

*LaPorte County Auditor
Joie Winski
555 Michigan Avenue, Suite 205
LaPorte, IN 46350-3490*

**MINUTES
LAPORTE COUNTY COUNCIL
2015 BUDGET ADOPTION MEETING
OCTOBER 27, 2014 @ 6:30 P.M.**

(Please Turn Off All Cell Phones)

The 2015 Budget Adoption Meeting of the La Porte County Council was held on October 27, 2014 at 6:00 p.m. (CDT) in the Assembly Room #3 of the La Porte County Government Complex located at 809 State Street, La Porte, Indiana, 46350.

CALL TO ORDER

The meeting was called to order by La Porte County Council President Mark Yagelski at 6:00 p.m.

PLEDGE OF ALLEGIANCE

President Yagelski asked everyone to stand for the Pledge of Allegiance. Mrs. Sosinski led the Pledge of Allegiance.

Mr. Yagelski asked that everyone except emergency personnel please turn off their cell phones at this time.

ROLL CALL

Auditor Joie Winski called the roll. Council Members present were Mr. Bernacchi, Mr. Santana, Mr. Cunningham, Mr. Garner, Mr. Yagelski, Mrs. Sosinski, and Mr. Mrozinski.

President Yagelski asks if there is any discussion from the Council.

Councilwoman Sosinski states she has a couple items. One of them she received today regarding the employees' insurance. She does not have the exact breakdowns, however, was informed that health insurance went up approximately 2.6%, which is actually a decent rate, considering what was looked at in the past when it comes to increases in health insurance.

She also spoke with one of the Commissioners on the phone and right now, the employees' percentage is approximately 15.3% of the premiums. There's some discussion on how that's going to be split whether the Commissioners were going to pick up the difference, but Councilwoman Sosinski just wanted to point that out. Since Councilwoman Sosinski has been on the Council for the last 10 years, a 2.6% increase is not bad. Employees pick up full dental and vision if that's what they need, this is just medical.

Councilwoman Sosinski states since this is the last meeting on the 2015 Budget she would like to make a Motion for a two percent increase (2%). In lieu of what's gone on with La Porte City and Michigan City giving raises.

President Yagelski asks Ms. Sosinski to hold off until after Public Comment and asks if there are any other questions on the Budget?

Councilman Garner would like to know the dollar amount, when you're talking 2.6%, how many thousands?

Councilwoman Sosinski states approximately \$150,000 to \$156,000 total, overall.

President Yagelski asks if there are any other questions about the budget up until now?

Councilman Cunningham states at the last meeting, there was some discussion about percentage raises and flat raises. He believes Ms. Sosinski misspoke when she said compaction occurs when there is a bonus. He doesn't think that changes the salaries, it's just that the people making less money obviously get a higher percentage. If the Council gives \$1,000 across the board, it does not compact the salary schedule, the salary schedule stays the same.

Ms. Sosinski states if that's what she said earlier, she misspoke and meant pay raise, when it's a flat amount across the board.

Mr. Cunningham goes on to state that the bonuses, that were basically given since 2007, do not compact the schedule, it stays the same.

Ms. Sosinski states that is correct. They do go away, though, for the next year.

President Yagelski asks if there are any other questions on the Budget before they get into the actual 'meat' of the 100 Accounts.

Councilman Cunningham asks what is the General Fund deficit, as of this evening and how many payroll remain?

Auditor Winski states it is \$19,984,496.56 and there are 4 payrolls remaining.

In simple numbers, President Yagelski states it is \$20,000,000, so if you're looking at that, what is the last amount of tax money coming in for this year? When are they due?

Auditor Winski states November 10th is the deadline. Distribution will be at the end of November or first week of December. This settlement is a little bit different, it's going to be a little more involved because quick settlements were being done, and now everything has to be made whole. Auditor Winski states everything should be up to date as of November 10th. If taxes have not been paid as of November 10th, there will be a penalty. The 12 pay 13 extension is done. It was due August 26, that time has passed.

President Yagelski asks Auditor Winski how much that collection was.

Auditor Winski states approximately \$20,000,000, give or take and estimates the County's share to be between \$6,000,000 to \$8,000,000. That amount won't show up on the ledger until December. That's combined with the fall settlement for 2013.

Councilwoman Sosinski states if she understands this correctly, the County will have approximately \$12,000,000 between the two draws?

Auditor Winski states she doesn't know how much has come in for the 13 pay 14. It's between \$20,000,000 and \$25,000,000 that came in, total, for all units. That's what came in as of August 26th. Money keeps coming in continuously for the fall settlement. But the last day to pay is November 10 and Auditor Winski estimates the County won't see any money until the 1st week in December.

President Yagelski feels the second draw will not be as big as the first one and asks if there are any other questions before the Council gets into the 100 accounts?

PUBLIC COMMENT

Clay Turner – Solid Waste

Mr. Turner would like to go over a couple of quick facts with the Council. House Bill 1001 dictates all the special districts come before the County Council for Budget approval. That was basically based on the tax caps that were created through the state on the tax dollars that were generated so tax dollars are not inappropriately used. He wants to remind everybody that Solid Waste is not a tax-driven entity, so whatever is done for the Solid Waste District, does not affect the tax base at all. It does not affect that \$19,000,000 that County's in debt. It's not going to help or hurt and wants to remind the Council they are a quasi-state agency that's directed to the County Council for Budget approval.

They are the only agency in La Porte County that pays rent for the facility they are in. They do pay a fee to be on the tax bills for the collecting of our fee and pay for all of our expenses ourselves. They don't depend on the County for any gas or any maintenance other than your own building maintenance. Everything that was expended out of the Budget comes from user fees.

Mr. Turner would like to offer the Council a couple of alternate scenarios since they are having a hard time deciding whether or not you'll be able to give raises or not this year. He also wants to remind the Council that the Budget must be submitted by November 3rd, as the state-mandated guideline. He's asking the Council for a number tonight. Either the Council approves the Budget submitted with a Motion to say no increases to be given unless the County Council gives an increase later on in the year or approve Budget as submitted and refer the raises back to my Board for their recommendation to whether or not our District should get a raise. He brought several scenarios tonight because the Council needs to sign tonight so he may submit to the Auditor tomorrow for submission into Gateway before November 3rd.

Councilwoman Sosinski tells Mr. Turner that user fees, whether from citizens and taxpayers, are a fee and Mr. Turner agrees.

Mr. Turner reminds the Council that employees at the County get step raises and that is a nice bonus as Solid Waste employees do not. The increase for the Solid Waste District was \$9,000 and if you take the \$9,000 and divide it by the 45,000 bills that are sent out, it's a very minimal impact on my user fee.

Councilwoman Sosinski asks what the percentage used for Solid Waste Raises on the Budget.

Mr. Turner states he submitted \$1,500 which would cover the raise whether it be a 2 or 3% one.

Councilman Yagelski reminds Mr. Turner that they did get a raise last year and Mr. Turner agrees, but that is a very minimal increase for the employees.

President Yagelski states that's not the point, they got a raise like everyone else and Mr. Turner states he is just pointing out the obvious.

President Yagelski asks if there is any other Public Comment.

Hearing or seeing no other Public Comment, Public Comment is closed.

President Yagelski would like to go over the 100 Accounts and asks Ms. Sosinski if she has a Motion to make.

Councilwoman Sosinski states that in lieu of the other government entities, i.e., Michigan City and La Porte giving raises and they see themselves digging out and working with the Treasurer and the Auditor's Offices she would like to make a Motion for a 2%, across the board, raise for all full-time employees. The Motion is seconded by Councilman Mrozinski.

Councilwoman Sosinski states this is a 2% across the board raise for all full-time employees, department heads, and elected officials. Everybody that is part time, they could discuss. It's a small amount and its about the employees.

Councilman Garner asks if Mrs. Winski could give an idea how much this will cost and where the money will come from.

Auditor Winski cannot right now.

Councilman Cunningham states he can give a pretty close estimate. If \$26,000,000 is our payroll, correct, the County pays \$1,000,000 every two weeks. One percent of that is \$260,000, so you're looking at about \$520,000. That's only the salary, now there's going to be some fringe increases because of that in additional benefits.

President Yagelski states he figured 2% was about \$1,000,000 the last time an analysis of everybody getting a raise was done.

President Yagelski states in his mind this doesn't make us responsible when we know we have to balance our Budget at the end of this year.

Councilman Cunningham states that Michigan City School employees took a 1½% cut in pay and are going to pay additional insurance as well. So it's not like all of these entities are getting bonuses.

Council Mrozinski adds there is a meeting in Indianapolis on Thursday to look at the way casino money is distributed. There is going to be discussion on gaming for non-profit organizations, so there could be some potentially big changes coming. He would vote in a minute to approve the 2% raise for all of our

employees, but he has to side with Mr. Yagelski that it's a little premature. We need to wait a bit and perhaps have a special meeting in December just for that.

Councilman Garner wants to weigh in as well. He does not believe it's fair to the new Council starting in January to take care of the problems that we could create before the first of the year. The Council may create a problem by balancing, and we don't want to dig in any deeper. He states he probably will not go along with it either, even though he ordinarily would.

Councilman Mrozinski adds that when the Auditor showed us about the percentage of collections coming in, at what, 62 or 64% only, it's not even close to what the Commissioner's accountant stated at 90 to 95%. That can change, as you know, but the Council needs to step cautiously.

President Yagelski asks Auditor Winski for the roll call.

Nays: Mr. Cunningham, Gardner, Mrozinski, Santana and Yagelski. Ayes: Mrs. Sosinski and Mr. Bernacchi? The Motion fails 5-2.

President Yagelski asks Assessor Schultz to come up before the Council questioning why there was a \$5,000 added for himself and his Chief Deputy.

Assessor Schultz states the only reason that was put in there because of in-house reassessment. The last contract reassessment was \$1.8 million and it's done all in-house now. They are allowed to request, it's not an automatic, a per diem for reassessment and now that reassessment is cyclical, it goes on every year. A fourth of the County is done every year. It was only put in there because of the savings of \$1.8 million versus \$10,400 a year was worth it. It's a \$20 per day per diem and \$10,400 per year.

President Yagelski asks if this is split up between all of your staff or just him?

Assessor Schultz states it's just himself and his Chief Deputy.

Councilwoman Sosinski comments in lieu of the rest of the County not getting or possibly not getting raises, she wouldn't be able to vote for that just because your office happens to have a special account. And it's not for the rest of the employees in the office who have also taken on that work.

Assessor Schultz states that's fine. But it boils down to spending \$1.8 million or do we spend \$10,400? He thought it was a pretty good trade because they are doing good on their own versus hiring another firm to come in and do the reassessment.

Councilman Cunningham states there is a third option is we don't spend \$1.8 million and we don't spend anything for the pay raise. That's an option as well, correct?

Assessor Schultz states yes, that's the other option; however his office will do the job no matter what.

President Yagelski asks Councilwoman Sosinski if there is anything that needs to be tidied up since the last Meeting.

Councilwoman Sosinski is that all she has right now. She believes everything has been addressed.

Auditor Winski states she just gave a job reclassification into Ms. Mossman today, so there will be one that is forthcoming for GIS that was requested by President Yagelski.

President Yagelski asks for a Motion in regards to La Porte County Solid Waste Budget.

Councilman Mrozinski makes a Motion to approve the Solid Waste Budget as presented with raises contingent on the Council granting raises to the rest of the County employees. The Motion is seconded by Councilman Santana. Motion carries 7-0.

President Yagelski states that the 200 and 300 accounts have been agreed to, the 400 accounts have been removed.

Councilwoman Sosinski makes a Motion that unless the 100 accounts were addressed during the Budget Hearings they are to remain the same. The Motion is seconded by Councilman Garner. Motion carries 7-0.

President Yagelski asks for a Motion on the Reassessment Fund. Councilman Cunningham makes a Motion to remove \$10,400 from the Assessor's Reassessment Fund, the line item in Location 247. The Motion is seconded by Councilwoman Sosinski. Motion carries 6-1, with Councilman Garner voting Nay.

President Yagelski asks for a Motion for the 200 and 300 Accounts. Councilman Mrozinski makes a Motion to approve as presented in the Budget Hearings. The Motion is seconded by Councilman Santana. Motion carries 7-0.

Auditor Winski reminds the Council they must approve all Non-Binding Units. All Non-Binding Units are in and appear to be within the growth quotient.

Councilman Mrozinski makes a Motion to approve all Non-Binding Units as long as they are at the growth quotient or below. The Motion is seconded by Councilwoman Mrozinski. Motion carries 7-0.

A Motion is made by Councilwoman Sosinski and seconded by Councilman Sosinski to close the 2015 Budget Hearings. Motion carries 7-0.

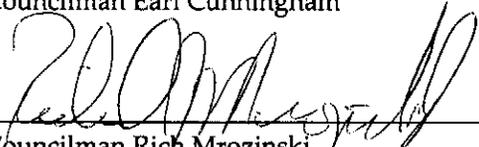
Councilman Yagelski states, the Budget Adoption Meeting is closed; however the Council has until December 31st to amend the Salary Ordinance. Council Members need to be prepared that there may be a Special Meeting called in December to ensure a balanced budget, which the County has not had in the last 7 years.

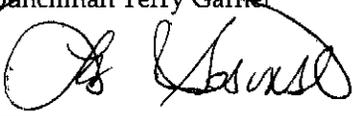
EXAMINED & APPROVED BY THE LA PORTE COUNTY COUNCIL this 24th day of November, 2014.

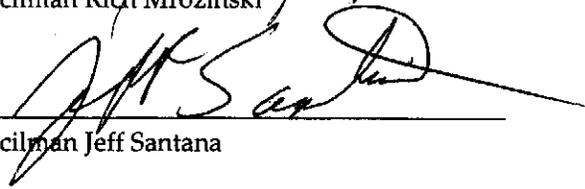

Councilman Matt Bernacchi


Councilman Earl Cunningham

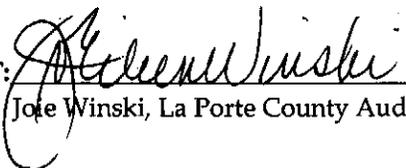

Councilman Terry Garner


Councilman Rich Mrozinski


Councilwoman Lois Sosinski


Councilman Jeff Santana


Councilman Mark Yagelski

ATTEST: 
Jote Winski, La Porte County Auditor