

*LaPorte County Auditor
Joie Winski
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**MINUTES
LA PORTE COUNTY COUNCIL REGULAR MEETING
JULY 22, 2013 6:30 PM**

(Please Turn Off All Cell Phones)

The Meeting was called to order by President Yagelski, who began with the Pledge of Allegiance. Auditor Winski proceeded with the Roll Call. Council Members present included: Councilwoman Lois Sosinski and Councilmen Rich Mrozinski, Matt Bernacchi, Mark Yagelski, Earl Cunningham, Terry Garner, and Jeff Santana. A quorum was present for the Meeting to proceed.

APPROVAL OF AGENDA

A Motion was made by Councilwoman Sosinski and seconded by Councilman Bernacchi to approve the July 22, 2013 Agenda. The Motion carried 7-0.

APPROVAL OF JUNE 24, 2013 REGULAR MEETING MINUTES

A Motion was made by Councilman Garner and seconded by Councilman Santana to approve the June 24, 2013 Regular Meeting Minutes. The Motion carried 7-0.

APPROVAL OF JULY 1, 2013 SPECIAL MEETING MINUTES

A Motion was made by Councilman Cunningham and seconded by Councilman Mrozinski. The Motion carried 7-0.

DEPARTMENT HEAD REPORTS

Second Amendment to La Porte County Sheriff's Department Personnel Retirement Plan

Third Amendment to La Porte County Police Benefit Plan

I'll get up here first, being that I'm listed there under Department Heads. I'm Sheriff Mike Mollenhauer. This is on the two amendments for the pension and for the benefit plan for the La Porte County Sheriff's Merit Board, our Merit Officers' Pension. I know you each received a copy of the two amendments earlier, I think about a week and a half ago or so. I took them over to the Auditor's Office, and also of course, we had just held a discussion during the workshop, so if you have any questions, go ahead. Please feel free.

Councilman Yagelski - Any questions?

Councilwoman Sosinski – I have a question for our Attorney, please. In lieu of what we discussed on these, I want to make sure I don't have a conflict of interest. I understand the Second Amendment just has to do with the makeup of their Board, which they've already had.

Attorney Biege – I see no pecuniary interest for you. I don't think there's a conflict.

Councilwoman Sosinski – Same thing on the Third Amendment?

Attorney Biege – Correct.

Councilwoman Sosinski – Thank you very much. If I can, Mr. President, I'd like to thank you, also, very much for supplying these with the red print for the changes. That does help when one's sitting down and trying to compare the old to the new. I do a lot of documents, so I appreciate that.

Councilman Mrozinski – I have a question for the Attorney also, is there anything that would exclude the Council from having a representative on that Pension Board or the Sheriff's Liaison to be privy to the meetings that they have, since we are involved in potentially having to fund it.

Attorney Biege – That's something I'd have to research. I'd have to review the pension itself, the amendments, and see if there's any impact with the IRS regulations. I'd have to get back with you on that.

Councilman Mrozinski – Is there any reason you know why that would not work?

Sheriff Mollenhauer – We always try to, this is why this was created, to check and balance, basically, so we could keep all 7 of you informed on any changes or anything we're doing. The Pension Board, I really don't know for sure, but I don't know of any other pension boards, Porter County or Lake County, that has a County Council member on the Merit Board. You've always been included, I think. This is all part of the Sheriff's Office, and the County Council has always been included. I don't see any change there at all.

Councilman Yagelski – Question, Sheriff. This Agreement, how long will the Agreement be in effect?

Sheriff Mollenhauer – Forever, as far as I know, unless something would be created that would be changed for some reason for the Pension Board wants to change something, or the Sheriff, or something like that. I don't foresee that. This is really, and I've said this before, this is a step in the right direction. This just isn't me. This is the 60 members, and I'm one of them, of the pension, of the merit officers, on the La Porte County Sheriff's Office, and they're the ones that wanted this created, and of course I did too. I'm 100% in favor of it, and I think you should too because we all know that there was a mistake made prior by a previous to my administration. This is part of it. This is to make sure that there's no more mistakes, that there's checks and balance, so we don't have that unfortunate thing to ever occur again.

Councilman Yagelski – Any questions? Do I have a Motion?

Councilwoman Sosinski – Do I need to make separate Motions or one?

Councilman Yagelski – You need separate Motions.

Councilwoman Sosinski – OK. Motion to accept or approve the Second Amendment to the La Porte County Sheriff's Department's Personal Retirement Plan 2013-10.

Attorney Biege – I'm not sure we need a number on that because it's not an Ordinance and the Council's accepting the amendment, which is an amendment to the plan itself.

Councilman Yagelski – Fair enough. Mrs. Sosinski had a Motion. Do I have a second?

Councilman Bernacchi – Second.

Councilman Yagelski – Any other question on the Motion? All in favor?

The Motion carried 7-0.

Councilman Yagelski – Do I have a Motion on the Second Amendment?

Councilwoman Sosinski – I'd like to make a Motion to the Third Amendment to the La Porte County Police Benefit Plan.

Councilman Yagelski – I have a Motion. Do I have a second?

Councilman Santana – Second.

Councilman Yagelski – Any questions on the Motion? All in favor?

The Motion carried 7-0.

Councilman Yagelski – Mr. Sheriff.

Sheriff Mollenhauer – Thank you, and I have the two copies of the Second and Third Amendment signed by the Merit Board and myself and need your signature, Mr. President, so I'll just put that up there and get it from you later.

Councilman Yagelski – Mrs. Sosinski, we might as well do this real quick. Do you want to make a Motion for the President to sign this so that if anybody wants it, they're sure I can sign here?

Councilwoman Sosinski – I'd like to make a Motion for the President to sign the amendments to the Pension Plan Second and Third.

Councilman Yagelski – Do we have a second?

Councilman Santana – Second.

Councilman Yagelski – All in favor?

The Motion carried 7-0.

Councilman Yagelski – Department Head Reports?

George Watkins La Porte County Veteran's Service Officer – Just a couple updates. I've been working with a judge here locally and a few other people to get the Veteran's Assistance Court in this County.

It's been very supportive. Porter County and several other counties. We're just getting started getting the La Porte County Military Network support group working towards a job fair in conjunction with a stand down. Anybody that's interested in seeing what a stand down is, at the Gary Airport, the Indiana National Guard is doing one on August 9th and 10th. October 10th, there's going to be a vet stand down in South Bend. That's all I have right now. There's another meeting, I believe it's next Friday or Saturday. I plan to attend that so I can get more information and then I look for our Stand Down at the job fair to be sometime early 2014. I don't think we have time to get this all together yet this year. Any questions?

Councilman Yagelski – It will be interesting to see more about it. That will be great.

Mr. Watkins – As things come in I will be attending and getting information to you. If it comes in before or shortly there before, I'll see if I can't get it to you guys separately.

Councilman Yagelski – Great. Thank you.

Mr. Watkins – Thank you.

Auditor Winski – Mr. President? Would you like me to come to the other mic or can I talk from here?

Councilman Yagelski – You can talk from there.

Auditor Winski – I'd like to ask you, as the auditor, if you would consider changing your budget hearing dates from August 21st, 22nd, 23rd to the 12th, 13th, and 14th of August if that would work for all of you to give us time to get all of the documentation ready so we can advertise it on time.

Councilman Yagelski - I thought we looked at that before and there were date conflicts with that.

Councilman Santana – Are you saying to the next month, or August?

Auditor Winski – August, but the 12th, 13th, and 14th. How about the 15th, 16th, and 17th, if you could just move it one week up.

Councilman Cunningham – We're moving it the wrong way to give you more time. I'm confused.

Auditor Winski – No. We'd like it in the beginning of August instead of the end of August. That's what we were trying to say, but if you all have conflicts, then we'll try to work around it.

Councilman Yagelski – As far as I know there was a date that conflicted with everybody. That was the only week we were able to get everybody together.

Auditor Winski – OK. That's fine.

Councilwoman Sosinski – Does, I mean it's the same week, does moving it to Monday, Tuesday, Wednesday, that two days probably doesn't do you much does it?

Auditor Winski – It would help somewhat, yeah. Would that work for everybody or not?

Councilman Cunningham – What’s the date?

Auditor Winski – That would be the 19th, 20th, and 21st.

Councilman Bernacchi – I don’t think we need three days, though. We only need two.

Auditor Winski – Well the third day would just be if needed. I think we said that. We’ll just keep it like it is. The second thing is, I’d also like to let the Council know, and all the taxing units know that there will be one more property tax distribution this year, not tax bills, but a distribution of property tax, late this year. Over the weekend, I heard some discussion, and I was questioned about not receiving any more tax distributions the rest of the year, and that’s not true. There will be one. We hope to get our tax bills out by the end of August, hopefully before the end of August, so there will be another tax distribution. Thank you.

Councilman Yagelski – Department Head Reports?

Mike Schultz, La Porte County Assessor - Just a little update. We ran a report today. We are 76% complete with the appeals. We’ve also helped the Auditor’s Office. All of our corrections for 2011 have been put into the system, so the bill that’s coming out, those will reflect that. We will offer some staff once the system opens again for the 2010 and previous corrections so we can try to get those into the system to reflect in the credits in the bills as well. We had one gal in our office that worked with the Auditor’s Office to make sure the 2011 appeal changes were in the system to reflect on this bill, but we will be offering employees to help the auditor catch up with that as well.

Councilman Yagelski – Mike, while you’re still up here, can we go ahead and get your employment situations right now?

Mr. Schultz – Yes. I had sent a request to Mark, as you know, that Judy Anderson, my Deputy, left and took a job with one of our vendors, which is a good thing for Judy. I had transferred John Baumann, who is on my reassessment side, into the Chief Deputy position. John has lived in the area about four years now. He will be a level three after his next class. He worked well with Judy. He’s really good with the computer. I have a part-time person that’s been working with the appeals. I’d like for her to replace John Bauman in the reassessment budget.

Councilman Yagelski – Pleasure of the Council?

Councilman Bernacchi – Motion to approve.

Councilwoman Sosinski – Second.

Councilman Yagelski – I have a second. Any questions? All in favor?

The Motion carried 7-0.

Mr. Schultz – Thank you.

Councilman Bernacchi – Hey Mike, quick question. I know our Treasurer isn’t here. Did you ever get an update on what the collections were for the July 15th deadline of what we’ve collected so far?

Mr. Schultz – Maybe Joie might have a little better handle on that.

Auditor Winski – I don't have the exact amount, but I thought it was somewhere between \$4 or 5 million.

Councilman Bernacchi – And there was \$30 million total that was billed?

Auditor Winski – I think so.

Mr. Schultz – According to Mikey, the Chief Deputy, that's the case.

Councilman Yagelski – Department Head? Department Head is comment is closed.

LIAISON REPORTS

President Mark Yagelski GIS Invoices

Councilman Yagelski – I want to let you know that we still haven't replaced the GIS Director. We did have some contractual software that we had to buy. We need permission tonight to pay for it. As a representative of GIS, I'm asking permission to pay the invoices. I don't know the dollar amount.

Auditor Winski – One invoice is \$19,700, and then there was a new invoice, \$19,700 was the contract that we've had with them. There's also an invoice for \$2,500 for a new service. I think that had something to do with websites or web.

Darlene Hale – Yeah, that's GIS online, and I asked that they send us a quote and an invoice for additional licenses for that. With those licenses, I can redistribute those out throughout the County, other departments, the tax; Mikey can use them for different reports. You know, they want to map something. If requests come in, I can use it. You know, surveyors. That way, we don't have to put the full license on of our map on their machines.

Councilman Yagelski – Long short, we ran out of licenses. That's all. We need some additional licenses. Pleasure of the Council?

Auditor Winski – Excuse me. Before you vote on that. There's also a pictometry bill, which I think I have.

Councilman Yagelski – Let's get these two because they're common. Let's get this one and we'll do the pictometry.

Auditor Winski – Yeah, this is ESRI.

Councilman Cunningham – These funds are available from the GIS fund?

Auditor Winski – Yes.

Councilman Yagelski – We haven't spent anything from the GIS budget.

Councilwoman Sosinski – Question. Do we need to have the amounts advertised since they weren't on here?

Auditor Winski – It's not a transfer. You're spending it from the budget, but because there is no GIS coordinator, the funds are frozen and the only people that can allow us to pay the bills are you 7.

Councilwoman Sosinski – Are you nodding your head yes we need it advertised, Mr. Biege, because that's my question.

Attorney Biege – No you're fine. It's already been appropriated. It's in the budget.

Councilwoman Sosinski – Thank you.

Councilman Yagelski – Pleasure of the Council?

Councilwoman Sosinski – Motion to approve.

Councilman Yagelski – Motion to approve. Do I have a second?

Councilman Bernacchi – Second.

Councilman Yagelski – Any questions? All in favor?

The Motion carried 7-0.

Auditor Winski – The next bill was for a pictometry bill that is due. It was not paid. That's just under \$34,000. It's like \$33,941 and some cents.

Councilman Yagelski – So the failure was that we just didn't pay the bill?

Auditor Winski – Well, the Auditor received the bills late.

Councilman Yagelski – Which pictometry was this?

Auditor Winski – It's 2010. It's for an invoice that was due in 2010.

Darlene Hale – I don't know if the money was previously appropriated back.

Councilman Yagelski – It was.

Auditor Winski – It was.

Darlene Hale – It probably wasn't encumbered. I don't know.

Auditor Winski – It was. It's in there. It was not encumbered, but the bill has to be paid, and there is money in there.

Councilman Yagelski – Less than 34?

Auditor Winski – Less than \$34,000.

Councilman Bernacchi – Motion to approve.

Councilman Yagelski – Motion to approve. Do we have a second?

Councilwoman Sosinski – Second.

Councilman Yagelski – Any question on the Motion? All in favor?

The Motion carried 7-0.

Councilman Yagelski – Liaison Reports. Mr. Garner?

Councilman Garner – Yes, Mr. Brown called me earlier and said he'd been left off of the MS-4 coordinator. I talked to Andrea about it. We'll try and get him on the agenda for next month or budget hearings. Whichever one. During the fair, we did have an incident out at the fair. La Porte County Sheriff's Department was hired to do the security. They did an excellent job of keeping it quiet. They secured the people, got them off the grounds. I have to commend them for that. It is up to the Sheriff to deal with these people, so if anybody doesn't quite understand why there was no notice, it's better not to let you know what's happening. They took care of the incident.

Councilman Santana – I have nothing at this time.

Councilman Cunningham – Liaison to the Community Corrections, but I noticed Mr. Buell is here if he wants to bring us up to date on the building.

Dick Buell, Executive Director of Community Corrections - The building's coming along real well. They have a target date of completion of September 3rd for our 168 bed facility. There's a lot going on in the building right now. It's right at the end, so it's crunch time, so they're pretty much on target. The parking lot's been paved. They're just pulling wire now for electrical, finishing the plumbing, getting the painting indoors. There's a lot going on right now, so we're expected to be in sometime in September if all goes well.

Councilman Cunningham – Quick question. How many female beds?

Mr. Buell – 24.

Councilman Cunningham – And how many do you have available in your present facility?

Mr. Buell – I think we have 8 beds.

Councilman Cunningham – Thank you.

Mr. Buell – You're welcome. Any more questions?

Councilman Yagelski – Is there any issue that you see that needed to be addressed by the Council? We've had other problems that might not be visited yet.

Mr. Buell – You mean you want to give me some more money?

Councilman Yagelski – Problems. *Laughs*

Mr. Buell – No. Not at this point. Things have really gone smooth, just your typical things in construction that happen that are unforeseen, but the contractors and DLZ work very well together and we've stayed on top of it. That's why everything's going very smoothly.

Councilman Yagelski – I have some comment but I'll reserve my time until it comes back up on the agenda later on here for the Highway Department, Bridge I'm sorry. Bridge.

Councilman Mrozinski – Liaison to the County Home. Our advisory committee had a meeting with state representative Scott Pelath to talk about the arts program. It's been frozen for now, like, the last three years. Representative Pelath plans to pursue this and get an answer at the state level as to just exactly what the state plans to do here. Until we hear, we're just treading water there. Also liaison to NIRPC, Northwest Indiana Regional Plan Commission, last week there's a discussion underway about possibly moving NIRPC headquarters. Originally they were in Lake County, then they moved to Porter County. We've put this up for bid and there were three finalists. They were Lake, Porter, and La Porte counties. La Porte's location that's under consideration is in the Thomas Rose Industrial Park. I attended the presentation by all three counties, and I have to tell you Burt Cook did a really super job of selling the location in La Porte. All of the Commissioners will vote on that at our August 29th meeting. I'm hoping that all the people from La Porte County who were appointed to this Board will actually show up to vote and vote for the La Porte location. That would really be a good thing for us in La Porte County to do. Not only not have to drive clear to Porter in the wintertime, but we have a great facility there with space leasing, and I think it will be good. It was a great presentation. It sounded like it made the most sense.

Also, a report on the Rolling Prairie Sewer Project. It continues to move forward. They're turning off of the highway, going down Byron Road now this week. We had a public hearing in Rolling Prairie on July 12th, which was attended by about 50 people. There were absolutely no negative comments at all, only positive comments. A lot of people out there are very anxious to get this hooked up and get things rolling. This is a really great economic development project for the County, and speaking of economic development GLEDC continues to have many prospective projects looking at La Porte County either to relocate or for expansion, all of which will be good for La Porte County. So, lots of good work going on there, all good for the County. That's my report sir.

Councilman Bernacchi – Nothing at this time.

Councilwoman Sosinski – I had some preliminary conversations, kind of informal, actually, out at the fair with the Recorder, Clerk, and Voter Registration with budget time coming up. We did have a meeting with Friends of the Barn and our Committee that was formed with Commissioner Milsap, myself, head of maintenance Jerry Cooley, and two of the barn members. We had that on June 26th. Report was made on the mailing. Now this is as of June, and I did not check if any more funds have come in, but from the mailing that went out, approximately 400 letters went out requesting donations for the next phase, or phase II of the barn. We had received at that time approximately \$6,060 from that mailing. I'm not sure exactly where we're going to go, of course, at the barn. We got a lot of things, windows

painted, etc. We'll be reconvening. We have another idea for a possible fundraiser, and we'll be convening somewhere in the near future. Thank you.

PUBLIC COMMENT

Dennis Metheny – Dennis Matheny, 6757 W 450 N, County taxpayer, and a city taxpayer. One of the things I'd like to bring up is I'd like to thank the Highway Department, Engineer and Commissioners for resurfacing some of these roads. I think they're doing a good job by only fixing the bad spots and not doing the whole road and wasting all of that extra blacktop. I'd also like to thank them for getting Johnson Road open, with the exception of the pictures that I sent you. I feel that the culverts were installed improperly to get enough compaction in between them and on the bottom. After talking to a Commissioner that supposedly was in charge of that, Mr. Decker, he informed me that there's no warranties on any of that stuff, so I think the County needs to turn the light on and get some more T's. When you're spending money like that, it needs to be warrantied because if you do improper work, it needs to be fixed at the contractor's expense.

The other thing, if NIRPC does move here into La Porte, I would like to see this County get their share of the NIRPC money, which they have not been getting. I attended 30 meetings with Mr. Colbis and taped them, and our County was kind of left out on a limb. All of the money went to Lake County, very little to Porter County, so I'd like to see La Porte County get some of that or I'll have to start going back to the meetings and having my comments brought up. The other thing has it been brought up that there's going to be septic system inspections where they're running this sewer in Rolling Prairie? That's going to be a cost back on the homeowner. Has that been brought up to them hopefully at that meeting so that they're aware of what cost they're going to have to pay for their inspection? I'm sure there won't be an answer tonight, but I'm asking the question. The other thing I see in the agenda is public hearing at Dwyer Instrument for tax abatement. I've stood up at meetings here before. I think it's time that this County, after I hear you send out bills for \$30 million and you collect \$4 or 5 million, it sounds like you're a little bit short. I think it's about time the County opens their eyes and says 5-year tax abatement and not 10. You need to recoup money, and you need to recoup it sooner instead of putting it on the back of the homeowner. The other thing that I see is that I don't think here ordinance and resolutions; I don't think that the County should give up the \$9 million that was loaned to the Commissioners according to this from the Rainy Day Fund. I think that money should be paid back or I see in the future an additional tax being put on the homeowners to replenish that \$10 million Rainy Day Fund. I would certainly appreciate if you could comment on it. If you don't want to comment on it, I'd certainly appreciate somebody giving me some input later. Thank you.

Councilman Yagelski – Public Comment? Public Comment is closed at this time.

NEW BUSINESS

Mike Yacullo - Recommendation and Approval of Bids for Juvenile Services Center Roof and Parking Lots

Mike Yacullo – Good evening Council, Mike Yacullo, La Porte County Highway Engineer. You see on the Agenda we opened up public bids at our last Commissioner's Meeting to get repairs taken care of on the roof at the Juvenile Services Center, and also bids for three separate parking lots to be improved and resurfaced around the County.

Councilman Yagelski – OK. We'll do it separate. Can we start with the Juvenile Service Center?

Mr. Yacullo – Sure. We had 3 bidders: Maris and son Inc, a union shop was the low bidder at \$40,726. Next lowest was Ton and Blank at \$48,670, and third was Midland Engineering at \$50,400.

Councilman Yagelski – What’s the pleasure of the Council?

Councilman Cunningham – Did we advertise this?

Councilman Yagelski – Mr. Biege?

Attorney Biege – These bids were advertised with the County Commissioners.

Mr. Yacullo – Correct. They were advertised twice in the two local newspapers one week apart and more than ten days before the meeting date.

Councilman Cunningham – Motion to table.

Attorney Biege – Yeah. I think we’re going to have to advertise the amounts. The dollar amounts and it’s not a budget item.

Councilman Mrozinski – Motion to table until we advertise the amount properly.

Councilwoman Sosinski – Well, it’s just under New Business. Do we even have to table?

Councilman Yagelski – Yes. We table. If we don’t do anything about it, we have to readvertise.

Mr. Yacullo – So it will just come back on next month’s agenda with the dollar figure.

Attorney Biege – Well, you have to provide the auditor with dollar amounts and they have to advertise those dollar amounts under the rules. Even though you did so in front of the Commissioners, it has to be done again with the Council in order to make an additional appropriation.

Mr. Yacullo – OK. We can do that.

Councilman Yagelski – I’d like to comment about the parking lots at this time though.

Attorney Biege – And what fund they’re coming from. You have to let the auditor know that too.

Councilman Yagelski – If I could comment about the parking lots. We informed the Commissioners last year that under our situation that if they want to reseal the parking lot, that’s fine, but, if you want to waste your time putting them up for bid, I’ll tell you right now I’ll make a Motion that I’m not in favor of doing parking at this time. The roof I understand. We’ve talked about the roof. The roof needs to be finished. I can’t make a Motion but I’m just saying.

Councilman Mrozinski (?) – Which parking lot were you talking about?

Mr. Yacullo – Let's see. There's three locations, also at the juvenile service center, that parking lot's in pretty bad disrepair. The other two locations were underneath the bridge on the south side of this complex and the parking lot behind the Hiler building on the north side of the building.

Councilman Mrozinski – Well we'll have to advertise the amounts.

Councilman Cunningham – I have a comment on that as well. Last month we were advised during our meeting that we were \$21,060,000 in the red in the General Fund. As we came in tonight we are \$24,960,000 in the red, an increase of \$3,360,000. The parking lots are pretty low priority for me as well. There's a lot of roads that need paved, and we can have some gravel parking lots if necessary until we get out of this financial mess we're in.

Councilman Yagelski – OK. We'll see you next month.

Mr. Yacullo – Thank you very much.

OLD BUSINESS

Public Hearing – Dwyer Instruments, Inc. Tax Abatement

Councilman Garner – Mr. President, I'd like to make a Motion that we approve Resolution 2013-10, Tax Abatement for Dwyer Instruments on second reading by Title Only.

Councilman Bernacchi – Second.

Councilman Yagelski – Motion is seconded. Go ahead.

Auditor Winski – By title only?

Councilman Yagelski – By title only.

Auditor Winski – A Resolution of the La Porte County Council determining that the qualifications for an economic revitalization area have been met and confirming a declaratory resolution adapted by the Council for Dwyer Instruments for personal property.

Councilman Yagelski – OK. The Motion was seconded. Do we have any question on that Motion?

Councilman Cunningham – How many employees presently at Dwyer?

Mr. Reardon - At Dwyer? 741.

Councilman Cunningham – Thank you very much.

Councilman Yagelski – Question? All in favor?

The Motion carried 7-0.

ORDINANCES AND RESOLUTIONS

La Porte County Commissioners Resolution #2013-09 - Request of County Commission to treat prior transfer of \$9,000,000 from Rainy Day Fund to General Fund as a permanent transfer per State Board of Accounts June 20, 2013 Opinion Letter

Attorney Friedman – Good evening Mr. President, members of the Council. Also, point of clarification on that prior regarding the parking lots, I think that the Sheriff is correct. I think that the designation of the award needs to be made by the Commissioners first. Mr. Yacullo has properly brought all the appropriate bids in front of the Commission. The Commission needs to take his recommendation on the lowest and best bid, make the award, and then come back with a request. I suspect it may be through the CCD fund, which may be the most appropriate fund to request, but that will be the process we follow. We're here tonight to ask this Council to consider treating the \$9,000,000 that was in the County's reserve or Rainy Day Fund that was since transferred to the General Fund as a permanent transfer so that it no longer appears as a liability on the books. We are going to want to, and I know this Council joins the Commission in feeling that we want to accurately depict the County's finances rather than having the deficit appear worse than it actually is. As Dr. Kora pointed out in his bid last week, it does the County no good to artificially inflate the deficit as we try to induce new business to locate here or even if we have to go out to the bond market if we want to do debt financing for any particular improvements. You will hear from Cender and Company tonight. One of the representatives is here.

As I indicated, they did the financial analysis, which the County commissioned January 3rd. The first act as a County Commission, this new Commission retains Cender and Company to do a full financial review. The Cender Company has worked closely with the Auditor's Office to get information, good information that this County Council and Commission can use. You'll hear from Cender tonight. They did the financial review that the Commissioners hired them to do, and it's also important to point out that Cender and Company has been used by dozens of governmental entities in Northwest Indiana to try to predict revenues and to assist with County finances. A critical part of the Cender report is page 9, which I passed out. We've got a blow-up of that so that the viewers at home can see that. We've got a blow-up here for those in the audience which we have in there shown the chart. While there is a \$23,000,000 deficit shown for the General Fund, as Mr. Cunningham has referenced, that is without accounting, and again it continues to grow, that is without counting for anticipated 2012 pay 2013 revenues, which Cender has estimated collecting at around 85%. It's true, there's about \$6-7 million collected so far. There is also, as you'll see in the chart, anticipated amounts for 12 pay 13, which will be collected and come in the first quarter of 14 that are still attributed on the 13 balance sheet. While there is a \$23,000,000 deficit shown for the general fund, that's without accounting for anticipated 12 pay 13 tax revenues. Yes, there is a projected \$26,000,000 General Fund deficit when you take off the amount in tax revenues for 13 that will come in this year, plus the amount in 14 that is attributed, if you release that interfund loan to ourselves of \$9 million, that leaves an actual end of 13, and you'll see it's the last highlighted piece of your balance sheet, leaves an actual end of 2013 General Fund deficit of just \$4.5 million rather than \$25 or \$30 million. Cender and Company has pointed out that if we get from DLGF, and they've been asked by the Commissioners to request that, if we get from DLGF the authority to conduct tax sales in 2014, we can erase that deficit and potentially be back in the black in the General Fund at the end of 2014. Those are the best judgments of that firm. They are qualified. They are an exceptional public finance firm.

Now, in terms of the \$9,000,000, one critic called it smoke and mirrors about taking that off of our books as a liability. Well folks, there is no way a loan to ourselves from ourselves should be viewed on

our books as a liability. Let me give you an example from a personal finance standpoint. Yes, my wife and I put aside money in reserve in savings to help pay for our daughter's college education. We've had to go through that to pay for the college education and savings to pay for that education. We spent money on that tuition. Yes, I'd like to rebuild those reserves again. Those savings need to be built back up and I fully intend to do that, just like the County can gradually build a Rainy Day Fund up again, but that money from savings that was used to pay for her education isn't on my personal financial statement as a liability. Sure, net assets may have been reduced, just like net assets of the County may have been reduced, but it's not a liability. It's not owed to someone else, to vendors, suppliers, or anyone else. It is a transfer. It's an inter-fund transfer and it is a reduction in reserve, but it is not a liability. The same thing applies to the \$9 million Rainy Day Fund that was used as a Rainy Day to conduct operations. It makes no sense to treat that nine million as a liability in our balance sheet. That's why Commissioner Kora and the other Commissioners adopted the Resolution they forwarded to you. You should have received in your packet the letters we received from both DLGF and the State Board of Accounts saying it is perfectly appropriate to consider that \$9 million as a permanent transfer to the General Fund. Take it off as a liability, off our balance sheets, even as you begin to properly put aside funds, as revenues permit, for a new Rainy Day Fund. Dr. Kora has additional information he would like to supply on this as well. As I said, representatives of Cender and Company are here to answer any questions, but we thought it important to start having this discussion with the Council as you look at what's the accounting treatment, what's the proper treatment for that \$9 million. Dr. Kora's position has been like the rest of the Commissioners. Let's not depict our County financial situation as worse than it actually is, and essentially treating this for accounting purposes as a liability is inappropriate. Both the DLGF and the State Board of Accounts said what we're recommending, which is permanent transfer to the General Fund, take it off as a liability is appropriate and consistent with the law, as I understand it.

Dr. Kora – If I could, there is a letter from one of the Councilmen that's from 2002. I've invited him to come to the meeting, but unfortunately with some of his personal situations, he could not come tonight, but he summarized his thoughts.

Mr. President and members of the Council, thank you for the opportunity to share some of my thoughts about our current financial situation. I wanted to address both the issue of deficit as well as the management of the Rainy Day Fund, but Attorney Friedman has already highlighted what I wanted to say about the deficits and I understand. I know we all want to make sure that our financial situation is good. We want to have a compelling financial future for our County, and we can get there, but I think to get there we need to accept certain realities and deal with it. One of the things that's happening is I think at the end of each year, probably on December 31st, we create the loan and then we borrow it on January 2nd, and I don't know if that's the best way of handling our finances. I think we just need to accept the reality that this is what it is and then take care of it and at the same time replenish our Rainy Day Fund. We're all in agreement. We need to replenish the Rainy Day Fund and we need to do it as quickly as we can. I don't think we can make it happen overnight. It will happen over a period of time. Many people have asked that we need a good overview of our financial situation, and that's the reason we retained the services of Cender and Company. They are a very highly qualified financial services company. I just want to show you, here, the number of public sector clients they have all across Northwest Indiana. We are confident that some of the numbers they have projected may not be a hundred percent but they will be close to the reality. Based on their projections, once we get the 2013 tax returns, our deficit will be more in the neighborhood of \$13 to 14 million, and if you take into account the \$9 million that we have loaned to ourselves, it would be more to the tune of \$4-5 million. One of the concerns I had was that we had a lot of unpaid bills to vendors and things like that, so last

week I called the Auditor and she was kind enough to share the information that she is current in most of her accounts payable, which made me happy that we are current on that situation. I appreciate the efforts of the Council in 2002 for setting up the Rainy Day Fund, and I appreciate your efforts in making sure that these funds are being managed appropriately. They were helpful in work on some of the problems related to the property tax mess. We all want to make sure that this Rainy Day Fund is available to take care of future financial emergencies. That was the original intent of the 2002 Council. Some of the Riverboat money, when I read the ordinance that was passed, it had called for replacing the money in the Rainy Day Fund if it fell below \$10 million. So I think maybe we should get back to the habit of putting money back into that Rainy Day Fund from some of the Riverboat money and I have had conversations with the auditor and apparently she is going to be doing that as that ordinance had asked for. I think once that starts happening, we'll see our balances in the Rainy Day Fund go back up again. The only different approach we are suggesting from the Commissioners, and we all want to make sure that the Rainy Day Fund is replenished, the only thing that we are saying is that if there is a way of doing it with a clean balance sheet, why don't we do that because it is a better way of doing business. That's the point I wanted to highlight here. One of the things I also, from a personal financial statement standpoint, was let's say if I withdrew about \$10,000 from my money market reserves to pay property taxes, I won't reflect it as a loan on my personal financial statement. It is a reduction in my reserves, and if I were to put it as a loan on my personal financial statement, my bank will correct that. Mr. President, I just wanted to share the parts that I think leaving the people, our constituents with a better financial picture and giving them the confidence that yes we have problems, but we also have the ability to take care of this problem by handling it in a balanced way. It gives them confidence. I am a big believer in confidence because whenever you look at economies that are in this world, whether it is at the national level, a state level, local level, the consumer confidence and business confidence are very important. I think as elected officials and leaders of this County, I think we need to build up the confidence, and we can do that. We are not lying. This is not a smoke screen or smoke or mirrors or anything like that. Rather, I believe that if you pay off the loan on December 31st and then borrow it back on January 3rd, I think that is a smoke and mirrors type of approach, which I think we should resist and just accept the reality. Consider it as a permanent transfer to the General Fund and quickly put into place some measures that we can replenish the Rainy Day Fund. Now I've always believed at a personal level that the same level of thinking that has brought me to where I am today will not take me to where I want to go tomorrow, and we need to come up with better solutions, more creative solutions, more innovative solutions, and it can be done. By doing that, we can solve problems rather than perpetuate them. I think that's all I had to say.

I do want to read the letter that Councilman John Jones, who was on the County Council in 2002 and was unable to attend tonight's meeting.

Dr. Kora, I received your request to attend the County Council meeting on July 22nd. I am unable to attend, however, due to a highly important appointment conflicting with the time of the Council meeting. It is my hope that this letter will be helpful in your discussions related to the original intent of the former La Porte County Council when drafting the emergency reserve fund, sometimes referred to as the Rainy Day Fund. I have a copy of the original draft. The ordinance creating the La Porte County Emergency Reserve Fund and limiting spending from the La Porte County Emergency Reserve Fund is a document that has seven sections, and that will serve the purpose of this discussion well by simple reading at your meeting in its entirety. Section 6 of the Ordinance stipulates that appropriations from the fund will require at least five members of the La Porte County Council to assume the majority before the appropriation can take place.

Hence, the limiting spending portion in the title of the ordinance. In reading the ordinance in its entirety, you will find that the language of the ordinance only refers to appropriations of the funds and never mentions the word loan. A separate ordinance was drafted sometime after the creation of the ordinance establishing the emergency reserve fund specifically drafted to address the need for loan funds from the emergency reserve fund to the General Fund after the General Fund was found to be in the red as a result of the delayed tax collections. The ordinance titled *'An Emergency Ordinance to Make a Short-Term Loan from the La Porte County Emergency Reserve Fund to the La Porte County General Fund'* was drafted to the best of my recollection on the direction of the then auditor, who supposedly received directions from the State Board of Accounts or the DLGF. I don't believe that the Rainy Day Fund was ever intended to be a loan when created, but in case of the loan to the General Fund, it was handled that way. I believe that the intent of the Rainy Day Fund was to reserve a substantial amount of funds normally available for appropriation from the Riverboat revenues so that the County would be continually braced for turbulent financial situations. I believe the intent of the Emergency Reserve Ordinance in emergency situations deemed so by super majority was to utilize funds for appropriation, and replenish the funds according to the original Emergency Reserve Fund Ordinance stipulations using the Riverboat revenues. I can think of many situations where the funding was needed for an emergency. The funds would not be retrievable from the source unless the source came to the County fiscal board for an increase in the budget. There may be some situations where fee base or special funds could be used to repair the Rainy Day Fund but I cannot speculate that situation. In the case of the loan to the General Fund, I am left with a simple fact, that it has been repaid and loaned again several years in a row. That and alternating with the repaying of the loan must be stopped. I hope this is helpful, and I am available to answer any questions.

Dr. Kora - So thank you Mr. President and members of the Council. I will be happy to answer any questions, and if there are any questions related to the numbers, Damon from Cender and Company is here and he'll be able to answer some questions.

Councilman Yagelski – Mr. Cunningham, go ahead.

Councilman Cunningham – Dr. Kora, it's your belief, then, that if we didn't have this \$9 million loan to the Rainy Day Fund our status, or our confidence to the public, would be much better?

Dr. Kora – You know, the thing is, if you'll look at a balance sheet, the balance sheet of a business or a government entity reflects two things. Number one, the management of the finances and also the actual financial situation. Now, if we loaned that money from one of our funds to ourselves, showing it as a deficit or a loan on the balance sheet, I do not think it is a good idea. Nobody in the financial world does it.

Councilman Cunningham – I'm sure you have much more expertise in the financial world than I do, but just a few years ago we had some real smart business people, AIG and CitiGroup and Goldman Saks, they did a lot of this money stuff too and, you know, all of a sudden things crashed. I'm going to ask you one simple question.

Dr. Kora – I heard that, and I'm glad you asked this question. The things that AIG and Goldman and all did in terms of derivative creating and then. The whole thing was deceptive, and when I say deceptive, the reason I say deceptive is because when they were selling things to the clients, they were saying that this is a great investment, and on their own personal accounts, they were shorting the same thing that they were selling the clients for. There is no comparison.

Councilman Cunningham – I asked you. The original question was if we make this loan go away, is that going to make the people in the County more confident?

Dr. Kora – I believe so, yes.

Councilman Cunningham – So, would you be of the persuasion that we just take \$10 million out of the Riverboat Funds tonight and pay off the loan. We don't have a loan to the Riverboat Fund. That's my argument is, we either have money in the Rainy Day Fund, or we have money in the Riverboat Fund. We don't have it in both right now. It's in one place or the other.

Dr. Kora – You know, my belief is that a certain portion of money from the Riverboat should be transferred on a regular basis into the Rainy Day Fund until it reaches \$10 million, and had it been done. I believe over the last three or four years it has not happened, am I correct?

Auditor Winski – Yes. We are doing it now.

Councilman Cunningham – It hasn't happened for about the last 8 years, since 2005.

Dr. Kora – It hasn't been done. OK. If we start doing this on a regular basis I think before we know it, we will get back to our \$10 million Rainy Day Fund.

Councilman Garner – You've got to have money to not use it.

Councilman Cunningham – Yeah. Here's the question. Are you sharp enough to predict when our next emergency is going to occur?

Dr. Kora – I am not.

Councilman Cunningham – See, that's my problem. If we only have a \$1 million in the Rainy Day Fund and we're going to pay back a million a year for the next nine years, if two years from now we have a big emergency, we don't have any money in an Emergency Reserve Fund. It's a dereliction of duty to the taxpayers and to the Council that set this up in 2002, and I have three letters from the majority of that Council that remains that I think are a little more clear than actually Mr. Jones. I just read that. I think there's a much shorter and much more precise is what they that ordinance was set up. It was to be a perpetual fund for a Rainy Day. Any time, if you read, there's just one section, it says 'Thereafter 50% of the Riverboat Funds shall be immediately placed in the La Porte County Emergency Reserve Fund' and that's any time it's under \$10 million. Had we been doing that all along. The Sheriff was up here earlier this evening and said they made some mistakes with the Pension Fund. Obviously we made some mistakes here. It probably should have never been loaned. It should have been appropriated and then it would have set the immediate payback. We have never had any payback, but we just put it all back in and take it all back out again. I'm a pretty flexible guy, but I don't think we can tell the people in the

public 'Oh we just wiped out a \$9 million debt' by just saying it went away. If we want to transfer money from somewhere I can agree with that.

Dr. Kora – Two points I'd like to make. Number one is the practical reality is, I don't think overnight you'll find \$9 million to pay off this loan. It's not going to happen.

Councilman Cunningham – We have it right now. There's \$10 million in the Riverboat Fund today.

Dr. Kora – Yeah, but you need money for various things.

Councilman Cunningham – Thank you, so we're going to need that.

Dr. Kora – You know, we are very reasonable people. We are balanced. We understand the practical realities of how to handle money. What I'm saying is,

Attorney Friedman tries to speak

Dr. Kora – Let me just finish this thought, what I am saying is we can set up a time frame where gradually, every year, we can put enough money back in there and replenish the fund because overnight I don't think that can be done. That's the practical reality.

Attorney Friedman – Mr. Cunningham, too, we've got to take and utilize the expertise of those who understand finance. Both the State Board of Accounts, the DLGF, and Cender and Company have recommended that this not be carried as a liability. I appreciate your position, but it's not as if you've come in here with any financial advisors, any consultants, anyone of expertise advertising it should be maintained as a liability.

Councilman Cunningham – I have yet to see anything from DLGF or State Board of Accounts advising that this is what we should do.

Attorney Friedman – Look in your packet Mr. Cunningham.

Councilman Cunningham – The packet doesn't say that. It says they don't disagree.

Attorney Friedman – Correct.

Councilman Cunningham – That's a big difference.

Attorney Friedman – They agreed with our interpretation which said that it should not be treated as a liability, that it can in fact be treated as a permanent transfer, so again, we've gone to the effort of getting the experts at State Board of Accounts, DLGF, and Cender and Company, and I appreciate your position, but you've got nobody. You've got no accounting experience; you've got no financial advisor's experience. If you want to support the position, bring somebody in to support that. We've brought you the experts who say, including the DLGF and State Board of Accounts, who say it should not be treated in our books as a liability.

Councilman Cunningham – I have no problem with that. I don't care what we call it.

Councilman Garner – I want to know. Why did you do it on your own? Why weren't we brought in?

Councilman Mrozinski – Mr. President, I think we all want the same thing.

Attorney Biege – If I may. I want to make sure the record is clear. DLGF and State Board of Accounts said they would allow this. It's not a recommendation.

Councilman Cunningham – Exactly. Thank you for that clarification from our attorney.

Councilman Mrozinski – It sounds to me, Doctor, that we all want the same thing. We've got an Ordinance here that allows for that Rainy Day Fund to be replenished back to the \$10 million where it should be. Now that we have an Auditor who does that, and at the end of the year when we get tax draws in, which you said yourself, things are on the up and up here. We're finally getting more money coming in. We billed for 30 and got 5. Hey, we're on the up and up, but we're going to get enough money eventually. We're going to repay this. Then, once we repay it, I agree, quit borrowing it. Leave it there for what it's intended, for a Rainy Day. As far as an economic development tool, it would seem to me that if someone's looking at La Porte County saying 'Well jeeze, they're \$29 million in the red it would look more attractive, say whatever our deficit is, but they have a \$10 million Rainy Day Fund in case something goes bad. That, to me, is more attractive. So, I think we agree that what we need to do is repay that Rainy Day Fund to \$10 million and leave it alone. Quit borrowing it.

Dr. Kora – You know, I'm totally in agreement that we need to replenish the \$10 million in the Rainy Day Fund. The fact of the reality is that it's not going to happen overnight. It takes some time. While we are doing that, all we are saying is let's clean up the balance sheet. I mean, that's a different way of looking at things, and we are open for ideas.

Councilman Yagelski – Mr. Santana?

Councilman Santana – Thank you. In the spirit of bringing a little more positivity to this, and I agree with Attorney Friedman too in saying that we didn't have any financial advisors to seek contrary to what Cender has said. If we could move forward with this, Mr. President, I'd like to have a workshop on this, and we could possibly sit down, talk about it. Let's table it for tonight. I think, like Mr. Mrozinski said, we all want the same thing. There's no question about it. I guess I'll put that in the form of a Motion right now.

Councilman Yagelski – We have a question.

Councilman Santana – You've got some more? OK go ahead.

Councilman Garner – I'm just curious who, and maybe Mark was told about it, but the whole Council was not really told of what your intentions were and we weren't included, so that's why you've got me kind of at a wall and it's hard for me to cross that wall.

Dr. Kora – First of all, when Cender and Company's report came in, the preliminary report, we shared it with the Council, and I hope you received that. Did you receive that?

Councilman Garner – I don't recall receiving it.

Dr. Kora – You did not get the copy of that?

Councilman Cunningham – I watched the video of the meeting.

Councilman Yagelski – Which one? The Cender Report?

Dr. Kora – Yes.

Councilman Yagelski – I got a copy of the date of our meeting. I got that copy. That was that Saturday for the meeting with Mike. Yes, I received a copy of it.

Dr. Kora – In future, we will make sure that each Member of the Council will get updates. If it has not happened, we regret that. Once you look at the report, and you look at the fact that we are moving forward in the right direction, yes we've had a rough few years. I think, hopefully by next year, I think the financial situation will be much better than what it is today. I think, when we looked at the whole picture, we said 'What is the point in carrying this \$9 million on the books as a liability, as a loan to ourselves, when there is a way of considering it as a permanent transfer quickly putting into place measures to replenish the fund. I think what you call this, whether it's a loan or a permanent transfer, the permanent transfer will make our balance sheet look better. I have kept on talking about it, but the important thing that we all agree on is we want to replenish that fund that way we get back to \$10 million. I think we are all in agreement with that, and that's what we want to see happen.

Councilman Yagelski – Dr. Kora, just for your information. This was brought up here about experts. Unfortunately, I have, like a lot of Council people, and I hope the Commissioners start taking the same responsibility about this, that the State Board of Accounts, we get our guidance from them, that they don't stick with anything. They don't stick with the answers they come up with, and they don't back themselves up with anything. We didn't just, the Council here, didn't just come up with this loan idea. I was one of the original members that this loan came out with. This was advised by our State Board of Accounts. This was not a Mark Yagelski thing, like 'hey, let's just borrow our own money.' This was told to do it this way because we were given special exemptions because of the situation, the tax situation, that we were in. As it was going on from year to year, they were telling us how to do it, to pay it off and then to reapply for the loan. That's what we do every year, that's why we do it. That surely wasn't by some accounting that I came up with or any other Council member came up with. It was simply the fact that we did what we were told to do. Again, the comment you made about the State Board of Accounts, they're only going to tell you 'OK, we suggest you do it this way.' There is nothing definitive on how they say it. It was not definitive how we got the loan, it's not definitive on how we should pay the loan back. Now, do I think we've got the 'Get out of Jail Free' card? We've had a 'Get out of Jail Free' Card. I understand that in the County we've had a mess here for quite a few years. They want this thing to get moved on. They want the County to move in a positive direction.

Dr. Kora – I agree. I'm sure you must have spoken to the State Board of Accounts at that time and that probably was their advice at the time, and I understand and appreciate that. Today, they have suggested that this can be done, this is ok to do that, and then when they have given that green signal and there is an opportunity to clear up our balance sheet and then quickly put into place measures to replenish our fund, which is what all we want. Why don't we do that? That's the whole purpose of bringing this up, and I'm sorry, Mr. Garner, if you did not get those preliminary reports, but we'll make sure in the future that all updated reports are given to everybody. Any other questions? By the way, Mr. Tsouklis from Cender and Company is here. He is a number cruncher in case anybody has any

questions about these numbers. These are complicated numbers, and you have projected these numbers based on an 85% collections. Is that correct?

Mr. Tsouklis – That’s correct.

Dr. Kora – OK. Then, our experience so far of our tax collections for the year til which we have closed, is about what, 95 percent?

Mr. Tsouklis – 92 percent.

Dr. Kora – 92 percent. OK. Our numbers are conservative. We could even do better than that.

Councilman Cunningham – One question. I never got the report, but I watched the videotape of Mr. Cender making a presentation, and his exact figure was the levy was \$26.4 million and we collected \$16.8 million. That’s 67%. Do you have that down? That’s 08 pay 09 or 07 pay 08. I’m not sure which. It’s one of the 08 years. He said the levy was \$26.4 and we collected \$16.8. Now, I called the treasurer’s office today and said, if someone comes in with a couple thousand dollars to pay their taxes, don’t you make them pay the oldest taxes first? They said absolutely. Well, if we’re only at 67% rate back in 2008 and they apply the money to the oldest tax bill first, how can we possibly be at 95% collection today on any year? We’ve got a 33% money collection for 7 pay 8 or 8 pay 9, I’m not sure which.

Mr. Tsouklis – Yeah. From 2008, there’s \$9.6 million due.

Councilman Cunningham – That rate for that year is 67% percent collection?

Mr. Tsouklis – Yeah, I didn’t compute the rate for that.

Councilman Cunningham – But it’s pretty close. My question is, how can we have these such fantastic rates for current years when they are telling us in the treasurer’s office that any money that comes in has to pay on the old ones? It would seem to me that we’d get 08 paid off pretty quick.

Mr. Damon – Well, when we did our analysis, we take the Form 22, the tax distribution forms, and we use those numbers. We don’t have any idea of what numbers relate back to the prior years.

Councilman Cunningham – Thank you. The other thing that stresses me somewhat. This evening, I hear the tax sale, we’re going to get bailed out with tax sales. That’s the last thing I want to hear after what we’ve put our constituents through in the last 6-8 years in this County is the threat of tax sales to catch up. I think legislation from downstate is giving us the extensions, and I’ll be shocked if we get any tax sales in the next year or two. It would seem to me that we’re going to protect, and we should protect our constituents.

Mr. Damon Tsouklis – I should probably point out that back in 2008 the balance due is \$9.6 million, OK? The balance due for 2009 is \$8.3 million, OK? 2010, actually there’s a credit balance due of \$2.4 million, so right there it’s about \$15 million due, OK? Our cash flow projects that at the end of the year you’re going to be \$26 million in the hole in the general fund. When we updated our report, this was through April of 2013. At that time the General Fund was in the hole \$16.5 million. We made projections for the rest of the year. Our projection for July, we assumed that the General Fund was going to be in the hole

\$23.8 million. Talking with the Auditor's Office today, it's actually \$24.8. It's another million dollars higher.

Councilman Cunningham – \$24.96 I think.

Mr. Tsouklis – I got \$24.89.

Attorney Friedman – Just briefly, Mr. Cunningham, you can't complain on the one hand about the low level of collections from 08-09 and then when we get to the process of having to conduct tax sales for those long-term delinquencies and then complain about that. You can't have it both ways. If you're going to say that the percentage of collections from 80-09 is particularly low, which it is, and we get to the process of having DLGF authorize tax sales, that's the way you collect on those long term.

Councilman Cunningham – I understand that, but I think that's a sorry state to be in to say that's the way we are going to get out when we've put our constituents through this with the tax mess. I understand from a finance stand.

Mr. Tsouklis – Let me just make this point here. Our cash flow projects \$26 million in the hole at the end of December. Joie's not going to collect any 2013 money until next year. If we project this cash flow for the next first quarter of next year, instead of \$26 million, it's probably going to be more like \$35-36 million in the hole. Joie may have to consider borrowing internally again from some other fund, or maybe going off her tax warrant. That's \$35 million in the hole until she gets money.

Councilman Yagelski – There is an issue here, and it's something that's not by your way, the book. We've got these millions of dollars in an account. They are in a general account. Again, we don't borrow the money. We borrow internally. It's another thing we've been doing up til now. Otherwise, we don't have the separate money that we're loaning anybody. We're in agreement with you, but I don't see the issue of this tax warrant that you're talking about. I really don't see that because we've been sustaining ourselves through the monies that we have in a lump sum.

Attorney Biege – But you need to make the general fund whole at some point.

Councilman Yagelski – We totally one hundred percent agree with you. We've been working on that for many many years, trust me. We agree, but I don't think we have to have a tax warrant at this time.

Mr. Tsouklis – But if you don't repay the loan, the General Fund will be in the hole 13.5 million.

Councilman Yagelski – We've gone back and forth every year. I understand that.

Mr. Tsouklis – Probably to get out of that hole, it will take some tax sales.

Councilman Yagelski – Totally agree with that.

Dr. Kora – Once the 2013 taxes come in, that's when it will go down to \$13.5 million. Then with the nine million from the Rainy Day loan, that leaves us with a net deficit of \$4.5 million.

Councilman Yagelski – Even before we did this a few years back, we had these numbers all figured. We're down \$4-5 million. We knew at some point we were going to be at that point. This is not

surprising to the Council. We know the numbers. The numbers have been out there for years. It's just unfortunately though, it's been so far in the rear to us that we don't see the money.

Dr. Kora – You know, part of the reason, Mr. President, that we did this is not that you do not, and I think you have been on it for so long probably you know those numbers, but lots of people out there are confused about it. One of the reasons we're bringing this up for discussion is it will help everybody understand the complexity of the situation. Also, bring the experts here, like Cender and Company, to help them understand that, yes, there has been a problem. Yes, this was pretty big earlier on, but it is being taken care of. Over a period of time, this will be resolved. I think that will go back to the sense of confidence that we want to make so that people have the ideas that elected officials are working together to make sure that we get this situation resolved.

Councilwoman Sosinski – I kind of regress back to the original ordinance and the discussion on the \$9 million loan versus your transfer. I do work in accounting and finance and I have for some 30 years. I've worked for accounting firms and multiple businesses, and I can attest that when one moves money from your balance sheet and the assets from a checking, from your savings, from investment or whatever the case may be, that's just simply a transfer into your operating income for expenses. It's not reflected as a loan because you don't borrow money from yourself. The reserves are there if and when you need them, similar to your own personal household. So, I do understand that, why that all occurred when it did. Who knows how the State Board of Accounts were actually asked the question, how they responded at that particular time. We do have the ordinance in front of us. All I know is by continuing to pay back the nine million and in 2 or 3 days reborrowing it, we're not accomplishing anything. I would, I think it was Mr. Santana, did you mention having the workshop?

Councilman Santana – Yes.

Councilwoman Sosinski – I would love to have that because what I would like to see happen in my opinion with this ordinance that was for a Rainy Day, lord knows we've had rainy days, is, there was a plan on here, sections 1, 2, 3, and 4, and 4 was how to build that fund up to that \$10 million. 25% was in 03, in 04 50% of all Riverboat Funds, until it hit the \$10 million. I'd like to sit down and get that repayment schedule looked at because I agree to a certain point that we're just putting the \$9 million in to take it out in three or four days, and truly it's not a loan. It was money that we used to transfer to pay bills, and now we need to start replenishing the account, not necessarily repaying back the loan. One is basically the other, but doing \$9 million at a time or taking out ten, it can't be done at this time. It's going to have to be built up over a couple years, so I would really be in favor of having the workshop with that.

Councilman Yagelski – Any other questions?

Councilman Bernacchi – I have a question for Mr. Cender. Did your report include miscellaneous revenues and not just tax collections?

Mr. Tsouklis – It did.

Councilman Garner – Mr. President?

Councilman Yagelski – Yes, Mr. Garner?

Councilman Garner – Just remember there was no way that we could have repaid that loan at any point because we were continually using the Riverboat money to survive, so that's what we've got to remember. That's how we survived.

Councilman Yagelski – I understand that. Mr. Cunningham?

Councilman Cunningham – Mr. President, since Dr. Kora read into the record the letter from Mr. Jones, I would ask that our auditor or chief deputy please read into the record the letters from Ron Clendaniel, who was president of the Council at the time, Mark Ludlow, who served on this Council at the time, and Beryl Burgwald who served on the Council at that time. That's the majority of the living members of that Council. Also, there's the letter from Ken Layton, who I believe was the Auditor at the time it was set up. So, there's four letters. They're all very short, one page or less. I'd appreciate it if those would be read into the record so we have a balance.

Auditor Winski – The first one is addressed to Mr. Earl Cunningham.

Earl, following up on your phone call and subsequent letter relative to the County's Rainy Day Fund. It was my understanding at the time I voted for the County Council Ordinance Number 2002-03 that the Emergency Reserve Fund, ERF, it created was meant to be a perpetual fund reaching \$10 million through immediate deposits of half of all Riverboat monies received by the County. One the ERF tapped out at the ten million figure, the amount thus collected was to remain there as the County's Rainy Day Fund, with strict limits on the use of those funds only for an emergency deemed so by an extraordinary majority of County Council members, 5 out of 7. A careful reading of the ordinance will bear that out. It should also be noted that the word thereafter in section 4 applies only until the ten million figure is attained under section 5 since ten million is the ultimate goal for that fund, per section 1. However, once that ten million is reduced due to any emergency appropriation, then the fund must be built back up to the ten million by once again following section 4 as to placing 50 percent of all Riverboat funds into the ERF. The ten million needs to be continually maintained in the ERF because, as I stated above, this is meant to be a perpetual, not a syncing(?) fund. I hope this clarifies matters. Since its creation, the Rainy Day Fund has served the County well. I see no reason why the ordinance creating it should be repealed or radically revised. Let me know if I can be of any further assistance on this issue. Sincerely, Beryl Burgwald

The next is addressed to Earl Cunningham.

Dear Councilman Cunningham, After watching the La Porte County Commissioner's Meeting on July 3rd, 2013, I reviewed the Emergency Reserve Fund ordinance, which was passed when I was president of the Council in 2002, and I conclude the following. A – Per Section 4, any time the fund is under ten million, 50 percent of all Riverboat funds admissiomed in WinTax shall be placed in the Emergency Reserve Fund. B – Rather than loans, the Council should appropriate the funds to any legal account and activate the clause in section A above (section 4). Please forward this e-mail to Mark Yagelski and all members of the La Porte County Council. Thank you. Ron Clendaniel, La Porte, Indiana.

The next letter is to Earl Cunningham.

Earl and fellow Council members, I am concerned with the intent of the Commissioners to ignore the debt created by the expenditure of the Rainy Day Fund over the last few years. I am a member of the Council that established the fund and know the fund was established as a larger hedge against emergencies and operating shortfalls to keep from borrowing from a bank and paying interest. Funding for the account is established within the ordinance and should be adhered to so the fund is perpetual. The Council's intent was any operating expenditures were to be repaid when tax draws were received. Emergencies would be repaid by the funding mechanism. As you have seen over the last few years, all those tax-funded public agencies without a reserve fund had had to borrow money against future tax draws, adding to the taxpayers' expense. La Porte County has been more fortunate with the receipt of Riverboat Gaming Funds. A conservative, prudent use of those reducing funds should continue. I envy your duty and responsibility to the taxpayers and urge you to be good stewards of programs that have worked in the past. Good luck and best wishes, Mark Ludlow.'

The last is to Earl from Ken Layton.

'When the fund was established, there wasn't any thought given to borrowing from it. It was established with the intent to use it in case of emergencies and had to be appropriated by the Council. The fund specifically has language in the ordinance stating that once the funds are appropriated, 50 percent of new Riverboat Funds from that time forward will be deposited in the Rainy Day Fund until \$10 million are captured to cap the fund. The Council decided several years ago to borrow from the fund to support the General Fund during the tax shortfall time. I believe there is Council minutes from several years that will show ordinances to that effect. It seems to me that it would be simply a matter of first repaying the loan when settlement comes in and then instead of borrowing again from the fund, make expenditures via Council appropriations to supplement needed monies. Again, by using the ordinance, and replacing expended monies with 50% of Riverboat monies, there would be no loan to repay. Hope my thoughts are of use to you and the Council. Ken.'

Councilwoman Sosinski – I guess I just want to say the letters that Mrs. Winski just read in, at least from the Council Members, basically reiterate what we're saying here, that it wasn't intended as a loan. As monies are needed for emergency purposes, then the money is, per section 4, to be paid back at 50 percent until the fund hits ten million. So, I think that's interesting that we have all of those members that have sent a letter and they all seem to agree. So, thank you very much for those.

Councilman Cunningham – I think the difference is these letters all use the term perpetual. There should be either \$10 million in there or money should be going. Dr. Kora, as a compromise, I'm very one to do this. If you want to get rid of the loan, ask the Council this evening to pass a Motion that we take 50 percent of all the Riverboat Funds, which should have been going in there all along. Take 50% of all the Riverboat funds and put it in there tonight, and then we just pay it in as Riverboat monies come in. That wipes out the loans. I could live with that. That's somewhat of a compromise.

Dr. Kora – In my comments I did mention, and that's the reason I have spoken to auditor Mrs. Winski, that we need to be putting money from the Riverboat Fund into the Rainy Day Fund. When I read the ordinance, all the things everybody has said is the same thing that if you're short, then you need to put money from the Riverboat Fund into the Rainy Day Fund. Unfortunately that has not happened, and I

understand your situation has been tough over the last few years, but I think things are getting better. We need to put some money back.

Councilman Cunningham – Because we didn't do that, we now have an inflated Riverboat Fund. We have ten million in the Riverboat Fund when we should only have 5, because half of it should have been going into the Rainy Day Fund. I concur with that.

Councilman Santana – I was going to ask Mrs. Winski. You just stated, too, that you just started putting some money back in. Could you share with everyone, please, what the amount was because I understand we just got a draw.

Auditor Winski – Well, we get our draws quarterly, and when we realized that this wasn't being done, we immediately started to rectify that situation. We got a WinTax check on September 25th, and we put \$148,360.00 into that fund right away. That was WinTax. In the Riverboat admissions tax, there are three draws, including one that we just received last week, that have not been put into the fund as of yet. The earlier ones were \$282,604. These are the amounts that should go, so double the amount is what we got. The amounts that should have gone into the Riverboat Fund are \$282,604.22, \$276,169.23. That was the second quarter, and the quarter that we just received is \$299,453.70, which would bring that total to \$858,227.15, which would bring our total to, if we put those into the fund tomorrow, we would have \$1,963,660.02. I did not look to see if there was WinTax, but the WinTax is obviously a lot less than the Riverboat Admissions Tax. So, if the Council feels that it's ok for use to do that, we will replace that money tomorrow.

Councilman Yagelski – Questions? You had your Motion Mr. Santana?

Councilman Santana – Yes. I'd like to make a Motion for our President Yagelski to set up a workshop with the commissioner president, and we can discuss this further and make some resolution to it. Again, a compromise came about also, so we've got some more to discuss is what I think, so that would be my Motion, that you contact Commissioner Milsap and set a meeting, maybe in front of our next monthly meeting, or what have you, or a little earlier.

Councilwoman Sosinski – I'll second that Motion.

Councilman Yagelski – Motion is seconded. Any other question on the Motion? Roll call please.

Auditor Winski – Mr. Bernacchi – Nay. Mr. Cunningham – Nay. Mr. Garner – Nay. Mr. Mrozinski – Nay. Mr. Santana – Aye. Mrs. Sosinski – Aye. And Mr. Yagelski – Nay.

Motion fails 5-2.

Councilman Cunningham – Mr. President? I make a Motion that we ask the auditor to transfer 50% of all Riverboat Funds, Win and Admission, immediately into the Emergency Reserve Fund, which would give us approximately \$7 million, and then we just go through the normal process of getting the rest of the money. We're not putting the rest in until it gets in to normal Riverboat Funds.

Councilman Mrozinski – Second that Motion.

Councilman Yagelski – Motion is seconded. Any other questions on the Motion?

Councilwoman Sosinski – Question. I did not understand, I'm sorry.

Councilman Cunningham – Make a Motion that we direct the Auditor to take 50 percent of all Riverboat Funds, as of today, from the WinTax and the Admissions Tax, transfer it to the Emergency Reserve Fund, consider our debt paid, and the remainder will be paid by following the original Ordinance.

Councilwoman Sosinski – So that's of the balance that's in there now?

Councilman Cunningham – Yes.

Councilwoman Sosinski – Well I didn't know if you were talking about monies coming on or if you're talking about balances we have now.

Councilman Cunningham – The balance as of today, which I just gave, which I think was around \$10 million. Let's say we're going to put another \$5 million in, which would put us close to \$7 million, and then not worry about the other \$3 million. I have no problem with that. If you get paid from Riverboat, you're going to put 50 percent in. That's what the Ordinance says.

Councilman Mrozinski – I second that.

Councilman Yagelski – Question? I have a question on that.

Attorney Biege or even Attorney Friedman. I don't think we can go per Ordinance because this is per draw. If you want to pay a loan off that's fine, we just can't go per Ordinance. The Ordinance specifically says per quarter. If we did not take these funds out before, that's just our bad luck. I don't see how you can do it per Ordinance. That's not the way the Ordinance works.

Councilman Cunningham – No. I'm saying following this, it would be per Ordinance.

Attorney Biege – Yeah, I'll draft an Ordinance or a Resolution on this. There will probably need to be an Ordinance too, but first we're going to forgive the loan. That then gives us the ability to fund it, and then the ordinance I can just use the exact same language that we did in the formation Ordinance when the fund was created, which allows for 50% of the Riverboat Funds.

Councilman Mrozinski – To clarify, right now we're just doing a transfer. We're transferring money into that account. Future payments will be set up just as per the Ordinance says. When future Riverboat Admissions or WinTax comes in, half of that will go on this Reserve Fund. Right now we're just doing a transfer.

Attorney Biege – Right. The loan's got to be forgiven first. We've got to get to \$10 million to trigger the payback. I'll handle that in the Ordinance.

Councilwoman Sosinski – And we'll need that Ordinance.

Attorney Biege – Yeah. I think we should have an Ordinance on it.

Councilwoman Sosinski – Thank you.

Councilman Cunningham – No Problem on that.

Councilman Yagelski – We would have to have an Ordinance. OK. We have a Motion. We had questions on the Motion, and I believe for this to happen, this is going to have to be.

Councilman Cunningham – I'll modify my Motion to say Attorney to draft an Ordinance.

Councilman Yagelski – That's fine.

Councilman Mrozinski – I'll change my second.

Councilman Yagelski – Motion is seconded. Any questions on the Motion to redraft the Ordinance?

Councilman Santana – Let me understand. Are we going to be eliminating the 2002-03 Ordinance? Can you explain that to me then? That's not what we'll be doing?

Attorney Biege – No. We're going to forgive the loan, the emergency loan. We'll forgive the loan and then in the same ordinance, I'll set out a provision where these funds will be transferred as of today's date, and then I'll reiterate Section 4 of the original ordinance, which says 50 percent of all Riverboat Funds are going to then be placed, as they come in, into the Emergency Fund until it gets back up to ten million.

Councilman Yagelski – Ok. We have that Motion. We have a second on that Motion. Any other questions on the Motion? Roll call please.

Auditor Winski – Mr. Cunningham – Aye. Mr. Garner – Aye. Mr. Mrozinski – Aye. Mr. Santana – Nay. Mrs. Sosinski - Nay. I still would like a workshop. Mr. Yagelski – Aye. And Mr. Bernacchi – Aye. The Motion passes 5-2.

CORRESPONDENCE

Letter from Michiana Resources requesting financial assistance per IC 12-29-1-1

Bill Trowbridge – Good evening, Mr. President, members of the Board. I do realize now I'm in probably the most unfortunate position of the Motion asking for more money after that little discussion, but nonetheless, what I have come to you with is very important. I hope you each received the packets that I sent to you. In it, we discussed several times, I'm not sure how much you'd like me to reiterate what I put into that packet, but for those not familiar with the Michiana Resources, we're an organization that serves persons with developmental disabilities. We provide a lot of different services, primarily during the day. We also do some residential as well as some respite type services. Over the years, and a matter of fact, about 27 years ago the County did fund our organization and stopped at that time. What we're asking for the County to do is to restart that funding, hopefully with something in it for immediate relief as well as for an ongoing allocation need as part of your budget process. I can give you a little history about us and our funding itself. We are a Medicaid funded organization, like all the other organizations like ours in other counties, but the problem with that, of course, is the fact that the Medicaid does not fully and truly cover the full expenses of what we do and who we are. What's happened over the years, as that funding has occurred, we've had to make a lot of cuts with our

employees number one, we've cut down. 75 percent of our employees now are part-time so we can avoid some of those expenses. We've not had raises, of course. We've grown in services. We're seeing a lot more services than we used to have in the past, so it's been very difficult. Nonetheless, even with some of the cuts we've made, the last six years, 5 of those years have been negative net returns, and it's really starting to show. Primarily, we've kept our money focused on the actual services themselves to make sure that we can provide those services which is most important to what we do. The issue comes in when we look at our facilities. I'm not sure if everyone's had an opportunity to pass our facility. If you've driven past it you'll see, from the outside it's certainly in disrepair, and that's no different when you go inside there. It's an old building. We have no air conditioning in our main workshop area. We'll have approximately 90 to 100 persons in that workshop area that we have to reallocate throughout the entire summer into hallways, conference rooms, offices and whatnot just to provide the services on a continual basis. Our bathrooms are very old and need to be updated. When this building was built, it was not ADA compliant, so we have a lot of work that we have to do with that as well. The funding that we're looking for specifically comes from IC 12-29-1-1 B, and that specifically allows the County Council to provide funding to developmental disability centers located within the County itself. It's a very common statute utilized throughout the state, and as you may have seen in what I sent to you, if you look at the other Counties, Porter County gives about \$750,000 to their agency. Lake County does about \$730,000, St. Joseph County about \$450,000, Elkhart also very similar. We're looking at the other ones as well. So, there's considerable funding out there and that's what allows them to function and fully move on forward. The reason the statute came about in the first place, and you'll obviously know that you fund the Swanson Center each year, it's a sister statute to the Swanson Center statute that specifically allows for this type of funding, but it came about because of course our services were historically a responsibility of the County itself. As time went on, when Medicaid got more involved, they realized that that was something, a way to relieve the counties from the obligation, but they created these statutes specifically at that time, realizing that more likely than not, that the Medicaid, or the state funds is not going to be quite enough. So, these have been utilized since then for those purposes. So, what I'm asking for is approximately \$300,000 on an annual basis to help fund some of our services and what we do. Right now I don't have an exact budget for exactly where that goes, but approximately 100,000 would go towards some of our case management workers. It's an unfunded responsibility that we have. It's a requirement that we have. The state doesn't reimburse for that, but we have at least four individuals now. That's going to grow as we move into the future. We want some of it for improving our facilities. At some point we, well right now, we're going to have to improve those facilities. That will probably involve a major construction project, which is going to be a pretty significant loan, so I'd expect about a hundred thousand of that to go towards the debt financier of that loan. The remaining \$100,000 for employee expenses. We're growing. The state is cutting, there's a wait list currently. I put in here, I wish I remembered the numbers exactly, but we're expecting more than 100 persons coming off the wait list in La Porte County alone. That's going to be the responsibility. That's going to fall on us for those day services for those persons. We're going to need new persons, probably growth in facilities as well. So, I hope that the Council will consider that when it's doing it's next budget. Hopefully if they have any questions, I might be able to answer them for you.

Attorney Biege – If I may, I just want to clarify something. I looked at the statute, just so the Council knows, there's a distinction between, and I'm not advocating anything here, but there's a distinction between the Swanson Center, that's mandatory. This is permissive. OK first of all. Secondly, any budget request has to go through the Commissioners.

Bill Trowbridge – We'll do that as well.

Attorney Biege – OK. I just wanted to make sure you were clear so you didn't miss a step.

Councilman Yagelski – At the end, you said what?

Attorney Biege- I just want to make sure he doesn't miss a step. This is a budget item. The budget request has to go through the County Commissioners to the Council. He can't request directly from the Council.

Bill Trowbridge – Thank you for that. It's a little bit confused because we go to the other counties. I know in Porter County particularly, it's always in front of the Council itself. That's where we make those requests for the other organizations there.

Councilman Yagelski – If it was mandated, like the Swanson Center, it would come directly to us. Because it's not mandated, you're going to have to go through the Commissioners.

Bill Trowbridge – I will do that. No problem. But that is a great distinction to make. It is permissive. I'm not sure. Maybe our lobby is not as strong as the mental health lobby is, but it's truly a great need and as we go through the process and it comes in front of you, I truly hope that you really consider that to help us out.

Councilman Yagelski – Also, I'd like to make a comment. As you well know, it's probably the worst time to come up here as you are. \$300,000 is quite a bit to ask for at one time. What is a more realistic number? Have you talked it over with your board?

Bill Trowbridge – Yeah. As we look at it, that's a realistic number in the sense of our true needs. There's no doubt about that. We're not fluffing the numbers or trying to get more than what we need. However, if I do look at one of our most important aspects that we need that separate funding, it's the debt financing for the building itself. To find a way of improving it, I'd expect that to be at least a 1.5 million dollar project, probably even more. If you ran those numbers, probably at 6%, \$100,000 would come out to about \$80,000, but I'm expecting maybe up to twice that, so anywhere between \$80,000 to \$160,000.

Councilwoman Sosinski – To echo Mr. Yagelski's comments, of course it's a bad time right now. Couple of comments you made, so I don't know if you can address those if you are going, of course you need to go in front of the Commissioners. You said that you don't have an exact budget, so when we're looking, or at least when I'm looking at \$300,000, I need an exact budget. You mention \$100,000 as employee expenses, we've not been able to give our own employees raises for five years, and we've also had the hiring freeze. So, this is my opinion, since I'm already funding one facility, it's going to be very difficult. So, you might want to make sure some of those items are detailed, possibly with a financial statement or whatever. The questions may be there, at least I know I would have those.

Bill Trowbridge – Absolutely. And to make it clear, this is not looking for employee raises per se, it's to bring on new employees. The needs are growing. We're doing more hours of service.

Councilwoman Sosinski – I understand that here, like I said, we have a hiring freeze here. We've had to pare down, unfortunately, and do without throughout the County, so it's just something I'm looking at also is, unfortunately that's kind of the name of the game right now with our economy until times get better, if they do.

Bill Trowbridge – Yes. Thank you.

Councilwoman Sosinski – Thank you.

Bill Trowbridge? – Any other questions I might be able to answer?

Councilman Yagelski – Anyone else? No thank you.

Bill Trowbridge - Thanks for the time. I appreciate it.

Councilman Yagelski – You heard the dates of our budget right? The 21st, 22nd, 23rd. It has to be done before that so it has to go in front of the Commissioners before that.

Councilwoman Sosinski – And before you leave, may I add, it’s a wonderful organization. I’ve been out there a couple of times.

Bill Trowbridge – Thank you. I appreciate that. I’d love to have you all come out. I could take you around and show you what the true needs are. Thanks.

APPROPRIATIONS, TRANSFERS, REQUESTS

La Porte County Planner

Requesting an Additional Appropriation

Riverboat Fund (1191)

for Energize Indiana Grant

\$10,000.00

Councilman Mrozinski – Motion to approve.

Councilman Bernacchi – Second.

Councilman Yagelski – Motion to approve. We have a second. Any question on the Motion? All in favor?

The Motion carried 6-1 with Councilman Cunningham voting Nay.

La Porte County Superior Court #3 – Honorable Jennifer Koethe

Requesting an Additional Appropriation

General Fund (1000) or Admin Fees (2004)

for Salary Supplement

\$210.80

Judge Jennifer Koethe – Good evening Council members, Mr. President For the record, Jennifer Koethe, judge of Superior Court Number Three. Tonight I am before you asking for two additional appropriations and if I can just explain for a moment. The first one being \$210.80. Our auditor and her lovely staff pointed out last year that we had an anniversary date for one of our employees that the following month they should have gotten an anniversary step-up pay increase, which would have amounted to \$26.35 for 8 pay periods through the end of 2012, and that total comes to \$210.80, so at the beginning of the year she was paid the \$210.80 and has been given that increase effective from

January 1st of 2013. However, she should have been given it back in 2012, so to make up for that difference for the 2013 salary, I'm here before you asking for your appropriation to make up that difference.

Councilman Bernacchi – Motion to approve.

Councilman Yagelski – I have a Motion to approve. Do I have a second?

Councilman Cunningham – Second if it's from the Administration Fees, fund number 2004. You gave us that choice. The balance there is \$578,000 as of today.

Councilman Yagelski – OK. I have a Motion I have a second. All in favor?

The Motion carried 7-0.

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| Requesting an Additional Appropriation General Fund (1000) or Admin Fees (2004) for Salary Supplement | \$5,663.10 |
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Councilman Mrozinski – Motion to approve from the Administrative Fees.

Councilman Bernacchi – Second.

Councilman Yagelski – All in favor?

The Motion carried 7-0.

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|---|------------|
| <u>La Porte County Sheriff</u> Requesting an Additional Appropriation County Corrections Fund a/k/a Misdemeanant Fund (1175) for Payment of Various Claims | \$8,970.12 |
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Sheriff Mollenhauer – Good evening again. This was brought to your attention last month. I wasn't able to be here. This is for several invoices and estimated expenses that deal entirely with the jail and some are maintenance costs, which I know Mr. Cooley with Maintenance Department's pretty well strapped, so that's why I put all of these in there even though they are maintenance items, such as windows for the jail, these are, for better words, Plexiglas. They've been damaged through the years, and they're all in the jail cells for \$1,411, a integrator bill, that was when we had the batteries that burnt up and had considerable damage to the system. That bill was \$4,438.96. The integrator system operates all of our jail operations, the doors and everything. There's a minor bill for glass for the door for video visitation, a washer that's downstairs in the basement that's used for the inmates. That was \$724. That was an estimate. Property bags for in the jail also, utilized for the inmates' property. They're poly bags. The other last part of it is the straps, or bands, that are utilized for the inmates for a total of \$8,970.48.

Councilman Yagelski – Pleasure of the Council. Questions?

Councilwoman Sosinski – I know I asked last month. I have no problem voting on this?

Attorney Biege – Yeah. No Problem.

Councilwoman Sosinski – Thank you.

Councilman Cunningham – Sheriff, how many miscellaneous accounts do you have with funds in them at this time?

Sheriff Mollenhauer – Miscellaneous Accounts? You're probably referring to the commissary account, discretionary accounts?

Councilman Cunningham – Yes. Accounts that don't come before us.

Sheriff Mollenhauer – Commissary, but that does come before you quarterly. I just sent you the semi-annual report.

Councilman Cunningham – The report that you just sent us shows that you spent \$13,273.65 out of that fund for special training and law enforcement. Would that be accurate?

Sheriff Mollenhauer - I'm sure it is. We just spent approximately a little over \$27,000-28,000 for equipment for the cars. You know that I spend, well it keeps the jail and the department moving pretty well without coming before you very much. Of course, this misdemeanor fund is for jail operations. We know that. I utilize that commissary account as often and as much as possible. I know I'm repeating myself, but this whole recording system, except for \$13,000, and that's probably right around \$400,000, and that's all been paid for with commissary money. So, the video visitation that we're about to embark on. The equipment's here and there won't be any cost for equipment, but there's electrical work that's going to have to be done and some other items that will be various expenses and all of that will be paid for with commissary funds. Presently, we have \$22,116.42 in the commissary account.

Councilman Cunningham – And on 6/30 you had \$68,000?

Sheriff Mollenhauer – That's correct. That's up and down with the bills.

Councilman Cunningham – You're going to have money coming in?

Sheriff Mollenhauer – Yes. That money came in and that money goes out.

Councilman Cunningham – According to the schedule of balances by fund, dated today 7/22, rough estimate that you have in excess of 20 accounts with over \$360,000 in them. One of those is a continuing education fund, law enforcement.

Sheriff Mollenhauer- I think we just transferred \$7,000 into continuing education to keep that solid. Of course, I think in our budget that was \$15,000 and we're hoping to be able to raise that next month in August for the budget because we're not always short but we barely make it through. If it wasn't for our Notice to Quit money, we wouldn't have been able to send these officers and these jailers for the training that they've been sent to. That's what you got continuing education's for.

Councilman Cunningham – Law Enforcement Continuing Education, 2507, fund number 2507. There’s another one 8127 Law Enforcement Fund. I’m looking at 2507 has a balance of \$333,286 in it today. Is that possible?

Sheriff – I don’t know. I don’t have it in front of me. I don’t think that’s correct. That can’t be. There’s no way.

Councilman Yagelski – OK. Any other questions? Do I have a Motion?

Councilman Cunningham – Motion to deny.

Councilman Mrozinski – Second.

Councilman Yagelski – Motion to deny. I have a second. Any other question on the Motion? Roll Call Please?

Auditor Winski – Mr. Garner – Nay. Mr. Santana – Nay. Mr. Cunningham – Aye. Mr. Yagelski – Nay. Mr. Mrozinski – Aye. Mr. Bernacchi – Nay. Mrs. Sosinski – Nay. **Motion fails 5-2.**

Councilman Yagelski – Any other Motions on this?

Councilwoman Sosinski – I’d like to make a Motion to approve \$8,970.12 out of the Misdemeanant Fund #1175.

Councilman Santana – Second.

Councilman Yagelski – Any question? Roll Call please.

Auditor Winski – Mr. Santana – Aye. Mr. Cunningham – Nay. Mr. Yagelski – Aye. Mr. Mrozinski – Nay. Mr. Bernacchi – Aye. Mrs. Sosinski – Aye. Mr. Garner – Aye. **Motion passes 5-2.**

La Porte County Highway

Requesting an Additional Appropriation

Major Bridge Fund (1171)

for Rehabilitation of the Franklin Street Lift Bridge

\$1,500,000

Mr. Yacullo – Yes, President Yagelski. I’m actually rethinking this item. I believe, I know you and I tried to get schedules together and to try to be on the same page for this project, and I think maybe it’s appropriate to scale back the request here. We had approved the contract and the Commissioners had signed the contract for the professional engineering firm to at least do the design work and get started on that for this project, and they’re proposed to be, after getting a couple different proposals, was \$188,546.34, and looking at this fund, there’s already \$100,000.00 appropriated from Major Bridge into this bridge 505 project, so really my request tonight would be to get the remaining \$80,546.34 to at least fund the engineering aspect where we could, when we get this contract rolling, we could have a kickoff meeting, make sure myself and yourself and potentially anyone from the Council maybe can attend and be part of the discussion, so that we are consistent in how we approach the repairs of this bridge.

Councilman Yagelski – My recommendation, because I've been working with the Highway Department Bridge Fund, is that the engineering firm would be great to take on because I myself would never approve the 1.5 right now because I don't believe in the mandate approach to something. We need an engineering firm to take a look at this. This bridge is a complicated bridge. It was selected, there's two bridges in Indiana that were selected as a select bridge. A select bridge, in other terms you want to call it, is basically an historic bridge but they use the word select. They won't even let us, right now, if there was an improvement on the sidewalk for handicap, they would deny it. That's how the federal government's pushing on this thing, so I've been working with this thing for the last 7 years trying to get something going on it. I think that a firm like this is strictly bridge-orientated and they need to be involved in it. So, this is a gesture for your consideration. I would like to at least recommend that we look at the complexity of the federal law, which the federal law pushed it to the state law, push to the state for the distribution monies and also for the advice and guidance.

Councilman Cunningham – So Mr. Yacullo, you're asking for \$88,000 tonight out of the Major Bridge Fund?

Mr. Yacullo – That's correct.

Councilman Cunningham – Just a rough idea, I'm sure you've talked with some of these guys that work on bridges, if the bridge fell into the creek like the bridge did in Minnesota, approximately what would it cost to replace the bridge?

Mr. Yacullo – In its existing state as a select bridge, it would open mechanically, I'm going to say that would exceed \$10 million.

Councilman Cunningham – That's what I was afraid of.

Mr. Yacullo – Fortunately, from both the inspections and the two other firms that I've brought in, we've had three firms looking at the bridge, fortunately I can say there's no danger of the bridge falling in. It's mostly the mechanicals and the electronic controls that could potentially prevent the bridge from either returning to a downward position to let traffic go over or could even be stuck in the upward position where traffic couldn't get over or the boats couldn't get through, but it's not in danger of falling in thankfully. We've got some corroded members, I guess superficial members that if we don't take care of now that could spread into the fracture of critical members of the bridge where then that would be a potential hazard concern. With all three firms looking at this bridge, they seem confident that in this total cost of \$1.5 million, we could get this thing to a healthy state where we wouldn't have to touch it hopefully for about 20 more years.

Councilman Yagelski – But unfortunately though, that would not be the salvation of the bridge.

Mr. Yacullo – Right.

Councilman Yagelski – The firm coming in like this, we discuss select bridges and we find out the exact way we can find a way to get to the laws of this thing because they can actually take funding away from us to do this project. A project like this we were going to ask for federal funds on, so again one more time, you can't even, you know, fix the sidewalk for handicap accessibility. You're not allowed to touch that bridge as it is right now.

Councilman Mrozinski – I’ll make a Motion to table this until we have a workshop on it so we can understand what’s going on and take it up.

Councilman Bernacchi – Second.

Councilman Yagelski – Motion is seconded. Any question on the Motion?

Councilman Garner – We’ve put some money in this bridge here in the last few years, and every time they come up it’s a large amount of money for repairs anyway.

Councilman Yagelski – Well, the only thing I’m suggesting is what I’m giving my opinion because I’ve worked with this thing. If we allow the engineering firm to do it, then they’d be able to answer our question. We can’t answer a question, Mr. Mrozinski or anybody else on it. The problem is that we know we have an issue with the select bridge. If we don’t get some guidance to help us get through it, then we are not going to, we can talk all we want if you guys want to learn about select bridges, it’s just a historical way of not being able to do anything with it right now. If the gear goes out and the gear costs us a million dollars, because you have to specially make the gear, you’ve got to pay the million dollars to specially make the gear. It’s very simple. I have come to the Council before, so. We have a Motion, we have a second. Roll call please.

Auditor Winski – Mr. Mrozinski – Aye. Mr. Santana – This is Motion to table? Aye. Mrs. Sosinski – Aye. Mr. Yagelski – Nay. Mr. Bernacchi – Aye. Mr. Cunningham – Aye. Mr. Garner – Aye.

Motion passes 6-1 to table.

La Porte County Auditor

Requesting a Transfer

Welfare-Family & Children Fund (7150) to Emergency Reserve Fund (1186) \$50,000.00
for Replacement of Money Used

Councilman Bernacchi – Motion to approve.

Councilman Mrozinski – Second.

Councilman Yagelski – Motion to approve. We have a second. Any question on the Motion? This is the money that we just, because it was written in the wrong fund, we’re reappropriating the fund?

Auditor Winski – Well, this is, in 2009, DLGF made us transfer money from the emergency fund to close out the children’s psychiatric fund, and so we just need to replace that money now back in the Emergency Reserve Fund. So, we’re transferring it from the welfare fund back to the emergency reserve fund.

Councilman Yagelski – OK. All in favor?

The Motion carried 7-0.

COUNTY COUNCIL/ATTORNEY COMMENTS

Councilman Cunningham – I want to thank the majority of the Council this evening for their position on the Emergency Reserve Fund and getting that back to where we could meet some emergencies. I'm somewhat reluctant, we just approved money out of the Misdemeanor Fund and I read in the paper on 7/20, the board learned that Sosinski was planning to work with the Michigan City Police Department on his new youth leadership program, which he said could be most or completely funded with Commissary Funds as the program is geared for preventing crime. I don't doubt that, but the Michigan City Police Department's not asking him for funds and the County is \$25 million in the red. I would propose that we not be giving away our money to agencies that are in better financial shape than we are. I see the same thing in the paper of July 18th, more than \$400,000 in deferral funds allotted to county agencies and it goes on to list La Porte County Prosecutor Bob Szilagyi distributed \$425,000. The first one listed is the Indiana State Police. Earlier this week, I saw a thing where the state is \$179,000,000 in the black, and we're giving money to the Indiana State Police? That's kind of ironic. The last paragraph says 'I wish I had more funds available to do more things for the County.' Well that's true of everybody. We all wish we had more funds available. The irony is, these aren't discretionary funds, they are deferral funds. These are things that the residents of this County have paid into this fund and an individual, without coming before the fiscal body just makes distributions. If we continue to do this, and then Mr. Szilagyi is going to come before us in August with a budget, we need to look deeply at the extra funds and see where, earlier this evening somebody asked us for a little money. They have half a million dollars sitting in an account that we don't control. I urge the Council members, between now and our Budget Hearings in August, to come to grips with the fact that it's going to be later rather than sooner that we get out of this financial morass? If we keep giving away money and spending money with agencies that have way more money than we do. Thank you.

One other thing, Purdue North Central was sent here by our Commissioners. Some of you saw the Commissioners' meeting from a week ago. They went before the Commissioners and asked to come before the Council for some money and the Commissioners voted 3-0 to send them to us to ask for money knowing that we have this deficit, knowing that we haven't given our employees a pay raise since 2007, and again the state's \$179,000,000 in the black. They're building a building out at Purdue North Central and if you saw the paper just recently, they just gave Mitch Daniels, the new president at Purdue University a \$58,000 bonus for his first six months on the job. Absolutely ludicrous that his bonus is \$20,000 higher than the average salary in La Porte County. Our county employees and employees as a whole are averaging about \$38,000, and his bonus is \$58,000 for his first six months on the job, and they're going to ask us for money? I appreciate the fact that someone had got to them and they used some wisdom in not even appearing. Thank you.

Councilman Santana – Just as a reminder, since he brought up PNC, two months from now we'll be taking the meeting, the meeting will be at PNC so that's just a reminder to the public out there. That's going to be our September meeting on the 23rd.


ADJOURNMENT

A Motion was made to adjourn by Councilman Sosinski and seconded by Councilman Bernacchi. The Motion passed 7-0.


EXAMINED & APPROVED BY THE LA PORTE COUNTY COUNCIL, dated this 26 day of August, 2013.



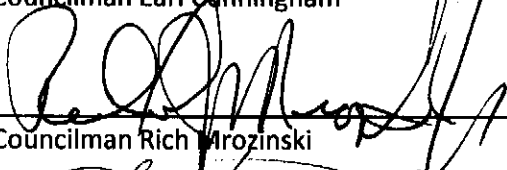
Councilman Matt Bernacchi




Councilman Earl Cunningham



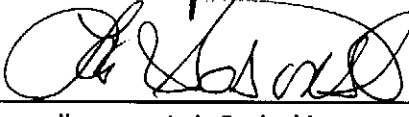
Councilman Terry Garner



Councilman Rich Wrozenski



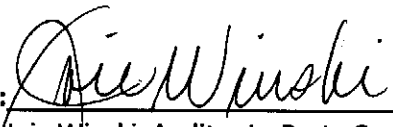
Councilman Jeff Santana



Councilwoman Lois Sosinski



Councilman Mark Yagelski

ATTEST: 

Joie Winski, Auditor La Porte County