

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 Year 2012, 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 Ted Bilski, President, Jerome Prince, Michael Repay, Elsie Franklin, Daniel Dernulc, Christine Cid, and Rick Niemeyer County Councilpersons, together with Ray Szarmach, County Council Attorney.

OPEN: Public Comments, Council Discussions and Actions.

President Bilski said that no objections to the 2012 budget were received.

Dante explained that they could reduce the discretionary amount that the Council provides to the Board of Commissioners. We provide about \$400,000 or \$500,000 dollars in Cum Cap, and about \$500,000, historically in Riverboat. Dante said that's going to be placed in jeopardy, if not eliminated....

Dante explained in the Commissioner's budget, in Fund 196, there is \$500,000 that was approved by Council action on 8-29-11, and Dante is asking that that be removed because of the income tax credit.

Dante explained that that is part of the discretionary funding that we give to the Commissioners, which they won't have next year.

Niemeyer said he doesn't agree with 4 or 5 agencies getting all of the Cum Cap money. We need to be spreading it around a little bit in tough times.

Repay made a motion to reduce line item 44310 in department 2900, in fund 196 from \$500,000.00 dollars to zero. Cid seconded the motion. All voted "Yes". Motion carried 7-0.

Dante said the other lingering issue, and he has had multiple conversations with the County Assessor on this is the Reassessment fund. He said by law, the County Assessor must make recommendations over the Reassessment Fund, and he has not. Dante said the \$715,000 that's placed in there by the County Council under my recommendations because that's how much money is left, just proportioned out to the request. He said we went over this in line 1, line 2 about \$4.6 million. Out of that \$4.6 million, \$715,000 has to be under the recommendation of the Lake County Assessor. He has not made that call. Dante said I am highly recommending that he either makes that call, or you zero that out, one of the two. He has to make that call. By law, he makes the recommendations on reassessment. It's a small issue, but we don't want to get in between the Assessors' next year on this issue.

Niemeyer asked he makes the recommendation to the Assessors?

Dante said no, he makes the recommendations to the Council, on behalf of the Assessors.

Bilski said they could make the motion today to zero it out.

Prince asked when we zero it out, what happens to the \$715,000? We've made some recommendations for 2012 for the other departments to expend the \$715,000, but what happens to those recommendations?

Dante said the cash stays in the fund. It would just sit there and get re-appropriated next year, under the recommendation of the County Assessor, he will come back next year, and make recommendations.

Dante said the issue here is, the recommendation and the appropriation that you authorize finally, by the Second Reading has to be made based on recommendation made by the County Assessor.

Bilski said so if we reduce that now, we could come back between now, and Second Reading.

Dante said, absolutely.

Prince said or he could accept the recommendations that we already inputted.

Prince said Mr. Adams has looked at them, and made some calls to the other local Assessors, as if he is going to accept the recommendations, but he has not come to us to give us some direction, which is what we've been asking him to do.

Niemeyer said we could recommend zeroing it out, on 9-26-11, if he doesn't come forth with a plan, I'm okay with that because he has his options. If he doesn't come back by the 26th then zero it out.

Dante said what I will do is make this conditional, if we don't hear from Mr. Adams, this will become a zero on the 26th.

Niemeyer made a motion, seconded by Dernulc to zero out Fund 237, of the \$715,000 dollars and if our Financial Advisor doesn't receive conditions and recommendations approving what was submitted, by 9-26-11, Mr. Adams will have to come back after the first of the year to make re-appropriations.

Repay said it seems like a strange conditional motion and I think we are going to meet and we could leave it as is, and should he return, and should he make recommendations that the Council finds agreeable then we can make those changes at that point, or if he doesn't we could make the changes to zero.

Prince said that's exactly what the motion was. We will meet Monday, and he has every opportunity to either accept those recommendations, or make new ones, if he doesn't the 26th will come that following Monday, and, Bilski said that gives our Financial Advisor the opportunity to start plugging those numbers in.

Dante said to watch, cause the gateway is going to take some time. Bilski said, that's what we're concerned about right now. With the gateway all of this new data has to be entered in.

Franklin said I'm confused at this moment because we've given every one of these departments the opportunity to come forward with their budgets, and Mr. Adams has had the opportunity to do what he needed to do. Now we are going back all over this again.

Niemeyer said if Hank has the ability to go back after January 1st, to appropriate it at this point, maybe he is thinking he may have a better handle on it in January, and he might want to ride it out right now.

All voted "Yes". Motion carried 7-0.

Bilski made a motion to remove any pay increases, increased pays of salary increases, other than those that are statutorily required, or those that are currently being negotiated through a Collective Bargaining Agreement, with the exception of reorganizations, and supplemental pays, no increases in Supplemental Pays. Franklin seconded the motion.

Repay asked, with regards to Supplemental pay, your motion excludes those instances where an individual may receive a W-2 increase as a result of supplemental pay?

Bilski said also those who are fully funded out of supplemental pay, it would exclude those as well.

Repay asked, it would exclude both of those?

Bilski answered, yes. If you have positions that are fully funded out of supplemental pay, if you have people that are earning, a good example would be our Assessors, who work and get paid a supplemental pay outside, they had overtime issues, they get paid out of that supplemental pay.

Cid asked, but you are not approving any increases in the supplemental pay, and then asked are you including pay increases?

Bilski answered, no. Anything that was based in 2011 would stay the same based on their supplemental pay.

Cid said right, so that's what your motion is for them to remain the same?

Bilski answered, yes.

Dante said, with the exception of Collective Bargaining, reorgs, statutory meaning our Court appointed mandated, unfunded raises from the State.

Dante said so raises, just straight raises are out, and for any increases or new supplemental pays are out.

Bilski answered yes.

Dernulc said he your motion is to take off any supplemental pay increases, as it relates to a raise, and so on?

Bilski said, say that again.

Dernulc said so all raises are off the table.

Bilski said basically, yes.

Dernulc said, including the supplemental pays, with the exception of anything that's statutory.

Bilski said no, there are no additional increases to their supplemental pay, those that are working under supplemental pay right now, will remain working under supplemental pay.

Bilski said if I find something that I didn't cover, I hope that we could make those adjustments tomorrow.

All voted "Yes". Motion carried 7-0.

Bilski asked Dante to give an update on the Merrillville Fire Protection Territory. Is it a binding recommendation?

Dante explained that Merrillville is indeed, as we indicated from day one, a binding recommendation. Their Attorney said to us that they don't have to come here. After several phone calls, and I think you had discussions on this with your Attorney, with memos, and with the Auditor's Office, they found out that they are binding. My point is this, it's too late for them to submit anything on our First and Second Reading, so their budget will be zeroed out, and that's because of the State, and not us.

Dante said they are a binding recommendation, Civil units. They have to follow your procedures. They have to meet your First and Second Readings. Because they were mis-guided, or mis-directed, they did not. Since they missed our First and Second Reading, they will probably, unless DLGF makes an exception zero their budgets out.

They will have no budget appropriation, but will probably still be able to retain their levy though, but that's between them and the State.

Repay said on First Reading, we discussed this, and I was under the impression that we passed it. We took action on First Reading for everyone.

Dante said but I made a clear point and said that Merrillville did not submit, and calls went out several times.

Ajay Muhammad, in the Auditor's Office called several times.

Dernulc asked and they did not respond?

Dante answered, yes they did respond in writing. I provided it to your Attorney.

Bilski said our concern is, not to have revenue there, worst case scenario, we can't allow fire protection to be unfunded, people' lives, livelihood and protection of life and property, regardless of the stance that Merrillville Fire and Protection Territory took. It's our responsibility, as an extension of State government, at the County level to insure that those residents are protected, and that that budget is going to be there to help them. I want to defer to our Attorney because this goes way beyond my scope and ability and we are going to have to take some action to insure that that fire protection is there, and inevitably, if it's a binding recommendation then we would be the sole responsibility...(inaudible).

Attorney Bishop said that Attorney Szarmach was involved in this, but Attorney Bishop said that he can appreciate what Dante is saying, because he has had dealings with the Attorney staff in Merrillville, and Dante is of the interpretation of the Counsel for Merrillville was, "no we don't have to show up".

Dante said they have to speak with Attorney Szarmach because he doesn't want to get in between that. He said it was E-mailed to him and he gave it to Attorney Szarmach.

Cid said our legal counsel maybe needs to respond to that.

Bilski said we did that, and there was no reply, and his concern right now is, is it too late to for us to just take action and approve what they had in 2011? For example, If you had increases for 2012, it's not going to be there since you didn't present anything.

Bilski asked Attorney Bishop is it too late to approve our recommendation to re-approve their 2011 budget?

Dante said I don't have their 2011 budget. I have no financial numbers.

Bilski asked Dante, from what you said, because it wasn't part of the First Reading, it is already a done deal and can't be re-visited?

Dante said, correct. You understand again how decisive and how clear I've been on these procedures? The "bindors" must follow our direction and our timetables. I've been very clear about this.

Dernulc said he just spoke with Attorney Bishop and asked why don't we defer this for a short time and let Attorney Bishop call the Attorney to see if ...

Dante said his name is Carl Cender. Dante said this is from Carl Cender, "I did conform with Dan Jones, Assistant Budget Director of the DLGF yesterday, that the Merrillville Fire Protection Territory is subject to the binding review of the Town of Merrillville and not of Lake County.

Dante said that he was informed by Lemuel Perkins yesterday, from the State, that that indeed is not correct. If that's not correct, what the State normally does is knock their budgets down to zero. That's all I'm communicating to you. I was ready, willing and able to put them in the pack.

Niemeyer said so they've done the territory, the new territory, which come real late, in July, I think, or June so they've done their stuff through the Town of Merrillville, and it's been advertised, and part of that?

Dante said right. Calls went out, to them from our office, several calls, under my direction, from Ajay Muhammad, to get that information from them, which prompted this memo, which was given to your Attorney, which was presented last meeting. This is just one of 59.

Bilski said to Dante, but there is no action to be taken. There is no action needed on this at all.

Dante said, I'm just advising you. That's all I'm doing. I'm providing to you information to cover yourselves, that's what I'm doing.

Dernulc said I think we should go one more step, and have Mr. Bishop call their Attorney and see if we can come down there.

Bilski said, I agree with that, but as for this line item and us moving forward with our budget, there is absolutely no action needed to be taken on this reminder.

Attorney Bishop said if it's with the Council's permission I will contact the Town Attorney and alert him to the problem that's impending.

Bilski said correct, that would be all that we can do at this point, and he asked to document that, put that in writing so that we will have a copy of that.

Dernulc said he would like to see the legal notification that they put in the paper that Merrillville did take this up.

Dante said he wanted to make very clear what he was saying regarding Crown Point. Dante did a power point presentation.

Dante said these Towns don't want to come here. Dante said that he has to reemphasize on the bond issue.

Cid asked with regard to Crown Point, if this is one of those entities that is a binding recommendation?

Dante answered right, that has a deficit, and their deficit will be shared and borne and shared with other Civil Units, unless they reduce their maximum levy.

Dante said when the Crown Point debt in 2012 goes from \$890 to \$1.3 million, that levy then has to be offset proportionately, with a assessed valuation increase. Dante said, not technically correct. It has to be proportionate to the combination of the levy. So it's not proportionate to the levy increase, it's proportionate to the entire composite, so this is 20%, not 50%, like I said previously. Their assessed valuation has to increase from \$2.1 to \$2.588 to keep this at 10 cents. If they do not increase their AV by this amount, this \$440,000 will be borne, and spread to other units of Government, including the County.

Dante said he made a statement on it being proportionate to the levy increase, but it is proportionate to the combined levy increased, not the individual levy increase.

Bilski said this is a perfect example of how what one taxing unit does, how it impacts everybody.

Dante asked where does that \$440,000 go? Since we are about 30% of the tax rate in that district, we're going to get hit, of course it's going to be on your bottom line on your 16-line statement, as well as the other 59. That's where I'm getting frustrated because we have to get off this stuff and look at the larger picture here, and dispense the Merrillville for not complying.

I have to reiterate time and time again that we took our maximum levy, which they should have done, we took our maximum levy down by \$11.2 million dollars from the beginning, day one. We are the only ones that did.

Repay said even though we "firewalled" ourselves in, we did not "firewall" ourselves away from the effect that they could have on us, and the point that I want to reiterate what Councilman Bilski said, we all share is not entirely true because if we were to go and be reckless, and over appropriate, we would not be able to put ours on them, but they are able to put theirs on us.

Dernulc said we will get about 30% of that, so ours will be approximately \$120,000 dollars that we will get hit.

Dante said then add up Solid Waste, and Gary, and Munster, and then we have a(inaudible).

Dante said instantaneous, and that will keep going on until we don't exist.

Attorney Bishop asked Dante is he has any indication that for example that Crown Point's incurring debt is in excess of it's AV?

Dante answered yes, it's right there.

Attorney Bishop said I was just re-visiting the Calumet Township Poor-Relief issue.

Dante said I haven't re-visited that.

Attorney Bishop said, only for the benefit of the other Councilmembers, there is a state that the Indiana Constitution prohibits a governmental entity from incurring debt in excess of 2% of it's assessed valuation.

Dante said , obviously they are under that cap. I don't know. I don't know if that applies anymore.

Attorney Bishop said, if they don't increase their AV.

Dante said all I know is that on the caps, I'm speaking on the caps, in order to justify that increase, they have to have an increase in assessed valuation of 2.588.

Attorney Bishop said, so what you're also suggesting is that AV is not going to be increased because that's not what happened?

Dante said, right which is another phenomenon. I don't even have the AV for next year, and I won't have it for months. How are we going to make that call? What I would do, I would challenge Crown Point and say you know your jurisdiction better than I do, get together with the Auditor' Office and find out where your estimates are immediately. So we laid the AV responsibility on the Auditor' , and I've already spoken with Peggy, and the Civil Units.

Niemeyer said, at this point when talking about this budget for the Library, we need to have some more conversation with the Library, and the City of Crown Point, and Hank because they do have AV growth there, how much, I don't know. If anybody has AV growth, it would be the Crown Point area, so there is growth there, but is it enough to offset, we've got to find that out first before we do anything with this.

Dante said that's correct, and also, that's the final determinate of what you're going to do with your levy because if they go from 2.157 to somewhere mid-point, 2.3 you are only going to share \$220,000 instead of \$440,000. So you can see the complexity of the issue, an AV is an integral component.

Dante said the libraries should know what is going on in their communities, they have a good feel they should be able to get it.

Dante said he has this power point presentation in case people want to either increase their budgets, or if somebody says 90% is not correct, I have justification and documentation that shows why it is indeed correct, and that is just for reference information.

Dante said right now we are balanced, and at the conclusion of today' reminders we are balanced at 90%. There is a deficit of \$350,106.

Bilski asked Dante to go through his options.

Dante said what if we get pressured to go beyond our current budget, or if our 90% doesn't come in? He said if you want to go to the worst-case scenario, I have it for you.

He said worst case, we can't stay within our \$110,800,000, and/or the 90% doesn't come in. You would have to go into this next phase.

90% is still a realistic number but your AV is driving that collection rate down.

Niemeyer said in fairness to the other communities that are out there, and us too because we just got this thrown at us, I guess they have to know pretty much up front, after this year we are going to recommend what's going to happen. These caps are going to get worse, as the years go, with the revenue shortage.

In fairness to the Civil units out there, this is what's going to be our recommendation, we are going to take that off of your maximum levy so that everybody doesn't take a "hit" off of that, in the County, and if they know that, and submit a budget over the caps, then they are going to know what our recommendations are going to be. I understand this year, this is something that is jumping right at us, but we've got to decide if

we are going to do the binding, we have to do the non-binding the same way. We can't do half and half here.

If we do the binding with the levy, then we have to recommend on the non-binders the same thing. We have to be consistent.

Cid said the problem we had last year was, the figure that were submitted, that we used to review those non-bindings, a lot of those Council' hadn't taken action yet, so even though we are looking at these figures, they could have corrected and taken action to keep them in line with the caps.

Dante said the bindors, which there was only one last year, that we missed which was Solid Waste, turned into 4 this year, possibly 5 with Merrillville, the State came up with their administrative ruling, they follow our procedure, tough luck, one way or another. They follow ours, they follow our public presentation, which Crown Point was correct, they follow our First Reading, and they follow our Second Reading, So we're learning, as we go along too, as well.

Those are the administrative proceedings, otherwise, everyone else is September 15th, by the statute.

Repay said and when you say by Statute, Council lady Cid said we didn't have it last year, we will have it this year. We will have all the municipal, binding, non-binding, we will have their budget as they want it to be submitted for us to review.

Dante said right, all of them by the 16th. They have to submit their proposed budgets by the 16th.

Dante said I treated the "bindors" just like us, they are part of the 16-line statement. The non-bindors are just going to submit what they've proposed on budgets, tax rates, and tax levies. I have none of their financial information, I have no confidence in their financial information, I have no other AV, so we're heading down a path of adopting their proposed budgets, which means you're going to have to adopt the "bindors" as well because you've got to treat them alike.

Repay asked Dante if he just said that we are going to accept the binding agreements just as they are? In other words we are not going to make a binding recommendation, is that what you said?

Dante said we are set to accept the proposed.

Repay said, well I don't know about the rest of the Council, but when you say we, I'm not including myself in that.

Dante said I'm not speaking of you, but as the Council, as a group, I'm just letting you know how we're positioned. We are positioned to go, binding, we were, on positioned to go binding on 4, and not positioned to go binding on the entire 59, at this point, at this very second.

Cid said right. Statutory doesn't require us to be binding on those non-binding.

Repay said, but statutory does require us to make a recommendation.

Dante said you have to make a binding recommendation by your Second Reading. You have make a non-binding recommendation by October 17th.

Niemeyer said one issue that I think that we really need to look at very strongly is our health insurance participation that we have now because that health insurance plan is failing on a yearly basis. It's going to get worse and we won't be able to pay our claims out and do what we need to do for our full-time workers.

That issue with determining whether we call somebody part-time, or contractual, or whatever we are going to do, we've got to look at participation in insurance, it's a big issue in next year' budget. If we don't address that issue, it's going to make it drastically worse than it should be. It's an issue that has to be looked at, and it can't go on this way because it's not going to work, and if we can't provide insurance to our full-time workers here, then we've got to get out of the Insurance business and try to do something else because we've got too many people on this insurance plan.

Niemeyer said Public Defenders is one issue that is there, if you don't put in full-time hours, as professionals, the criteria is there, that maybe they think that they deserve that insurance, or the people involved with them do, it's my opinion that these are either Contractual or part-time. There are people that work for the County under that premise, and we are paying them full-time benefits, which I don't think you can get anywhere else in the workforce with the hours, and stuff that are there. That's one of my recommendations, that we look very seriously at those issues with participation in insurance, not just Public Defenders, but across the board, anybody that would deem, another one is Election Board, the Election Board is on there getting medical insurance.

Bilski asked Niemeyer is there a recommendation that you have for the Public Defenders.

Niemeyer said I'm going to leave it open for discussion right now.

Dernulc said I spoke with one of the Public Defenders and would like to give a recommendation to the Board if we are going to move in that direction, but I would still like to have further discussions.

Judge Julie Cantrell said that she, Judge Moss, and Judge Bonaventura sat down with Councilman Niemeyer, at his request, and gave some suggestions that we thought were plausible alternatives, possibly have the part-time attorneys in (various departments, was inaudible), possible have them pay a higher premium, or higher deductible, or some look into maybe buying an insurance policy, specifically for them, like the retirees have, as an alternative to making it more palatable to the people who have this insurance who've accepted employment, based on the fact that the insurance was available. Just like the County Council, you all ran and insurance is part of your compensation, that was when they accepted the job, for the insurance. We thought that maybe those were some alternatives that could be looked at. I don't know any research has been done to determine whether or not a policy for those particular group of attorneys, how much it would cost to either add them on to the retiree' policy, or make a separate policy with that same Company we are already using for that. Judge Cantrell said, I don't know if you've looked into it, or talked with anybody else, or talked to Mr. Blanchard.

Niemeyer said I did talk to Mr. Blanchard with the Aetna, with the retirees, and it's just with that particular policy, it can't be added on. But maybe a supplemental policy can be added on.

Judge Cantrell said and I don't think the Public Defenders would have any objection paying a higher premium, or having a higher deductible, and they would be willing to do that. That's something that they would be willing to do. Maybe a compromise, at least for next year, until we can have more time to delve into it outside the budget process.

Franklin said it was my understanding that there was a meeting between the Judge and my colleague, but I was under the impression that you guys had worked out some kind of formula to start working on all this, and you had agreed to certain things, but I didn't know that you were back to ground zero again.

Judge Cantrell said I didn't think we were back to ground zero again, I thought that those were some alternatives, and somebody was going to come back with some numbers and then talk about it some more, but we never really got any further than that.

Niemeyer said I think the dialogue, to be perfectly fair, was open both ways, there has been some discussion, I've some discussion when Randy called checking into that for that particular system. That's why when I opened it up today, I was looking for dialogue here. This issue has been going on for a long time, and I don't know what the absolutely correct answer for this is. I don't want to just cut somebody off, in midstream, but the system can not continue the way it is.

Judge Cantrell asked is there a possibility to determine a higher premium, or a higher deductible rate for those people for the Council to look at?

Mr Blanchard was speaking, but wasn't at the microphone.

Franklin asked if we have exhausted all of our options, as it relates to looking at providers? She asked have we looked at all of the Companies and some of those in which we may be able to reduce the cost by going with another company, have we done that?

Mr. Blanchard answered, that's going on right now.

Cid said she wanted some clarification, and asked are we talking about current Public Defenders, and so when new ones are hired, would they still receive the insurance, because I thought the main thing was to look at the risk factor, is what we wanted to decrease in the insurance plan. So that's what I just wanted clarification on. Are we looking to "grandfather" those who are under contract now, and if we were to look into this higher deductible, or the current one, or would we still be contracting with Public Defenders, with insurance? I think that's something to be looking into when you're sitting down.

Niemeyer said it was with that particular line items that those Public Defenders are in, those line items and where they're at now, or future, where they're at in the budget now, that's what I'm talking about.

Prince said I think whatever we do with Insurance, or Public Defenders, or any employee has to be done as part of a larger plan, as what we do in terms of running business in the County overall. For instance, how we compensate people is what I think insurance would come under. We also have to consider what services we provide, whether they would be eliminating discretionary services, and then lastly, what do we do with our assets. I think, unless there is a recommendation coming out of this particular discussion, we should probably save it, and for that Committee and bring the Commissioners, as well as the Council together and any entity that is going to be involved, in terms of changing how we compensate them. I just don't think we should arbitrarily pick out a group. Everybody understands that we need to do something with insurance, but to just pick out a group is sort of counter-productive to what we're doing here this morning, certainly a budget process.

Dante said you really have to defer after the budgets, sometime after the 29th.

Dante said identify the issues at least, and then establish a time line. I've heard the Public Defenders, I've heard insurance, start articulating them, and then deal with them right after the close on the 29th.

Niemeyer said the intended is, the budgets have been zeroed out, I assume you're back to your levels last year, so the insurance issue is not a budget time issue, right now. It's an issue we have to look into, for cost savings, going into 2012, in my opinion can't stay the way it is. So do we have to do actions at budget time, or recommendations today, absolutely not, but this issue has to go forward, and it can't lay there any longer. It's got to be talked about, and has to go forward from now on, we have to have a decision on how we're going to go forward with these issues because they are not going to go away. That's all I'm asking, and I didn't absolutely pick any department, it's anybody that we want to deem part-time, or not particularly a full-time worker here. We rolled the dice, we made sure the premiums stayed the same for the people working here now, because we hadn't given them a raise in x amount of years.

Prince said we can discuss this all day long, but unless there is a particular recommendation coming out of this, it's just discussion, and it's not really productive unless we do it as part of the larger plan, that's all I'm saying.

Dernulc said why don't we take action in our November meeting on this.

Judge Cantrell wanted the Council to know that all of the Judges will be at a mandatory State Judicial Conference next week, and she said they would appreciate not being "blindsided" when we are not here.

Dernulc said they won't do that, but by November 1st they will come up and give a recommendation to this body.

Judge Cantrell said we sat down with Mr. Niemeyer, and we came up with some ideas, maybe between now, and then Mr. Blanchard can run some numbers and give us some idea of where we are at.

Dante said your budgets are essentially balanced, your issues are going to be one more coming up here shortly, the insurance. You have to start working on resolving these larger issues, you have to start identifying them, and you have to put them in place by January 1st, 2013 because you are living off your reserves. You are living off of borrowed time.

Bilski said I think it's the consensus that we will go ahead, and move forward with our budget. The adjustments to who is eligible, how they are eligible, how their defined benefit plan will be paid out, will be something that we will take action on throughout 2012, and make adjustments to the overall plan throughout budget year 2012, but for the purpose of establishing a budget for 2012, that is off the table, and we are moving forward with, as presented.

Dernulc said by November 1st we will try and get a recommendation.

Bilski said but that will be outside the scope of this budget. This is something that is going to help us, fiscally, get through 2012, but will not be part of our budget.

Dante said health insurance is target, almost number one.

Bilski said we need to maintain for the employees here, and what we're trying to accomplish is continue to provide health care coverage to each and every one of you. I think it needs to be known that we understand that most of you work here at the county government, not because of the great salaries, but because there is healthcare here. That's what we're trying to maintain, and that particular fund is not as financially stable as we would like it.

Bilski wanted to re-visit my first motion.

Dante said this is what I interpreted what I've heard, in my words: remove all new supplemental pays, increases in supplemental pays, and straight out salary increases that don't have a title change, or responsibility change.

Keep salary changes due to reorganizations, collective bargaining agreements, and mandated/state required salary changes.

Dante said that's how I interpreted what your intent was.

Dante said if that's wrong, I will change it.

Repay said I think that was right, that's what we all heard, and that's what we voted on.

Bilski said that there are also other issues in there, and asked what was the fund number on Web Maintenance?

Dante answered 283.

Bilski said that was something that did not need to be excluded out of this. I'm trying not to complicate this matter anymore. Bilski said I would suggest that those departments that have supplemental pay issues, that raise a concern, we address those individually, might have been overall easier than trying to remove it out completely because this thing is more complicated than, cause we do have a lot of folks getting paid out of supplemental pay. And I don't want to take anybody's pay away from them, and the Web Maintenance fund is one of them.

Bilski made a motion, seconded by Franklin to reinstate supplemental pay.

Repay asked, your motion is to return those supplemental pays that were submitted, and passed on First Reading in this budget?

Bilski answered, yes.

Cid asked you are reinstating new supplemental pays but not any increases in supplemental pays?

Bilski answered, no.

Cid said, so you're allowing...

Bilski said some to have an increase in supplemental pay, yes.

Cid said, okay so you're allowing new increases in supplemental pays, and new supplemental pays?

Bilski said they're going to have to because that's how we are going to have to pay for some of those positions. So my answer is yes.

Cid asked, so that's your motion?

Bilski answered, yes. Bilski said I am up for a friendly amendment on this, and this was a motion for the purpose of discussion, but I don't want to eliminate anybody's pay here, or do anything to cause any harm or reproach on any individual as well either.

Cid said okay, and that's my concern is that you're saying that no other employees are being allowed raises okay. If you want to leave in the new supplemental pays is one thing, but then to allow some employees to receive pay increases in supplemental pay, is not fair to me, so I could see if you want to amend your motion to include, but to allow increases in supplemental pays is not fair to rest of the department. I think just allowing the new supplemental pays would be more fair, such as the Web Maintenance Fund.

Bilski said it is pretty much the same.

Cid said no it's not, there is a difference.

Bilski said because if they are reorganizing, I think if we have specifics, I will make that amendment to read as palatable to everyone, but I would suggest if you have an individual department, that you have an issue with, then we bring it up when we're in that department, and address that individual person, that individual job, that individual task that's at hand, and take that away from them, if we see necessary, or eliminate it.

Franklin said I don't know how you can do that.

Bilski said I will amend my motion to reflect Cid's recommendation.

Repay asked what is your amendment?

Bilski said under reorg would be excluded, along with everything else bound, due to negotiations and everything, court mandated pay raises, will still stay the same, supplemental pays to reinstate the supplemental pay, but not to...

Cid said I'm just saying, you can allow the new supplemental pays, that's what you were concerned with, like the Web Maintenance Fund, those are new supplemental pays. Yes it increases their pay, yes it does, but there are older supplemental pays in there already. What I'm saying is that if you have a Jane Doe, who's already getting \$5,000 dollars in supplemental pay, and now the Elected Official wants to give her \$7,000 dollars, that's like a raise, just like some who is salaried at \$26,000, and you want to give them \$28,000.

Bilski said if they reorg and reduce that salary out of somewhere else, or took it, to provide for that position, and it's happening out there throughout the course of the last 4 years they've been kind of reducing salaries and paying for them out of other ways. I don't want to reduce somebody's salary, and that's exactly what I'll be doing. I will end up reducing a salary, if I do that. I think the Judges are in

agreement with me that when we reduced other individual' pay, we paid for them out of different areas, and I don't want to end up reducing someone' pay.

Cid said you won't be. You're allowing the current supplemental pays, and you're allowing new supplemental pays, you simply don't allow any increases to supplemental pays, is what was in your original motion.

Prince said we will have you restate your motion.

Repay said I think the motion that Bilski made in the beginning was a broad motion, and it was meant to be. It was meant to cover a lot of different issues, and a lot of different areas. What he did not, I believe, intend to do was to take away what the administrators in these particular funds have allocated in terms of their supplemental pay, to rank and file employees, not only raises that they may have included in there, but also new supplemental pay, which in the end will result in a raise because of these individuals. This essentially backs up his motion to exclude or to put back those supplemental pays that were presented in the First Reading, and then in a very broad and far reaching way, but if you or anybody else on the Council has an issue with a particular department, or a particular entity, or particular type, you can get narrowly focused as we can, and as we did with a particular line item. I would support this to propose it to go back to the way that it was for these particular supplemental pays, so that we don't end up causing more work for Dante and staff.

Franklin said keeping in mind that the supplemental pay, and why it is so prevalent in our budget is cause and effect when you did all of these reductions. The departments did reductions. They went into their budgets and took the supplemental pays and used those as salaries for the staff. Yes, they did also use some of that money for increases, but that was due to the fact that the staff that was left after they did their reductions, took on extra duties. Take a look at our staff. We lost a secretary, and this one that we have now her duties have doubled, but she didn't get any additional pay. When we told them to find creative ways to run their departments, with the staff that they had, that's what we said. We told them that they could use their supplemental pay. Franklin said I will not support taking away the supplemental pay in these departments that have to continue to run their offices. That's what we told them to do.

Bilski said the intent here is that there is no increases for Elected Officials out of supplemental pay. Elected Officials should not be paid increases out of that, and that's one of the encumbrances. We are not supporting that, and we are not supporting pay increases in any way, shape or form for County Elected Officials. That's it in a nutshell

Prince asked Bilski is that is his motion?

Bilski said it is, and to reinstate the supplemental pays, excluding that group, bottomline. That's the easiest way to say it. Franklin seconded the motion.

Niemeyer asked could somebody define new supplemental pay to me?

Repay said it's a pay that didn't exist in 2011, not necessarily for a new person, it could be an existing person. It's the pay that didn't exist, so when you say like a raise in supplemental pay, what I consider a raise in supplemental pay is, if last year somebody received a dollar out of supplemental pay, we gave them two dollars. A new supplemental pay would be, somebody didn't get any dollars out of supplemental pay last year, and this year we are going to give them a dollar.

Niemeyer asked, and that's part of this motion?

Repay said it's part of this motion because it's part of the submitted budget, so it's new for 2012.

Cid said so we are also approving raises in current supplemental pays the employees are getting now, that's what we're also approving. That's what he is amending in his motion.

Bilski said if there are, then we can address them individually.

Cid said we do have a secretary that we had to cut back in our personnel. This is the argument all the time, that we cut back in a department, and now one person is doing the job of two. Cid said, well, still they are only working eight hours a day. Yes, they have more responsibilities, but still they are only working 8 hours a day, and we have allowed them to decrease in their full-time, but increase in their part-time line item. I just wanted to clarify that.

Niemeyer said the new supplemental pay is giving the ability next year for a department head to use supplemental pay to give pay increases to individuals, that's what we're voting on here.

All voted "Yes", except Dernulc, Cid, and Niemeyer, "No". Motion carried 4-yes, 3-no.

Dante said you are basically balanced, you are basically in compliance with your 26th letter of July, you've basically gone over the Civil Units, you've talked about one of the monsters in the room here, health insurance. You have to resolve that because you're taking millions and millions out of your reserve, and it's going to be down to \$ 4 or 5 million there. I know 2 or 3 million coming out next year, you're going to be "sucking up" fumes in 2013. If there are any other issues bring them up, isolate them, and then schedule a resolution, and it has to be January 1, 2013. I think that was our agenda.

Bilski said according to my notes, if we can make any adjustments, I would suggest taking action on anything that you have and clear up something that we need to, or at least get started on it. We do have a session scheduled tomorrow, and if we can move forward through some of these items, we can cancel tomorrow' 10:00 A.M. meeting, and I have us reconvening on Tuesday, September 26th.

Dernulc said we didn't go through every budget for every department.

Bilski said, but we can. It's entirely up to you as a Councilperson, if you have issues or concerns. We've taken action with the Commissioners, so we're good there right now. Cid and that committee is in negotiations with the Sheriff and the Jail issues, and that's still ongoing, and will probably be ongoing up until the 26th, is my assumption.

Dernulc said my point is, that there are budgets that they gave you, and they are 2011, do we need to approve those, and get those off, and then the few that we have questions on...?

Dante said that everyone is in compliance right now, except for the Sheriff, and Jail.

Bilski said if you have an individual issue with a specific budget line item, we can very easily address those concerns today.

Repay said, in the funds, we did not revert back to 2011.

Dante said it was a combination of having them "as requested", minus the weird and ultra excessive stuff, salary increases that were \$10,000 to \$20,000 dollars. New positions, that were, but there were hardly any.

Repay said the question that he has specifically regards fund 299, and it's requested appropriation of \$1.2 million, and council action it shows \$1.7, eventhough in the 2011 budget the appropriation was \$500,000 dollars, less than half of that.

Dante said there were some adjustments made, after the letter went out. That's correct. He said we are going down in Fund 199, and the Commissioners shifted and upped, fund 299.

Repay made a motion, seconded by Prince to reduce line item 43995, in Fund 299 for Department 2900, from \$1.7 million to \$500,000.

Repay said I had notes here that I wanted to reduce it to zero, but I will keep my motion.

Blanchard said he did submit the requested budget for 2012, for 199 and 299. Dante explained to him that in fund 199, the cash is too short, and the cell is up. Blanchard said they moved the responsibility over to the 299, that's why it's higher in 2012 requested than it was in 2011.

Repay said it's not a punishment, the money is still there. Repay said that his issue is that this money, \$1.7 million dollars goes into Other services & charges, and if we do this, we've absolved ourselves of any issues having to do with this \$1.7 million dollars. Repay said if you had a more detailed account of what it's going to be spent for, then that's another thing, but this is a fund, the wired fund who, is needing a decrease, and it's a fund that's is going to need more money in the future with the consolidation.

Dante said there was too much appropriation in fund 199, cut it down, and the reaction was (inaudible). Dante said that as long as wireless stays with wireless, and non-wireless stays with non-wireless that's ...

Repay said we are safe in doing this. The only thing that this does is potentially create more work for us, in other words, when they need to approve a Contract, they will have to come to us and say they need more than \$500,000 dollars, and I don't think that's such a bad thing.

Dante said as an advisor to you, I would certainly consider this in the realm and rank of the insurance. You need a fiscal advocate. You're touching upon bigger issues here, consolidation, you have to have fiscal advocacy here. You have to put this as another issue, right up there with insurance.

Dante said you're headed down the right path, just accelerate it.

Bilski said the money stays here, the appropriation needs to come in front of the Council, prior.

Dante said you're saying the right things, you're asking the right questions, you're taking the right action, you have to step it up.

All voted "Yes". Motion carried 7-0.

Niemeyer said that he would like to re-visit the Cum Cap fund and get more control of it, in order to have the money available to department heads who come to us during the year that have emergencies. It seems like we are giving that money out, during budget time to certain departments, and that's my concern.

Bilski asked Niemeyer if he could get some suggestions to the Council.

Niemeyer said he is going to look through those, and said he thinks, like with 911, he thinks they need to appropriate that money a little during the year, instead of giving it all out during budget time.

Bilski said if you could get us a list, with approximate reductions on those departments that have Cum Cap request in it, and the new appropriated departments, and get with Dante on that.

Niemeyer asked Dante we could bring that money back into a fund to us correct?

Dante answered, you can do it two ways. Dante said first, which I wouldn't recommend, you can put it all in our budget, which makes us the administrator of that fund.

Niemeyer asked how much is in that fund?

Dante answered, about \$1.8 million, per year, and that's what's appropriated on the First Reading, so far, between 3 or 4 budgets, historically patterned, it's in there. You could bring it into our budget, and then we become the administrator, and then Carol would have hundreds upon hundreds of PO's to cut, or you could have your monthly agendas full with requests, either or. I would probably recommend the latter because we don't have a whole lot of staff here. We bring it into our budget, we will have to decipher who's the priority, who's not going to get it, and that's not the good thing to do because who is going to regulate those requests as they come in?

Dante said it's an administrative issue, but certainly if you are unclear, zero them out, other than if you have a lease purchase arrangement in one of these agreements, and I don't think there is other than possibly the Sheriff's automobiles, where you have to lay out so much money for the first quarter possibly, if he has a lease purchase. I know the former Sheriff did. When in doubt, zero out.

Niemeyer said the options are to zero it out, and have them to come back to us for the appropriation?

Dante said yes, and you will see it next year, you will force it back in next year, or do it right now.

Bilski said he likes the idea, and if you have some departments that you think we need to redo, someone that has cum cap, and you want to increase, or give Cum Cap to someone else. I would like to see the motivation behind it as well.

Before we pull it all back, we would have to see where that money is committed to.

Blanchard asked about about issue the Crown Point Public Library, and the \$400,000 dollars debt. He asked if the Council is saying that we are going to share in a 30% cap loss of the \$400,000 dollars?

Bilski said we are assuming it's that amount, but I don't see us not sharing in that loss.

Blanchard said if they are \$400,000 over budget, and we're 30% of that, in that taxing district, then we're going to have a \$120,000 dollar shortfall in collections?

Bilski said, that's the assumption.

Dante said you are all sharing that debt.

Repay said it's going to be our recommendation that that not exist.

Dante said again, that's assuming that that district, they are all at cap, and you're capped too as well.

George Van Til said he has heard rumors regarding Cum Cap. He said he receives money from both Cum Cap, and 911 funds.

Mr. Van Til said the cum cap is used for continuing the geographic information system. The State is the CIO of GIS. A Republican, appointed by the Governor said we have developed the best local one in the State. He said we started with nothing, so that's why we got more money earlier on, and we are not getting as much now, but of course we have to maintain. He said they are getting money out of the GIS, and 911.

He explained the 911 is relating to the police department, and non-emergency services. We provide continued update of information for Sheriff Department.

Bilski said out of E911, you just mentioned that you have a draw. Bilski said what he would ask Mr. Van Til to do, is submit to the Council a justification of why you need the amount of dollars that you are drawing out of E-911, and why you need to maintain that amount. Out of the Cum Cap, a brief explanation of the need for that funding and the amount of dollars needed.

Mr. Van Til said that it's a little hard to do that. He gave an explanation about Cum Cap, and what it's being used for, this year.

Bilski said to Mr. Van Til the Council looks forward to seeing some of your breakdowns.

Bilski said we are scheduled to reconvene on Tuesday, September 20, 2011 @ 10:00 A.M.

Cid asked could they change the time of the meeting to 1:00 P.M.

Dernulc made a motion, seconded by Prince to cancel the Budget Workshop Meeting scheduled for September 15, 2011 @ 10:00 A.M.

All voted "Yes". Motion carried 7-0.

Cid made a motion, seconded by Repay to schedule the meeting to 1:00 P.M. on September 20, 2011. All voted "Yes". Motion carried 7-0.

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