liberty to tell you about yet.

Darren Vogt: Great. Then the video, I was impressed by it. It shows that you put some time and effort into it. I don't know what the copy write laws are but it would be great to use some of that by changing the verbiage and some of that to show what we have.

Dan O'Connell: You are absolutely right. With digital, we can repackage that and use it for different groups. It is a really good future tool for us.

Paula Hughes: It is very evident to me that with the increase in your budget with the doubling of the room tax revenues that you put it to good use. It looks like you have really stepped up your game in terms of how you market the community. Both from the video and the new offices, if the rest of Council hasn't been to see the new visitor center, it is really a showplace. It showcases Fort Wayne very well. It is ideally situated right outside of the Grand Wayne Center and you have done a nice job with it.

Dan O'Connell: We appreciate that.

Paula Hughes: Councilman Buskirk?

Roy Buskirk: The one thing I noticed was the reduction in the expenditure of advertising, printing and promotions. I wanted to know if there was an explanation for that.

Dan O'Connell: The 417 to 412 specifically?

Roy Buskirk: No, the \$261,000 to \$233,000.

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Dan O'Connell: For example, some of the expenses we don't anticipate again next year is this video. We also shipped some of the advertising over into some of the more internet programs. It is more website development so that we don't have the printed ads that we used to use.

Roy Buskirk: I noticed that your telephone expense increased. Maybe you need to talk to Bob Lister.

Dan O'Connell: I think we will try to call Lee Kelso.

Paula Hughes: Council, are there any other questions?

Paul Moss: Are the Gold Wing Riders coming this summer or is it next summer?

Dan O'Connell: They are coming in 2012.

Paul Moss: We need to get some American Riders in here.

Paula Hughes: I agree.

Paul Moss: Don't get me wrong. That is a great group to have come here.

Roy Buskirk: What is the estimate on that? Before, when they were here, it was like 10,000 bikers.

Dan O'Connell: In 2005, it was the last time they were here, and there was a record attendance of 14,000.

Roy Buskirk: Have they had that since?

Dan O'Connell: Never. Some of their population is aging a little bit and they are usually closer to 10,000. The economy has been a part of it too. You are seeing a lot more trykes instead of bikes. It is still a wonderful event to get.

Paula Hughes: All right Council, I look for a motion.

Darren Vogt: Move for approval of the 2011 budget for Visit Fort Wayne.

Larry Brown: Second.

Paula Hughes: **We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0.** Thank you, gentlemen. Now we will get to the Consent Agenda. Is there

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anything that anyone would like to pull from the Consent Agenda? If not, I will look for a motion to approve the Consent Agenda.

Paula Hughes: We need to read the salary ordinances?

Darren Vogt: The Consent Agenda consists of the minutes from the meeting of November 18, 2010 and the financial report. Move to approve.

Roy Buskirk: Second.

Paula Hughes: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0.

Paul Moss: Consideration of a salary ordinance amending the pay for an employee within the budget of the Auditor's Office, 100-0201-415, Chief Deputy, Executive class, salary \$76,441 dropping to \$74,600 and is effective January 1, 2011.

Roy Buskirk: Second.

Paula Hughes: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0.

Paul Moss: Consideration of a salary ordinance amending the pay for an employee within the budget of the Recorder's Office, 245-0401-415, Records Controller II, original title, OSS 3/5, salary is \$31,541 and is moving to Records Controller III, OSS 4/5, salary \$34,925.

Roy Buskirk: Second.

Paula Hughes: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0. We will move on to Discussion and Other Business to come before Council. We have certification of the vote for the EACS Referendum. Good morning, Beth.

Beth Dlug: Good morning. I am Beth Dlug, Election Board. This is just a little piece of housekeeping. After the election, we need the County Council to certify the vote for the East Allen County School Referendum so that it can go to the Department of Local Government Finance.

Paula Hughes: That needs to be formally read in as well, doesn't it? Tera, do you have the language on that one?

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Tera Klutz: No because she is just certifying it to you.

Paula Hughes: Okay.

Roy Buskirk: My question is, we don't do this on any other election, correct?

Beth Dlug: It is because of East Allen County Schools.

Darren Vogt: This may be part of the statute that we were looking at. This is part of the process and we had to certify the question on the ballot and then certify this. If we support that piece of legislation, it would get us completely out of this.

Roy Buskirk: That is my concern. It is up to the School Board and shouldn't be up to the County Council.

Paula Hughes: As State law stands right now, it is. We do not need a motion to accept that certification?

Tera Klutz: No.

Paula Hughes: Okay, you also have a letter to discuss with us?

Beth Dlug: Right. I am asking Council for a letter of support for the electronic campaign finance reports. I have been before Council for some money to be transferred into an account so that we can create that online system. Our original plan was to use the Formata software. When Atos started looking at using that, they realized that it wasn't going to accomplish what we needed to accomplish. That no longer fits with what the State has told us that they need as far as their recommendations. I am going to need to go in front of the Indiana Election Commission and ask them to formally approve a different kind of format for the campaign financing. Any kind of support that I can get will be very helpful in that process.

Paul Moss: Do you want me to read the letter or does everyone have a copy?

Paula Hughes: We all have a copy but it might be good to read it.

Paul Moss: This letter is to show support for the Allen County Election Board's web based campaign finance filing program. The voluntary program would provide Allen County candidates with an electronic format to submit their Report of Receipts and Expenditures of a Political Committee (CFA-4). The program would also provide voters with a process to search campaign finance reports through various criteria, increasing the ability of voters to

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make informed decisions regarding their elected officials. We believe this is a sound concept and would like to encourage the Commission to approve the electronic format of the CFA-4 form as proposed by the Allen County Election Board.

Paula Hughes: I look for a motion to approve that.

Larry Brown: So moved.

Darren Vogt: Second.

Paula Hughes: **We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0.** Next up is a resolution transferring the balance of funds from the Congressional School Principal and Interest Funds to the State of Indiana. Tera, are you going to discuss this?

Tera Klutz: Yes. A long, long, long time ago, the United States Congress set aside a section of every township for the Congressional School Districts. At that time, a fund was set up with a certain principal balance and it had to be maintained. Over the course of time, loans could be made from the fund. Recently, our last loan was paid off and we cannot loan money from the fund anymore. When that happens, we can transfer the balance to the State and they will become the custodian of that. That is an advantage to us because as custodian of the money now, we are required to pay a small amount of interest to each school district every year because we just maintain that balance. That liability will also get transferred to the State upon the transfer of this balance.

Darren Vogt: No other additional funds are going into this account?

Tera Klutz: No. When the interest went down, General Fund had to supplement the interest because it is a requirement that they get a certain amount.

Roy Buskirk: Is the State going to continue that?

Tera Klutz: Yes.

Roy Buskirk: To each one of the school districts throughout the whole State.

Tera Klutz: I am not sure but the ones in the County, yes.

Roy Buskirk: I wouldn't bet on it.

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Paul Moss: What was the original source of the funds?

Tera Klutz: From the sale of that small section of the township.

Paula Hughes: It goes way back to when townships were set up and a certain section was designated for the school. Roy, you could probably speak to that.

Roy Buskirk: I think it was an acre in size and was section one in each township.

Paula Hughes: Thank you.

Darren Vogt: Move for approval of Resolution 2010-12-16-01 transferring the balance of \$56,455.83 from the Congressional School Principal and Interest Funds to the State of Indiana.

Bob Armstrong: Second.

Paula Hughes: **We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0.**

Okay, we will move on to the Strategic Plan update, Mr. Fahey and Commissioner Peters.

Nelson Peters: Nelson Peters, Allen County Commissioners Office.

Pat Fahey: Pat Fahey, Department of Planning Services.

Nelson Peters: Thanks for the opportunity to come before you today. We wanted to get to you one more time before the end of the year. I want to thank you for the past support you provided to the County strategic plan efforts and especially to Pat, next to me, Dave Fuller, Therese Brown, Bev Zuber, Mike Talbott, Maye Johnson and Larry Brown. They are all here today and have been an integral part of this strategic planning process. As you may recall, the 2009 Allen County Strategic Plan won the 2010 County Achievement Award at the Association of Indiana Counties event in September. People throughout the State are beginning to recognize the importance of strategic planning in a governmental type of setting. We have since received calls from other Counties who have inquired as to how to get started and do their own thing. It is nice to be recognized for taking this leadership role throughout the State. The purpose of coming before you today was in part to make sure that the strategic planning efforts are not forgotten both past, present and going into the future. It is important from a budgeting perspective, from a strategic perspective and from a goal-tracking perspective for departments to buy into the strategic plan and to do a strategic plan and

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to execute a strategic plan. We believe it is the help of this Council that is really going to make that work. What we are going to talk about briefly are some of the achievements for 2010 that came out of the strategic plan and a timeline that we have set up based on the last conversation that we had with you regarding how best to tie this into the budgeting process and some of the other things that go on throughout Allen County government.

Pat Fahey: A couple of things that were added to the plan for this year's update, if you look on pages nine through twelve, we pulled out a list of accomplishments. They were based on the previous objectives that had been submitted as part of the 2009 plan. As Nelson mentioned, the plan received an award from the Association of Indiana Counties. Offices and departments continue to support the plan as we move forward with the updates. There were several local officials who also received awards: John McGauley, County Recorder; Therese Brown, Clerk of Courts; Stacey O'Day, Outstanding Assessor. These were all 2009 events. The website was updated to include access to information from the Assessor, Auditor and Treasurer Offices and the continued implementation of the Acella software system which is in use by several County and Fort Wayne departments. Other instances of collaboration in terms of customer service and surveys, we continue to try to measure the customer satisfaction that is being provided by County offices and departments. There are four pages of accomplishments that are fairly impressive when you take a look at them. Sometimes it is easy to overlook the things that get accomplished beyond the day-to-day activities that the departments and offices are involved with. We will continue to use that approach in the next update to highlight the accomplishments from the past plan and the past year. We also updated the goals. There were eight goals that were established as part of the original plan and they were updated as part of this. We are continuing to work the Executive Committee which also includes Sue Orth. We are continuing to compile reports for the 2011 update. As you recall, we met with Council members to talk about ways to continue to integrate the plan into the budget process and into the financial organization of the County. The Auditor's Office was very helpful in providing some additional information that you received with your budget information. We are using that as the starting point for the reports for the update for 2011. We have moved the timetable to try to coordinate that better with the budget process. We anticipate working on that plan through May and then have the update ready in June to present to Council and Commissioners. As Nelson mentioned, we would like to especially thank Maye and Larry. They have been participating, and especially Maye, for quite some time with the Executive Committee and have been our link to the Council. Maye has been very helpful in terms of the Executive Committee and the Council's participation. I would be happy to answer any questions.

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Roy Buskirk: I was looking through this and on page 60, 61 and 62 Homeland Security has not marked the one-year, three-year and five-year as when to accomplish the activities that they have marked. The Prosecuting Attorney's Office omits that on some, not all, of the objectives that they have. To me, as a Council member, I thought that this was one way that we could anticipate capital expenditure items and when they would be coming up. Maybe there are others but those two reports failed to mark what year they anticipated the expense.

Pat Fahey: We will have to go back and take a look at that because it might have been left out when the information was put into this format. I think that typically, if something wasn't marked, it was assumed to be a one-year goal but we can go back and look to make sure. I don't think it was left out of the reports but somehow it didn't get transferred.

Roy Buskirk: Okay. At budget time, Council does look at this and takes into consideration the capital expenditure items that might be coming up.

Larry Brown: Pat, if you find that to be the case, would you mind copying us with those updated sheets so that we can insert them in the book?

Pat Fahey: Yes, what we will do is also to place the report online.

Darren Vogt: I would make the suggestion that if we don't have timeframes in there the liaisons with those specific departments get with the departments and figure out the timeframes so that it gets into the budget process.

Larry Brown: I would like to encourage Council to keep in mind that this is a very helpful tool and a good department management tool. I hope that my fellow Council members continue to keep this document in mind not only in our liaison positions but as we hear from different departments throughout the year and at budget time. There is a lot of work to be done. There are some very costly and large departments that are not participating and we need to work on that.

Roy Buskirk: Yes, we should definitely keep that in mind when the budget goes around again. This is something that I think is so important that maybe they need their fingers smacked for not participating.

Pat Fahey: That is one of the things that we talked a lot about this year. We need to continue to encourage that participation. Obviously, it is a voluntary participation on behalf of the offices and elected officials. We have met with you and you have been very helpful in your ideas on how to integrate that

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and make sure that it is recognized across the board that this is a tool and how will we continue to use that tool.

Maye Johnson: I would like to say that during this process, the biggest challenge was really getting the input and participation of all departments and divisions. Until that happens, that will continue to be a problem for the County. If there is an enforcement body, then perhaps at least ninety percent of that effort should come from this body. I would leave with that bit of advice. I have discussed it with several members of Council that we have to insist on total buy-in. Other than that, it just doesn't work.

Paula Hughes: Council, are there any other questions? Thank you for the presentation.

Nelson Peters: Thank you and let me just that hopefully, or probably, this will be my last time to address this Council this year but I want to say thanks to Councilwoman Johnson and Councilwoman Hughes for your service to this community. I know it is not always easy to fill those roles admirably but you have done a great job and I have appreciated the opportunity to work with you.

Paula Hughes: Thank you. Next is Disaster Recovery and Mr. Steenman.

Ed Steenman: Ed Steenman, County IT Director. I have passed out to you, and you received earlier this week, a packet of information regarding disaster recovery. As you may be aware of, we do not have any disaster recovery aspects to our IT operations currently. We do backups regularly with restoring those backups offsite. That is really the extent of our preparedness. As the Office of Homeland Security has been working on the development of Continuity of Government plan and working with departments to create their own Continuity of Operations plans through that process, IT has been alongside them by participating in a lot of departmental meetings. The meetings were to ascertain what their essential functions are and what they have to be able to sustain should a disaster such as a flood or tornado took out this building or other buildings that are used by the County. As those essential functions have been determined, the necessary software, network, servers and so forth have also been determined. Along with the fact that over the past several years we have consolidated and prepared the network infrastructure to be able to cost effectively create a disaster plan, we are now at a point where we have put together a plan for creating a secondary IT site that will allow us to present the necessary software and services should a disaster occur. Through the help of Atos Origins, we brought in one of their disaster recovery specialists and he created a roadmap of what we need to plan for and how we can best create a plan that is cost effective and still

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prepares us. A large part of that was determining where we go if a disaster occurs. There were multiple sites evaluated and the Public Safety Academy was chosen as the site that is not directly adjacent to this building but will not cost us a regular fee for just sitting there and being ready. We own the building and there is space available and with some modifications that space can be ready for some servers and network infrastructure that is necessary to do this. Given that part of the puzzle being in place, we have established the necessary phases to bring us from zero disaster preparedness to full disaster preparedness. We have broken that down into five phases that will help us to get there. Those five phases begin next year and is based on being ready in two years. We are doing it in concert with those essential functions and prioritizing those services and software that need to be there if a disaster was to happen next year. Specifically, the Public Safety system and GIS components are necessary for any disaster. As you are well aware, we have grown very dependent on GIS whether it is a flood, a power outage. One of the first things that happen is that people want to know where it is happening and maps are very necessary. Obviously the Spillman system has everything about public safety running through it. I skipped a page and missed phase one. Phase one is to build out and prepare the site. There are some air-conditioning and minor updates that need to be done to the building. We have to establish some network core there. We are already in the process of installing a redundant internet service into that facility so that if we lose service here, we still have internet connectivity for these operations to make use of. The first phase is to get the building ready. The City IT budget and my IT budget, for next year, each has \$50,000 to pay for the first phase. Then we turn the page to phases two through five. Once we get public safety in place, then we move onto getting our storage infrastructure in place and the virtual server in place. Those are keys to just about every application and service that we provide. Those have to be very close behind public safety. As we continue to develop this plan, some of the necessary pieces of phase three are looking like they are going to have to migrate to Phase Two because GIS is going to have to rely on the storage area network as well. The cost of Phase Two and Phase Three may shuffle back and forth a little bit as we get those phases fully developed. The goal is to have Phase Two completed by the third quarter of next year and Phase Three by the end of next year. Those two phases will set the stage for Phase Four which is all of the communications as well as the City's finance, Permits and Document Management. That would be done by the end of 2012. Phase Five is more focused applications for particular departments and those applications don't necessarily have to be in place within twenty-four or forty-eight hours of a disaster. Those will be done by the end of 2013. We have not been able to establish a true cost for those yet. If you look at page three, we created a chart of the phases and the current estimated cost. These are still in development and as we get ready to initiate each of these phases, we will be coming for an appropriation to do the

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phases. Hopefully, with your support, we will be able to do these additional phases. In total, all five phases add up to \$615,000. That is \$307,000 each for the City and the County. This is going to be a shared expense with the City. This has been discussed multiple times at multiple Data Board meetings. This summary document is one that was signed at the Data Board meeting on Tuesday to show their support for moving forward and the need to do this. At this point, I am just trying to put this on your radar screen for next year but these are dollars that I am going to be coming to ask for. I would be glad to answer any questions.

Darren Vogt: Council, as liaison, we have been talking about this for a while and I told you this was coming. We didn't have the numbers finalized and they are still fluid but we are basically looking at \$200,000 of unbudgeted funds for next year as those phases implement. They will be funds that we will need to find ways to set money aside for.

Larry Brown: Ed, is the timing that is anticipated or projected, is that a function of money or a function of time available?

Ed Steenman: It is really a function of resources.

Larry Brown: Which kind?

Ed Steenman: Human resources. If we could do this all next year, that would be great. We are relying on Atos once we get past the air-conditioning necessities that go with the PSA we are relying on Atos to be able to implement these things. Without paying a lot of premium for extra resources, we are pushing things out to keep the cost down.

Larry Brown: There is one item under Phase Four that jumped out at me. As you all know, Roy and I have been participating in the Development Review process. Acella keeps coming up over and over and over and over. That, if I understand the terminology here correctly, would make online application of permits possible.

Ed Steenman: Actually, this particular item doesn't make that possible. Our upgrade that is set to go live January 3rd is what is going to make that happen.

Larry Brown: That is why I asked the question. This is more backup.

Ed Steenman: Yes. All of these items on here are to help them survive if a disaster took place.

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Darren Vogt: Reestablish operations.

Ed Steenman: It may be in a limited capacity. In applications and services, one of our concepts is that we are not trying to necessarily create the same kind of performance at the disaster site as what we have at our primary site. We are not trying to put that kind of expense into it. We want to get it up in a reduced functionality or reduced performance.

Paula Hughes: Councilman Moss?

Paul Moss: Who is on the Data Board?

Ed Steenman: Councilman Vogt is one of the members. It is sixteen members divided equally between the City and the County.

Paul Moss: There is that many? You don't have to name them all.

Roy Buskirk: Who signed it? You can't read the signature?

Paula Hughes: That is Tim Miller.

Ed Steenman: For 2010, Tim Miller is the Chair. Garry Morr of the City Parks Department is the Vice Chair. In January Garry Morr will become the Chair and the new Vice Chair will be someone from the County.

Paul Moss: So basically what you are talking about here is redundancy in the case of some sort of disaster. As a part of our agreement with Atos, which I believe is worth a significant amount of money, there is nothing in there about them providing backup and redundancy or anything?

Ed Steenman: No. Their responsibility, under that contract, is to maintain what we have in place.

Paul Moss: I find that interesting but it is what it is. The connectivity between here and the Public Safety Academy is what? Is it like a T-1 line or something along that line?

Ed Steenman: It is fiber between here and there.

Paul Moss: So there is already fiber running between those two. I have to be honest, the reason that I asked about the Board is because I am curious as to how many people on that Board are really responsible for the expenditure of taxpayer dollars. It is always easy to be swept up in something like this

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where you are preparing for a potential disaster. Is it safe to assume that the vast majority of the servers are here in this building?

Ed Steenman: Yes.

Paul Moss: When you talk about disaster your concern is, let's say the City-County Building floods and all of those servers start floating out into the streets. The likelihood of that is pretty slim. We haven't had anything that really shuts everything down here yet, I assume.

Ed Steenman: No, we haven't had a disaster but that doesn't mean that it can't happen.

Paul Moss: Oh sure. Anything could happen. Homeland Security that is their bread and butter in terms of them getting money from taxpayers. This is a similar situation. Don't get me wrong, I understand the need to maintain our data et cetera, et cetera. I think that we need to weigh this very carefully because it is a significant amount of money and we need to prioritize where that money goes. I am not so convinced and I am disappointed that Atos doesn't have some responsibility for securing our data. As an example, our emails, there is some law that you have to retain emails. Now, who is doing that? Is Atos doing that or are you?

Ed Steenman: We have implemented the system to do that.

Paul Moss: So there is some software or database that you maintain and they don't do it.

Ed Steenman: They do the tactical work to make it happen.

Paul Moss: You talked about the GIS component and the mapping component and how important that is and I would agree with that. All that and the server are located here as well?

Ed Steenman: Yes.

Paul Moss: Has there been any discussion, using that as an example with the continued co-location effort and Renaissance building, has there been some discussion about having some redundancy there? Has this been incorporated into that conversation at all?

Ed Steenman: That was considered but the close proximity of that building to this one makes that, from a disaster standpoint, not a good avenue to take. Particularly when we have the Public Safety Academy that is farther away

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and that we own, putting it at Berry Street or putting it at the PSA doesn't change the cost but creates better benefits of being seven miles away versus two blocks away.

Roy Buskirk: I am not sure but you keep saying the Public Safety Academy. Is that the one at Southtown that you are talking about?

Ed Steenman: Yes.

Roy Buskirk: We don't own that.

Ed Steenman: The City owns it but this is a City-County effort.

Roy Buskirk: Okay, but we don't own it.

Larry Brown: No, the government does.

Paula Hughes: We have a merged IT Department and part of the agreement is that the City is offering the space to do this within that building without any charge.

Roy Buskirk: There could be charges connected with using that facility. Their budget is kind of negative right now.

Paula Hughes: But as a part of this, they have agreed not to charge.

Paul Moss: How secure do you believe the server room is? I have never been in the server room and you talked about air-conditioning and temperature control issues and things of that nature. I have some limited knowledge of how that works but I have never seen it here in the City-County Building. Are you concerned that it is not secure?

Ed Steenman: Our Data Center here? It is secure. It is behind two locked doors with card key access. It is monitored by Atos personnel. I have to sign in when I go in there.

Paul Moss: So it would really have to be a significant disaster or flood. This building has never flooded, I don't believe. We have had tornadoes but I don't think they have ever affected this building. It would be significant.

Ed Steenman: There has been water in the Data Center.

Darren Vogt: From my perspective, as a member of the Data Board that is the big concern that I have is the fact that we could get a flood situation. We

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have done some things to mitigate that which is to raise the floor and take the electronics off the floor. To your point, you are right. There is hopefully never a use for it. This type of project needs to be weighed versus all of the other projects that are out there. It needs to be put into the priority of where are they and where do they need to be in relationship to the strategic plan and long-term plan. Do we have any kind of backup? To give you the best example, the Vera Bradley scenario where we didn't even have redundant internet. We are now working on that and that is out at the PSA. We lost economic dollars because of that and that is the thing that we need to make sure that if there is some sort of issue, that we put this into a priority. We can debate and discuss those when we look at our priorities and the strategic plan for 2011. That is the big issue of where does it fit in the plan because we don't want to have a situation where everything else is functioning fine around us and we can't get things done.

Paul Moss: One of the other questions that I have is, have you ever considered if that room has flooded in the past, we're going to have as part of the co-location, have a significant amount of space open up. Why not move it up to the third floor, fifth floor or ninth floor, it won't flood up there. Or do we then worry about tornadoes? I am just trying to look at options other than spending \$615,000. I consider that an awful lot of money.

Ed Steenman: It would not be an inexpensive effort to move it out of the basement and up to another floor. You would have a lot of rewiring to do and the cost of moving some very heavy equipment. Not that it couldn't be done.

Paul Moss: It probably wouldn't be \$600,000 in all likelihood.

Ed Steenman: It still doesn't create any redundancy.

Paul Moss: I understand that but you hopefully mitigate the need for the redundancy. Or minimize it.

Ed Steenman: To a degree but still a power outage in this building is going to affect it if it is in the basement or on another floor.

Paul Moss: We don't have backup power here?

Ed Steenman: That is one thing that would have to be changed as well. We have a generator but it only serves certain areas of the building.

Paul Moss: I understand what you are saying and I am not trying to argue or anything. I just looked at this with a very jaundiced view because it is a significant amount of money and there are an awful lot of things that we

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need to be looking at. I view this as something that would not be my top priority.

Ed Steenman: I think that is the reason I am here and why the Data Board encouraged me to be here so that this is put out in front of you to let you know that this is something that you can consider while you are prioritizing things.

Paul Moss: You are doing exactly what you should do.

Paula Hughes: Councilman Buskirk?

Roy Buskirk: Unless I am misunderstanding but part of this money is to reestablish the communications after a disaster, right? Some of it is not being spent now but is for hooking back up after the disaster has taken place.

Ed Steenman: Actually there is nothing in here, if I understand the question correctly, for reestablishing this facility should it be hit by a tornado and the building damaged. The cost of reestablishing this facility would be a separate project altogether. This project is to create a facility and minimal services so that if a disaster occurs, we can continue business while this building is rebuilt.

Roy Buskirk: Okay, so this amount of money includes additional servers and equipment that would be necessary.

Ed Steenman: Correct.

Roy Buskirk: When they establish that at the Public Safety Academy, does it have to have any personnel at that location or is it once a week that someone checks on it?

Ed Steenman: It is not meant to be a running Data Center that has people in it. It is a set of servers that would be monitored from this building.

Roy Buskirk: There would not have to be any additional staff or anything.

Ed Steenman: No.

Paula Hughes: Thank you.

Ed Steenman: I would like to make a comment, as other people have. Maybe, I would like to thank you for your support and service for the last four years. I worked with you on the iMAP Board and I appreciated that. I would be

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remiss if I didn't thank Paula for everything that she has done for IT for the last eight years. I appreciate that and for you being a big champion for IT.

Paula Hughes: Thank you. It has been my pleasure.

Maye Johnson: Thank you.

Paula Hughes: Parking garage revenue bonds. Mr. Fishing?

Bill Fishing: Ladies and gentlemen of Council, how are you all? This is a complete Exhibit A. The one that was being passed around was not complete. Good morning, I am Bill Fishing, the County Attorney. In 2001, the County issued revenue bonds to help finance, along with the City of Fort Wayne, the expansion of the parking garage that is adjacent to this building. Those bonds were sold to the Indiana Bond Bank. This year, the Indiana Bond Bank approached us and the City of Fort Wayne to ask that we amend our bond ordinance and prohibit the early prepayment of these bonds. In exchange for doing that, they would give us \$48,500 plus. In essence what happened is, if you are familiar with the Bond Bank, they pooled the municipal bonds together to sell them in one big lump. They had the opportunity to refund those bonds and have a savings for the Bond Bank. They did so and are now offering to pass some of those savings on to you. I talked to Carol Taylor with the City of Fort Wayne about three months ago and she indicated that the City of Fort Wayne was going to accept this offer. The reason that this is before you is you established the general outlines of any bonding that we do including refunding provisions when you adopt a bond ordinance. This would change the original bond ordinance as adopted by you by eliminating your ability to prepay. We had discussions with our financial advisor and he originally said his guess on the savings by the Bond Bank on our part of the issue was about \$80,000. He thought we might be better off waiting and just refunding it ourselves. That is a net savings and not a gross savings. As the Auditor-to-be can attest, the interest rates are moving away from us and we do not believe that we would save significantly more if we tried to refund ourselves. We are now recommending that we move forward with this.

Paula Hughes: I guess I am asking that the total principal that is left right now is \$1,210,000?

Bill Fishing: Yes.

Paula Hughes: Why would we just not pay this off and not pay any future interest?

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Bill Fishering: A, you can't refund it until January and you have the money to prepay it and you could do that. It is absolutely a possibility.

Paul Moss: Has anybody calculated the savings on that?

Roy Buskirk: The one thing is, look at the interest rates. We are certainly not earning anything like that.

Paula Hughes: If you are talking about ten years that is \$50,000. That's if you do five percent of \$100,000 a year. I am not going to be around to vote on it but that is what I would do. We know that we have the cash available. We have that sitting in the General Fund right now. We could pay that off right now, if we were able. But we are not.

Roy Buskirk: This is on the parking garage.

Bill Fishering: Yes.

Roy Buskirk: I think that I checked on that once before and if we pay our share, because the City doesn't pay their share, I don't think we get relieved of exposure.

Bill Fishering: We would still have some exposure but you would eliminate your debt service.

Darren Vogt: What is the timeframe on making this decision? Is it critical that this decision be made today?

Bill Fishering: They want it made by the end of the year. They originally told us that they wanted it in thirty days when they sent it to us in September or October and we said that there was no way that we could get that done. The City told them the same thing. We have written them a number of times asking to see what really happened in their refunding and all they ever do is send a bunch of jibberish back.

Paula Hughes: The State sends us jibberish?

Bill Fishering: The Bond Bank.

Darren Vogt: Whenever someone wants us to do something that locks us into something, my hair stands up on the back of my head. I don't think it is a good deal for us. There is something there that I am not ready to support or deny but at this point I am not going to vote for it. I would rather hold tight and get a little more information and have Tera, in the Auditor's Office, run

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some numbers and look at some statistical analysis and have some big picture, long-term funding. We still haven't had the big picture strategic plan on what money we have to spend for phone systems and all of that so maybe paying off debt isn't a good thing and maybe it is. I am not a fan of debt but we have some very large expenses coming on going forward. I would prefer that we wait until we have that big picture before we do something that locks us in to ten more years of payments when we may want to eliminate the debt. Once we say yes or no, we are done. If they are in such a big hurry, it has to be a good deal for them.

Bill Fishering: They have already done their deal.

Jackie Scheuman: This debt is paid from the revenue from the parking garage if there is enough. What would happen to that revenue, Bill, if we paid this off?

Paula Hughes: It would become an income stream to the General Fund.

Roy Buskirk: As far as our bond rating, is it not as good and that is one reason why there is increased expenses?

Jackie Scheuman: The interest rates.

Bill Fishering: The interest rates are starting to go up in the national markets.

Roy Buskirk: The interest rates that they have down here, especially for this being a tax-free interest?

Bill Fishering: This is a revenue bond which always carries higher interest rates than a property tax-backed obligation, a lease purchase or a straight bond. This is not a G.O. Bond but a revenue bond.

Roy Buskirk: Okay. Going to a tax-backed bond Tera, going forward with the tax caps and everything else that is involved, that is probably not going to be a very good source of revenue.

Tera Klutz: I would say that if you can pay down debt in a market where the interest is not very good, that is definitely something that you want to do. Every time that we lower our property tax levy, we allow more property tax money to go to other funds, other tax units including schools and towns. I would always say that if it makes sense to pay your debt off, and in this case I think it does, then we should move forward. It will help us get more revenue. To hang on to our money, we are not earning interest on it. If we

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have the money to pay, we can save interest. If the parking revenue picks up, we can put that in the General Fund.

Darren Vogt: Jackie, do you know off the top of your head, what has the shortfall been?

Jackie Scheuman: I don't know but I know that two years ago we had to pay all of the payments out of CUM CAP. We did not have the revenue in the revenue bond to pay it. Last year and this year, we paid with the revenue.

Darren Vogt: In theory, with this building changing usage, that revenue is actually going to go down.

Tera Klutz: We don't know. It might go up. Depending on if we start moving things around with that office area right across the street from the parking garage. That may help us get more revenue if a criminal defense attorney goes in there and is close to the jail. We don't know if we are going to go up or down.

Roy Buskirk: We have to give them an answer by the end of the year?

Bill Fishering: That is what they say but they told us before that we had to have it earlier.

Darren Vogt: I am not a fan of denying it, at this point. I am more a fan of tabling it until we have more discussion on it. I don't want to send the message that we are saying no but I am leaning that way. If the motion was made, I would say no. I will make a motion to table the refunding of parking revenue bonds.

Paul Moss: I'll second it. You don't care one way or the other.

Bill Fishering: It doesn't bother me one way or the other.

Paula Hughes: It is always an option when we have a cash balance. It doesn't make sense to pay interest when you have a cash balance that you are not earning interest on.

Tera Klutz: So do you just want to say pay it off?

Paula Hughes: That is what I want to say but as President of Council, I can't make that motion.

Paul Moss: Do you have to get a new payoff number?

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Tera Klutz: No, if you tell us to pay off this debt, then we will come back to you with an appropriation for the full balance and discuss it then. I already have that down to look into.

Bill Fishering: Technically it is not redeemable until January of next year and isn't very far away but we couldn't do it today even if we wanted to.

Paula Hughes: We could do it at the January 6th meeting. It looks like the maturity date is January 15, 2011. You could do it at the organizational meeting on January 6th, right?

Bill Fishering: I would have to check.

Tera Klutz: Would you be willing to work with us to figure out how to do that?

Bill Fishering: Oh, yes.

Roy Buskirk: I would make a motion.

Paula Hughes: We have a motion on the table to table this for a month.

Roy Buskirk: Not for a month.

Paula Hughes: Just to table it? Let's vote on that motion. **All those in favor of tabling this discussion, please signify by saying aye. All those opposed same sign. The motion carries 6-1 (Hughes).**

Roy Buskirk: I would like to make a motion that the Deputy Auditor prepare the numbers for this to be paid off, working with the County Attorney so that this information can be given to us prior to the organization meeting on January 6th. We could then vote on it at that time.

Bill Fishering: That is all good but let me mention one thing to you and it doesn't necessarily change your thought process. All call provisions have a notice period in them. I suspect, without having looked at this bond, that you will not be actually able to call them until the next bond payment date. You can vote to do it and get the money ready to go but most of them carry a thirty-day notice provision which we would not get accomplished by the January 15th date.

Paula Hughes: Okay.

Roy Buskirk: We would not be able to pay it off, Tera, until next year?

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Bill Fishering: July 15th. It is every six months.

Darren Vogt: So what that does is give us more time to have the big picture financial discussion that there are other things out there that are looming to your point of keeping a cash balance in some things doesn't make a lot of sense when we are earning zero. I think to put a timeframe on your motion, Councilman Buskirk, I don't think is necessary if we can't pay it off until July anyway.

Roy Buskirk: Right.

Tera Klutz: We will provide you with the information and a report about what we can do and what savings we can get.

Roy Buskirk: The other thing with this is that we are picking up a revenue stream.

Bill Fishering: Sometimes not much revenue.

Darren Vogt: I am not sure that looking at this as a revenue stream is a good thing. If you could have a history of the revenues coming in, that would help.

Tera Klutz: Absolutely.

Paula Hughes: We have a motion. Is there a second. Is there any further discussion?

Larry Brown: Can that motion be repeated?

Roy Buskirk: Are you kidding? Read that back, will you Becky?

Darren Vogt: Roy's motion was just to get the numbers together prior to January 6th. Does that pose a problem for you, Tera?

Tera Klutz: I think we will have information for you at the January 6th meeting but his original motion said for us to pay it off. That is not going to happen now. We will get the information.

Roy Buskirk: Well, to pay it off in July.

Paula Hughes: So, has anyone seconded Councilman Buskirk's motion? Okay, we don't really need a motion for that. We will let it die for lack of a second. Okay. Thank you.

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Bill Fishering: Thank you very much.

Paula Hughes: Next, the January 6th organizational meeting, there is a schedule in the packet and there are several appointments coming up. We discussed whether you wanted to make these before the end of the year or not so that we wouldn't miss any meetings. I don't think you are going to miss any meetings before January 6th. I will say that I am very interested in continuing on the Redevelopment Commission but not the Grabill Economic Development Commission.

Paul Moss: I would like to also interject that there is someone else interested in being on the Library Board. I would like to talk to Council members about that as well. That is certainly nothing against Mr. Williams but there is someone else interested and he has been on there for quite some time.

Paula Hughes: Do you want to distribute that information to the rest of Council before that January 6th meeting?

Paul Moss: I can do that.

Maye Johnson: I want to be clear that I replaced someone.

Paula Hughes: Yes, you replaced Kathy Fleck and you have two years left on that term.

Roy Buskirk: As far as on the Library Board, currently we will not have a Council member on the Library Board. That was one of our intents.

Paula Hughes: That is another consideration for January. I ask for any liaison updates. Is there anything that was not already addressed in the agenda? I will say that the Alliance has been very active on our behalf. There has been a lot of activity over this past month. There are companies that are interested in Allen County and there will be as many as four new projects coming to us but we are in the middle of negotiations with all of them. They are hustling in the Alliance Office.

Larry Brown: I have a question kind of in that same topic area. Without divulging any confidential information, what is the status of the Land Banking?

Paula Hughes: The status is that the Redevelopment Commission made offers on two properties and has accepted offers. They have just received the appraisals back. They were supposed to close by the end of the year but there have some issues with one of the properties that has a multitude of liens and

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legal proceedings tied to that property and we are not sure if we are going to be able to get it all cleared up before the end of the year. It was their provision to close by the end of the year and not ours.

Larry Brown: Does that negate the agreement?

Paula Hughes: No because I believe that both parties would be willing to extend the deadline. The Redevelopment Commission expressed that they would be willing to extend that and we will meet in Executive Session if that is what needs to happen.

Roy Buskirk: Part of the reason for wanting to close before the end of the year is the capital gains tax had the potential of increasing. It looks like that is off the board.

Paula Hughes: Are there any other updates?

Larry Brown: The only thing that I will share out of my liaison assignments is the remodeling in this building has a revised schedule and they are on schedule. Some changes to the floor plans took place and a new budget has been put together and we are still roughly within that \$3.5 million. I believe that sometime in early January, documents will be ready to go out for bid with bids expected back in early February. I have been told the date but can't remember.

Darren Vogt: Is that a general contractor bid or is it individual bids?

Larry Brown: It is being set up with four prime contracts, electrical, mechanical and general contractor. So, I guess it is just three.

Darren Vogt: So it is broken down a little bit.

Larry Brown: Another thing that I will share with you is County Services which is one of my liaison assignments. With the re-co-location, or the move, it has offered some opportunities at possibly restructuring some things within Bob Bolenbaugh's department. He is working on drafts of reorganizing his department and I am very impressed with what he is doing. That will probably be coming before us as more of an informational thing, probably in January or February. That is all I have to report.

Paula Hughes: All right. Are there any reports on recent and/or upcoming meetings?

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Roy Buskirk: We do have, which Larry referred to earlier, a meeting with the Permit Committee. We are moving forward and we will be able to submit plans over the internet. That is one of things that has been most requested. That should happen on January 3rd. It is slow and some of the departments are looking at different ordinances to possibly have them removed.

Larry Brown: Just to clarify, the early January date that Ed referred to is building permits online. It is not the submission of development plans through DPS. That is in the process but not in January.

Darren Vogt: At some point, I would like to see a flowchart of the process or a working document, if there is one, just to get an idea. I appreciate the updates but I would like to get an idea of the flow and timeline if there is something. The critical thing that I have heard over and over again is to have something for folks in that industry to see that there is a document and things are moving forward.

Larry Brown: There is, and I wouldn't call it a flowchart, a sheet that is available today of all of the different entities that can be in the review and approval process. It is mind boggling. That is one of the things that is being worked on to fine tune it and find out what is really necessary and what is that way because it has always been that way. We are trying to sort that all out.

Roy Buskirk: Part of the problem is, if you think like a tree and all of the different branches, we don't have branches now. We have vines. It is so much of where is the property located in the County or is it in the City limits. You have the Park Department and if it is in the City or in the County, New Haven or Monroeville and they might have to approve it. It's very difficult because there are so many ifs, ands and buts.

Paula Hughes: Okay. Thank you. Are there any comments from the public?

Larry Brown: I have a comment. To repeat what we have heard many times today, I think I can speak for the rest of Council that it has been an extreme pleasure working with you and Maye. I wish you well in your future endeavors and I appreciate the effort that you have put in over at least the two years that I have been on Council.

Paula Hughes: Thank you.

Darren Vogt: Move for approval to waive the second reading on any matter approved today for which it may be deemed necessary for the County Council meeting of December 16, 2010.

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Paul Moss: Second.

Paula Hughes: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0. The next meeting of the County Council will be January 6, 2011.

Darren Vogt: Move to adjourn.

Paul Moss: Second.

Paula Hughes: We have a motion and a second. All those in favor please signify by saying aye. All those opposed same sign. The motion carries 7-0.

There being no further business the meeting was adjourned at 10:35 a.m.