

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, David Hamm, Elsie Franklin, Daniel Dernulc, Christine Cid, County Councilpersons, together with Ray Szarmach, County Council Attorney. Councilman Eldon Strong was absent.

OPEN: Public Comments, Council Discussions and Actions

Surveyor, George Van Til along with Shannon, who is his Director of GIS were present to clear up some erroneous information that was given during the budget workshop on yesterday, in reference to the GIS.

Dante said that the deficit on the 16-line statement is at about \$23,530,683. He said the reason is that we were at zero balance, and when we started going into plus side, the summary of the plus side is going to look much like you're balanced, at this point.

He said there are certain items that have changed since yesterday, the Elections is now choosing line 2 reductions, and it requires action by the County Council. He said Michelle now wants to take her \$1.390 million, in her current budget and push it into next year, and it requires action today. It requires approving \$1.390 million in her Line 1 for next year, and doing a Line 2 resolution, and that gives you a net zero effect.

Dante said right now, the Council needs to increase Line 1 for Elections in next year' budget by \$1,390,320, which is going to increase your deficit, but as soon as the Line 2 comes in, it's going to reduce the deficit.

Dernulc made a motion, seconded by Prince to add \$1,390,320 to 001-2100-44490. All voted "Yes", except Strong, "absent". Motion carried 6-yes, 1-absent.

Dante said that Attorney Szarmach will prepare the Line 2 Resolution, and that number will be very familiar when you see it come back at your Line 2.

Cid asked Dante to please go back to the 1st revision, actions on September 4, 2013. She wants to clarify something, the 5th bullet point. She said to Dante that yesterday he said that the Auditor did not confirm the 84.75%, yet this sheet reads confirmed. She asked Dante if he would change it to not confirmed.

Dante said that the County-wide tax grand total for cap liability this year, as opposed to last year is going to be \$130,437.00. He said last year it was \$109,000. He said tax rates are going up, or AV is going down, one of the two, and there is another \$21 million dollars in tax cap liabilities.

Dante asked, how does that filter down to us? Circuit Breaker credits to Lake County, kind of in the middle, \$14,461,872. it was \$12.6 million last year. That reduces your collection rates. We went down by \$2 million dollars.

Dante said strength on regular collections may mean the economy is bouncing back, and there could be a push on regular collections because the economy and the amnesty program, so not all is lost. The key point here is how and why did we go down by \$2 million bucks? He explained that one Unit of Government cost us \$1 million dollars, and it wasn't Lake County. He said it's kind of a facet of our business, the 84.75% has not been confirmed, and Dante said the 84.75% is an aggressive number, it could be slightly less.

Dernulc added, yesterday you were saying otherwise, that it was a good number.

Dante said, yes, he just received this, and he didn't realize the tax cap liabilities went up so much. He knew it was 1.5 million, but he didn't realize it was \$1.9 million. Dante said 84.75% is an aggressive number, not unrealistic, but it's good to pause to discuss one of your main revenue components here, and that's how we read it. Dante said he still would suggest, like Cid brought up here, that the Auditor should confirm this number also. He thinks it's reasonable, if you do go down, it might be a quarter of a percent. Dante said he will change it in his notes that the Auditor has not confirmed.

He said the last two points, because we are kind of discussing the subject is, the income tax.

He said this is for Attorney Szarmach, if we are going to resolve some of these deficits with the Income Tax, you have to know what you can use the Income Tax for. The Income Tax Committee, and Bilski should be very familiar with this. Dante said he has the Laws here. The Public Safety Tax is one page,

and, the CEDIT Tax is about 10 pages, so you really have to be acquainted with the usage of the Income Tax, before we start applying any appropriations over there.

Public Safety is based on public safety. CEDIT is not. CEDIT can be used for venture capital, it can be used for credits, any lawful purpose, for construction, so you have to be very careful what you place in CEDIT, and if we go construction, Dante said, he knows for a fact it requires a Plan by the Lake County Board of Commissioners. So there is some collaboration as you go into CEDIT, we just can't go and "stuff" and send appropriations over there.

Dante said our deficit is around \$23,530,000.00 million and some odd dollars right now, at this point.

Bilski said he noticed that the full report of the total cap liability breakdown is in the small conference room. Dante said you can see by unit of government that we have a summary or abstract, they call it the abstract.

Bilski said we are put in that situation, as we prepare these reports, and we look at the need for the Civil units to take action. He asked how do we have the "teeth" to do that?

Dante said, you have 2 options, on tax cap liability, it's something that we said from day one, which is command them on finding recommendations, and tell the folks to cut their maximum levies by the amount of their tax cap liability, like we did, like we did, \$11.4 million dollars. Dante said, or we get out of the property tax business, which indeed was the ingenious part of the Income Tax Committee. That credit of 1% is being applied against our rate.

Cid said that was not recommended by the IU Study to go 100% property tax relief, but she noted that these circuit breakers, you will note on the homesteaders, \$15 million dollar savings, but the 3%, which is big business, \$70 million dollars savings, so we know who the benefactor of the circuit breaker is. Cid wanted to point that out.

Dante said ever since these caps came in, we are moving away from these itemizations here. He said, our business is changing, and it's changing downstairs, and it's changing in the finance department, and it's changing in his office, as well, and it's changing what you consider your priorities here. It's not that a line item in x,y,z office and telephones, is not important, but we are moving away from that. That's why we've gone to collaboration models, to the other type of models.

Bilski added, with the distribution formula, we have no choice but to get out of that business.

Prince said, there weren't enough homesteaders, is actually essentially what happened, so the distribution was what it is.

Dante said, one other point, even though it's not going to help us out immediately, a way out is strategic planning.

Dante said that a good notable point is another facet that we've been facing, so the deficit is \$23.6, and some odd change, and adding on the \$2 million dollars set aside in the Income Tax funds, so that brings us to \$25.6 million, but if you look at the next set of components there, of your \$23.631 million, \$19.7 is Criminal Justice. \$3.7 is infrastructure, and it's requirements. Only a scant \$2.2 million is kind of for stuff that we have really any control over, and this is what we've been facing, this has been the problem.

He said this was also discussed with IU, not only how do we deal with the Units of Government, but how do we deal with item #1? Those are 2 key points.

Bilski said we need to start moving some things over into Public Safety, and said, this is not permanent, it's just categorizing Public Safety, and CEDIT categories on our spread sheet. This is not an approval, it's just for bookkeeping purposes to start moving money into those places.

Dante said Public Safety has \$7.5 million dollars available.

Prince made a motion, seconded by Franklin to put 65 Correctional Officers @ \$7,133,794 into Public Safety. This also includes Higher OT, additional Psychologists @130,000, and additional \$80,000 contract for Attorney.

Bilski said we can add something else, it will be over, and then we will have to decide what to reduce from there.

Dernulc said this is just a place holder. Everybody knows where he stood on taxes, but we have to get this "ball rolling".

All voted "Yes", except Cid, "abstain". Strong was "absent". Motion carried 5-yes, 1-abstention, 1-absent.

Hamm made a motion, seconded by Prince to approve Criminal Courts , 13 Probation Officers & Benefits in Public Safety @ \$737,768.00.

Dernulc reiterated the point that this will be at a future meeting on what we want to do, this is just a place holder.

Hamm explained that in speaking with Judge Boswell who runs the Criminal Courts. He said we have an overpopulation in our Jails, there are a lot of the Courts that would send some of these non-violent offenders, they put them on probation, collecting Probation User fees, and we could un-populate the Jail with non-violent offenders. Judge Boswell stated that that's the direction that she wanted to go in, he said he thought it was a good idea, and he wanted to put it on the table.

All voted "Yes", except Strong, "absent". Cid "abstain". Motion carried 5-yes, 1-absent, 1-abstention.

Prince made a motion, seconded by Hamm to place Sheriff OT, PT, Petro, Holiday, etc., into Public Safety Fund @ \$800,000 dollars.

Cid said the Sheriff does Petro for everybody, she doesn't know if they can put all of that Petro into Public Safety. She said we didn't approve this yesterday at all.

Attorney Szarmach said we don't know what the percentages are.

Prince said, the operative word is "we don't know", and we are going through an exercise here, so the point is that we consider it, then we will determine later.

Bilski said we will assign that \$800,000 dollars to that point, and then it will be qualified by the Attorney, we will know a working percentage, we know right now that we are about \$200,000 short, we will have to look at our budget, and see how much it ran over. Bilski said he doesn't believe that 100% of that will qualify for Public Safety, but for the sake of placing it somewhere we will do that now, and he will suggest that we reduce that by a considerable amount.

All voted "Yes", except Dernulc, "No", Cid "abstain". Strong was "absent". Motion carried 4-yes, 1-no, 1-abstention.

Prince made a motion, seconded by Franklin to move Coroner Professional & Medical Services @ \$155,000 dollars into Public Safety line item.

Cid said that this is something that we have to fund, we look for it every year, but somehow she doesn't feel comfortable with the procedures that we've taken, she said that's why you are going to continue to hear her, most likely to vote "no". It's because she doesn't feel comfortable with the procedure that we're taking, she said that if we approve something, then we approve something. She understands the logic behind your actions, but she wishes that had been done in Committee already. She said there were some suggestions from Dante already. She said, it's not that she feels that she doesn't want to fund these, it's just that she doesn't feel comfortable with the procedure of adding in, and taking out. She doesn't recall doing this in the past, she just doesn't feel comfortable with it.

Bilski said we never had a Public Safety tax in the past. We borrowed \$15 million dollars, and did that last year, and we took action yesterday to pay back, and we borrowed \$15 million dollars to sustain what we have right now, and now we are making a suggestion that we have to critique that. Bilski said he believes that we did have recommendations from Committee, the Borrowing Committee produced a sheet that was present for us yesterday on suggested items, that we went through yesterday that came to this spreadsheet, and now we are putting them all into one. We did the same thing last year when we had to borrow the money, we quantified it, and decided which was going to be funded out of that, and referred others to go to the Borrowing Committee, now they need a permanent source of funding, if we wish to commit them, and continue them. Most of everything you see on here, going back to the 30 Officers, a lot of this was funded through the Borrowing Committee. Councilman Prince and Councilman Strong was on it. If there is another procedural way, Bilski said, he would be more than willing to discuss that right now. He thought this was one of the easiest ways to move through this, and it gives the most amount of time for everyone to see where they are at in the bottom-line, see where each account is, and prioritize and decide which one of these items, you want to keep in there for Public Safety, or not. Once we get through the Capital, you will have an opportunity to make a decision on whether you want to keep it.

Bilski said he doesn't think it's a bad idea because of the DOJ, we also are proving that we are moving forward, and we are making commitments to finance their requests.

Prince wanted to remind everyone that there was a Strategic Committee that was established who met for several hours, along with Dante, to get us to this point here, so this according to everything that we've done before, and it's just part of the procedure. Prince said he believes that we are on the right track, and as Bilski suggested, if there is another way of doing it, then...

Bilski said we added an additional step in here, so by categorizing these requests, we will decide what will be funded out of Public Safety, if there's an item in there, Bilski said perhaps, it's the Coroner's

Professional Services, maybe we will have to find an equal reduction within the general fund, to fund that project. He said he isn't saying that it will be funded out of Public Safety right now, but it's being put in there, but it's during the negotiations, we decide that it's something that we don't want fund out of Public Safety, but it is a priority to a majority of the Council, we will have to find room within the general fund, something we will have to be reduced by an equal amount, in order to plug that in.

He said it's an additional step that we never had before, but we never had these other items before to deal with. Bilski said to Cid that he understands her "no" vote, which is fine, we just have to get through, and hopefully, as we deal with these issues more and more, and as years pass, that this will become a simpler process.

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

Prince made a motion, seconded by Hamm to move Probation Officers @ \$147,404.00 into the Public Safety line item. All voted "Yes", except Cid, "No". Strong was "absent". Motion carried 5-yes, 1-no, 1-absent.

Hamm made a motion, seconded by Prince to transfer 3 Merit Officers positions from Fund 289, into Public Safety, 2 Merit Officer positions from Fund 290, into Public Safety, and 5 Merit Officers from Fund 332, into Public Safety.

Dante said that technically, they are already in general fund, so it's going to go from general fund now, into Public Safety.

Clarification on the motion, made by Hamm, seconded by Prince, the 10 Merit Officers are being transferred from General Fund 001, into Public Safety. All voted "Yes", except Cid, "No". Strong was "absent". Motion carried 5-yes, 1-no, 1-absent.

Prince made a motion, seconded by Hamm to put the Merit Retirement @ \$1,154,275.00 into the Public Safety Fund. All voted "Yes", except Cid, "No". Motion carried 5-yes, 1-"No", 1-absent.

Prince made a motion, seconded by Hamm to place Cum Bridge @ \$2 million dollars into the CEDIT Fund. All voted "Yes", except Cid, "No". Strong was "absent". Motion carried 5-yes, 1-no, 1-absent.

Prince made a motion, seconded by Dernulc to place Cum Drain, requested amount of \$1,300,000 into the CEDIT Fund.

Bilski asked Dante if the Cum Drain was the reduced levy?

Dante explained that that was the reduction, that is correct. You're moving that levy back up to \$1,600,000.

Bilski asked was that the direction that Strong was moving with that, to move it into CEDIT?

Dernulc answered yes, that was part of the strategic plan.

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

Hamm made a motion, seconded by Prince to transfer the Health Insurance, general fund @ \$4.9 million, into CEDIT. All voted "Yes", except Cid, "No". Strong was "absent". Motion carried 5-yes, 1-no, 1-absent.

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

