

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 2016 Budgets, 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, David Hamm, Elsie Franklin, Jamal Washington, Daniel Dernulc, Christine Cid, and Eldon Strong, County Councilpersons, together with Ray Szarmach, County Council Attorney.

OPEN: County Council Recommendations, Discussions, and Actions

Dante said that the last page, which is the 3rd Run @ Council approved collection rate of 95% shows the dollar amount of where we're at, includes the considerations for today because a lot of the considerations were technically approved a few days ago, but Dante wanted to make sure what they were.

He said that he did not have the 4% increase for Corrections Officers in the initial, he didn't know that we did a 4%. It is now in your bottom-line, and the Council may consider taking action on it. There is a 4% Correctional Officer increase built into the budgets.

Hamm made a motion for a Line 1 increase in General Fund 001, 4% for Correctional Officers, totaling \$374,396. Franklin seconded the motion.

Dernulc said this was the Bargaining Agreement.

Dante said he was not aware of it, and became aware of it last week, but did not have it in his initial minutes.

Hamm said it was a 3-year Contract. 3% for 2015, 4% for 2016, and 4% for 2017. That Contract, the rest of the verbage, will be in front of the Council in October.

Strong asked Dante if they could afford it?

Dante said you are negative, and you know how I feel about multiple year arrangements. It's not positive because you never know if you are going to get that growth quotient.

Strong said I hear you, and I agree with you on that. Strong asked, if we are in the negative, what's our choice on bringing it up even so we are not negative?

Dante said, you are going to have to move stuff to Bond Issues, and you are going to have to make maneuvers, and you are going to have to make adjustments in other budgets.

Dante said there are certain actions you can take. You can raise collections to whatever you want to raise them to, you can do certain things, which are risky.

Strong said he can appreciate the fact that they want a raise, we all want raises, but the bottom-line is this, can we afford it? Do we have the money? If we don't have the money, what are we going to do?

Bilski said, "I think we do", and I think our collection rates we were very conservative about it, and I think this year alone, I think it's safe to say, we should finish, we put in at 95, and I think we will probably finish at 98. Each per cent is equal to \$1 million dollars.

Bilski said we don't want to go 98 because the mechanism seeks that every year, so I think we're going to be fine.

Strong said "I think we need to use caution in the future, and I agree with Dante, these multi-year Contracts, we need to be very cautious with these things.

Dernulc said in the process of coming up, and negotiating this Contract, again they wanted to cut down, and reduce time, and they started with, and what we ended up was a prepared Agreement. Dernulc said if we want to go with one-year, Dernulc said Eldon should be on that... Eldon said we did 3-years now, so it's a done deal.

Bilski said I was in agreement with a 3-year Contract, and to do a 3-year guaranteed wage increase is difficult, but it was an Agreement to get that off of our back, and not to have to deal with that for a while.

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

Dante said the with the Riverboat Fund, the RDA came in.

Cid asked what are these Departments?

Dante answered, Commissioners, Council, and Highway. Those are the 3 Departments. He said they are all inter-connected.

He said two things occurred, just recently, in the past 24 hours. We received our reconciliation yesterday, and the reconciliation shows a drop in (inaudible) because of the cost of the credit is up, and it is up significantly, and it's not an anomaly. He said we have to track the credit because we have to know what's going on with the revenue in the fund.

Dante said the anomaly last year, as you will see in 2014, the jump by \$900,000 dollars is not an anomaly. It increased, so there goes \$5.5 million dollars, and that's about \$1.3 million increase in the past 2 years, and it's hitting your Line 1, so that's not good news.

The second thing that occurred yesterday was the State is going to withhold, from the top, the \$3.5 million dollar RDA contribution that comes through our budget. So they are taking it from the top, you won't even see it, and that's going to have a positive effect because you won't have to pay as much to the Cities and Towns, and we won't have to contribute as much to the LR&S, so there is a mechanical thing, and it effects these line items in here.

Dante said, so you have a combination of 2 things coming at you that affects 5 line items. Dante asked, how do you remedy these 5 line items with the 2 things that I just said, and at the same time balance?

He said you do this. (To balance the 196 Fund). Dante said to balance the Riverboat out, we have to take it down to \$7.4 million dollars.

Dante said the combination of the RDA coming off, and the less contributions to the Cities and Towns, because it's coming off the top. We won't have to have a budget of \$6.9 million anymore. All we need is a budget of \$3.250.

Dernulc said that's Riverboat, and we are bringing in...

Dante was looking at the Riverboat Gambling 2016 Requested and Committed sheet.

Dante said you maintain the Auditor, for Lisa Beck, the Grant Administrator @ \$30,000.

You maintain Prosecutor's \$35,000 for law books.

You maintain Prosecutor IV-D law books @ \$5,000

Commissioners, they dropped from \$3,658,000, to \$2,349,500. He said the drop is in the contribution, or Bond levy offset for the Building Corporation. You don't take it off completely, you just cut it in half, and commit half of it, for the Bond offset, so you're really not taking it off, you are just taking it down, so that is about \$1.3 million right there, for the Bond offset reduction.

Data Processing is the same @ \$730,088, no "hit" there.

Dante said the big one, is the Council, we have a lot of this in our budget. The \$3.5 RDA contribution comes off. You don't have to have it anymore, you don't have to budget for it. You don't have to pay RDA anymore. It just gets paid by somebody downstate, so that's going to be the big one.

Dernulc asked, so you are saying that is reduced by \$3.5 million dollars?

Dante answered, yes, \$3.5 million dollars. That's how much you contribute, you no longer have to put it in there. Also you have a huge decline. We also process all the checks to the Cities and Towns, you won't have to process as much money to the Cities and Towns. Cities and Towns are going to get a lot less now, compliments of the RDA coming off. So you are going to have a lot less contributions to the Cities and Towns, which comes through our budget as well, so the combination of the RDA coming off, and the less contributions to the Cities and Towns, because it's coming off the top. We won't need to have a budget of \$6.9 anymore. All we need is a budget of \$3.250

Dernulc asked and that's Riverboat, and we are bringing in....

Bilski said, our target number is \$7.415, to balance this fund out.

Dante said, I am telling you where your reductions in the appropriations are coming from.

Public Defenders, theirs is \$250,000, and Dante said, he is assuming that the Council wants to maintain their \$250,000 for their defense.

Dante explained that the Highway Bond, again is the same thing as the Building Corporation Bond. Dante is taking the \$582,000, which is a commitment made a couple of years ago, to offset the cost of the Bond

Levy, Dante said, I am dividing it by two, so you are contributing half to Riverboat to offset the Bond Levy, in the Bond Levy Fund. Dante said it's complicated, it's all connected.

The last amount is the 5% LRS share, when that \$3.5 comes off the top, they are not going to get as much as they used to, you don't need the appropriation, and \$475,000 should be more than sufficient.

Dante said, when you do those several things in here, in these 5 line items, by those amounts, you come up with \$7,415,620, and you balance the fund out, and you are solvent in that Fund (196).

Dante said he is looking for a motion on all 5 line items, or motions, one at a time in those amounts.

Bilski said, we can do all 5 amounts at once in Line 1

Dante said, and those reductions bring you to \$7,415,620.

Dernulc made a motion to approve the reductions in the Riverboat Fund 196 to balance as follows:

Line 1: 196-2900-44500 @ \$1,309,000 – leaves 50% for debt service levy reduce

Line 1: 196-3700-43830 @ \$2,625,000 – State “off-top” removal of \$3.5M RDA

Line 1: 196-3700-43995 @ \$1,111,000 – State “off-top” removal of \$3.5M RDA

Line 1: 196-5011-44500 @ \$ 291,032 – leave 50% for debt service levy reduce

Line 1: 196-5060-43995 @ \$ 225,000 – State “off top” removal of \$3.5M RDA

Hamm seconded the motion.

All voted “Yes”. Motion carried 7-0.

Dante said you just balanced out a really problematic fund. Fund 196 is balanced.

Dante said because it is tied into Fund 196, Fund 229, LR&S gets a share off of it, and he is asking the Council to reduce that by \$100,000 because we are at “requested”. You can't sustain “requested”, that has to come down by \$100,000 dollars, Fund 229.

He said if Fund 196's share is going down, you have to come back on Fund 229.

Strong asked why?

Dante said, because it gets it's money from Fund 196.

Dante also said because Fund 229's feeding mechanism, which is Fund 196 has been reduced.

Hamm made a motion, seconded by Washington to approve Line 1 reduction of \$100,000 in LR&S Fund 229.

The majority voted “Yes”. Strong voted “No”. Motion carried 6-yes, 1-no.

Dante said we discussed this briefly, the SAPS fund 144 looks bad. The can not sustain any Probation Officers' supplementals' in there anymore. They are moving them all out, and they are asking for them to all be picked up by the general fund 001. The total cost is \$64,091.

Hamm asked those aren't supplementals, those are State Mandates, right?

Dante said those are Supplementals for State Mandates, and you pushed it in there to at least cost out as much as you possibly can. Something happened in the revenue, it can no longer support it, they have to “pull the plug” on them, and those Supplements have to go back to the general fund.

Bilski said so we need a motion to transfer the State Mandated salary supplements...

Hamm made a motion, seconded by Dernulc to move from the Juvenile SAPS Fund 144 to the General Fund 001, the amount of \$64,091. All voted “Yes”. Motion carried 7-0.

Dante said, remember on Day 1, we had a big spreadsheet, we approved it. That wasn't in there, but the Judge came back to us, and informed us last night.

Dante said, as a result of you moving that, they don't need as much appropriation in the SAPS Fund, so Dante is asking that the SAPS Fund appropriation, Line 1 be reduced to \$22,000 dollars.

Cid made a motion, seconded by Hamm to approve a Line 1 reduction in Juvenile SAPS Fund 144 to \$22,001.

Dante said it was an \$80 something thousand dollar account, minus \$64,000, there is your \$22,000. I kind of reversed my language.

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

Dante wanted to make sure that the Council was aware of where we're at with the Public Safety Fund, and the CEDIT Fund. He wants to make sure that the Council knew that Public Safety Fund is at original \$215, with the 5%, with merit officers, which are in there. The \$313,000 for Trustees, and the removal of the Bond of \$1.6. Dante wanted to make sure that everyone understood where we were at, we weren't at requested, we were back at original, plus these changes.

Cid asked, so is that balanced?

Dante said, yes, you are actually in a surplus in that fund. Dante said, he wanted to make sure that we understood that we weren't at requested, we are at Original, plus some changes.

Dante said, same with CEDIT. We were at Original, with the removal of the Trustees, and Dante just wanted to make sure that the Council had that understanding where we were at, as opposed to requested, which is way out there.

Dante said the bottom-line now is minus \$1,537,193.

Bilski asked does the "Requested" Public Safety have any Merit that has to be brought to our attention, you said we are back to original, Bilski asked was there something that we are overlooking that we need to take action on?

Dante said Public Safety, the request in there were way over...

Bilski asked, was that coming from the Courts?

Dante said, you are in balance in Public Safety, you are in surplus, at this point in time. He said Public Safety request were \$10,100,000 on Request, so that's a lot of requests, he said \$400,000 from the Sheriff, a loan, plus he asked for another \$400,500, just the other day, so there is \$1 million dollars from the Jail. You are looking at a million dollars, just from the Jail.

Dernulc asked, that's for overtime, and so on right?

Dante said, all the stuff, not new positions.

Franklin asked are we any where close to getting where the Sheriff is not having to ask for anymore big money?

Bilski said I think that there has always been multiple requests constantly, and it seems our biggest "demon" is the Overtime, that seems to always be a big issue, and if it's not overtime, it's Healthcare.

Dante said Public Safety is in the "black" to the tune of \$725,000 dollars, but you have no pluses, from any budget built in there. You are balanced in CEDIT, but there are no increases.

Strong said he has something that he wanted to discuss.

He said we did an action on September 2nd, and it was the first day that we met, a whole sheet of stuff, and after researching, I have an issue with the second to the last item, the Highway Collective Bargaining personnel salaries as requested.

Strong said he learned that the Highway Superintendent did the negotiation in this. This is all based on the 112 Fund, which is the gasoline tax fund, right Dante?

Dante said the 112, and 102 are MVH, Strong asked, both gasoline tax funds?

Dante answered, absolutely.

Strong said we did a \$7 million dollar bond for roads, but we're taking gasoline tax money, and we are already paying salaries with it.

Strong said, I think in reality, these employees should be in the general fund, but we're paying them out of the 112 Fund. Now we just did 3 years' worth of raises, on the 112 Fund

Cid asked, they did a 3-year also?

Strong answered, yes. The Commissioners didn't do this, Mr. Malczewski did this. Strong said, I would like to make a motion to have this pulled, and I have another alternative here, but I don't know what is protocol here. I would like to re-address this.

Bilski said, I believe that anytime during the budget process, you can make a motion to reduce any line item, at any time, so if you want to reduce the pay raise built in, then make the motion.

Strong said but I have an alternative here, and I will make that motion. Dernulc said why don't you make that motion, and I will second it.

Strong said, I think what we need to do, is get an opinion from the Commissioners. Let's see what they want to do. They told him to negotiate this, let's see what the Commissioners want to do, and what their recommendation is on this.

Bilski wanted to make a statement which was, that throughout those negotiations, the Commissioners were involved in them. We don't do our own negotiations, we choose Tony Overholt. The Commissioners chose to give that responsibility to Mark Malczewski, at least for the last 15 years.

Strong said I would like to get something in writing from them, if they are in support of doing that on that one....

Bilski said you can re-visit this at the next meeting.

Strong said again, I think what I wanted to hear, I want to hear from the Commissioners on this. It was my understanding that Mr. Malczewski did all of this.

Bilski asked, did the Commissioners sign the Contract?

Cid said they should sign the Contract before we should, just like we sign the Contract for Merit and Corrections before they do, so Cid said, I think that should be brought over to clarify that they are in favor.

Strong said, I just have a real issue with..

Bilski asked is your motion to reduce the 3% pay raise for the Lake County Highway Department?

Cid said, I don't think that was his motion, his motion was to get clarification from the Commissioners that they are in favor of the raise, that's the motion I heard.

Strong said, I want to get something in writing from the Commissioners that this is what they want. I have an issue with a gasoline tax-based fund.

Strong made a motion to pull that back out, and we can open it back up for discussion, and proceed from there, that's what I would like to do.

Bilski said, so the motion is to reduce the 3% pay raise that we put into the Contract.....

Dernulc and Strong said no. I want to just eliminate that line item.

Attorney Szarmach asked, do you want to reconsider?

Strong answered, yes.

Attorney Szarmach said, your motion is to reconsider.

Strong said the Highway Collective Bargaining personnel salaries as requested.

Attorney Szarmach said, before you can make any motions on that issue, right now it's dead because you made a motion, and you adopted it. You have to make a motion to reconsider, that needs 4 votes, and that, like any motion to reconsider opens that issue back up. You may get a motion to reduce it, you may get a motion to increase it, you may get a motion to do nothing, but the first thing you have to do is get a motion to reconsider.

Strong made a motion, seconded by Dernulc to reconsider the Highway Collective Bargaining personnel salaries as requested.

Hamm, Franklin, Washington, Cid, and Bilski voted "No". Strong and Dernulc voted "Yes".

Motion to reconsider failed 5-no, 2-yes.

Attorney Szarmach said that does not mean that individual Councilmen is precluded from sending a letter to the Commissioners, asking them a question, you can still do that.

Cid said it also doesn't preclude them from later saying, "let's not take it from this fund, let's take it from somewhere else".

Dernulc said he isn't that concerned, he thinks that Eldon brings up the point, and Dernulc said he just wants to make sure that the Commissioners are okay with it.

Bilski said that he thinks you can send a letter over there, or make a phone call, or e-mail, that you want something in writing.

Dante said we are a little over \$1.5 million, and we could re-visit the Collection rate, you could re-visit moving money into the Public Safety from the general fund, and you could re-visit the Line 3, holding the line on additional appropriations, which Dante said he would love to see. Just shutting this place down for the rest of the year in the general fund. Dante said those are the 3 avenues that we already brought up in the past.

Bilski said holding Line 3 is good, but we brought up a good point here, right now we have about \$700,000, and what can we move from general fund, to Public Safety Fund 010.

Cid asked, could we move the Highway' pay increase, that's Public Safety roads?

Bilski said, sure, let's do that.

Dante said you could, but he doesn't recall the 40 items you can do in that Fund.

Cid said you are not using the gas tax for salary increases, and maybe you will have some money there for roads.

Bilski said, I would like to try to come up with some alternatives, what is there are some items that we could think of that we could reduce the general fund for Public Safety.

Dante said it would be either the Sheriff, or Jail because those are the only folks that are in Public Safety.

Bilski said let's see if we can come up with \$600,000 dollars worth of stuff.

Dante said it will be a huge line item called Overtime, or Merit Retirement. Taking a big line item, and just move \$700, 000, and some odd thousand dollars over from one of those big line items.

Bilski said that sounds like a step in the right direction.

Dante said the Sheriff' s Merit Retirement is big in the general fund is well over a million bucks.

Bilski said, let's do an equal amount of our balance on Public Safety on the Merit Retirement.

Dante said Merit Retirement in the Sheriff' Fund, Department 0500, Merit Retirement is 41235, it is currently at \$1.6 million plus, so there is plenty appropriation to move. The balance needed that can be accepted in Public Safety is \$725,000 dollars.

Dante said if you wanted to move \$725,000, you would be moving \$725,000 dollars out of General Fund, Merit Retirement in the Sheriff, 41235, into Public Safety Sheriff's Department, 41235.

Dante said he just wants to make sure that line item is there, that we already have something in there, which Dante said, he believes they do. He said, it is there currently, so you would be sending more over there. That would relieve \$725,000 in the general fund, balance you in Public Safety.

Bilski said, and that leaves us another \$725,000 to find somewhere else.

Hamm made a motion, seconded by Washington to move \$725,000 from the general fund Sheriff, Department 0500, Merit Retirement, 41235 to Sheriff's Department, Public Safety Fund 010, Merit Retirement line item 41235 the amount of \$725,000.

Dante said it would read, a reduction in 001-0500-41235 by \$725,000, and increase 010-0500-41235 by \$725,000.

Dernulc said so we are reducing the general fund, and moving it into the..

Bilski said we are reducing the expense out of the general fund, and having it paid out of the Public Safety. That lowers our general fund deficit from \$1.5 million to \$725,000.

Dante said the Public Safety Fund is balanced. That gets you in the \$9 million dollars range. That's a nice range.

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

Dante said you may want to consider your collection rate, and you are almost balanced.

Dante said it's up to you.

Hamm said if we take it to 95.5%, we will have an extra \$500,000 dollars to play with, but then next year we will be starting at 95.5%.

Bilski said take a couple of days, think of ways we could come up with \$750,000 dollars.

Dernulc said I don't think we should be doing that right now.

Bilski suggested to cancel the 10 am Budget Workshop for Thursday, September 10, 2015, and the Budget Workshop for Monday, September 14, 2015, at 10 am.

Cid made a motion, seconded by Dernulc to cancel the Budget Workshop Thursday, September 10, 2015 @ 10am, and the Budget Workshop Monday, September 14, 2015 @ 10am. All voted "Yes". Motion carried 7-0.

The next Budget Workshop will be held on Tuesday, September 15, 2015 @ 10am.

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:

John Petalas,
Lake County Auditor