

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.

Dante said that Mr. Adams confirmed that the \$715,000 appropriation in Reassessment fund 237, so the conditional zero, is not a condition anymore. It's a reality.

Cid said there are no recommendations for the Sheriff until the 26th. She said they are waiting from some response from the Auditor, and she doesn't have anything today, not until the 26th for the Sheriff and Jail.

Dante said your actions on the September 14th change your bottom-line, and actually reduced it, because you reduced and removed salaries, so you are under \$300,000 dollars.

He said the -\$275,606 is the deficit in all of the tax based funds, and that's based upon 90% collections, which he believes is aggressive, but it is a risk that the Council decided to take because it basically balances the budget.

Dante said we are heading towards shrinkage, and heading towards lowering the collections. Dante said he is trying to tie in Civil Units, bottom-line, collections.

Bilski suggested that if they have anything to discuss today, it should be regarding individual budgets, if not his recommendation on Monday is going to be to approve the budgets, as submitted, those that were reverted back to the 2011.

Dante said, they all complied with your letter.

Bilski said, with the exception of Sheriff and Jail.

Bilski said that is going to be his recommendation on Monday, and the purpose for today' meeting is for those Council members who have individual budget concerns, or adjustments. This is the time to do that prior to our Monday meeting.

Dernulc asked if there has been any resolution with the Merrillville Fire Department?

Bilski said he believes some of the confusion came in because there is a difference between a Fire District, and a Fire Territory. What the Town of Merrillville was doing was creating a Fire Territory, which is a non-binding recommendation by us. If it was a Fire District, then it would have been a binding recommendation by us.

Bilski said he believes that they were able to work these issues out with the Department of Local Government Finance, and they should all be on track now.

Dernulc asked so we could give our recommendation, but it would be non-binding, but they will approve their own budget right?

Bilski answered, correct.

Attorney Bishop said the language said, "if it's a territory, we don't have a binding recommendation, it's non binding. If it's a district, it would be binding".

Bilski said the whole time the issue had nothing to do with the Common Council, the issue was between the Town of Merrillville, the Fire Territory/District and the Department of Local Government Finance.

Dante said you've already made recommendations on the 4 "bindors" on First Reading. They will be blended with our Second Reading, and will be part of your 16-line statement.

Mr. Adams, the Lake County Assessor wanted to advise the Council that with the 2011 budget that was inherited by the Assessor' Office, there is no way that the Assessor' Office can keep up with the work because it was subsidized by the reassessment fund last year, and it won't be this year because you are winding down on the reassessment.

Mr. Adams said he just wanted to advise the Council of that, and he believes in being straightforward with you.

Niemeyer said we've got to shift some priorities to this office. This gentleman inherited what he got, just like some other officeholders came in this year and inherited what they received this year. He also said we have to make sure these tax bills get out on time.

Prince said, because of a meeting that we had last week, the Assessor is well aware of some different initiatives that were taken to get any assistance that he needs, so I just want to make him aware that it's not like this body is certainly not cognizant of his dilemma as we are of everyone else's, but at this point, it's not a whole lot that we can do, other than what we've done for you, or for everybody at this point. Hopefully next year will look a little better, with the help of Attorney John Dull in identifying some more revenues for extra employees in there.

Repay said I just want to echo what Prince said, because I sat in that same meeting, and we talked about a resolution. Repay asked Mr. Adams, you are aware that we are investigating sources for that solution, right? Repay said when you stand up there and you say things like that, it gives me and it gives everyone the impression that we haven't been forthcoming with solutions for the problem, but we have right?

Mr. Adams said we've been corresponding, but I don't think that you're hearing what I'm saying, and I want to make sure that I made it clear today, because I don't feel that it would be right not to make it clear.

Prince said it's crystal clear, in fact, it was also clear that we are also taking initiatives to get some resolve for you, outside of that, it's not a whole lot we can do for you today. Prince said we are addressing it and doing what we can.

Niemeyer said I was in that meeting also, and I agree that we were trying to work on issues, to try to find some more money, but said, "I agree with what Hank's doing today. He has to make this public, what's going on with this situation because the County Council and everybody needs to know what and important issue this is, going forward right now.

Niemeyer said the issue that he had at the last meeting was the Cum Cap money that was there, and the 3 or 4 departments that were getting them. Niemeyer said he is going to be make a recommendation that either that money be resolved, and there be a reduction and who's getting the money, and that the money they're getting be spread to other departments, or brought back into our control to issue that money out. Niemeyer said he thinks that the \$1.7 million dollars that's going out to 4 agencies is not fair to the other agencies that are out there. He said he thinks that everybody is looking to taking "hits", and he is looking at 20% reduction in what agencies are getting from that Cum Cap fund.

He said in that Website Maintenance Fund, some of the Courts are asking for computer equipment, and he didn't know if they looked at every avenue of that Website money available in that department, that's been part of it. He asked if the Website Maintenance Fund has been looked at strongly enough, that computer equipment can be, that's what that fund was set up for.

Niemeyer said the Surveyor's Office, the mapping, \$350,000 dollars, that's been there, and I'm looking at a 20% reduction in that figure to be spread out. Those are the concerns that I have, and I think it's time for us to look at spreading that money around and using it more fairly than we have been.

Niemeyer said another issue that I have in the budget, any supplemental pay increases in the salary, I don't agree with. I understand about the supplemental pay, the last couple of years, trying to keep people working here, but now I think we're crossing the line, I think by giving wages or bonuses to certain individuals, and I'm not saying that they do not deserve it, they probably do, and I think the department heads have that ability to make sure they get in the right position. Niemeyer said, but it's not really fair to everybody else that works here that some employees have that benefit and other employees do not have that benefit. We keep talking about miscellaneous revenue, and revenue that we need coming in. We have all these funds out here, that by ordinance are designated where they must go, I think we need to be looking at all of those ordinances. We need to get every dollar we can back into reducing budgets, or helping people keep their budgets where they're at because with the cap and everything on, it's going to get worse. All these non-reverting funds we have out there. A lot of it is taxpayer' money, generated by taxpayers that opened these offices up, and fund them, and we have to look at these funds because again, we're talking about miscellaneous revenues, that's a source that we have control over. We have a lot of money, hundreds of thousands of dollars laying there in these funds, and what they were used for in the past, maybe it's not what they need to be used for in the future because we don't have that luxury anymore.

Niemeyer said those are 2 issues that I have in the budget that we're going to be looking at right now that I'd like some changes in.

Bilski asked you were talking about a 20% reduction in the overall Cum Cap and reverting the balance of that back to the general fund, to Cum Cap, under the control of? Bilski said, I'm a little confused of what you wanted to do.

Niemeyer said I'm not really confident in dividing that money up, without dialogue from the other Councilmen. I have a copy of the requests that are there. It's a little confusing because some of the request that were there originally, are now in the Data Processing budget now. There are about 6 of them that are part of \$800,000 dollars now. Originally they were in Cum Cap.

Bilski said, I think one of the reasons we did that was to control the purchasing, and when we started that, to control the purchasing and make sure that all of the software was compatible, we kind of put that more under Data.

Franklin said we did that mainly because, most of the departments were purchasing their computers, and the software from different companies. It was just a myriad of contracts, and the purchasing, and in order for us, well if you remember the Kernan Shepard Report which we started, utilizing which was to go into bulk buying and reduce cost. That is the reason why we allocated that money and put it into Data Processing. They have to requisition, through Data Processing in order to get that equipment. It's not just they do what they were doing. It was a great improvement in the cost, along with the contract. We had contracts for everything, and everybody's contract was different, but it was for the same thing. So in order for us to get some control, we did that, in order to reign all of those contracts into one fold which made it much cheaper in the cost of buying them, and buying the software. So we did take some proactive steps in order to bring that in, as it was related to purchases.

Niemeyer said the original request was part of the Cum Cap money that they wanted, and the \$806,000 dollars all in Data Processing, and I agree with that. I agree that they have the ability to make sure that that money is spent wisely on whatever computer equipment that any department would have, but it was originally in the request directly from Cum Cap, and then it got put over there, but I wasn't questioning that Data has that to do.

Bilski said we need to leave here today, prepared to come back on Monday for the Second Reading. He said those issues you brought up, that you feel very strongly about, I think we need to have recommendations today, I think if you need to talk to, and get consensus from the other Council members, we could have a 10-minute recess.

There was a motion, and a second to have a 10-minute recess. Motion carried.

Bilski said we had a recess and are prepared now to discuss some potential cuts for Cum Cap.

Niemeyer made a motion, seconded by Repay for a 10% reduction in Cum Cap, across the board to go into a Cum Cap fund under the County Council, for their review to distribute as needed for next year. Repay seconded the motion.

Bilski said for clarity, we know that has impact on Data, the Surveyor, and Sheriff. He said we have a list of all of the departments that would be affected by the 10% reduction.

Dante said there should be 4 of them. The Sheriff, Surveyor, Commissioners, and Data. Those are the 4 budgets.

Bilski said a rough estimate, the 10% reduction equates to approximately \$180,000 dollars. Bilski asked this money is not being re-directed at this point, it would be under the scrutiny of the County Council to re-distribute as needed, and that's what your motion is regarding?

Niemeyer answered, yes.

Dante explained this would be appropriated in your budget, it will go to your secretaries, and they will have to make the determination of who, gets what.

Dante said the people will come to your secretary to extract the money in your budget for their payment on their goods and services.

Your secretary, along with you, will have to make a determination of who gets what. They will have to get 4 signatures, and make sure that it's correct. There will be more requests for money.

Dante said you are going to appropriate this in your budget. The motion is to appropriate to different departments.

Bilski said no, I was under the impression your intent here, was to create an additional fund in Cum Cap of approximately \$180,000, within our budget?

Niemeyer said here is my intent. The intent is to bring back 10% of this money under the control of the County Council, whenever area of our ability to spend out. I want to bring it back to the county council to have that money in their budget, in their line item, to pay out when needed to the departments that request money, during the year.

Dante said the you said under the control of the County Council, it goes into an appropriation called "\$180,000 in County Council budget", or as Attorney Szarmach is thinking, don't put it in the budget, let it go back in the fund, it's got to come to us for an additional appropriation. It goes back into the fund. All you need is a reduction of \$180,000 it holds into an operating balance to be re-appropriated next year; however the former comes into our budget, and our secretaries do all kinds of stuff, and they go nuts.

Bilski said we don't want that. I think we need to amend that.

Dante asked do you want it in our budget, or our jurisdiction?

Bilski said jurisdiction. Attorney Szarmach said yes, jurisdiction, but the appropriations always, even if 100% of the money is in the Cum Cap fund, every month somebody comes here for an appropriation out of the Cum Cap fund, so it comes here anyway.

Prince said the only question I would have is what is the sense of doing this since the appropriations are subject to our approval anyway?

Dernulc asked if we appropriate all this money and there is an emergency, can that money be taken away from those.

Dante said that historically, once we've appropriated it, we've been on the honor system, it's yours.

Repay said I think that Niemeyer's proposal, which I knew what the intent was, which was to leave it in the fund, and I believe that that's a good practice to do, because when we allocate all these funds outright, they tend to get spent completely. And at the end of the year, as Dante has suggested, with our line 2 shrinkage, if you want to call it that once "the horse leaves the coral, we can't catch it". So to leave \$178,000 dollars as a balance in this particular fund, I don't think is irresponsible. To be contrary, I think it's quite responsible, and I think it's something that we should do.

Dante said they just need the 10% reduction, and leave the Council motion out.

Bilski said I will go back and allow Niemeyer the opportunity to go back and amend his original motion.

Niemeyer said my intent is to leave that money in a fund that we have.

Niemeyer made a motion to reduce the Cum Cap fund for those 4 departments that are affected by the fund, 10%, across the board. Repay seconded the motion.

(Data, Surveyor, Sheriff, and Commissioners are the Departments that are affected)

Bilski said the motion is to reduce each of those departments by 10%, and take the savings, leave it in cum cap, and if they need their 10% at the end of the year, then they can come back to us and make the appropriation out of cum cap.

Franklin said, as far as I can see, it is coming, it's almost as if we're doing what we've been doing all along, appropriating the money. We are not putting it in a special fund, it's already allocated, but you want to take a certain amount of money from different departments. The Sheriff will need his cars, and he is going to come back in 2 months. We've already told him to go to cum cap, put the dollar amount you need for your cars. Do we know if he is already in negotiations for purchasing these cars? Franklin answered, no we don't. I just think it's so redundant, what we're doing here. I don't see where it's any different from what we've been doing all along. We are reducing Cum Cap money by 10% for these 4 departments, and I don't see the difference.

Repay said, the only thing that I would have to add is, as far as I can see, from the requests, to what we have granted, we've given everything that's been requested, and if all we are here to do is to give everything that's requested, then I think that we're not doing what we should be doing so I think this is a step in the right direction.

Cid asked would my secretaries have to type up these PO's, the departments will do that themselves and submit them to the Commissioners, is that right? They just come here for the approval and the appropriation?

Dante answered, it's an important differential, but that's correct. We won't have any account, they will just come before you, we will have an operating balance, which would be equivalent to \$180,000 dollars.

Dante said this will be in your operating balance, line 11, that's what's going to show up.

Bilski said I have a couple of concerns, one is that we have to be sure by taking this action, meaning that we feel that there's been some extreme frivolous spending in Cum Cap. That would be the reasons for making this motion, and that there was a large amount of money there that shouldn't have been spent, \$180,000 dollars. That would be one of the driving factors in why we would hold back \$180,000 dollars out of Cum Cap, between these 4 departments.

Bilski said my number 2 concern is our contractual obligations that we have, that need to be paid out of Cum Cap, those being in Data, I'm sure the Surveyor has some that are earmarked and need to continue on. Bilski asked if this is a moot point if that money is truly committed in the tune of \$180,000 dollars, and that's my concerns. Bilski said Mr. Van Til wanted to speak to the 10% reduction on the Cum Cap.

Mr. Van Til said he has information on his request for Cum Cap, and 911. He explained the reasons for his requests. He was told to cut back, but had to raise it, and explained why. He said we've been using Cum Cap for 2 things, which are to develop GIS, and for drainage infrastructure. He continued to explain the reasons for his Cum Cap requests.

Bilski said the concern is does this prohibit you contractually in not meeting your obligations of what you had plugged in for 2012?

Niemeyer said the money is there, whoever needs it, you're going to come in and get the money if it's justified, it's going to be there for you.

Mark Pearman from Data said he controls 15 departments, Cum Cap funds. It's Data Processing plus 15 other departments, so you will be cutting Data Processing' and 15 other departments, so you're not only cutting my request by 10%, but theirs by 10% also. Mark said, we will make it work. We will get it done. He said there is very little of that money used for contracts. We've always used it for "stuff", not contracts. That was my understanding that we do it that way. Mark said, if we get close on something and we think there might be a problem for either my department, or another department, we will come up and ask, and talk to you about it, and make an argument for them, and you can decide what you want to do, if we get to that point. As long as the money is there, and we can come and ask for it, we will do it.

Dante said this reduction is \$180,000 dollars right? What happens in January when the Sheriff comes in for \$200,000 and \$300,000 dollars additional appropriations as well? How do we handle articulate this share back out to make sure that it doesn't impede this share?

Repay said, I understand that warning and I'll take that and unlike in the past, you can't say new people, we all heard you say it. I appreciate your concern, and I will take that under advisement.

Dante said, I mean the answer is no, but it's going to be easier said than done.

Franklin said she will discuss this with him to as to how this will affect the Commissioners. Blanchard did indicate that they could "make do" with this. Franklin also said that in the future, when something like this has to come to the floor, as it relates to any of my committees I would appreciate a "heads up" to sit down and discuss this before we bring it out on the floor.

Cid said she has spoken with the Sheriff and he is willing to (inaudible).

Bilski asked if there were any other questions on the reductions. It is an overall reduction and he wanted to make sure that everyone is clear on this motion. He said it will result in approximately \$180,000 dollars. Each department will have the opportunity to come back and make the request of their 10% back to us. He said it's basically going to be held in safekeeping by the Lake County Council.

Dante said it's in an operating balance to your line 11. That's where it's at.

Bilski said we really need to pay attention to this as we progress throughout the course of the year, as we because when you have that \$180,000 dollars sitting in your budget in Cum Cap, we have to remember projects such as the Hart Ditch, as squad cars, as Data processing hard equipment items. When you put that \$180,000 dollars out there to the rest of the departments, and they see it, they will be coming after that money. Bilski suggested that they really think about that line, really think about that money that's in there, and the departments we are taking out of, that other departments will come after, and there will be other folks looking for a piece of that \$180,000 dollars, and he just wants to make sure that they are clear on that.

All voted "Yes", except Franklin, and Bilski, "No". Motion carried 5-yes, 2-no.

Bilski said the Council will reconvene on Monday, September 26, 2011 at 10:00 A.M.

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