

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 2014, 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 A. Prince, Elsie Franklin, Daniel Dernulc, Christine Cid, and Eldon Strong, County Councilpersons Councilman David Hamm was absent. Ray Szarmach, County Council Attorney was absent.

OPEN: Public Comments, Council Discussions, Actions

Dante said that if the Council wants to start with the sheet, with the check marks on it, what they are doing is going down the procedures, by financially reverting back to 2013 baseline, where your maximum levy is at, and then adding and taking away a bunch of mechanical procedures.

He said the first thing is to decide what route you want to take.

Prince said it's important to add what the rationale was of the Committee' recommendations, and most, or all of their recommendations, in fact everything that Dante has on the checked off sheet, came as a result of a series of meetings held by the Strategic Committee, and the idea was to implement some sort of strategic plan so, right off to bat going back to his options of which way to start, from the top down, would have left us \$22 million dollars short, just from the beginning, and that wasn't a consideration, so the Committee came up with the opposite end of it, to start with the bottom up.

He said on the one Memorandum dated August 30th, 2013 you will see notes to the right, recommendations made by the Committee, and in parentheses, Strategic Implications, with particular insight, and it simply means that all of this was done with an eye towards establishing some controls for the future. We realize that we aren't going to be able to control everything that we want to, immediately, this year, but there are some pretty significant decisions, or at least recommendations that were made on the large ticketed items, and as we go through, Prince said, he is sure that there will be some questions about it, but he thought it was important to mention what the rationale was.

Prince made a motion, seconded by Strong to adopt all tax-based operating funds (General, Parks, and Health), Cum. Drains(790), and Cum Bridge 350 at original appropriation base (2013). All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Cid to adopt appropriations in all financially solvent User Fee Funds at the 2014 requested appropriation base. EXCLUDES all new Supplemental Pay positions, and increases in existing Supplemental Pay positions, excludes all new FT positions and salary increases for existing FT positions. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante said, in this next motion, if you choose to approve, what you are saying in this motion is, whatever the current amortization schedule dictates, plus additional allowances for E-911, that's \$6 million dollars per year, new judgments, Phase III, and Parks, you are building in those amortization schedules, on top of the current. He also said, if these don't materialize between now and December 30th, the DLGF will take them out, so you are allowing for these things to occur.

Prince made a motion, seconded by Franklin to adopt all Bond/Debt Service Funds, per Debt Service Schedules, provide additional appropriation allowances for E911, New Judgments, Phase III and Parks.

Cid asked, about the \$6 million dollars for E-911, is it for construction?

Dante answered, for construction, and equipment, at the highest level. He also said this has nothing to do with operational, this is equipment, and capital.

Cid said she doesn't agree with it, she thinks that the Cities and Towns should put in their fair share.

Blanchard said they will put in their share, once the inter-local agreement is signed, it will have language in it that they contribute a portion of their public safety.

Dernulc said, he understands what we're trying to do, but asked if this doesn't get signed by all of the Cities and Towns, it goes away?

Blanchard answered, yes your appropriation goes away. We did the same thing last year.

Dante explained that the DLGF requires a certified bond issue document, debt service document before December 30th, and if they don't have one in hand, there is no rate, there is no levy.

All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Franklin to adopt Pay '13 Collection Rate estimated at 84.75%. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante said this will be on line 11 of your 16-line statement, so you are attacking the 16-line statement, as you are making these motions.

Cid made a motion, seconded by Dernulc to consider "C of E appeal based on adjustments to "Pay '13" tax bills, total "C of E" is \$1,467,174. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Reduce following Line 2's

Cid made a motion, seconded by Prince to reduce the general fund, 001, line 2, various full-time salary line items @ \$600,000. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Franklin to reduce Treasurer, line item 001-0300-43190 @ \$700,000. All voted "Yes", except Hamm, "absent", Cid, "abstain". Motion carried 5-yes, 1-absent. 1-abstention.

Franklin made a motion, seconded by Prince to reduce in the general fund, 001, various 200 & 300 Series @ \$175,000. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dernulc made a motion, seconded by Strong to reduce Auditor, line 001-0200-41290 @ \$150,000. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Strong made a motion, seconded by Prince to reduce Riverboat (196) 3700-43995 @ \$200,000.

Dante explained that this is the Cities & Towns share of the Riverboat, and because of the Income Tax credit is so high, the share of the Cities and Towns is in good shape, so we don't need that appropriation in there anymore. We are over-appropriated in that account.

All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante explained that this motion is to adopt the recommendations by the Assessor. The budget appropriation requirement says that the Assessor "shall" recommend. He did.

Cid made a motion, seconded by Prince to review and adopt Reassessment Fund 337 budget appropriations as recommended by Assessor. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante said that the DLGF no longer regulates the tax levy. Historically it's been \$1.5 million, and some odd change. We have chronically been short in that fund in that fund. Dante said he has looked at over the last 7 or 8 years, and the last 3 Reassessments and it appears to be \$250,000 shy on average.

Dante said, in his opinion, the Assessor and Auditor should make the recommendation on the levy. He recommended that that levy be increased by \$250,000.

Prince made a motion, seconded by Franklin to move to make a recommendation as recommended by the Budget Committee, to increase the Reassessment Levy by \$250,000.00, for Fund 337. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante said, FYI, he thinks that somewhere in this budget deliberations, there should be an operating budget for E-911, Sheriff, or Jail. He feels strongly that a contingency should be considered somewhere in this document.

He said, the Committee didn't consider that, but there should be a contingency for one, or all of those 3 operations.

Franklin made a motion, seconded by Strong to Establish Reserve margins for Income Tax Funds #010, and #012, contingency reserve for Sheriff, Jail, or E911 in the amount of \$1 million dollars.

Dante said that will be on Line 11.

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

Dernulc made a motion, seconded by Franklin to Reduce 001-2900-43820 TAW by \$450,000, and Increase 001-2900-41230 PERF by \$450,000.00. All voted "Yes". Motion carried 7-0.

Strong made a motion, seconded by Prince to reduce 001-0300-43190, Professional Services by \$700,000.00. All voted "Yes", except Hamm, "absent", Cid, "abstain". Motion carried 5-yes, 1-absent, 1-abstention.

Cid made a motion, seconded by Prince to reduce 001-0200-41290, Carryover by \$200,000.00 All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Franklin to Transfer \$3,300 appropriation 001-4100-43235 into 001-4100-43910. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Franklin made a motion, seconded by Prince to transfer \$700.00 appropriation 001-3950-43920 into 001-3950-43910. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante explained that when we reverted back, \$1.390 million dollars was sitting in the 400 series line item, because there's an election next year, it can't sit in there, it has to migrate back into the 100,200, and 300 series, so you are saying in effect, is to re-distribute that back in, so it's net neutral, bottomline, but you are getting it out of the 400 series. It's in there right now, with your original action.

Dernulc made a motion, seconded by Strong to redistribute \$1,390,320.00 appropriation in 001-2100-44490 to various line item appropriations in 001-2100.

All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Strong made a motion, seconded by Prince to increase 001-2900-43973 by 2.6%. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante explained that this will be on the next agenda, it's coming in by Resolution. Line 11, (excess levy credit), credit taken, given to the taxpayers 3 years ago, money not moved into the general fund, being moved into the general fund right now, we have to have it into line 18, and it's going to give you an operating balance. It's coming in now for Council consideration.

Cid said that she finds it odd that we take action now, instead of waiting until after the Sept 10th meeting. Dante said it has to come across in the general fund, we are responding to a State Board Finding. There is no option here. The option here, is how you want to spend it, let it go into the general fund, and remain there, or let it be re-appropriated. That's what you're going to face in about 2 days.

Cid made a motion, seconded by Prince to increase general fund, Misc Revenue Line 8b by \$625,000. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Franklin to transfer Council/3700 Health Ins/41240 and Workman's Comp/41260 to Commissioners 2900 Budget in General Fund. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante said now you have to take a look, and see what you want to do with the old borrowing. He said the Committee had a long debate on this. He said the Committee said they wanted to take the existing reserves and start paying down the debt with it, don't appropriate anything out of there. He said if the Council agrees, they are going to put appropriations in these 2 funds, that's going to equal the debt service payments. You are applying the residual cash for this debt service payment, nothing more, nothing less, and you are putting it into the old borrowing. You are putting an end to the old borrowing.

Dante said \$2,629,000, out of the Construction Fund 313, and \$2,489,744 on the Re-imbusement Fund 314. When you send it back, Dante said, he is putting an appropriation there to retire the debt service in those funds, so it's not going to a tax levy.

Bilski said he would like to keep a Committee going, we will disband the one Committee and form one that addresses the Capital expenditures.

Prince made a motion, seconded by Strong to apply the reserve cash existing in Funds 313, and 314, to the Debt Service to retire the loan obligation. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Franklin made a motion to approve permanent funding for existing un-funded or under-funded items in Fund 312, Fund 313, and Fund 314 for 2014 and beyond. This includes the 2014 Debt Service payment for Fund 312 of \$1,169,650.

Dante said, you have to tell me which items, one at a time.

Bilski asked if the consensus is to go along with the recommendations? The answer was yes.

No vote was taken on that motion.

Prince suggested that they go with the 65 Correctional Officers in order to be prepared for what's coming down the line the suggestion that the DOJ is going to require more CO's, Prince said, he thinks it's better to deal with that now, than have to come back. He suggests that they build them in, and be prepared for what's coming down the line.

Dante said his main concern is it's coming in after the budget.

Bilski said there will be a negative in there, but then we can cut back, we need to go worst-case scenario.

Prince made a motion, seconded by Franklin to fund the Jail at 65 Correctional Officers, which includes Higher OT, additional Psychologist @ \$130,000, and an additional \$80,000 for the Attorney, for a total of \$7,133,794.

Bilski said we are just plugging in for worst-case scenario.

Cid said word will get out that we've approved for 65 CO's, and I'm not comfortable with this at all, and I'm not going to approve this.

Franklin said it's not just the newspapers that are questioning this. It's the general public that's asking questions about it because this is a rumor mill. That's why I ask questions, I want clarification on this, then we can move on.

All voted "Yes", except Cid, "No". Hamm was "absent". Motion carried 5-yes, 1-no, 1-absent.

Prince made a motion, seconded by Franklin for Health Insurance, general fund, to remove \$320,580, in the DOJ Jail Allowance, which includes Salary or Legal Allowances for Public Defenders, and Commissioner/Council Attorneys of \$392,819, as illustrated @ \$4,926,194. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Dernulc to approve Establishing the Cum Bridge, as illustrated on spread sheet #1 @ \$2 million dollars. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

**Prince made a motion, seconded by Dernulc to approve PERF, the 1.5% for the employee contribution, as illustrated on spread sheet # 13, also it includes the normal 1.2% increase from 2013 to 2014, it includes the 1.5% for Perf employees, which excludes the Merit Officers, this also includes a 1.5% baseline for Merit Officers. PERF total is \$1,930,509, current shortfall is \$623,841, the Normal 1.2% increase from 2013 to 2014 is \$504,171, the 1.5% PERF for Employees is \$656,756, and the 1.5% for Merit Officers is, well actually, there was no action taken on that.
NO ACTION TAKEN.**

Prince made a motion to approve the PERF contribution, as illustrated here, actually that number is going to be different. No Action taken on this motion.

Prince made a motion, seconded by Dernulc to approve the current shortfall @ \$623,841.00. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Strong to approve the normal 1.2% increase from 2013 to 2014, the amount \$504,171.00. All voted "Yes", except Cid, "No", Hamm was "absent". Motion carried 5-yes, 1-no, 1-absent.

Prince made a motion, seconded by Dernulc to fund the 1.5% PERF contribution for PERF employees, excluding the Merit Officers in the amount of \$656,756.00. All voted "Yes", except Cid, "No". Hamm was "absent". Motion carried 5-yes, 1-no, 1-absent.

Prince made a motion, seconded by Strong to approve to re-establish the Cum Drain Fund @ \$1.3 million dollars. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Strong to approve Fund 312, Loan Repayment, @ \$1,169,650.00. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Strong to approve for Criminal Court, 13 Probation Officers, @ \$737,768.00.

Franklin said that Judge Boswell wants to take a look at the whole scenario about the Probation Officers, they want to take a look at this program before they implement anything.

All voted "Yes", except Franklin and Cid, "No". Hamm was "absent". Motion carried 4-yes, 2-no, 1-absent.

Prince made a motion, seconded by Dernulc to re-visit the previous issue of the 13 Probation Officers. All voted "Yes", except Hamm, "absent". Motion to re-visit carried 6-yes, 1-absent.

Bilski said this is the Committee's recommendation for the 13 Probation Officers, but it seems to be the consensus to strike that from the agenda, Franklin said I will support it, and let's move on. Bilski said we re-visited the issue and there is no need to change anything, the motion carried 4-yes, 2-no, and 1-absent.

Strong made a motion, seconded by Dernulc to approve Liability Insurance @ \$1 million dollars. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Franklin made a motion, seconded by Prince to add Merit Retirement @ \$1,154,275 to the list. All voted "Yes", except Cid, "abstain". Hamm was "absent". Motion carried 5-yes, 1-abstention, and 1-absent.

Strong made a motion, seconded by Prince to approve Other Contractual Obligations & Contingencies in the sum of \$582,167. All voted "Yes", except Cid, "abstain". Hamm was "absent". Motion carried 5-yes, 1-abstention, 1-absent.

Franklin made a motion, seconded by Strong to approve Health Insurance, Parks ('13 Reductions plus increase) @ \$378,433. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Franklin to approve the Salary Mandates, as illustrated in spread sheet # 4, at the amount of \$160,363.00. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Cid made a motion, seconded by Franklin to approve Coroner Professional & Medical Services @ \$155,000.00. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Cid made a motion, seconded by Franklin to approve Probation Officers @ \$147,404. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Franklin made a motion, seconded by Prince to approve FICA @ \$100,000.00. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Cid made a motion, seconded by Franklin to approve Supplemental School Levy @ \$97,325.00. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Cid made a motion, seconded by Strong to approve \$30,000 for Data Processing. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Cid made a motion, seconded by Prince to approve \$14,920.00 for Longevity. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Franklin made a motion, seconded by Prince to place Cum Cap appropriations to Commissioner's budget, the amount of \$1.9 million dollars. NO ACTION TAKEN.

Strong made a motion, seconded by Dernulc to approve Data, dept. 3600 in Cumulative Capital, Fund 651, the amount of \$887,893.00. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Strong to approve Commissioner's, 2900 in Cumulative Capital Fund 651, the amount of \$1,012,107. All voted "Yes", except Cid, "No". Hamm was "absent". Motion carried 5-yes, 1-no, 1-absent.

Cid made a motion, seconded by Prince to transfer 3 Merit Officers positions from Fund 289 to general fund, 001. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Cid made a motion, seconded by Prince to transfer 2 Merit Officers positions from Fund 290 to general fund, 001. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Cid made a motion, seconded by Prince to transfer 5 Merit Officers from Fund 332 to general fund, 001. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Dernulc to approve all YTD, Mid-Year salary adjustments approved after the 2013 Budgets were approved last fall, as illustrated on spread sheet # 5. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Dernulc to approve all appropriation adjustments resulting from the April 1, 2013 compensation program for the part-time Public Defenders as illustrated on spread sheet # 6. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Dernulc to approve the Riverboat Appropriations, as illustrated on spreadsheet # 8. (\$12,553,708). All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Prince made a motion, seconded by Dernulc to approve Sales Disclosure Fund 710 requests across-the-board by approximately 30% in the Township Assessor' budget, as illustrated on spread sheet # 11. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante explained that the Clerk's is a reorganization, he is asking to eliminate a position, and spreading that salary across, so this would be a salary increase, based upon a position elimination, no net effect, so this would be the first salary adjustment in here.

Franklin made a motion, seconded by Prince to approve Clerk's, Department, 0100 reorganization in Line Item 41160, maintain line-item appropriation at 2013 "original", or \$1,491,905. All voted "Yes", except Cid, "No". Hamm was "absent". Motion carried 5-yes, 1-no, 1-absent.

Franklin made a motion, seconded by Prince to approve to add \$500.00 to IV-D Court, Dept 3950, Line Item 41331/Court Reporter Per Diem. All voted "Yes", except Hamm, "absent". Motion carried 6-yes, 1-absent.

Dante said that you can not satisfy these requests with Income Tax, you are either going to have to cut, or borrow more, if you don't have enough money you have to borrow, or you got to cut.

Bilski said, which is completely out of the question, so it's kind of narrowed down to, we cut.

Dante said now you can see where old borrowing meets new borrowing, possibly, or it doesn't, and now you are starting to see the entire picture.

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

President, Lake County Council

ATTEST:

Peggy Holinga Katona,
Lake County Auditor

