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 2013 appropriations, 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 Jerome Prince, President, Michael Repay, Elsie Franklin, Daniel Dernulc, Christine Cid, Ted Bilski, and Rick Niemeyer County Councilpersons, together with Ray Szarmach, County Council Attorney.

OPEN: Public Comments, Council Discussions and Actions

Dante said that this is the 6th Run, and they are in a surplus of $1.6 million dollars.

He said they have to be very careful because they have gone from a deficit of $4.1 million, to a positive. He said they have to peel this budget back in layers.

Dante said that the Initial Objection Period Ended 9/24/12. No Objections received. Why? Because the county's funding Is monopolized by industry, criminal justice and public safety, and civil units. Thus, any additional funding considerations must take these factors into account.

Dante also said that George Van Til was absolutely right. There is a minimum Drainage Levy fund, which is $300,000.00. He said the Council has to build levy from zero to $300,000 dollars.
He would strongly recommend that the Council take action on that issue to keep within the law.

Bilski made a motion, seconded by Franklin to increase the Drainage Fund Levy to approximately $300,000, the minimum levy that is required by the Statute.

Niemeyer said the first 2 actions that were taken with the Cum Bridge, and the Liability Insurance took us to $4.1 million. Now with this $1.6 million from the Drainage, will put us at the $1.6 million dollars surplus. Niemeyer said he doesn't think it's rational that they go any further than they need to, with things the way they're going right now. He said this Drainage Levy is so important to this County. He said this is a levy that has worked for years, and years, and is designated for each basin. It's for capital projects, and he is not confident with it going over as a bond issue, that it's going to be divided the way it's supposed to be divided, the right basins are going to get this money.

He said we have an advisory board set up in each Township that controls this levy, basically, and recommends to the County Commissioners how this money should be spent on what projects, and what needs to be done in each basin.

Niemeyer said he thinks that it is irresponsible that this Council would take that levy away, look at that levy that has worked so well in this County. He said that he doesn't think that there is anyone out there, in the general public, or officeholder who would say this levy has not worked properly, it's done what it's supposed to do, and rely on a bond issue to do our drainage issues.
Niemeyer said again, I think it's irresponsible, we got to the $4.1 million with the first two motions, let's see where we're at, and go forward, see what our budget levy appeal does.

Niemeyer said, he disagrees with the action this Board has taken on that levy, and he would really like to see that Levy come back, at this point.

Bilski said he would rescind his motion if Niemeyer is prepared to make a counter-motion.

Niemeyer said at this point, he wanted to hear what Mr. Van Til had to say.

Bilski withdrew his motion. Franklin withdrew her second.

Dante strongly recommended that before any motions above the $300,000 dollars be made, that the Council listen to the other components in here, so they will have a seasoned approach, because if they take one out of sequence, … They should go to the minimum, go to the updates, then make your decisions.

Mr. Van Til said that previously, on the Drainage levy, he said that they could use a minimum of $8.2 million dollars. He indicated that they had planned for the $1.6 million, which they had received for a number of years. At the last meeting , that was totally taken away. That means, if they get called today that there are beavers damming up Beaver Dam lateral # 7, we have no money to pay the beaver relocator. That means there is no money for emergencies, no money for continuing projects.

He said give me the $300,000, which the law requires, that would be used for one very important project on the Cady Ditch in Highland that involves the flooding of the Southridge School, a couple of years ago. It's absolutely needed.

He said if he gets $300,000 for Grimmer, 600 miles of County drains, give me $300,000, one thing in Highland blows that away, plus I really can't do that because 45% of that, has to go to South County, so that's a problem.

He suggested that from their $1.6 million that's been in their budget for many years, which can only be used for ditch maintenance and reconstruction, he said, I can't buy a saw with that, he can't hire anybody with that, he can't do anything with that except one thing, and that's storm water and drainage control.

Mr. Van Til said that in recognizing the Council' needs, and what they are trying to do is, instead of $300,000, give me the $1.1 million, which is a half a million dollars to put in the pot of what you're trying to do. He said if you do anything else, you're jeopardizing a lot of people in this County.

He asked the Council to consider cutting the Drainage Board budget by a half a million dollars, not by cutting it up to $1.6 million dollars, cutting it a half a million dollars, and that goes into your trying to balance the budget.

Repay made a motion to increase the Drainage Fund levy and appropriations by $300,000 dollars.

Motion dies for a lack of a second.

Niemeyer made a motion, seconded by Franklin to set the Drainage Board levy at $1.1 million dollars.

Dante said that first, he believed that the Council has to apply the statute. Then he said after you do the $300,000, then you have to consider the some of the "pressures" that you may want to keep an operating balance for, and then make a decision, but the $300,000 has to go in. We're breaking the law on January 1st, if we don't increase that to $300,000.

Repay said that because of DOJ requirements, and others, we have obligated ourselves to more than $4.1 million. We should be conscious of that when we're making these revisions to the Drainage fund.

Cid said what we are doing is displacing, not eliminating, and we're taking it away from the fund, but we're looking to borrow instead, so we're displacing, so that will make dollars available. Cid said at this time, we should leave it at the $300,000, because we do have further actions to take that we must fund. We are not done with our budget cycle yet, the Second Reading is October 9th. I think we should take care of our promises first, and our commitments.

Cid said you can say that you need $1.5 million dollars, but I would appreciate a breakdown of how you see that that's necessary, at this point, where we could borrow the money, and why it's so drastic on January 1st that you have those monies in there.

Cid said I would ask that we do what the law says, and we add the $300,000 dollars at this time. We have until October 9th to make further adjustments to that.

Niemeyer said, you have a department who has come back with a half million dollars in savings. I think that's a commitment, and you're looking at bonding out, then Niemeyer asked is that a sure thing, is that going to happen? Does anybody know that right now, on this Council?

Niemeyer said there are no salaries in this levy, there is nothing in there but capital projects, and stuff that needs to be done. So we're picking on this one, I think you just got a half million dollar concession. I think that's a lot, and in my opinion, it's an important levy, that I've been involved in for 24 years, and it's a levy that works. I'm not confident on it being bonded out every year.

Franklin asked for clarification that we have an obligation, by law to have a certain amount of dollars set aside for Drainage? The answer was yes.
She said basically this is used for flooding, and Mr. Van Til has to maintain these levies, keep them clean, and all of the other maintenance, so she asked Dante if he is recommending the $300,000 dollars?

Dante answered, it's not so much the amount that he is recommending, it's the law. We have to comply with the law, and that's $300,000.

Repay said that $300,000 is a lot of money for operation type expenditures. If, during your operation type expenditures, you discover a need for a capital improvement, then that's exactly what we should bond for. In these tough economic situations, that is the type of scrutiny we need. We need the Surveyor to come before the Board that we are ordained to create, and come before us, and say, "this is what I need, this is why I need it" This is exactly what I had in my mind when we were discussing it, because we need the scrutiny of a Borrowing Board to say, it is that important, that we need to borrow for it.

Bilski said I was thinking on the same lines, when I made my original motion of saying that the $300,000 dollars would be enough to get us started on this, when what I was anticipating from the Surveyor, I do have faith in his staff, and his department, and the programs.

I was listening to what Councilman Niemeyer said, and it makes a lot of sense to me. I believe if we had that Program in front of us, if that $1.1 million dollars was outlined, and that's what we need come January 1st to bond to carry through, and you have that capital project listed out, to have that money there in bond court, then I would be prepared to support that, and I can say that I would also think the Commissioners as well as this Council, in order to save life and property would not hesitate one second to make sure, and to secure that bond to make sure that was paid for.

Dernulc said as a person that went through 2 floods, in 2006, and 2008, one in Highland, and one in Munster. I feel that the need for maintenance is important for these tributaries, ditches, whatever you want to call them. These are trying times, but the Surveyor did come back with a half-million dollars in savings. Dernulc said, I don't want our residents to have to deal with this, and the bonding, I'm concerned that another item that is more important to that Board comes through, this might be put aside. That's why I'm in favor with what the Surveyor has come back with.

Niemeyer said this money is used to stop flooding, to maintain these ditches, to make this doesn't happen in the Calumet, or Kankakee Basin. It's not a capital project when something happens, we have to go in there and bond this out, we have to fix this ditch, it's done to stop that. What I'm trying to say is I know the Calumet Basin had to go through a separate fee, because they had severe flooding. Niemeyer said he hopes that doesn't happen to Kankakee Basin, and if he is luck enough to get downstate, he is looking to create a Kankakee Basin Fee, to go after flooding because Schneider, Shelby, and at area are all flooded down there because we didn't maintain these ditches properly.

Cid said I am going to vote "no" on this because I know that we have more cuts to make, eventhough we are in the "black" right now. With what we have to do down the line, I am not going to vote, knowing we can borrow for Capital projects for maintenance, whatever you want to call it. I'm not going to vote for that, and then, knowing the risks that we are going to have to lay off people here. Cid said to me, we have an option to lessen the chance of laying off personnel, people who need their jobs, who have to pay their mortgages, feed their families. Our unemployment rate is already growing every day, so Cid said, I'm telling you, we should be borrowing to save jobs, and that's why I'm going to vote "no" on this today.

Prince said as we reconsider the actions that we took last week, Prince just wanted to remind the Council that one of our responsibilities is to produce a balanced budget by October 9, 2012. He said when you go back and re-figure, or re-calculate any actions that we're going to take today, just keep in mind, or at least have some suggestion of how to achieve exactly that. Prince said he doesn't want to leave here today with a greater deficit than we had two weeks ago. We started down a road of progress, everyone makes good points, but as soon as George sits down, there's going to be another Officeholder up here, and at least one or two Council members who believes that that officeholder, or that particular levy should be maintained.

Niemeyer commented to just stay consistent, if that's what you are going to say about making really tough cuts, here, across the board to every department. Stay consistent all the way through, and don't pick and choose.

Bilski asked, if in fact, we did this, the Surveyor would still have the ability, come January 1st to come and make up the balance of that reduced levy? If we reduce it, and that $500,000 dollars that's going back to the savings on the Capital expenses, you would still have that opportunity if needed, and the Capital project was there to come in in January to bond and get that extra $500,000 dollars that we just reduced.

Bilski asked if we met the State minimum, and we had an outline on these capital expenditures, why couldn't we just have that outline presented to the Commissioners, and I will refer to our Attorney, and say if that all had to be met through a bond, and that $1.1 was meant for a bond, could we do that, and if we had an outline on all these projects, and everything that needed to be done, in other words, $500,000 is being returned to us on that capital side, if we put the full amount in there and kept it at the $300,000, and bonded for the full amount, to cover it, that way the Surveyor has his full budget, and the full benefit of the levy to carry every project out that needs to be done because they all are worthwhile projects.

Niemeyer said the issue would be, what are you going to do in 2014? You bonding out to get that extra this year to get to the $1.6, or $1.1, what's going to happen in 2014, are we going to do the same thing, are we going to borrow again on a bond?

Repay said we're not sure that it's $1.6, that's the question. Is it $1.6, or should it be $1.6, and I think Councilman Bilski' point is that if the Surveyor, or whoever else prepares a list of the improvement projects that he wishes to bond for, in the coming year, and we put that in the Committee, like we discussed, a bonding committee, a committee that essentially weighs the pros and cons of each different projects, and puts them in line and yes, prioritizes them based on the fiscal condition of the county, and based on the importance of the issue, then yes, it becomes a bondable event, or, it doesn't become a bondable event.

Niemeyer said then stay consistent, every budget that you can bond out, then go in and do the same thing to them. Tell them bring in everything they are going to do and decide if it's a bondable issue. I want to see it in black and white.

Attorney Szarmach said he would like to get Dante' input on this. If you are on the 9th, you put the $1.1, or $1.2 in the budget, but you're not going to have the money to cover that until January, or February. Does that mechanism provide for a balanced budget for the State? Probably not.

Dante said there's other factors in there, some C of E's come in, assuming that 85% collections there, look at the assumptions that we (inaudible). There is no margin for error. To answer your question Ray, it will be there, assuming that we achieve these other factors and probabilities.

Dante said some of them are highly risky from the beginning. He said the borrowing committee has not formalized a structured document, which he suggested on 9/17. So we've got to get to a formal policy, and that's not before you, and that's why we're groping for a definitive answer.

All voted "Yes", except Repay, Franklin, Cid, Bilski, and Prince, "No". Motion failed 2-yes, 5-no.

Repay made a motion, seconded by Cid to increase the Drainage Fund levy, and appropriations to $300,000 dollars.

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

Dante said Larry Blanchard uncovered old PO's that he is willing to eliminate. The choice is, do you want it, let it go this year to catch up on some old bills for insurance, $1 million dollars? If that is a yes, then the rest of this conversation is moot, and it will go into health insurance to catch up on existing bills. If the answer is no, you don't want it to go towards catching up on existing bills, then it turns into an operating balance for 2013. If you don't want to go in insurance, it will go into an operating balance. Then, if you go down that path, you can have a couple of choices in there. You can let it go into an operating balance, on top of the existing operating balance, to give me some coverage in the event the $2.4 million dollar appeal falls through, or you can do, and apply it toward a one-time health insurance stipend next year if we run into a jam. Dante spoke about the 27 Correction Officers that were put on since January/2011, you may want to consider that $1 million dollars and apply it. You may want to consider that $1 million dollars traveling through and applying it for something called 27 DOJ Officers, that we put on.

That will give you a nice operating balance of approximately $2.3. The 27 DOJ officers that we've already hired. If you don't want to apply it to Health Insurance, you can apply it to the DOJ, at least the 27 that have been on the books for the past year.

Repay asked, the 27 is what we have on right now?

Dante answered, correct.

Repay said we are then committed to an additional 18?

Dante said, but I'm not dealing with that now,

Dante said, if you are going to take, "no action", on next Tuesday, on the additional appropriation, the motion is going to be to increase Line 2 reduction by $1 million dollars, which we already have, so the technical motion is, first and foremost, you've got to get a Line 2 reduction in your statement by $1 million dollars by today.

Franklin asked Dante, are you saying that these positions are not funded?

Cid said, they are for 2012.

Dante said, and we don't like un-funded positions, nor does our system, nor is it a good thing to continue. Dante said, that's what's bothering him.

Bilski made a motion, seconded by Cid to reduce Line 2 by 1 million dollars

Bilski asked Dante, for clarification purposes, by reducing Line 2, this is going to effectively contribute to those un-funded positions, as opposed to being put towards health insurance claims?

Dante answered, right. All we're doing right now is allowing the line 11, or the Line 3 the additional, to occur. That's all you're doing.

Prince added, because it's showing an operating balance, and you can't show that, is that what necessitates the action, the first part of it?

Dante answered, you have to put these things into the statement, so you are not allocating the $1 million dollars, you are just saying to the statement, or to the insurance, which is going to be Line 3, that's the next step, that a million dollars in there, and watch, the surplus is going to jump by a million bucks, you have to do this. You have to reduce your Line 2, and it has to be official. It has to be done by Resolution, by the way.

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

Dante said now, Line 1 just jumped to $2.3 million dollars. What you can do now is put the $1 million dollars into Line 3, which are additional appropriations, and either use the 1 million bucks for insurance, or no action there, and it stays in the bottom line. Is the investment the operating balance, or is the investment the insurance?

Niemeyer made a motion, seconded by Bilski to increase Line 3 by $1 million dollars.

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

Dante said your balance now reverts back to $1.3 million dollars, and you are ready to appropriate on Tuesday, the $1 million dollars.

Bilski made a motion, seconded by Repay to take the $1.3 million dollars and apply it to the 27 DOJ unfunded positions in the general fund.

Dante said they're already there, so you're not creating them, you are funding them.

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

Dante said now we are at zero balance, and we have to go and mechanically appease the 16-line statement between now, or next Tuesday.
Dante said we can't have an operating balance going into an appeal year. He has to remove the operating balance from the tax based funds, which are general fund, Parks, Health, Drains, and we have to move that into a line item.
He said the action here is to take Line 11, fund by fund, and move it into a line item large enough, visible enough, rememberable enough to where we know we have the $14 million bucks because I can't go down state with an operating balance.

Bilski asked Dante what was his suggested line item?

Dante answered, Health Insurance, 41240, in the general fund. It would be 41240 in Health and Parks

Bilski made a motion, seconded by Franklin to eliminate Line 11 in general fund, Parks, and Health, and moving and adding an in-kind amount into Line 1, Health Insurance, line 41240.

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

Bilski made a motion, seconded by Repay to reduce Line 11 by $425,025 Drainage Fund 790, and place 50% into 44520, and 50% into 44530.

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

Dante said, now you are technically balanced, and DLGF ready.

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.

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President, Lake County Council

ATTEST:

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Peggy Holinga Katona,

Lake County Auditor