

**Board of Allen County Commissioners
Efficiency and Effectiveness Task Force**

Wednesday, April 29, 2015 (2-4pm)

New Haven Police Training Room, New Haven, Indiana

Task Force Members Present: Roger Hadley, Kent Castleman, Terry McDonald, Ben Eisbart, Bob Taylor, Michael Eikenberry, Ellen Cutter (facilitator)

Commissioners Present: Nelson Peters

Others Present: Fred Gilbert, Jane Linker, John Henry, Gloria Yagodinski, Tony Yagodinski, Judy Kohman, Joe, Minnich, Deb Sorg, Harold Kleine, Roy Buskirk, Chris Cloud, Ashley Wierzbinski, Tom Harris

Welcome

Terry McDonald welcomes the Task Force and public to the New Haven Police Training room at 2:06 PM. He then read a prepared statement about his participation in the Task Force (the full statement is available on the last page of the minutes). Ellen Cutter called the meeting to order at 2:08 PM.

Departments and Authority Summary

Ellen decided to skip ahead in the agenda since the commissioners and county council president had not yet arrived.

Ellen reminded the Task Force that in the previous meeting the county organizational chart was discussed at length and a question was raised about the flexibility of the independent departments not underneath the management of an elected official. Ellen pointed out on the organizational chart which departments she was referring to. She then directed the Task Force members to a handout provided that described the department unit, the relationship to the commissioners, the authority, the code, and whether it could to be moved anywhere in the organizational chart. Based on state law, the only unit with any flexibility is the consolidated communications partnership; everything else would require change to the code.

Certain details of the *Guide to Indiana Counties, 2009* were also discussed. Ellen then focused on two additional handouts provided to Task Force members. One handout consisted of a matrix comparing Indiana to the rest of the states in regards to offices at the county level and whether they are elected or appointed. Ellen reminded the Task Force that in the previous meeting it was mentioned that Indiana is unique in terms of having a separate fiscal body; most states have an executive board that has the legislative and fiscal functions. The only exceptions within Indiana are Lake and St. Joseph counties; county council has full legislative and fiscal authority. Ellen stated that she wanted to provide clarification after the discussion in the previous meeting to show that few counties in Indiana have a different structure. She also indicated that Elkhart, Perry, and Warrick counties have a county administrator. Roy Buskirk added that some of the counties mentioned only have part-time commissioners. Chris Cloud clarified that Allen County is only one of two or three counties in Indiana that have full-time commissioners. Kent Castleman stated it was interesting to see the comparison and that while Indiana has several elected officials for representation, but at the county level flexibility is limited since it is dictated at the state level.

Budget Process and the Strategic Plan

Ellen then moved the discussion to the county's budget process and how it is tied to the strategic plan. Chris Cloud discussed how Indiana having a separate fiscal body impacts the budget process. Chris said that there were two

differences from other states, one most states have an executive board, but also have elected officials so it functions much in the way a city does and that in Indiana the only code obligations for the county council are to approve the budget and approve any additional appropriations.

The budget process was then discussed. Chris said that in Allen County the auditor will get estimates from the state on the various taxes and taxing districts, the auditor and county council then determine a number they would like to see as the budget, departments then need to match those numbers, and will need to defend an excess. If cuts are needed it may be a percentage, a dollar amount, or by department. Chris indicated that the process starts in late May/early June. Terry McDonald asked if the departments work with the auditor or someone in the finance department to craft their budget. Chris responded that the auditor is a resource if they have questions, but that generally most departments create their budget on their own. Ben Eisbart asked Chris if the auditor gives a gross number and then the departments balance against that number and if they could switch funds. Chris stated he thought that they did not start with a gross number, but with last year's number with the growth or decrease based on the state's formula arriving at the new number.

Tom Harris indicated that the auditor lets the county council know what the budget projection will be, the county council sends the information out to the elected officials and department heads, the departments and elected officials begin to formulate their budgets based on the projections, and finally the departments and elected officials bring those to the county council for review. Tom clarified that it is a revenue based budget, but that a zero base budget had been discussed several years ago and that is not on the table right now. Terry McDonald asked if the county council had a sustainability process to readjust line items if they are not being spent. Tom said that they can, but that they base it more on a revenue standpoint. Tom added that they do have a capital expense fund; departments can indicate capital needs for the coming year or further out. Discussion on IT expenditures and the "use it or lose it" approach briefly followed by Task Force members.

Ellen then asked Commissioner Peters how the budget process works for the departments underneath the Board of Commissioners compared to an independent entity. Commissioner Peters said that they begin the process in March for that current year and up coming years looking at prospective needs may be, say what they believe to be appropriate and ask their department heads to craft a budget, and then department heads sit down with the Commissioners. Commissioner Peters indicated that they incorporate the strategic plan and push the capital needs list; if a department did not list something as a capital need three years ago they need to explain why it is now a priority. He said that this process is occurring as the auditor is getting the projections from the state and by July they are ready to take their budgets to county council for approval. Ellen stated that there seemed to be a good amount of coordination between departments that the Commissioners oversee. Ellen asked Commissioner Peters how much coordination exists between the independent entities and other units on the organizational chart. Commissioner Peters said that the only way it could be coordinated is through the Allen County Council because they are able to transfer funds.

Ellen asked Commissioner Peters to give an overview of the CEO, CFO, fiscal, legislative, and executive functions in Indiana county government and what it means for budget review. Commissioner Peters explained that in any county in Indiana, except for Marion County, there is a board of commissioners. He added that the role of CFO is a combination of the county council and the auditor's office with the technical expertise coming from the auditor's office and the budgetary oversight coming from county council. Commissioner Peter's said that elected officials are entities unto themselves, adding that some say this may cause some of the confusion in county government. He added that the commissioners only act as CEO and COO over 35% of the county's employees. Ellen added that they have a small slice of the budget under their purview, about 20%.

Ellen asked Tom Harris if there was a strategic planning component of the budget process and Tom replied that there is. Ellen then asked if strategic plans are voluntary and, if not, what requirements they need to meet. Bob Taylor added that updating the plan is critical when it comes to how build a budget to achieve the plan. Tom Harris stated the each budget season from a strategic plan perspective county council looks at the five year out needs; he added that this year he asked the auditor to provide him the top five financial trends that county council should be looking at in the next five years (e.g., revenue, costs, etc.). Tom Harris explained that the complexity of the department's service, large budgets, and the talents of the elected official may determine the end result of their strategic plan. Commissioner Peters added that there is a disconnect in the planning process in that council looks at capital strategies, but that the capital requests aren't necessarily tied into the departmental strategy. He said that what needs to be done to be successful in county government is to tie the strategies to the capital requests. Commissioner Peters indicated that if the gap could be bridged then county council would have everything it needs to make appropriate financial decisions. Tom Harris added that if new elected official comes into office that their strategy may be completely different from their predecessor's.

Kent Castleman asked who is responsible to monitor and oversee the progress plans and if that happens throughout the year or if they do it because it is part of the budget process. Commissioner Peters responded that the capital plans are the council's responsibility, the strategies of departments under the commissioners is the commissioners' responsibility, and the strategies of any other departments is the responsibility of the elected official that heads the department or the board that oversees that operation. Kent followed up that there is then no one person or entity who owns the plan to make sure there is cohesion. Commissioner Peter responded that there is not and that is a big part of the problem.

He stated that council comes the closest to having the ability to do so because the decisions they make regarding budget touch every department/entity in the county. Kent then asked if there is any follow through or impact on next year's budget if they did not do their plan. Tom Harris responded that there was not. Terry McDonald said that if elected officials do not update their strategic plan that county council reject some requests until they update their plan since county council formulates the budget, which is what taxpayers expect. Commission Peters said that part of a fix is to vest into the Allen County Board of Commissioners, people who are there on a day to day basis and deal with department heads on a day to day basis, the authority to recommend a budget to the Allen County Council. He added that it preserves Allen County Council's authority to pass the budget or not pass it, so the Allen County Board of Commissioners has an opportunity to tell the department to be more accountable in respect to their strategies so they match the capital requests they are taking to Allen County Council. Terry McDonald asked if county council could do that today. Commissioner Peters responded no and that due to the way state law is set up, it might have to be done through the legislature to give the commissioners the authority. Terry McDonald replied that he was saying that council already has the authority to force departments to conform to the strategic plan because it is good for everyone.

Ellen asked Tom Harris if there was anything frustrating about the budget process from his perspective in terms of the information. Tom Harris responded that a lot of government functions are about maintaining; he added that they are in a box and there isn't a lot of pushing the envelope to look outside the box. Bob Taylor said that part of our struggle is connecting to a strategic plan to help direct funds and without that, maintaining is driving the spending.

Next Steps

Ellen indicated that it would be useful to see a request form that departments fill out. Tom Harris said that from the budget process they are now formulating the guidelines of the letter going out to department heads which will be approved in the next 30 days and sent. The letters asks departments about their strategic plan, performance assessment processes, and some additional pieces. Chris Cloud indicated that the Task Force should get copies of the letter and previous year's letters to see what departments have to submit.

Bob Taylor asked if there are any ways to measure the overall goals in the strategic plan and if the department strategies are supporting those goals. Ellen brought the discussion back to Tom Harris's early comments about the technical abilities of the elected officials being varied, so there might need to be some technical assistance available in crafting a strategic plan.

Comments from the Floor

Roy Buskirk suggested having the auditor come or provide a handout about the budget increase formulation. Fred Gilbert congratulated the Task Force on what it is doing, saying it was the healthiest discussion on this topic he had seen in years. He asked if it would be possible to receive minutes as wells has references to the handouts given to Task Force members. Ellen responded that they could be emailed to those interested.

Motion to Adjourn

Bob Taylor submitted motion to adjourn and Roger Hadley seconded the motion. Meeting adjourned at 3:20 p.m.

New Haven Mayor Terry McDonald's Statement

I have been told that I am a pawn in a game of mind control and manipulation. That the only reason I am on this committee is to make unified government in Allen County become a reality. First I find both to be laughable accusation, and secondly, I find both to be insulting to my intelligence and too my character.

For those that do not know my background, allow me to give you a brief of who I am. I am one of a very small group that began a movement a few years back called the East Allen Communities. We formed the group to defend ALL of the East Allen Communities of Monroeville, Hoagland, Poe, Woodburn, Harlan, Grabill, Leo-Cedarville from a wide sweeping take over by a group of people with too much influence in Fort Wayne and Allen County Government. Secondly, I am the Mayor of New Haven, which if you didn't know is in Allen County and we have to stand up for everything we get, I DO NOT Lay Down for anyone.

In the future if anyone has a question about my intentions on this committee, please have the common courtesy to ask me to my face, rather than talking behind my back. I have read the materials that have been given to me, I have listened to the concerns, what I want all of the residents of Allen County to know is that I will continue to think as an independent person, who is beholding to no one. And if anyone should think that they can manipulate me, then I would offer my resignation immediately. Thank you.


4/29/15