

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

**MINUTES
LA PORTE COUNTY COUNCIL REGULAR MEETING
AUGUST 26, 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 Garner to approve the August 26, 2013 Agenda. The Motion carried 7-0.

APPROVAL OF JULY 22, 2013 REGULAR MEETING MINUTES AND JULY 31, 2013 SPECIAL MEETING MINUTES

A Motion was made by Councilman Garner and seconded by Councilwoman Sosinski to approve the July 22, 2013 Regular Meeting Minutes and the July 31, 2013 Special Meeting Minutes. The Motion carried 7-0.

DEPARTMENT HEAD REPORTS

Rick Brown, MS4 Updates

Mr. Rick Brown, MS4 Coordinator thanked the Council for their approval of his Budget the previous week. He stated that Mr. Polan, President of the Board mentioned that there would be a signed Agreement but that he was only able to obtain three of the four signatures. He said that he will get the fourth signature after the City's Board of Works reviews it and then will present it back to the Council. He stated that things are going well with MS4 and Michigan City is not in the program. They have had correspondence recently that they are going to be filling out their own NOI. They are moving forward positively. He sees no problems right now, and they are under control of their area and projects. They are in compliance with IDEM. Mr. Brown stated that if anybody had any questions about his packet that he could answer anything.

Councilman Yagelski asked if Mr. Brown understood about the training money still going through the Commissioners for travel.

Mr. Brown stated that they did put in a travel request recently and that he thought he was doing the correct procedure.

Councilman Yagelski stated that he just wanted to make sure because some people had questions about that at the Meeting.

Hearing or seeing no other Department Heads, Department Head Reports were closed.

LIAISON REPORTS

Councilman Garner had nothing at this time.

Councilman Santana spoke about EMS. He said that the next Meeting will be September 5th. They only meet twice a year. The Meeting will be at 7:30 in the morning. He spoke with Fran Tibbot, Director from EMA. Their next Meeting will be November 13th at 10 AM. Emergency Management is now in compliance with the state as they formed an alliance board, and they've met everything for assessments. As it has been in the past, their salaries will be paid half by the state and half by the County. Councilman Santana has been working with the Surveyor who has been working with Bob Young. He wanted to thank those guys. They are addressing an issue at 900W and 400N. Progress is being made as far as getting that drainage issue taken care of for the farmer there that hasn't been able to use some of the land for his crops.

Councilman Cunningham spoke about the Community Corrections. He stated that the open house is scheduled for Tuesday, September 24th from 1-4 at the new Community Corrections Center on Ziegler Road.

Councilwoman Sosinski stated that she would speak during the Council Comments.

Councilman Bernacchi stated that property taxes went out and that the Council approved the 6 months to make the payments. Also, if taxpayers can't make the full payments, the Treasurer's Office is accepting basically anything that they can give at this time up to the 6 months, but it does come down at tax sale. It is going to look much more favorable if people have been trying to make payments versus not making any payments at all. Not only will it help the County out as far as making the General Fund look a little greener, but it will help everyone out and it will look a little better on the taxpayer's case if they are trying to save their home. That is a couple years away, but Councilman Bernacchi says to try to keep that in mind.

Councilman Mrozinski received an e-mail on the Economic Development (GLEDC). The Tampa Port Authority announced yesterday that it signed a letter of intent with Green Express to develop the on-dock facility in the Port of Tampa. It will be operated by CSX Transportation. The Railroad will provide two dedicated express trains per week to move refrigerated and dry products from Tampa to the Chicago/Kingsbury, Indiana area, which is an ongoing project. Iowa Pacific Holdings, which operates 9 US shortlines and operates a fleet of refrigerated boxcars and will provide refrigerated boxcars for the Green Express train. CSX is proud to support the transports, more rail shipment and fresh produce by offering a creative and flexible pipeline from the farm to the table. The rail service facility would target international shippers, domestic retailers, and exporters that require fast and efficient supply chain solutions from their operators and The Tampa Port Authority and Green Express. This is good news for people who have worked many years, many hours, meetings, conference calls etc. to get their end done up here. Now they see that it's coming together on the other end of that rail project for CSX. This is probably one of the biggest projects for La Porte County maybe ever but at least since World War II. Mr. Layton was one of the men who worked long hard hours on this thing. Another person who put in a lot of hours on that, the former Council Attorney and La Porte City Attorney, Don Baugher is retiring. Don served as the Council's Attorney and did a great job. He was always there when the Council asked for legal advice. He never overstepped his authority by trying to tell the Council how to do their job. He

was there when they needed him and he was tough. He is sure that everyone connected with Don will miss seeing his friendly face at a lot of different meetings.

Councilman Mrozinski also spoke about the Animal Shelter. He stated that there was something on the Agenda for the Animal Shelter. He has been liaison to the Animal Shelter the whole time he's been on the Council, 6.5 years. He said that the last time he saw a Commissioner at their Meeting was Bill Hager. It has been a long time. Some people left a very sizable amount of money to the County and a lot of that was to go for the Animal Shelter. The deal was that they were going to put a large amount of money in an account, an interest bearing account with Unity Foundation where they'd get a draw every year and that money would be used strictly for the animals. That was the wishes of the people who passed away and left that money. Also, a sizable amount of interest had accumulated by the time they got all of the contracts and wording done. The deal was to take that money and rebuild the Animal Shelter, make it a lot nicer. It is extremely small and they are limited to what they can do there. They could do so much more and it could be state of the art. They have the money and that's what they were going to do. The plan was to do it exactly like they did the Purdue Extension building. Mr. Brown and Mr. Wright had drawn up all of the plans. They were going to bid the job out. They had a fund and they knew how much money they had to work with to be under budget and on-time as the Purdue building was. That was the Motion that they made at the Meeting and it was passed until the Commissioners showed up after that had already been done and decided that it cannot be done that way. The project has now \$100,000 more than they started off with. The Advisory Board did make the Motion and passed it and insisted it would be done with prevailing wage. If they had proceeded with what they wanted to do, this building would be pretty well done now. As it is, they don't even have the first shovel full of dirt. They are trying to figure out what they are going to do. They still want to do the project. It is the wish of the people who left the money. They have kicked around a lot of different ideas. This is a County building and would be deemed as infrastructure. That would make it eligible for Major Moves funding, with the understanding, in fact they would have a written contract. Councilman Mrozinski spoke with Attorney Biege that day about how they were going to do that, where they would borrow the money from Major Moves to do the building. The way that account is set up is that there is a draw every year from the interest from the money that was invested and there would be a draw next March of 2015, which would be more than enough to pay back what they need to borrow. Councilman Mrozinski does not really like to do it that way, but they are kind of put in a corner and don't know what else they can do. Had they been left to their own devices it would have been done on budget and on-time. Now they have a bump in the road that they have to handle. It will be up to the Council to figure out if they want to do it that way. He would recommend that they do, but that will be the Council's decision.

Councilman Yagelski stated that the September Meeting that was supposed to be at Purdue will now be October. It will be October 28th, Monday. They Regular Meeting will begin at 6:30 p.m. with a Workshop at 5:30 p.m. The Chancellor has been very excited about that. He's actually inviting some of his professors and some of the students to be there to ask questions.

PUBLIC COMMENT

Cornell Branch Jr., 232 S. Porter Street, Michigan City, IN 46360

"I'd like to hear a tape on that Budget Hearing, the last Budget Hearing you had. I want to hear the tape on it."

Councilman Yagelski – “You could put a public request in. You’d have to submit that with the Auditor, Mrs. Winski.”

Auditor Winski – “I have forms that you can fill out in my office. We are open from 8 to 4.”

Joan Chumley – 832 Pine Street, Michigan City, Indiana 46360

Director of the Board of Directors of the Michigan City, La Porte County Branch of the NAACP.

“We received a complaint that Mr. Mrozinski, and forgive me if I am mispronouncing your name, however, that you had admonished a very competent African-American professional in public at this Hearing. First of all, that is totally unacceptable. Every one of you knows that any public admonishment, that’s to be in private. Anything dealing with personnel, whether you want to cut her wages, cut her hours, terminate her service, or critique her performance, that’s executive service. Not only do I find Mr. Mrozinski’s behavior unethical, unacceptable, but every one of you who attended this meeting, not one of you had the courage or the integrity to stand up and say, ‘out of order.’ So, for that, we have issued a press release and we don’t just admonish Mr. Mrozinski, but the entire Board of the Council. How dare you not treat every single employee, whether they are a ditch digger, an executive, male, female, any heritage, able or physically challenged, the same standard must prevail for each and every one of us. You are an embarrassment to us as citizens of La Porte County, and I’m really disappointed in you. Thank you.”

Councilwoman Sosinski – “I would like, just for the record to be clear. Unfortunately, I was not able to attend Budget Hearings on Thursday because of an emergency commitment with my job. I was not present at those Hearings. I have not heard the tape. However, until, I guess, I hear the tape, you are exactly right. We should not be talking about personal matters in an open meeting. If that did happen, I would not have been a part of that, and as far as our Human Resource Department, I am the liaison to that Department. I guess that’s all I can say at this point, but I was not at that Meeting.”

Rev. Albert Isbell, 415 Holiday Street, Michigan City, IN 46360

“I also work with the Michigan City Police Chaplain Division if they need me. I wanted to stand and have the public to know, I am in support of the budget to help with this situation and I’m hoping that the Council is also. I’d like to be on record for the budget.”

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

NEW BUSINESS

Mike Yacullo Requesting Approval of Professional Services Contract for the Design of a Rehabilitation Contract for the Franklin Street Lift Bridge as well as Research of Funding Options.

Councilman Yagelski stated, “Some of us were able to attend the meeting we had with the Commissioners and the engineers. The firm that Mike’s going to suggest, has a lot of experience with the idea of the Select Bridge. A Select Bridge is like an historic building, so it’s like the same terminology. So we are trying to get ourselves through that. We are trying to look at the idea of not ‘band-aiding’ the bridge but to try to get the bridge to the standards that we expect of that being a thoroughfare through the park and how to get in or out of that when we have major events.”

Mr. Yacullo stated that the contract was approved by the Commissioners and signed. It is a revised version. He supplied that to the Auditor’s office to forward onto the Council. They have reduced the

number of items to be addressed, both in electrical and mechanical and structural. They got 32 items down to 20. They tried to narrow down the scope and not go hog-wild on repairs where the end goal could be possibly find a proper replacement for the bridge. The firm not only provides design services but then researches funding options that can be made to replace this bridge in whole.

Councilman Yagelski asked if that was in the request for that Meeting.

Mr. Yacullo stated that yes, it was under appropriations as well. He did not know whether to handle the Motion at that point later in the Agenda or if it was the pleasure of the Council to vote on that now.

Councilman Yagelski said to wait until it came up.

Councilman Mrozinski stated that he got a call from a teacher at La Porte High School, Mrs. Nix. He has known her for a while and used to work with her father-in-law at Nipsco. She has had Councilman Mrozinski and Mr. Layton in her high-school honor's classroom to talk about the Vietnam War. For the high school students in the audience, and anyone else who may not know who the County Council is or what they do, he went online and got information and read:

The County Council has the ultimate decision-making power regarding fiscal affairs. The Council has authority to view and review fiscal matters, determine proper policy, and set priorities for the allocation and expenditures of County funds. The general assembly determines the powers of the County Council in this area. Typically, these powers include: approving and fixing annual operating budgets of all government offices and agencies, establishing salaries, wages, per diems, and other compensation for all County officials and employees, fixing tax rates and establishing levies on all County property for the purpose of raising funds to meet budget requirements in conducting County business, as well as authorizing the borrowing of money in the form of bonds and notes.' Mr. Mrozinski thanked them for coming that night and welcomed them.

OLD BUSINESS

Financial Report from Ken Layton

Mr. Layton gave the Council copies of a letter that he authored on behalf of the auditor's office, the assessor's office, and the treasurer's office. The bottom line is that he has a difference of opinion than a professional company. He wanted to make sure his opinion was not taken as derogatory to the Cender & Company. He thinks they are one of the best financial minds in the County and in Northern Indiana. He has said that before at many meetings. He stated that the Council has been told that there would be only a \$4 million shortfall, quite possibly as low as \$2.7 million by the end of 2013, and he disagrees. He sees it more in the vicinity of a \$30 million shortfall. The reason he says that is that he met with Auditor Winski that afternoon and had new numbers that were different from the numbers on the Council's page. On August 9th when he wrote the letter, the County was \$25 million and change in the red. As of the day of the Meeting, it was \$28 million and change in the red. It will change monthly by \$2.2 million because of payroll and taxes and insurance, etc. That is what it costs just to operate the personnel issues, \$2.2 million per month. That doesn't count the payment for electric or insurance or anything else. The bottom line, there is no way to sugarcoat it, the County is in financial stress. Cender's report stated that they believe that by the time all of this is brought to fruition and we get back on a normal taxing status, we may be only \$4 million in the red. The committee believes that as well. They say that collection rates could go higher as much as 50% of what was due or delinquent. They believe that by

the use of tax sales, which they can't have according to the Dermody Bill at least until 2015, they may even be more than that, so they may be even less than \$4 million in the red at the time. As the County does business today, they are \$28 million in the red and he can so no way that they will be \$2.7 or even \$4 million in the red at the end of this year, 2013.

Councilman Mrozinski asked what the percentage of collection was on the last tax bill that went out.

Mr. Layton stated that there was a difference of opinion with the Treasurer and the letter that he wrote. Mrs. Hawkins' stand is that there was a 70% plus collection rate, and that is true. Mr. Layton had a copy of the collection report for 10 pay 11, and it was actually 75%. His letter said that on the reconciliation bill, \$36 million was assessed and billed, and only \$10 million of that had been collected, which was 30% of what had been billed. That was where the discrepancy was between himself and Mrs. Hawkins came from.

Councilman Mrozinski stated that he was referring to the press release that said that 92% was collected.

Mr. Layton said that was definitely not true. He said that the County has not collected in the 90% since 2007 pay 2008.

Councilman Cunningham stated that not only was the 92% figure sent out in a press release, but it was announced at the last Commissioner's Meeting that the 10 pay 11 collection rate was 92%. He said that the next day's press covered the quote from one of the Commissioners that we had collected 92%. He said that he saw the 30% on August 9th. Councilman Cunningham called her from Budget Hearings and put her on speaker phone, and she gave the same 70% figure. He asked Mr. Layton, even at 70%, of the monies that are brought in, what percentage of that belongs to the County after distributions are made, approximately.

Mr. Layton said that if they collected \$100 million, the percentage that belonged to the County would be the same, around 30%. 3 cents out of every dime goes to the County. That is also broken down into the different funds. The General Fund gets some, the Health Fund gets some, so it is not all into the General.

Councilman Cunningham said that at the 70% rate on that \$36 million, they collect approximately 25.2 multiplied by 30%. The County's share is about \$7.5 million. If they do that again for 11 pay 12, which was just billed last week and 12 pay 13 which will be out later in the year and even look at next year, at the same rate that's only about \$30 million. He stated that Mr. Layton and himself were in agreement that by the end of this year, they could be \$38-39 million in the red.

Mr. Layton stated that if there were no further collections that that would be absolutely correct. If there is a collection, it will go to negate some of the negative. On the report, the percentage of collections report that he got from the Treasurer's Office, which includes the reconciliation and the previous billing, there was a \$124 million was billed in taxes. On the first claim they took in \$64 million, so there's still \$60 million that is due, and of course, 30% of that, roughly \$18 million of that would go to the County.

Councilman Cunningham asked if Mr. Layton was able to review the tape from Mr. Cender's representative, Damon Tsouklis, from the last Council Meeting in July. He gave the same figures, in fact

he gave a written report stating \$4.5 million at the end of the year. With that under some questioning, he said it is possible that in the first quarter of 2014 that you could be \$35-36 million in the red.

Mr. Layton stated that he did not view the tape of that Meeting.

Councilman Cunningham asked if Mr. Layton would view that statement to be fairly accurate.

Mr. Layton stated that he would.

Councilman Cunningham asked if Mr. Layton found it almost impossible to be \$4.5 million in debt on December 31st and \$35 to \$36 million in debt in the first quarter of 2014.

Mr. Layton said that he cannot see where this County is going to be \$4 million in debt by the end of this year.

Councilman Yagelski asked if Mr. Layton could forward the newer numbers to the Council.

Mr. Layton stated that he would. He said he would give them to Mrs. Winski to forward to the Council.

Councilman Garner asked if in layman's terms we're \$4 million short of all tax monies that are supposed to be collected. That's basically what it amounts to because of the tax caps and everything. It's around \$4 million short.

Mr. Layton stated that that was not true at all. He stated that he gathered by the end of the time period, with all of the collections, if they go back into the 90% collections like Mr. Cender was referring to in his report, they believe that the \$4 million figure is at the end of the time frame, year 2015 or 2016. Once they can get back into the rotation of having tax sales again. Tax sales are like a dirty word that people don't like, but when the threat of tax sales comes along, people start paying their taxes and very few properties are sold at a tax sale. His first year in the Auditor's Office, they started out with 2800 properties on the tax sale, and when it came to the day of the tax sale, that 2800 had dwindled to 400. People caught up because they didn't want to lose their properties. He suspects that those same things will happen again when the County is back in a normal rotation.

Councilman Yagelski asked if even they have tax sales in 2015, they would have to hold that money for a year in escrow to allow them to have a chance to pay it back. They still have a year even after the bid process.

Mr. Layton said that was correct if the property was sold. Money is in the bank and the County can draw interest off of it, but it is monies that maybe people come in and have their properties redeemed and the County has to give the money back.

Councilman Cunningham asked if Mrs. Hawkins told him what the interest rate is as of today.

Mr. Layton stated that he believed that it was .0045%.

ORDINANCES AND RESOLUTIONS

An Ordinance to Forgive the Loan from the La Porte County Emergency Reserve Fund to the La Porte County Riverboat Fund, and to establish payments from the La Porte County Riverboat Fund to Rebuild the La Porte County Emergency Reserve Fund. The Ordinance would be number 2013-15.

Councilman Bernacchi moved to read by title only and it was seconded by Councilman Garner.

The Ordinance was read by title only by President Yagelski.

Councilman Mrozinski made a Motion to approve the Ordinance. It was seconded by Councilwoman Sosinski.

Councilman Yagelski clarified that it was that \$9 million La Porte County loan. The Motion carried 6-1 with Councilman Garner voting Nay.

CORRESPONDENCE

None.

APROPRIATIONS, TRANSFERS, REQUESTS

La Porte County Health Department

Requesting Permission to Hire Two Positions – Public Health Clerk and Public Health Nurse

Tony Mancuso told the Council a nurse and a clerk retired.

Councilman Bernacchi asked if these positions were needed to function. Mr. Mancuso verified they are necessary.

Councilman Bernacchi made a Motion to approve. It was seconded by Councilman Mrozinski.

Councilwoman Sosinski asked if they were already in the 2013 budget.

He stated that they were. The Motion carried 7-0.

La Porte County Highway Department

Requesting Permission to Hire Two Positions - Equipment Operators (2)

Bob Young answered Mr. Garner's question from Wednesday's Budget Hearing of how many people they were short. The number is 4 people – 3 equipment operators and 1 laborer.

Councilman Yagelski asked if these two positions were from people retiring recently.

Mr. Young stated that one left for other employment and one retired.

Councilman Mrozinski found it amazing that the staffing level was the same now as it was in 1954. He said they are doing an amazing job and made a Motion to approve. It was seconded by Councilmen Cunningham and Bernacchi. Councilwoman Sosinski asked if these were on the 2013 Budget.

He stated that they were. They left this year.

The Motion carried 7-0.

La Porte County Maintenance

Requesting an Additional Appropriation

CCD Fund (1138)

for Building Repairs

\$600,000.00

Mr. Cooley stated that it was a busy afternoon. There was a 4 inch sprinkler main that rusted through at the Juvenile Center in the gym area. People are coming tomorrow to fix it.

Councilman Yagelski stated that at the Meeting with the Commissioners they asked for a top 6 and that he did talk with the County Highway Garage and it is deteriorating and there are leaks at this time. He would be willing to forego it until spring, but it has to be put as a top priority when it comes up in the Spring. He said that he could make it through the winter.

Mr. Cooley stated that the other problem is that it takes a while to bid that out.

Councilman Yagleski also mentioned that the doors for the County Highway Garage have had to be replaced also but that it could wait until spring. Knocking off those first two on the list would knock off about \$100,000. The other four are high priority and they have a lot to say about it. The only thing Councilman Yagelski wanted to comment about was the Historical Society Museum.

Mr. Cooley said that the contractor was working with that right now trying to figure out what to do out there.

Councilman Yagelski asked if there was any way to not use that balcony. Is there a purpose for that balcony?

Mr. Cooley said that they could block off the double doors to the balcony but that it would have to be addressed sooner or later.

Councilman Yagelski asked if they had to have \$27,500 because that's lower than the amount that was said.

Mr. Cooley stated that it was just an estimate on the contractor's part. He doesn't know for sure. It has to go out for bid and they won't give Mr. Cooley the exact numbers until he has an idea that they are really going to spend the money. Over the years they've asked contractors to bid on stuff and they didn't want to bid because it costs them money to bid a project, so they're estimating.

Councilman Yagelski said that his opinion would be to just lock the balcony up because it serves no general purpose. There's no purpose to go out there or to be out there.

Mr. Cooley said that his main concerns are the other things on the list anyway. For Michigan City, he had three different contractors give him a price on that. H&G finally found a compressor. It was going to cost around \$30,000 and now it's \$5,000. He is trying to save money, but sometimes the stuff that they have is obsolete and some contractors can't find it.

Councilman Cunningham made a Motion to approve the request for \$5,000 or less for H&G for the Complex in Michigan City out of the WinTax Fund. It was seconded by Councilman Mrozinski.

Mr. Cooley said that he would rather take it out of CCD since they have more in there and that's where the Commissioners asked him to take it from.

Councilman Cunningham changed it from WinTax to CCD Fund. The Motion carried 7-0.

Auditor Winski asked if Mr. Cooley had a copy for her.

Mr. Cooley said that he would get her one. He said that they are going to start installing the compressor tomorrow and that it has been down about 6 weeks.

Councilman Yagelski talked about the three items at the County Complex. He said that he did inspect them. They are crucial and need to be done. He asked for a Motion not to exceed \$200,000.

Councilwoman Sosinski made the Motion to take the money from CCD. It was seconded by Councilman Mrozinski.

Councilman Santana said that if they gave him the \$27,500 for the museum that they would only be at \$210,500.

Councilman Cunningham said that they didn't want to fix the balcony at the museum because it has no function.

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

Councilman Yagelski said that they should make a Motion for Mr. Cooley to look for bids for the two other projects with the County highway garage and the County highway doors. If he wants to get a bid for the museum at that time then he can go ahead and throw that in there. This is after January 1st since they don't have the money this year.

Mr. Cooley said that he still has to bring in bids and get them approved by the Commissioners.

Councilman Mrozinski made a Motion to allow Mr. Cooley to get bids for those three projects for the first of the year. It was seconded by Councilwoman Sosinski. The Motion carried 7-0.

La Porte County Small Animal Shelter
Requesting an Additional Appropriation
Riverboat (1191) or Win Tax (4220)
for Shelter Improvements

Not to Exceed
\$100,000.00

David Johnson – 103 Keston Elm Dr. La Porte. It was 6 or 7 years ago that Del and Virginia Stevens asked him to serve as the executor of their estate. At that time they had no idea as to the magnitude of this undertaking, both due to the size of the estate as well as the intricacies involved. Over time, they came to realize that the La Porte County Small Animal Shelter was the single largest recipient of the Stevens' generosity. After the Stevens had passed and Mr. Johnson had become responsible for the distribution of the funds, they also became more involved in the utilization. Due to the fact that it was such a significant agency to Del and Virginia because they have adopted several cats from the shelter themselves over the years, they became very interested in its work and the impact the Stevens' gift could have upon it. After visiting the facility and exploring its current structure, they became acutely aware of the inadequacies. The staff of the County program, under the leadership of Jane Bernard does an amazing job working despite the challenges posed by this facility.

They became very excited about the potential for utilizing the Stevens' bequest to truly have an immediate and significant impact. What if we carved out a significant share of their bequest for immediate utilization to bring the facility up to a level of which the County could truly be proud. They met with Jane and began to talk numbers. They worked with Mr. Kaminski, the Stevens' attorney, and carved out an amount that they thought would be adequate to address the needs and make that available for immediate utilization. It is important to note that the monies they identified was decided on in a rather arbitrary manner. They could just as easily have decided to make it all available or none of it or the sum of \$400,000, which is, as he understands it, is the current bid price. Had they decided to make it that \$400,000 figure, they would not be meeting now. As the Council knows, the remainder was invested with Unity Foundation with the idea that funds generated would be made available to the Small Animal Shelter on an annual basis to be used as deemed appropriate. When bids came in at approximately \$100,000 more than they had identified, the question became should the project be modified to meet the amount arbitrarily made available or should the Small Animal Shelter request authorization to borrow the \$100,000 from the funds available with the Unity Foundation and forego the draw over the next two years. They are here tonight to support the request to borrow the funds and undertake the entire project. It is their opinion that the completed project would have a significantly more positive impact on the facility and the animals it serves than that which could be accomplished by downgrading the project and taking the draw for the next two years. They believe it is important to point out that some of the work to be undertaken by this project is work that would normally need to be addressed via regular County tax dollars. The Stevens' bequest in this project allow the County to be able to avoid funding that responsibility.

It was two years ago when Jane Bernard received a phone call from Mr. Pendergast saying that they had been chosen to be the beneficiaries of the Stevens' money. When he told her the amount, she hung up the phone and had to regroup and call him back to make sure that she hadn't just dreamt what he had told her. The last two years have been an emotional roller coaster. Councilman Mrozinski has been a part of that. Her husband also has been a part of what was going to be done with the money and how it was going to be spent. They were on a really good track with getting the project built within the amount of money that the executors felt they could utilize. Due to circumstances beyond her control, that amount has exceeded what they have. They tried to come up with some plans. The advisory board has met more in the last year than they have in quite a while. That has come to the plan of her being there tonight to request to borrow the \$100,000. Included in the plans are to upgrade the heat and air conditioning. Currently they have right now what's labeled as a negative air flow. They were even asked if they have headaches because of the lack of air circulation with the way the building is set up. They want to replace some doors, make it more user friendly. The Council is aware that the building they are in was never meant to be an Animal Shelter, but they have made do. She knows money is tight.

They have been able to get by with what they have. They want to replace the asphalt that contributes to a disease problem. The addition is roughly 2200 square feet that's going to include an isolation area that they currently do not have, a grooming area that they currently do not have. Right now, when the County veterinarian comes in, she basically has to examine the animals in a hallway where the public comes in and out while she's sometimes doing these exams. So, this treatment area that they are proposing is going to greatly improve the lives of the animals and also the lives of staff, giving them the needed room that they need. Basically what they are going to be able to offer is a better product. Animals are going to get the care that they need. They're not going to have to transfer them to a veterinarian. They are going to have an area where they are going to be able to receive that. Along with that, they haven't increased their fees in over ten years for adoptions. This is the time that could take place. Currently, they roughly bring in \$27,000 to the County in their adoptions and reclaims. That could possibly double or triple depending upon how they utilize the center. This is an opportunity for them to move forward. They currently, in her eyes, are one of the best shelters in the state of Indiana, and this is going to allow them to continue to be on that road. She thinks it is a shelter that the Council has been proud of and she hopes that they will vote favorably tonight to continue on that track.

Councilman Yagelski stated that the city of La Porte was desperate for money and tried to borrow it from the Council too and the state did not allow them. The money went to the Unity Foundation, which has an excess of \$20 million. He asked why the Animal Shelter cannot simply ask them to borrow the money since the County has such issues with how much money they have and whether they can loan that money or not. Has anybody attempted to ask that foundation for the loan, even with small interest at that point.

Jane stated that she asked Maggie and was told that there wasn't an account that it could come from. She said that Mr. Cunningham talked with Maggie in a little further detail and she is not sure where that ended.

Councilman Cunningham said that Maggie asked him what the County was drawing in interest. She said that Mrs. Bernard could pay the County interest on the loan for a lot less than it would cost if the Unity Foundation has to do it. They are drawing approximately 4.5-5%. He said that the shelter is not even sure it would need the \$400,000. If the Council gave them \$99,500 and charged them .25% interest on the \$100,000 for the next two years, that's only \$500. If they gave them \$99,500 and they agreed to pay it back two payments of \$50,000, the shelter knows it can operate under those terms.

Mrs. Bernard said that was correct.

Councilman Cunningham asked if she is confident that \$99,500 will be sufficient to do it.

Mrs. Bernard said that they would make it work.

Councilman Cunningham stated that his attitude is that the County has money in some funds that they are not going to use, like Major Moves, for example. If they loan \$100,000, it is a matter of the lawyer figuring out which fund it can come out of. It is not like the Council is going to spend every dollar that it has. If the shelter took \$99,500 and paid it back \$100,000, the County would not lose a cent of interest. That is his position. He stated that he will support this. He thinks that Mrs. Bernard has done a terrific job in spite of all of the political stuff that has happened. He doesn't want to punish her and her staff or the animals that they take care of for political arguing that's taken place over the last year.

Councilman Yagelski asked that she please understand, though, that they had to turn La Porte City down and that's not a punishment. It's part of the issue with taking loans out for the taxes.

Councilwoman Sosinski stated that she understood that comment, but the Animal Shelter is a La Porte County Department. City of La Porte is the City of La Porte, so she does not look at it that way. Technically, yes, the Animal Shelter would reimburse the money that was loaned to them with the payments that come out of the endowment. However, it is like the rainy day fund. They loaned themselves but didn't really loan it. They used it, and the shelter has the plan that it's going to come back in. So, they are really not making a loan to one of their own entities. It's not the same as the City of La Porte.

Councilman Yagelski stated that a loan is still a loan and they do not have the money. That's the issue.

Councilman Bernacchi asked if the County Engineer would explain to them why this project went up \$100,000, and what the changes were.

He stated that there was no engineering cost ever established; so to say it increased by \$100,000 is a broad assumption. Basically, they put the information out there for the contractors to bid. She had it roughly \$340,000 to spend. They were hoping to shoot for that number, but the cost of the project that was established in the bid was \$444,877. There was one other bid at \$860,000 higher. It was very tight bidding. He thinks that should speak to the Council about the true cost of the project.

Councilman Mrozinski pointed out that it is not only an old building but it is also old equipment. The equipment has been weaseled back to see if they could get a better deal on the equipment and they are really getting no mark up on the equipment, so this is like a turnkey bid that would get the building and equipment all taken care of.

Councilman Garner asked if Mr. Yacullo had received prints and drawings that were approved by the board. His point is that he wanted to know if anything was changed on the drawings that would affect anything downstate.

Mr. Yacullo responded that he did not change the drawings at all.

Councilman Garner asked if they will be able to use his drawings and all of his engineering without any consequences with the state or him.

Mr. Yacullo responded that this was true.

Councilman Mrozinski said that this was brought before the advisory board. There was talk of changing this or that or doing it a different way, and that did prompt a email from Mr. Wright to say that it was unethical and possibly illegal. So, they voted as an advisory board to leave it the way that it is. It will be fine and they will make it work. If they have to make changes later they will do it, but for now, they will use the same drawings. That includes all the equipment.

Councilman Garner wanted to read a comment. He had an opportunity to speak to different individuals over the Animal Shelter remodeling, and he was there when the family gave the money last year and donated it. They had a hard time trying to figure out how to keep it where political officials could not get involved in this process and take advantage of a good deed donation by the Stevens family.

Unfortunately, they must not have succeeded at that as well as they thought they did. He is a little concerned with that because it's \$100,000 that cannot be used in the future towards these animals. That was their intent, to him, for the money to go to the animals. That bothers him a little. He does not object to the project because he does see it and understands that they've done an excellent job. Everybody that volunteers and gives to the Animal Shelter, it's amazing the support that they do give. At this time he'd like to see it delayed and worked out for the future of the animals, but they will see how the vote goes.

Councilman Yagelski asked the attorney which of the possibilities are out there for a loan purpose.

Attorney Biege said that it is not an easy answer. If you do it in terms of a loan, that is problematic because, like Lois said, the Animal Shelter is an entity. This is an endowment. So, they cannot attach that money. Take the sewer project, for example. They had a loan. They had a legal entity. They signed. He was able to put loans on the improvements and they were secure. With this, there is really no way to secure it, and they cannot encumber these funds coming out of the endowment from interest. That doesn't mean it cannot be done. It means they have no safety pad there. Secondly, he is unsure if they will be able to count this in the terms of a loan because it's another County entity. Now, they can fund it, and perhaps they can come to an agreement with the Animal Shelter because they have the endowment funding within the County. So when that donation comes in, they can perhaps pass an ordinance or resolution that that money can then be transferred into whatever fund they are borrowing from. He thinks that he can do it, but it won't be a straight loan with security like they would normally see.

Councilwoman Sosinski asked which account that would come out of, Riverboat or WinTax.

Attorney Biege stated that WinTax would be better.

Councilman Cunningham asked Mrs. Bernard if she thinks that she can work with the Unity Foundation to get them. He stated that her board would be more than happy to give them in writing that they want the \$50,000 for the next two springs to go to the County.

Mrs. Bernard said absolutely.

Councilman Cunningham stated that if the Unity Foundation would put that in writing for Mr. Biege that they will make \$50,000 payments two successive springs, and they could take it out of Riverboat, that it's just going to come back through the endowment back into the Fund.

Attorney Biege said that he thinks they can get this done but it just won't be configured like they normally do things. He is assuming that they have the family's consent or the executor's consent on this. If they do choose to fund it with the Motion, Attorney Biege says not to be too specific and to let him do it and he will bring it back to the Council to verify that it's going to work and he can do it the way they want to do it.

Councilman Cunningham stated that because Councilman Mrozinski is on the board and because he has the utmost confidence in Mrs. Bernard and that he would like to take \$100,000 from the WinTax, with the understanding that Mrs. Bernard's Board and the Unity Foundation will work out payment. In fact, the Motion will say that they give them \$99,500.

Councilman Mrozinski seconded the Motion contingent on Mr. Biege and the Unity Foundation. He wants to make sure that they get their money back because this is a County Building.

Councilwoman Sosinski stated that they were fulfilling the intent, but they were not allowed to keep as much out as the project since it was an estimate. They will just get those monies afterward. It's not a loan. It's their own governmental entity.

Attorney Biege stated that the only difference is that since it is an endowment that they cannot guarantee a repayment. They can configure it so that the money comes back into the correct account after the County receives it or after the Animal Shelter receives it. They can just not encumber anything for the future.

The Motion carried 5-2, with Councilmen Yagelski and Garner voting Nay.

La Porte County Juvenile Services Center

Requesting an Additional Appropriation

Treatment Fund (2058)

for Replacement of Telephone System

\$1,857.49

Erica I stated that the phone system has really been messing up for the past two months. They have been getting busy signals, it has just been ringing and ringing. People cannot reach anyone. They have to e-mail to get in contact with anyone. The outside line is messing up. It is ok in house. Talking to the maintenance department, the phone system needs to be replaced because it is so old and there are no parts available or they are really costly. The Commissioners have agreed to pay a portion. The circuit court is paying a portion, and the juvenile services center is paying a portion. They do have some money in the treatment fund account. She is asking to appropriate that amount into the 5401 account.

Councilwoman Sosinski made a Motion to approve that out of the Treatment Fund 2058. It was seconded by Councilman Bernacchi.

Councilman Yagelski stated that they have put in three phone systems that have failed in La Porte County and there has not been a success at all. He hopes that there is more expertise on where they are buying them from. He wanted to know if this was a better vendor that they were looking at.

Mrs. Stallworth stated that Mr. Cooley may have better information on that. Kent Carpenter is handling that. It is going to be the same phone system that the County uses. It will put them on the same one.

Councilman Yagelski stated that it is not much better at the moment and that they are even trying to replace it.

Mr. Cooley stated that he is not an expert on the telephone and that Mr. Carpenter is but they are going through the telephone company that they have so they can maintain it also. As they go out of business, sometimes these corporations sell out and the people buying them up don't maintain them anymore. You can't lease them. You have to buy them. The Motion carried 7-0.

La Porte County Highway Engineer

Requesting an Additional Appropriation

Major Bridge Fund (1171)

For Rehabilitation of the Franklin Street Lift Bridge

Not to exceed
\$200,000.00

Councilman Mrozinski made a Motion to approve out of the major bridge fund. It was seconded by Councilman Santana. The Motion passed 6-1 with Councilman Bernacchi voting Nay.

Requesting an Additional Appropriation

CCD Fund (1138) or Riverboat (1191)

For Repair Contract for Roof at the Juvenile Services Center

\$40,726.00

Councilwoman Sosinski made a Motion to approve the request out of CCD (1138). It was seconded by Councilman Santana. The Motion carried 6-1 with Councilman Bernacchi voting Nay.

Requesting an Additional Appropriation

CCD Fund (1138) or Riverboat (1191)

For Parking Lot Resurfacing at JSC, County Annex, and Hiler Building

\$133,555.00

Councilman Bernacchi made a Motion to deny. It was seconded by Councilman Garner. The Motion to deny carried 7-0.

La Porte County Auditor

Requesting an Additional Appropriation

General Fund (1000)

For Part-Time/Extra Hire for Phase III of Tax Bills Project

\$5,000.00

Councilman Mrozinski made a Motion to approve. It was seconded by Councilman Santana. The Motion carried 7-0.

COUNTY COUNCIL/ATTORNEY COMMENTS

Councilman Santana wanted to go on record to say that he takes issue with the comments about the budget hearings earlier. He takes issue that he is included and that the whole Council was faulted. He understands that the recording was approximately 40 seconds long, and he believes that once we all hear the tape, then they will be able to determine if they were negligent or at fault to cut off the verbal exchange that took place. It happened so fast, and the HR director exited very quickly. There were only a few people there, and to say that the Council didn't act accordingly and stop that verbal exchange, there wasn't time to stop it. He says that he thinks, truly, they are going to see that when they listen to the tape.

Councilman Garner wished to second that with Mr. Santana. He said that they were a little stunned at what happened actually, and she walked out, so they were just left that way.

Councilman Cunningham wished to echo those thoughts. He said that there are other Department Heads in there that would say they were too rough on them. One of the Judges stated they were equally rough on everybody and it was just a question, his interpretation of the situation, it was a question about how they were spending money.

Councilman Mrozinski stated that at the beginning of the evening when he talked to the high school students he read the County Council has the ultimate decision-making power regarding fiscal affairs, and one of the lines said establishing salaries, wages, per diems, and other compensation. This is what they do. That is what Budget Hearings are and that is what they did in there for two long days. They talked with every Department Head. He agrees with his Council Brothers that they weren't necessarily rough on everybody. They are keeping the budget in check. They are trying to keep the budget as low as they possibly can. They have a 2.5% growth factor. They have to keep it under that. They did agree that this needs to be handled in an executive session. That's what they said. He didn't take it to the press. He didn't put it on the radio. He didn't put it in the newspaper. They were going to handle it in a discreet manner. That was taken away from them.

That being said, he did see the press release and it is full of lies. It is full of flat lies and when the truth comes out, somebody's going to get an apology. It's going to be him getting an apology. He was attacked, and it was lies in there saying that he did this and he did that, and it never happened, and he is not going to tolerate it. The truth will come out. When it comes out, he will take the apology.

Councilman Bernacchi stated that in situations like this, less said now is more later. Other than the fact that they are here as a budgetary body, and he doesn't think that anyone there felt that anything derogatory was said. They just asked a couple of questions, and when it was getting to the area of needing to be an executive session, that's exactly what they did. He thinks a lot of people are jumping on things without hearing the whole story and everything will pan out.

Councilwoman Sosinski agreed with him to a point about less said. She stated again that she unfortunately was not at the Meeting. Her main concern, for the couple of people that were there, is that whatever comments were made was that Rich was speaking for the entire Council. She does not know as she was not there. If that's the case, no one does speak for Lois Sosinski, she speaks for herself.

ADJOURNMENT

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

EXAMINED & APPROVED BY THE LA PORTE COUNTY COUNCIL, dated this 23 day of September, 2013.



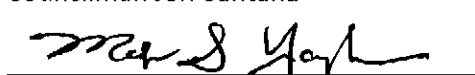
Councilman Matt Bernacchi



Councilman Terry Garner




Councilman Jeff Santana




Councilman Mark Yagelski



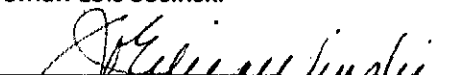
Councilman Earl Cunningham



Councilman Rich Mrozinski



Councilwoman Lois Sosinski

ATTEST: 

Joje Winski, Auditor La Porte County