

WHEREAS, in the opinion of the County Auditor, the public interests required that the Lake County Council, should be called to meet in special session at this time, for the purpose of considering budgets for the Year 2011, a written notice was sent to each member of the Council, and proper advertisement made, and all other acts performed in accordance with the laws governing such matters.

And now in obedience to such call, come Thomas O'Donnell, President, Ted Bilski, Ernie Dillon, Elsie Franklin, Jerome A. Prince, Christine Cid, and Larry Blanchard County Councilpersons, together with Ray Szarmach, County Council Attorney.

OPEN: Public Comments, Council Discussions and Actions.

Kris Prohl, Executive Director of Arc Bridges was present to speak on behalf of Arc Bridges. She said that she is present today because she unexpectedly received word from the Commissioners that what they expected, which was a \$40,000 dollars reduction in the amount that the Commissioners is allocating to Arc Bridges, has turned into a \$365,000 dollars reduction.

Ms. Prohl said this makes about \$1.1 million dollars in reductions that they have had in 12 months, mostly from the State.

She said that she isn't sure that the Council has had an opportunity to hear what their situation is. She said that frequently Arc Bridges has been referred to by the Commissioners as a charity. She said in reality, they are a mental retardation tender, like the Mental Health Center, in a tax code, and very clearly we have a definition in the tax code. She said unfortunately, unlike the Mental Health Centers, there is no mandated amount.

She said most of their money, about 91% of their funds to serve people comes from the State, and it mostly comes through Medicaid. Most of our clients are Medicaid eligible, and the funding is either through, if they live in a group home, their funding is through the Nursing Home funding. We operate 22 State Licensed Homes. We call them group homes, but they are actually licensed Nursing Homes. Their funding comes through Medicaid through the Nursing Home funding, and all the Nursing Home rules, plus the Mental Retardation rules apply to them.

All the rest of the people that we serve, money either comes from the Office of Vocational Rehabilitation, which is straight Federal pass through for job placement, job support, or Medicaid funding through the Medicaid waivers, and the Medicaid waivers pretty much say, anything that you can get institutionally, then the requirement to live in an institution is waived, but the waiver pays for what could have been received from an institution, so Indiana is the largest State in the country that has now closed all of its Mental Retardation institutions. That's a good thing because a lot of money was going to the State to house people inappropriately. Those people are now being served in the community. We serve a lot of them. Unfortunately, and for a long time, (2 or 3 years), a long time in our budget vernacular, there was money in the system. The State agreed to keep the money in the system that was a part of the institutional funding, so a lot of people who had been on waiting lists for 10 or 12 years immediately got served.

Ms. Prohl said that right now a waiting list is 12 years.

Ms Prohl said they have changed their hours at work, so they have longer days, they have negotiated better rates with their transportation providers, so it costs less to get people in. She said if they don't provide transportation, a lot of people would not come in, and would not be able to get in, and would be stuck at home. She said this is particularly true for the 116 people that they serve in wheelchairs because not every family can afford the kind of vehicle that transports wheelchairs.

She said these are critical issues, but they are things that they can cut, because they can't cut staff, unless they cut whole programs. She said they are in the process of selling, they have closed 5 house, so the people who used to have homes in those 5 houses have had to move somewhere else, so they don't have the cost of running those houses. She said they are now looking, with this additional \$365,000 dollars cut, they don't know what they are going to do. They operate 4 centers, Hobart, Crown Point, Highland, and two in Gary. She said they could close a Center, what they would save there is the administrative staff costs, which is pretty much the "bone" at this point, but they would save those costs. They would not save operating costs because their buildings are all paid for. They would save minimal operating costs because even if we abandoned the building, it has to be heated and kept safe, so that we could move the people and double them up at other centers, and would be more crowded.

Ms. Prohl asked that if the Council could find a way to find any other funding for them, and reduce the cuts that we are anticipating from the Commissioners budget, we would be more than appreciative. She said that when she originally spoke with Commissioner DuPey, she said that the Commissioners believed that this would be a one-time thing, but Ms Prohl said that we really don't know happens between one day and the next. She thanked the Council for their time.

O'Donnell said that in Department 2900, the suggestion is that they take the line items for Tradewinds, In-Pact, LCAR, and LCEOC. The total amount is about \$1.2 million dollars. The suggestion is to reduce the funding for all those combined to \$730,000.

Dante said that that flexibility was forwarded by the Commissioners.

O'Donnell asked so the Commissioners will decide?

Dante said yes. All we're concerned about is that indeed, is it is outside the levy, and do we maximize that, and the answer is yes.

O'Donnell said, so we will have maximized the amount outside the levy, and still provide funding for all these, although, at a reduced level. They get to decide. It's their budget.

Dante said that's what we're following the true course of the amalgamated model even within the budget.

Cid said I feel for you.

O'Donnell said that he has been associated with Arc Bridges since he was a kid. He used to go on those walks, which were called the Walks for the Retarded, and they would raise funds, and pledge miles, and things like that. O'Donnell said that the problems are exactly as Kris has set forth.

O'Donnell said the problem is, the numbers are what they are, and it's horrible, but it's not going to be as bad as you're thinking, but it's up to the Commissioners to decide how the \$730,000 dollars is split between all of the groups. O'Donnell said the problem is that the public spoke, and they've told us this is what we want to pay, and we don't want to pay any more than that. Even if it's a laudable purpose like this, if they don't have somebody that's in that situation, they are going to let somebody else take care of it. O'Donnell said it's real unfortunate, and I wish I knew the answer.

Franklin said she certainly is going to continue to speak with the Commissioners to see what it is that they could possibly do. Franklin said it saddens her to hear that they have had to close some homes down. Franklin said that I am a fan, and a supporter of all of the things that you've done over the years with this Association, and I will certainly do everything that I can to keep an open mind, and these kinds of situations are the ones that make our jobs a little bit harder.

Dante said that the \$730,000 dollars is a risk, that is assumed by the County, so if you don't get the maximum levy, we have to "eat" the difference. They have not historically recognized the other areas, but we are making a commitment to the \$730,000, placing it outside the freeze, what I'm saying is, that if it comes up short, they may only allow \$530,000, or \$230,000, or \$330,000, whatever the DLGF, we have to make up the difference, so there is "risk" on us. They have not recognized the other entities, only her organization. We've entered one line item, hopefully we can persuade them to, sell them on the \$730,000, if not, we make up the difference.

O'Donnell wanted the record to reflect that we have received about 15 phone calls from all over the Country to our office, "begging" that we not make any cuts at all to this budget.

Ms. Prohl asked Dante if he is increasing the Mental Health Centers, over the mandate?

Dante answered, no. It is an agreement.

Blanchard said that amount has been frozen for, going on about 3 years now, possibly 4 because our levy has been frozen by the Legislature, going on 4 years. It would be the 4th budget cycle that our levy has been frozen, all units have been frozen, and experiencing the same losses of revenue on an annual basis, with County Government alone. Just the County, about \$4.2 to \$4.4 million dollars annually in collections that we can't take advantage of because the Legislature has frozen our levy because we refuse to adopt a local option income tax. Cumulatively, we've worked on the numbers, that comes to about \$64 million dollars, which is the difference in 4 years with a frozen levy, and an unfrozen levy. The taxpayers have saved, but the Counties lost out on the revenue, we're at \$107 now, we should be, if we had taken advantage of all of the maximum levy increases, that other counties, and other units of government, in the State of Indiana have been able to take advantage of. We would be at about a \$130 million dollar levy, and would all have smiles on our faces. We're not there, and the dollars aren't there, and I'd like to say that I echo what Franklin said, and I know that my colleagues as well, appreciates and realizes the hard work that your group, and other groups have done, over the years, and have never given it a second thought about what is before us today, because if you don't do it, who will? Blanchard said no one, but just keep working with us, and talking with us.

Ms Prohl said that what you have done for us has just been incredible, and the kinds of things that have been allowed because the money comes without restrictions. She said the more that their budget is cut, the more the County money is a portion of their budget. Ms Prohl thanked the Council for letting her speak.

O'Donnell said to Ms Prohl that her words did not fall on deaf ears.

O'Donnell wanted to recognize Mayor Tom McDermott, the Mayor of Hammond, who is also our Democratic County Chairman who was sitting in the audience, along with the County Surveyor, George Van Til.

Dante said that the \$9 million dollar deficit is now eliminated, with the exception of about a \$200,000 deficit.

He said he did not include the non-tax based funds, but the numbers are punched in, and these are the tax-based funds before you.

Dante said there were no objections to the budget submitted, during the 7-day objection period.

He said that the Commissioners wrote a letter, the Commissioners, it seems an innocent letter, but that letter is the one that drives the levy. The Commissioners drive the levy, the Commissioners, the Executive Branch of Government drives the rate, and they asked for a \$2.8 million dollars in the Cum Bridge levy, which is about a \$550,000 dollars more than what we approved, what they prior approved too, and recommended to us. It drove that levy up, it created that deficit, but fortunately the deficit was capped because of the advertisement on the cap, leaving you with a \$200,000 deficit by a little letter asking for more money in the Cum Bridge Fund, that's going to drive the levy, it's going to drive the rate, and it drove your deficit up to \$200,000 dollars, and it is reflected in your 16-line statement, so that is why you have a deficit.

Dante said, also coming from the Board of Commissioners, we need to have a recommendation on the 27th Payroll from the Board of Commissioners, so I can prepare for it. This comes from the Executive Branch of Government, and we need to have that very shortly, if it's going to be divided by, if the factor is going to be 26, then I've got to come up with a pile of dough between now, and next year. If not, if they are going to do a divisor by 27, then we don't have an issue, but that statement has to come out, and I believe that we should get that from the Commissioners as soon as possible, if not by tomorrow.

Dante said it's the Auditor's responsibility to execute the Retirees' payroll issues. Dante said, I strongly recommend, our system is built upon that, that indeed all positions being eliminated, the last effective date of a person in that position be December 3rd, of this year with all payout occurring this year too, as well, all the accrued stuff, and that should occur on or before December 3rd of this year.

Dante said he needs to dispense these issues right away, and highly recommends that those positions have to be terminated by December 3, 2010, with the payout coming from the Commissioner's carryover line item, which the Auditor has been advised of.

Dante also said they are balanced, with the exception of Cum Bridge.

Blanchard made a motion, seconded by Bilski to reduce the levy in Cum Bridge, Fund 350 by the deficit amount of \$201,234.00.

Dante said it comes from the levy bottom-line. It is a bottom-line driven fund. It is not a top-line driven fund. It is a tax rate/bottom-line driven fund, and it is controlled by the Lake County Board of Commissioners.

Blanchard said, for the record that he spoke with the President of the Board of Commissioners this afternoon, on this issue, and she was more than willing to do whatever the Council thought needed to be done to balance.

All voted "Yes", except Cid, "absent". Motion to approve carried 6-yes, 1-absent.

Dante said you are now completely balanced, at 92 per cent collections.

O'Donnell asked if the direction we gave you, is sufficient to adopt this green-bar? Is that what we're saying.

Dante said, I would highly recommend, yes, you gave me plenty of direction. The model worked and what didn't I will re-emphasize, if there's rough areas in there, like I said, the bottom-line will not change. I expect changes within the budget, if somebody doesn't like a position that was taken out. They could always revert to another position. We're open to it. So any kind of rough areas that occur because of this can be modified, before the first of the year, because again, bottom-line is being change, once we send this down State, that financial number won't change.

O'Donnell said, just so everyone understands, the green bar that is in front of you is what we would be approving as our salary ordinance under our final reading tomorrow.

Dante said, that's correct, and appropriation ordinance, and tax rate ordinance, and everything else, you've got it. It is balanced. It meets the model, and again, the bottom-lines will not change. The bottom-lines in each budget will not change. They are locked.

There was a discussion about the early retirement. O'Donnell said that some employees have said that if they could get their \$10,000 dollars pay-out after January 1st, so it goes on 2011 tax obligations, for them, they would be more inclined to take it. O'Donnell said these people are reporting to him that if they could do that, they would make that election and notify us of their intention to retire.

Bilski said, as it is right now, I believe their vacation and sick days wouldn't be paid until the first anyway.

Dante said they're already approved next years. They already approved the advance.

Bilski said it wouldn't be that difficult to pay them after the first of the year.

Dante said the position is gone.

Bilski asked why couldn't a revised 144 be done?

Dante said it's a mess.

Bilski said we're talking about 10 people.

O'Donnell said last year we did revised 144' for people that lost their jobs. We paid them in the new year with certain position numbers, and paid everybody. Maybe there is nobody who is going to take the offer, I don't know who is going to take it.

Dante said it's highly recommended December 3rd, we have to clear the books of these positions.

Bilski said I understand positions on December 3rd, but what does it matter to us if we wait to pay them in January?

Dante said the position is gone.

Dante said last year it was a mess to reconcile.

O'Donnell said they will not be employees in 2011, they will just be getting a payment in 2011.

Dante said once you unlock it....

O'Donnell said, if it's 10 people, it seems like we could reign it in, maybe have them sign a waiver, if they acknowledge that they are going to get this payment, that doesn't mean you're an employee in 2011, it just means that you decided to defer that payment.

Dante said I have no build-ins for the extra 3 weeks you're going to pay them, or if they decide to stay on.

Bilski said, no our terms that the position will be eliminated December 3rd, however the payment will not be made until January 1st for the \$10,000 dollars for the early retirement.

Blanchard went to the Commissioners Office to find out the number that were interested in the early retirement. He said there were about 12 people interested. For those who are taking early retirement, it was suggested to them to put it into deferred comp.

Dante said I just want to make sure these positions are gone December 3rd.

Franklin said according to Tom Dabberton' letter to all of the Departments, he has made that perfectly clear that we need to make sure that everybody is gone by December 3rd.

Blanchard said that the Insurance Department is telling them December 3rd.

Franklin said the one of the thing that bothers her about the layoffs is the unfairness that takes place in some of these departments, as it relates to staff that have been here putting their time, and someone who came in here yesterday, so to speak, gets the chance to stay, and the person with more time has to go. If they would just do it the way it has been recommended, based on job performance, and longevity, I would be a happy person, but I've already seen some things that I'm not happy about that's taken place in some of these departments. They are not doing it in that manner. That's one of the things I hate about layoffs because it's not done right.

Cid asked do we have any lawsuits?

Franklin answered, yes we do.

Dillon had a question about the Veteran Service' Office, and he wanted to know what they cut.

Dante said as he recalls the Commissioners did not amalgamate them into their over-all reductions.

Dante said he didn't have to go into the position.

Dillon said I was under the impression that last year we were left with 2 full-time positions, and a part-time secretary position, and we added a position, a third position that was never filled, and it was in the budget last, and it wasn't filled, and it was removed from the budget this year, then the part-time went from \$15,000 to roughly \$8,000. Now they are going to be working with 2 people, and a part of a person, and they are going to file claims for millions of dollars every year. Dillon asked if there are recommendations that he could make today, or tomorrow, or do I have to reconvene with the Commissioners, or just have at it, and leave it alone?

O'Donnell said I think it would be reckless if we came in and said now, we are going to start exempting people after we did this. That's just my opinion.

Dante said you can see the numbers at work now. He said this is cruel. He said he worked on Plan Commission, and Plan Commission was so cruel that we had to go into the 100 series and take a position, which Ned complied with. You can see the callousness of this model.

Dillon said, just so you know, their budget has been reduced from 40%, you take out a full-time position, you take out all these other things, a lot more than 15%, cause I don't know what their budget was last year, so they fall under a 40% cut.

Dillon said well I just want it duly noted, for conversation that I am concerned about it next year. Dillon said, just for your information, before we leave the subject. He said that Council Lady Cid brings up a good point, and I just want to make a point by saying that we do, as Veterans, have a National Certified Service Officer at American Legion Post 168, and the DAV, (Disabled American Vets), who are there every Monday from 8:30 A.M. to Noon, free, filing claims that they do, here in the County, and we, the American Legion pay for that, so to kind of pick up the slack. Dillon said, I'm concerned but yet I do have an alternative for Veterans, when it comes to filing claims. That's what they do there, 99% of their work is filing claims for Veterans, their spouses, and the soldier burials. I guess as a point of record, and for your information, Council Lady Cid brought that to my attention that we do have those volunteer groups out there, who do file claims, so if anybody is looking for help, next year.

Bilski made a motion, seconded by Blanchard to add a request from Juvenile Court, to the agenda.

Bilski said there was a request for \$15,000 in a workshop last week, and they found a line item in order to pay the \$15,000 dollars in the form of a transfer.

All voted "Yes". Motion to allow the request on the agenda carried 7-0.

Bilski made a motion to transfer in Juvenile Court, Dept 4100 a transfer from line 41190 Part-Time in the amount of \$15,000, to 43995 Other Services & Charges. Blanchard seconded the motion.

O'Donnell asked did we already take that part-time money?

Dante answered, not this year. Dante said, next year it's not going to be there.

Cindy said that is a point that she did bring up, that they can do this, this year, but if the IV-D request is for next year, we'd be in the same situation, and have no part-time money to pull from because that's a part of our plan of reduction.

All voted "Yes" to approve the transfer. Motion carried 7-0.

TRANSFER OF FUNDS CERTIFICATE

I, the proper legal officer of Lake County Council, Lake County, IN., hereby certify to the Auditor of Lake County, that the Lake County Council, approved the following transfers:

	Requested	Approved
<u>Juvenile Court</u> 4100		
From: 001-41190 Part-Time	\$15,000.00	
To: 001-43995 Other Service & Charge	\$15,000.00	\$15,000.00

and that such transfer does not necessitate expenditure of more money than was set out in detail in the budget as finally approved by the Department of Local Government Finance.

County Council
2010

2011 Budget Workshop

October 13,
1:00 P.M.

This transfer was made at a regular public meeting according to proper ordinance, a copy of which is attached to this certificate.

Dated this 13th day of October, 2010.

Tom O'Donnell,
President, Lake County Council

Blanchard made a motion, seconded by Prince to add Department 0500 a request for filling in vacancies, 3 Sergeant positions to the agenda.

All voted "Yes". Motion to add to the agenda carried 7-0.

Blanchard made a motion, seconded by Franklin to approve filling vacancies in the following positions in Department 0500.

13548-006 Sergeant

13548-018 Sergeant

13548-020 Sergeant

All voted "Yes" to approve filling the position. Motion carried 7-0.

Blanchard explained that these are move-ups and those move-ups will create other vacancies in Police positions.

President O'Donnell announced that the next meeting will be held tomorrow, October 14, 2010 @ 1:00 P.M. for Final Reading.

There being no further business to come before the Council, it was moved and seconded that the Council does now adjourn to meet again, as required by law.

President, Lake County Council

ATTEST:

Peggy Holinga Katona,
Lake County Auditor