

EDITORIAL OPINION FIRST STEP BLUEPRINT

Since my article on a more Efficient Plan to operate county government was published on April 30, 2006, there has been no reduction in the cost of Lake County Government operations. The 2007 budget was just completed without a reduction in the tax levy. This was the responsibility of all elected county government officials and department heads, not just the County Council.

Several areas stand out. We have to concentrate on reducing staff, cross training employees, hiring qualified employees, reducing insurance costs, lowering vehicle expense, and limiting liability. Our #1 goal for 2007 must be taking steps toward becoming an efficient and professional county government operation.

For years we have failed to take the necessary steps to annually incorporate into the budget the necessary maintenance and equipment replacement costs necessary for county owned buildings. The cost is approximately \$17,000,000.00. The work will be completed in 18 months. The annual energy and operational savings yields a payback of 4.5%. However, this comes at a very difficult time for taxpayers. Some property owners will see an increase in property taxes next year even without adding the cost of this needed program. Normally, the funding for this project would be an easy task. We are forced however to float a bond. (The reason is that the State of Indiana reduced our gambling revenues from 17.4 million dollars to 6.9 million dollars.) The annual bond repayment will be 2.4 million dollars annually for 10 years starting within taxes due in 2008. If county government leaders, including the three Commissioners, take immediate action to reduce the cost of county government we can aid the tax paying public. In my April editorial I made several suggestions. I am going to restate these and add a few others in the hope that they will be cast into the mix of alternative ways to assist the taxpaying public while providing quality services. Hopefully, some of the ideas will be considered, adopted, and implemented. The critical factor is that we as government leaders have no other choice.

The suggested cost cutting concepts that should be considered are as follows:

1. Initiate an 8-Hour Workday. How? Eliminate the 1 hour paid lunch. This would add 1 working hour to each employee's current 7 hour work day. Employees would work 8 hours and be paid for 8 hours. This would increase productivity by 17%. Over several years, we could then reduce employment by 17% and actually increase the salary of our remaining employees. Most county employees are paid on a much lower salary scale than state, city, or town government employees. This effort would streamline productivity, reduce salary and benefit costs, and bring about a stronger work ethic. An ancillary benefit is that the government buildings would be open for business for a longer time period each day. Some employees could work from 8:00

a.m. to 5:00 p.m. while others could work from 8:30 a.m. to 5:30 p.m. The public would have greater access to government services.

2. Reduce Authorized Sick/Personal Days and Eliminate the Employee Paid Birthday Holiday. Employees currently are authorized 12 sick/personal days and have a paid holiday on their birthday. The number of sick/personal days should be cut in half and the paid birthday holiday eliminated. With both of these reductions there would be a productivity increase of another 3 to 5 percent. Over several years the same reductions in staff outlined in point 1 above could be achieved thereby producing a 20 to 22 percent increase in productivity through a much leaner and more effective staff.
3. Further Reduce the Number of Take Home Vehicles. We eliminated approximately 38 take home vehicles in the first part of 2006. This annually saves tax dollars through reducing litigation, maintenance, fuel costs and vehicle purchases. We did back off a little due to complaints from officials. Now we must finish our goal and eliminate all take home cars except for the sheriff's marked cars, undercover police officers, and highway department personnel. All other take home vehicles must be eliminated. This includes those operated by the Prosecutor, the Sheriff, the Surveyor and other county departments who now have county owned take home vehicles not excluded by the three aforementioned exceptions. This policy is not difficult to formulate and implement. While we could drag our feet and argue, cost savings in this area require implementation at the earliest possible date.
4. Reduce Out of Town Convention and Seminar Attendance. These events provide public officials with an opportunity for idea interchange and training. Obviously, this is good. However given the current cost situation, the elimination of such out of town activities unless mandated by State law should be eliminated. Idea interchange and seminars could be conducted by a local agency in the think tank now operated by Purdue University in Merrillville and information can be acquired and exchanged over the internet.
5. Cross Train Employees In House. The strongest and most efficient work force is one that has interchangeable employees. Effectiveness and productivity is not affected if an employee is off under this scenario. Continued productivity and effectiveness is necessary to retain the quality of service when an employee is off voluntarily or involuntarily.
6. Centralize County Services. Lake County is one of the few within this State in which county services are scattered in several locations. This resulted from previous population distribution and political forces. As Lake County's population distribution and residential centers have moved in the last 50 years, the need for multiple service sites for county services has diminished. County government services of all types including judicial must be concentrated in

Crown Point, Indiana which is the county seat. Efficiency requires this centralization. Several subtopics emanate from this statement.

- a. This transition of county government services will require time. A reasonable time period in which to effect this relocation is 2 to 5 years.
- b. As a result, the relocation would require the successful establishment by the Regional Bus Authority of an effective intra county bus system. People need some way other than automobiles to get to the site of county government services in an economic manner.
- c. The relocation would apply to not only traditional county government services but also the courts. For a period of time it might be necessary to keep in at least two cities in the north the county division court facilities where people can go for misdemeanor, infraction, and county division civil cases.
- d. As the facilities in East Chicago, Gary and Hammond are phased out and relocated to Crown Point, the buildings would be turned over to those cities. As the transition takes place, the activity by county agencies on an annual basis in these three geographic sites would be substantially reduced. To achieve this transfer the county simply cannot abandon those buildings and turn them over to these cities in a dilapidated condition. For this reason the currently proposed repairs in the county owned buildings in those three geographic sites are still necessary.

7. Transfer Welfare to State Funding. Welfare, as we proved in court, should not be a burden on each county standing alone. Welfare is a mandated state program and its costs should be shared equally by all 92 Indiana counties. Currently, welfare is a negative tax. High welfare costs increases property taxes and severely limit the incentive of a business to remain in a county or to relocate there. People are very mobile. Today's welfare recipient residing in Lake County could be tomorrow's Jasper County resident. Everyone has a stake in making certain that people get off welfare and are employed. By eliminating property tax as a funding source for welfare the cost to get people in an employable category would be spread Statewide.
8. Hire a Full Time Resource Director. Lake County has approximately 2,000 employees. Although some of these are covered by merit status or a union contract, the majority of employees receive benefits and human services under the provisions of separate ordinances enacted by the County Council. The Commissioners hired a human resource director under contract in 2006. This person has done a very good job. We need to take this a step further and hire a full time human resource director. Coupling this with a centralization of how a person gets into employee status would ensure that all employees are aware of responsibilities and benefits when they begin and leave their employment. An additional benefit would be a screening technique to ensure

the job applicants have the abilities they profess prior to hire. This would increase productivity and allow downsizing of current staff levels.

9. Prohibit Mandated Programs without a Funding Source. The State and Federal Governments continue to require that counties provide new services but fail to provide any funding mechanism to pay for those services. To mandate a program is easy but to pay for that program under Indiana's system of fiscal constraint is difficult. Over the past 7 years mandated programs have cost the taxpayers of Lake County approximately 100 million dollars. No longer can legislators simply "stick their heads in the sand" when enacting legislation. They must become "giraffes" and not "ostriches". They must see not only the need for the program but the method to fund that service.
10. Reduce Crime. We have a Crime and Drug Emergency. Criminal justice costs hamper our ability to grow as a county. This contributes to the excessive property tax impact on taxpayers because there is no substantial new growth in assessed value. Annually, Lake County's assessed value has increased at the rate of 1.5 percent. The cost of county government as well as all other educational and government services can be supported more easily by a rapidly increasing property tax base. The problem is that we must reduce crime and drug use. This will improve our safety and quality of life, resulting in more companies and families moving into the area!!! These drug dealers and criminals are the real terrorists in Lake County and cost us the excessive property taxes to continually fight these most negative elements. We must eliminate this disease and cut into the main source of gangs. We must drive them from our county now!
11. Reduce Staff in Every Office and Department. The result of this action is obvious. Costs will be reduced. Ideally, staff reductions should be based on a rational staffing analysis. This generally takes time but is probably the right way to approach any overstaffing problem. Our tax crisis, however, does not permit county government to exercise the luxury of engaging in lengthy and protracted staffing evaluations and analysis. The only alternative is the one generally prevalent when a company takes over another company. A percentage is established for staff reductions. That percentage is based upon the amount by which the take over company believes labor costs should be reduced. This is arbitrary but effective. That staff reduction percentage is applied across the board. No matter how hard the "hit hurts" the "chips must fall where they may". The result is clear and concise. Costs are reduced! While productivity in the short run may be adversely affected, the cross training concept should over time offset any short run productivity decrease.
12. Have Selected Employees Work a Four Day Schedule of Ten Hours a Day. Another way to increase productivity without elimination of the paid lunch hour would be to schedule certain employees to work ten hours a day for four days. This would eliminate the lunch hour and two fifteen minute breaks that

would be taken normally by the employee on the omitted fifth day. The government centers would be open from 8:00 a.m. to 6:00 p.m. The public would have greater access. The employees commuting costs would be reduced. There might also be an increase in employee morale with three days off. This would especially be appreciated if the birthday holiday was eliminated and the sick/personal days cut in half. For mothers with children in daycare, there would also be a cost and morale impact.

County costs are concentrated in the Prosecutor's office, the Sheriff's office, and the Courts including the Clerk. These focus on the criminal and civil aspects of our county. Approximately 75% of the cost of county government excluding welfare is for these areas. One must recognize however that the cost of all county government without the branches already mentioned is less than 8% of any taxpayer's annual tax bill. The portion of county government expenditures not in the civil and criminal justice area is approximately 1%. From a global standpoint county government is the small fry. The schools as well as city and town governments far exceed the financial drain on taxpayers when compared to county government.

To pontificate is not to produce change. The proof is always in the pudding. To identify areas where others must incur sacrifice while isolating ones own governmental unit is simply less than courageous. The only thing that can be said is that "he who advocates must jump into the pond". For this reason I am proposing the following changes that the Commissioners could bring about in conjunction with other departments within the foreseeable future:

1. The Commissioners can reduce its staff by up to 8 employees. The transitional year would be 2007. At the start of 2008 the County Council could during its budget session take the necessary steps to reduce the eight employees. Estimated Savings: \$250,000.00 including benefits.
2. If other departments were to reduce their employee levels by 4% as the Commissioners will do in paragraph 1 the savings could solve most of our problems. There are approximately 2,000 employees working for the county. Of this number the Commissioners have 200 under their control. I have removed these 200 from this total leaving 1,800. If we reduce these by 4% that would be a reduction of 72 employees. The county has approximately 70 bookkeepers. By centralizing bookkeeping and reducing this total to 40 there would be a net reduction of 30 bookkeepers leaving only 42 people to be reduced in other areas. Utilizing an average salary of \$25,000.00 and eliminating 72 employees would result in a salary savings of \$1,800,000.00. Utilizing the standard of 25% for benefits the total savings in this area would be significant. Estimated Savings: \$2,250,000.00.
3. Close the East Chicago Government Center by January 1, 2008. This would require the cooperation of the Judiciary, the Sheriff, and the Clerk.

There may not be by that date a new courtroom for the displaced judge but the judiciary could through courtroom sharing make space available for one of their brethren. In conjunction with the space making cooperative effort the judiciary could also effect a plan to centralize all probation services, put bailiffs under one authority, and transfer the public defenders in the county division to the public defenders service agency. Estimated Savings: \$800,000.00.

4. The utility costs at all locations and for all departments can be reduced. We don't have to look at electric or gas bills or telephone bills to bring about lower costs. The Commissioners must direct Johnson Controls to readjust the temperature settings and the light switch automatic settings. By having less heat in the building and turning the lights off sooner, costs will be reduced. The other reduction mechanism is much simpler. Just do away with all cell phones paid for by the government. Transfer these accounts to the individuals who have the cell phones or terminate the service. No questions asked. The savings is immediate. No one is hurt. Estimated Savings: \$250,000.00. (electric, gas, and telephone)
5. Healthcare cost can be reduced if our employees over 65 would take the option to retire and make Medicare their primary insurance. We could then rehire these employees under a contract making our county insurance secondary. Estimated Savings: \$400,000.00.

Costs throughout Lake County Government must be cut by 20%. We can no longer delay on these most important issues. The above changes will produce a cost reduction of \$3,950,000.00. If other departments and offices would reduce their operation by 4% as I am proposing for the Commissioners (4%) there would be no future emergency. The above changes will lower costs. They will not forever solve the problems created by the design of Indiana's current 2% cap. That mechanism needs to be revised. A total of 45 states have a 2% property tax cap. All of these State systems are linked to a need criteria. A person should not have a reduction in property taxes just because their taxes are greater than 2%. Prosperous people have the ability to pay. Under the current 2% formula prosperous people benefit as much as poor people even though they have the ability to pay. There simply must be a better formula.

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Lake County Board of Commissioners