

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

**MINUTES
REGULAR MEETING OF THE LAPORTE COUNTY COUNCIL
APRIL 27, 2015 AT 6:30 P.M.**

(Please Turn Off All Cell Phones)

The Regular Meeting of the La Porte County Council was held on April 27, 2015 at 6:30 p.m. (local time) in the Assembly Room of the La Porte County Government Complex located at 809 State Street, La Porte, Indiana, 46350.

CALL TO ORDER

La Porte County Council President Mark Yagelski called the Meeting to order at 6:30 p.m.

PLEDGE OF ALLEGIANCE

President Yagelski asked everyone to stand for the Pledge of Allegiance. Mr. Yagelski asked that everyone, except emergency personnel, to please turn off their cell phones at this time.

ROLL CALL

Auditor Winski took the Roll Call. Council Members present were Councilwoman Sosinski, Councilmen Bernacchi, Kirkham, Yagelski, Garner, Santana and Novak. A quorum was noted.

APPROVAL OF THE APRIL 27, 2015 AGENDA

A Motion was made by Councilwoman Sosinski and seconded by Councilman Santana to approve. The Motion carried 7-0.

APPROVAL OF THE MARCH 30, 2015 REGULAR MEETING MINUTES

A Motion was made by Councilman Kirkham and seconded Councilwoman Sosinski to approve the Meeting Minutes. The Motion carried 7-0.

Councilman Yagelski also acknowledges the students in attendance.

PUBLIC COMMENT ON MICHIGAN CITY AREA SCHOOLS ONLY

Superintendent Dr. Barbara Eason-Watkins, Michigan City Area Schools Superintendent.

Dr. Eason-Watkins thanks the Council for being there to provide additional information and clarification on the tax-increase that has impacted many taxpayers in La Porte County. Also in attendance was Lance

Werner, CFO for Michigan City Areas Schools and the actual presentation was held by Todd Samuelson, with Umbaugh and Associates who is a taxation expert, not only across the state but for issues within La Porte County.

Mr. Todd Samuelson, Umbaugh and Associates Partner.

Mr. Todd Samuelson introduced himself to the Council as a Partner with Umbaugh which is a CPA/Financial Advisory Firm in the State of Indiana. They have done a lot of work in La Porte County as well as the Michigan City Area Schools. He was asked to provide a summary and information in regard to the tax rate increase that occurred for pay 15. You would have to go back many years and play forward what has transpired for the School Corporation. A PowerPoint presentation is presented to provide the framework on understanding how the change came to be. He anticipated the Council will ask questions at the end of his presentation. He stated if he did not have answers to the questions, he will find it out.

Mr. Samuelson spoke about how schools are funded. He explained that the School Corporation has six different funds. The six funds include the General Fund, which comes from the State of Indiana. There are no local property taxes utilized for the General Fund. There will be no additional Revenue created by this. Local property taxes are used to service outstanding debt. The debt service fund is the major piece for MCAS in terms of overall debt structure. There is pension retirement debt service that is a separate fund. It is tracked separately because the levy for the pension retirement debt service has to be neutralized.

The capital projects fund is the fund that the School Corporation utilizes for its annual capital projects, i.e., parking lots, roofs, technology, etc. Transportation and Bus Replacement are often times one of the same.

The Fund with the largest use of dollars is the General Fund which is funded through the sales tax. He explains that tax rates are influenced by a number of items including assessed value and adjustments that the DLGF may make. The rate that is reflected for 2015 will not fluctuate going forward. The reason the 2013-2014 budget years are such a low tax rate is because the levy that would have been normal for the School Corporation was reduced by the DLGF. Mr. Samuelson explains each slide below in detail.

Michigan City Area Schools Budget Information

April 27, 2015

School Funding Overview

School Budgeted Funds	Revenue Source
General	100% State Funding
Debt Service	Local Property Taxes
Pension/Retirement Debt Service	Local Property Taxes
Capital Projects	Local Property Taxes
Transportation	Local Property Taxes
Bus Replacement	Local Property Taxes

UMBAUGH

It's all about experience

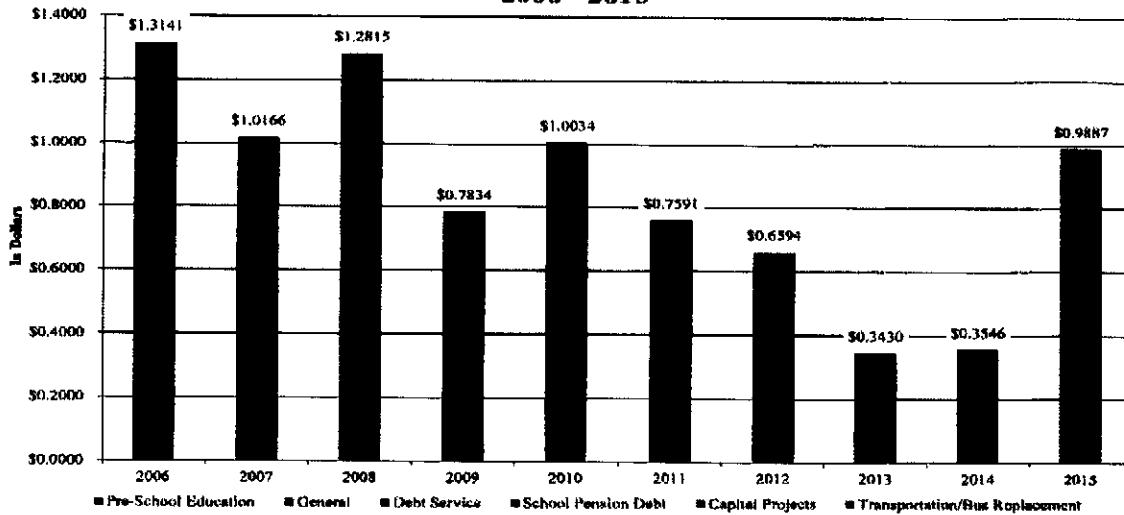
Uses of Funds

- **General Fund** – The only fund that may be used to pay salaries and benefits for certified personnel and the majority of support staff (funding controlled by the State Legislature).
- **Debt Service Fund** – Debt for new construction and facility renovation.
- **School Pension Debt Service Fund** – Debt for local retirement benefit for certified staff.
- **Capital Projects Fund** – Expenditures for equipment, technology, and maintenance of buildings and equipment.
- **Transportation Operating Fund** – Expenditures for pupil transportation personnel, benefits and services.
- **Bus Replacement Fund** – Expenditures for new buses.

UMBAUGH

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**Michigan City Area Schools
TOTAL TAX RATES
2006 - 2015**

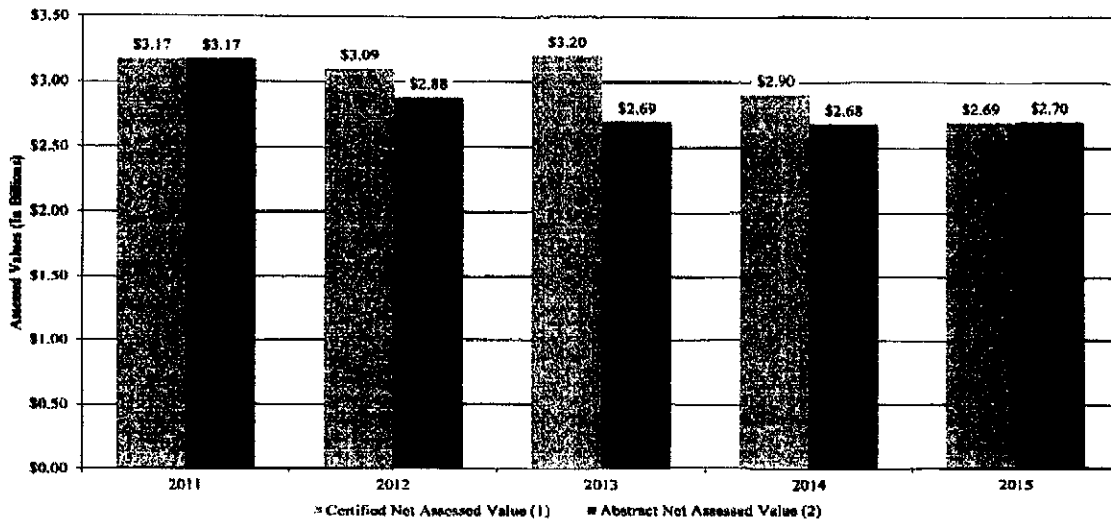


Note: Beginning with taxes payable in 2009, the Pre-School Education and General Funds were no longer payable from property taxes. The tax rates above represent La Porte County totals.
Source: Department of Local Government Finance Budget Orders.

UMBAUGH

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**Michigan City Area Schools
CERTIFIED AND ABSTRACT NET ASSESSED VALUES
2011 - 2015**

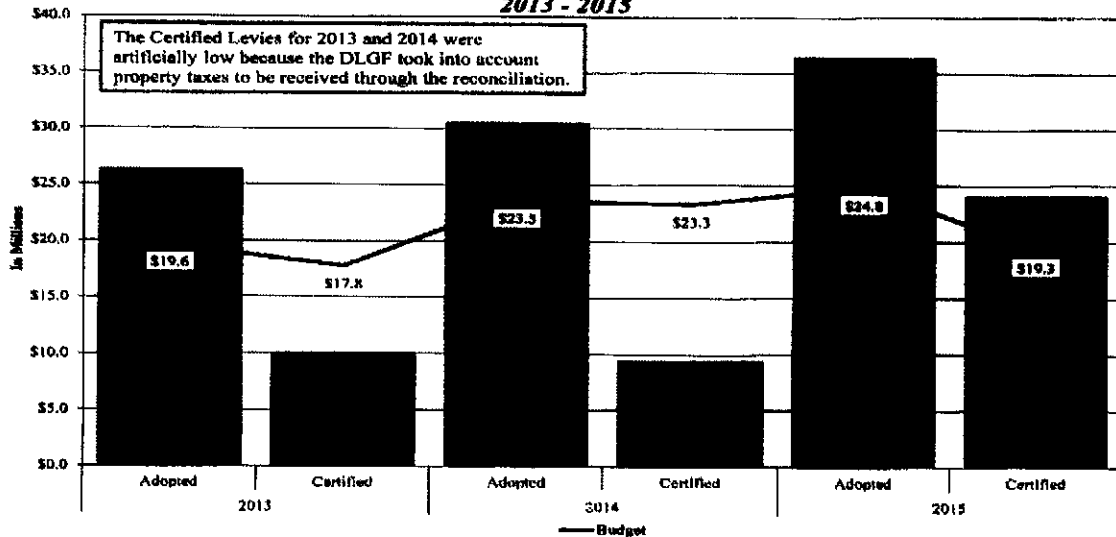


(1) Represents the assessed value determined during the budget process and used to determine tax rates and levies.
(2) Represents the assessed value upon which taxes are billed.

UMBAUGH

It's all about experience

Michigan City Area Schools
COMPARISON OF ADOPTED AND CERTIFIED LEVIES AND BUDGETS
2013 - 2015



Note: Does not include the Pre-School Education or General Funds as they have not received property taxes since 2009.
 Source: Department of Local Government Finance Gateway for Governmental Units

UMBAUGH

It's all about experience

Summary

- The School prepared its budget as they normally would have in 2013 – 2015.
 - The DLGF included taxes to be received from the reconciliation process in their calculation of the tax rates for 2013 and 2014. This meant tax rates were artificially low in these years.
 - MCAS requested that the DLGF take a different approach to avoid an imminent spike in tax rate.
- The School's total tax rate in 2015 is still lower than it was in 2010 and in prior years when the General Fund was funded with property taxes.
- The School's certified assessed value decreased by approximately 7% from 2014 to 2015; thus, a higher tax rate was needed to satisfy levy requirements.
- The School Corporation still has major financial hurdles to overcome.

UMBAUGH

It's all about experience

Councilwoman Sosinski stated she lives and represents people who live in the MCAS District and received many phone calls and questions regarding the tax increase. She asked for clarification from Mr. Samuelson's statement that this tax increase will not create three times the revenue. The average tax increase from 2014-2015 was around 200% and what is the estimate for 2015 that this increase will bring into the School? Councilwoman Sosinski understands that this will not go to the General Fund, but it is still money coming into the School Corporation. Additionally, the number of students attending MCAS has declined, and two schools have closed.

Mr. Samuelson understands the concern, but in 2014 the certified levy was \$9.4 Million, and looking at the \$23 Million Budget the gap between was filled. The funding for the School Corporation didn't change, it is the mix of where the dollars are coming from to provide the funding. There is no windfall to the School Corporation, it is just a matter of going through the Budget process and what the DLGF certified. The amount of taxes that were levied were significantly reduced by anticipated dollars to come from the reconciliation process where in 2015 that process will be completed.

The School Corporation recognized what the impact on what the school portion of the tax bill will be for the people who live in that school taxing district. He admits it is a very complicated process and there is no windfall of money coming into MCAS. Over the last few years he is aware there are significant cuts to the General Fund and most of the monies will be applied to the Debt Service Fund.

Councilwoman Sosinski stated she is not talking about the General Fund.

President Yagelski asks for Lance Werner to approach the microphone.

Mr. Lance Werner, CFO of MCAS pointed out there was a significant amount of dollars that were borrowed with tax warrants and they have helped the cash flow need. In some years, tax warrants had to be rolled over because there was not enough cash flow to pay for them.

Councilwoman Sosinski questioned in regard to the Debt Service Fund, does that include any money that the School Corporation is leasing back any of their own buildings or leasing any property back?

Mr. Werner stated during the last 2 to 3 years there have been a couple of bond issues which comes to approximately \$500,000 in payments that are paid. The Debt Service Budget is \$12 Million and the \$500,000 is a small portion of that and it didn't cause the significant increase the levy. Essentially what happened the DLGF had a significant estimate of how much was received in the Debt Service Budget. The gap was managed through tax warrants which eventually have to be paid off.

Councilwoman Sosinski again asks if it does include monies for leasing buildings back. There are also conflicting stories questioning if the School Board took a vote on adopting or going for the maximum rate versus a smaller rate and gradually getting up to the point where the School Corporation should be.

Mr. Werner stated every year the School Corporation approves the Budget and that includes a Budget which is advertised higher than what is expected to get. The School Board approved the Budget with a higher levy with the anticipation it would be lowered. They did that not only for 2015 but all the previous years as well.

Mr. Samuelson stated the Budget is certified and approved by the DLGF and within that process there are many rules which differ by Fund.

Mrs. Sosinski again asks if the School Board Members have to vote or make the decision knowing that the rate is going from 30 cents to approximately 98 cents.

Mr. Samuelson explained looking back at the budgeting process for the School Corporation Budgets which are approved have not varied dramatically from where they were to where they are now. Everyone can have their own definition of what dramatically is. The Budget is one component of what determines the tax rate. The dollars are not changing on what the school corporation has to operate it is the way the budget is funded. From 2014-2015 the DLGF reduced the requested levy by over \$12 Million.

Councilwoman Sosinski stated this increase is the definition of dramatic. It has dramatically increased to property owners. With a little bit of advance notice of the tax increase, it could have assisted a lot of people.

Councilman Garner questioned if each School Board Member knew the tax rate was going to jump to 99 cents and what the impact was going to be on the taxpayer?

Councilman Novak asked at what point they knew it was happening.

Mr. Samuelson stated they saw it coming two years ago.

Councilman Garner stated he understood that, but they did not make it aware to everyone. Were the School Board Members fully aware of what was coming so they could tell people?

Mr. Samuelson stated he is asking him to speak for people.

President Yagelski stated a letter went out from Mr. Werner in December 2013, which none of the taxing units received, just the DLGF did. Which would lead President Yagelski to believe that prior to December 2013 that this was going to be done. When did they know and when did the Board know. In 2013 and 2014 no one told the School Board Members instead of \$19.6 being received only \$10.1 was.

Mr. Werner stated that the Board approved the Budget and they do not specifically know what the rate will end up being. The Board did receive the financial information and no specific memo was sent out to them addressing that issue.

President Yagelski asked if any of them asked questioned it. The County knew their numbers, it seemed like no one on the School Board knew the numbers.

Mr. Werner also stated part of the process is to provide this to the County Council every year as a non-binding review, so actually the County Council was presented the information. Whether it is specifically pointed out to the Council or to a School Board Member is really up to each Member to read the information. The School Corporation was relying upon the DLGF to come up with the correct numbers and they assumed 100% collections would be obtained. Mr. Werner stated every year they were in conversations with the DLGF hoping they would adjust the Budget so the levy would be more appropriate.

President Yagelski stated that is not answering his question. In 2013, there was a dramatic drop, in 2014 there was another Budget process and Mr. Werner knew the number was down as was evidenced in his letter. Did the School Board approve 2014 knowing they were down that much?

Mr. Werner stated they approved it, but they approved a levy that was higher than what the DLGF ...

President Yagelski stated they knew it was going to be less, because of the dramatic cut in 2013 did they know it was going to be that much less? How many years is this tax going to be going on for?

Mr. Werner stated they would certainly know the amount would be less, to the exact amount he could not say. The School Corporation's debt should be repaid entirely in 12 years. However, based on different bond issue, there could be different years when those will be paid off. But the School Corporation will be debt free in 12 years.

President Yagelski stated the problem with this is the County has not raised taxes in 13 years, but yet the rate goes up because we have declining property values. Similar to the same thing as the students leaving the school system. It is a situation like, Gary did not happen because it was a black and white issue, and it was because there was a declining issue. If the property value keeps going down, the people can't afford the taxes, they walk away. There is no system you have in place that will help out the County because the future could be as bleak as is happening right now. The Inventory Tax was lost and the Circuit Breaker is approaching, which also produces a decline in numbers. The problem is not being solved, but is being deferred. A positive outcome cannot be seen from the School System. La Porte County has been in a hiring freeze for 7 years and the only people who have been hired were to replace those who left.

President Yagelski asked what would happen if additional taxes are paid. Mr. Werner said that there is anticipation that will happen and if it does, the money will be allocated back to the funds and may affect the future tax rate.

President Yagelski also said that as an owner of rental properties, he will have to raise rent because he cannot take the tax hit. That will happen throughout the community. And just like the state having to collect a certain amount of taxes, the School System has to collect a certain amount and will find ways to supplement it. The School System will have to raise taxes because of the declines described on page 2, which include debt service, pension, retirement, capital and bus. As in 2013, letters should have been sent out to prepare the taxpayers and the County for the increase.

Mr. Werner said the General Fund budget has been reduced by \$10,000,000, hundreds of teachers and staff have been laid off, and the School System has done its best to balance the budget based on declining enrollment and the funding formula from the state that has changed dramatically. They will continue to do their part to make up for the deficit in the General Fund and are cutting back as much as possible because the dollars are not there. The Bus Replacement Fund has been cut approximately \$200,000. In addition, if they would have had the levy that they should have had for the last few years by the DLGF, the amount of Circuit Breakers that the County and government entities associated with it would have been a lot higher than it was. By the School having the lower levy, the impact of the Circuit Breakers were lower. With the higher levy, the Circuit Breakers will be higher and the amount to the School Corporation will be approximately \$4,000,000 less. Circuit Breakers will also affect the County and limit the amount of money that can be spent as growth by government.

Councilwoman Sosinski questioned why this only happened to the Michigan City Area Schools and not other school systems. Mr. Werner responded that the School Corporation levy is higher than other school corporations, and more dollars are received in the debt service fund. Over time, that number accumulates and compounds and it's a lot more money. However, at the end of the day, the School Corporation could not continue to operate with such a low tax rate.

Councilman Kirkham questioned Mr. Samuelson on whether or not the DLGF assumes that the taxes from the reconciliation bills will be paid.

Mr. Samuelson responded yes.

Councilman Kirkham added that the taxes are not being paid and thousands, if not millions, are owed in taxes. He went on to question if there are other counties that have gone through a similar situation.

Mr. Samuelson said this was a unique situation. He also wanted to expand on the response to Councilwoman Sosinski. When the property tax issues arose in the County, the process was approved by the DLGF to catch up on the tax bills. The levies of taxes included on tax bills were frozen at 2007 levels, which was the same amount of property taxes generated for local property tax supported funds. Regarding Michigan City schools, because of the debt service and the timing of the bonds issued by Michigan City schools just before the freeze, the amount of levy needed and approved for the debt of Michigan City schools was at a level well below what was necessary to service its bonds.

Councilman Novak questioned how the shortfalls in 2013 and 2014 did not appear in the news because it was going to "go through the roof."

Mr. Werner said that they relied on the expertise of the DLGF to determine how the tax dollars would be provided to them.

Councilman Novak asked how the School Corporation, knowing the property tax situation, did not inform the public in some way.

Mr. Werner agreed, from a communication standpoint, more information should have been provided. He was hoping the methodology of the DLGF was correct, but agrees communication was insufficient.

Councilman Bernacchi asked how many new bonds were issued for new construction renovations between 2011 and 2014.

Mr. Werner replied that in 2012, there was an \$8,000,000 bond, in 2013, a \$6,000,000 bond and in 2014, a \$4,000,000 bond.

Councilman Bernacchi said that, with the deficits in 2013 and 2014, and yet new construction was done. The County realized the tax situation and acted accordingly, but cannot understand why the Michigan City schools spent money that it wasn't there.

Mr. Werner said obligations had to be paid and repairs had to be done at the High School. Capital projects have been delayed as much as possible, but emergency repairs needed to be done.

Councilman Bernacchi asked whether or not Debt Service Fund dollars can be borrowed for general operating costs.

Mr. Werner responded that the State stopped allowing that a few years ago.

Councilman Novak commented that a lot of good things are happening at Michigan City schools, but this situation is a real kick in the back end and knocks all of the good things off of the burner.

President Yagelski said the DLGF caused this crisis. The DLGF never came to La Porte County to help them out or explain anything to them. However, outside people came in to help and La Porte County came close to figuring out the problems. He said he is dumbfounded that no one in the school knew this was coming or knew from where a \$5,000,000 debt came. Every year the County stayed on top of it, but that is not evident in the Michigan City school system. It is difficult to believe that no one in the School system knew about it and that it was, indeed, poor communication.

PUBLIC COMMENT MCAS SCHOOL TAX INCREASE ONLY

President Yagelski asked for short Public Comment on the School Board issue and announced the School Board meeting at 6:00 p.m. on Tuesday. President Yagelski also said that the comments would be timed, so to please be brief.

Dennis Metheny, 6757 W 450 N, Michigan City, IN 46360

Mr. Metheny said it was difficult to speak for a short amount of time when the School Board had spoken for so long. He said he feels that he has been stolen from and lied to. In 2015, the Michigan City schools borrowed \$20,000,000 and the previous CFO left with \$5,500,000 that the State Board of Accounts is unable to find. He explained that he has been attending School Board meetings for 30 years and expressed his concern over the budget, but it kept increasing. The taxpayer needs to say enough is enough. The School Corporation is \$146,000,000 in debt, including interest. He spoke to Kurt Ott and was told that no teachers have been laid off, but bonuses were given to teachers to retire early. Also, holding companies have been set up by the School Corporation to be able to borrow an unlimited amount of money. Over the last 8 years, they have received \$172,000,000 and he would like to know what was done with that money.

Mike Bohacek, La Porte County Commissioner and Michigan City Resident

Mr. Bohacek had questions from taxpayers who were unable to attend the meeting. He asked that they be addressed during the meeting.

Jack Rhodes, 3802 N 950 W, Michigan City, IN 46360

Mr. Rhodes asked, regarding the general fund, what is the percentage being received from the state for the last 10 years? If the amount is going down, are students being properly educated and are they reaching state criteria? If the school's general fund drops, does local tax money help raise it?

President Yagelski said no.

Seeing or hearing no additional Public Comment on this issue, President Yagelski closed Public Comment.

PUBLIC COMMENT

President Yagelski opened Public Comment for the regular Agenda items.

Dennis Metheny, 6757 W 450 N, Michigan City, IN 46360

Mr. Metheny questioned some of the expenditures and why the County Treasurer is requesting \$14,000 for computer upgrades. There doesn't seem to be fiscal responsibility. He is concerned that millions are being spent, but it is only the 4th month of the year. He asked if the Treasurer has a budget.

The Council explained that there are no 400 accounts and departments have to come to the Council with requests. This was done to insure that money is requested before it is spent and is not spent without the Council's knowledge.

Mr. Metheny said there is no budget because it is unending.

Earl Cunningham, 6311 West Shiva Drive, La Porte, IN 46350

Mr. Cunningham addressed the question he previously posed regarding the Reorganization Meeting. Because of the length of the night's meeting, he will not discuss if further this evening. He went on to question the attorney's fees for the toll road endeavor. He was unable to get an answer on the amount from the Council, so he went to the Commissioners. Although the attorney said his bills are transparent, they are not and it is difficult to ascertain the amount of the attorney's fees. Mr. Decker said it is approximately \$30,000, but it is impossible to determine that from the bills because the bills are not detailed. Therefore, Mr. Cunningham is asking to find the amount of the attorney's fees associated with the toll road from the Council. Also, he is concerned that attorney fees were billed before authorization from the Council and after the bid was awarded to another bidder.

Seeing or hearing no additional Public Comment, President Yagelski closed Public Comment.

DEPARTMENT HEAD REPORTS

Jerry Cooley, Building Maintenance

Mr. Cooley expressed his thanks to the Council members who came to see the Courthouse. He went on to discuss the reorganization of the Maintenance Department. He asked permission from the Council to look at reclassifying the positions. He spoke to Human Resources about reclassification, but was told that it wouldn't change the pay of the individuals.

Councilwoman Sosinski suggested that Mr. Cooley would need to provide some guidance and come up with the changes he wants to make in the department. He could then go to Kent Wagner to complete the process.

President Yagelski said it is approved by the Council.

John Boyd, La Porte County Sheriff

Sheriff Boyd discussed the Lacrosse Co-Alliance Grain Elevator explosion that occurred on Thursday, April 16th. He acknowledged the tragedy of the situation, but said that the previous elevator explosion in Union Mills helped prepare for this accident. In a debriefing, the positive and negative actions were discussed, but he felt proud of how the emergency services came together on that day. After the emergency response and rescue stages, the investigative stage began. It was important to secure the area and keep security there to keep out onlookers and scappers. Co-Alliance immediately contracted to get a fence to surround the area and after 24 hours, hired La Porte County deputies to guard the area.

Sheriff Boyd announced that on Friday, May 8th at 11:00 a.m., the 16th Annual Peace Officer's Memorial Service will be held. The service acknowledges the 14 officers who lost their lives in the line of duty in La Porte County. This year, Senator Joe Donnelley will be the keynote speaker. Immediately following there will be a light lunch.

Councilman. Novak commended the emergency agencies that responded. They were given a round of applause from the Council and audience.

Sheriff Boyd knew there would be additional emergency fees due to the elevator explosion, so he made sure to keep the Council informed of the details. He also insured that Co-Alliance understood they would have financial responsibilities.

Darlene Hale, La Porte County IT

Ms. Hale distributed handouts to each of the Council members. She explained that the printout is of what the network looks like PC-wise. There are approximately 460 computers throughout the network, of which 15% are Windows XP. She explained she is aware that the Treasurer was requesting new computers and received her quote. The computers in the Treasurer's Office have not been replaced since 2006.

President Yagelski asked if she was advising that they be replaced. Ms. Hale replied yes, to meet minimum specifications.

Ms. Hale went on to ask if she could have Wagner, Irwin & Sheely look at her department for reclassification, since she has already submitted her job descriptions.

Councilwoman Sosinski said she would want Mr. Cooley to complete his determinations, but acknowledged that Mr. Cooley wants to restructure whereas Ms. Hale wants to reclassify the IT staff.

Ms. Hale discussed previously coming before the Council regarding Franchise Fees. She wants to come back before the Council to ask for an appropriation out of the Franchise Fees. In 2013, it was \$375, 361.00 and 2014 was \$383, 548.00. She would like to upgrade the meeting room with new cameras, microphones and screens.

President Yagelski said that, previously, the Commissioners were asked to come before the Council. However, the Commissioners said the contract with Alco is going to stay the same.

Councilman Novak asked if there could be clarification from the Commissioners. The Council agreed that the equipment in the room belongs to La Porte County.

Seeing or hearing no additional Department Heads, President Yagelski closed Department Head Reports

LIAISON REPORTS

Councilwoman Sosinski said she met with Mr. Decker, Mr. Cooley and Friends of the Barn. There is a plan in place for the doors but no definite time for installation. They are capping the silo and received \$2600 to go towards the cap.

She said the La Porte County Treasurer is requesting new computers and she supports it. She had a question regarding the Redevelopment Commission. She wondered if the meeting for Wednesday at 4:00 p.m. was still occurring and President Yagelski responded affirmatively.

Councilman Bernacchi said that appeals are being heard and settled, and exemptions are being certified by the PTA BOA Board. They are having communication issues with Michigan Township. Mike Schultz, Secretary and County Assessor, will be approaching the County attorney to discuss possible actions if there is no response from the township. Also, Councilman Bernacchi will be researching the minutes from January for confirmation of appointments to address Mr. Cunningham.

Councilman Garner stated that Sheriff Boyd is communicating consistently and well on what is happening in his department. He also wanted to acknowledge the Auditor, Assessor and Treasurer for getting tax bills out on time.

Councilman Novak met with the Community Corrections and they are on the budget for a field service vehicle, so he will be supporting that. He attended a NIRPC meeting and met with Juvenile Services. They are on the budget for a dryer and strobe lights. He continues to have biweekly meetings with 911.

Councilman Santana said that after the Lacrosse explosion, he met with Larry Butcher and the State Representative gave excellent marks to all of the emergency first responders. The District 1 Mobile Operating Center was used and also received excellent responses.

President Yagelski said he has been working with Commissioner Decker regarding the issue of the Toll Road. The Council voted 6-1 to approve the Toll Road, and he is looking for new ideas to increase revenue.

NEW BUSINESS

Shared Ethics Advisory Commission Interlocal Agreement

Attorney Biege said it is an amendment to the previous Interlocal Agreement. He reviewed it, said it's appropriate and complies with the statute. He recommends that the Council passes it.

A Motion was made by Councilman Bernacchi and seconded by Councilman Santana to read by title only.

Auditor Winski read the Shared Ethics Advisory Commission Interlocal Agreement by title only.

Motion passed 7-0.

OLD BUSINESS

Attorney Biege regarding Recorder's Perpetuation Fund and Elected Official Credit Card Use

Attorney Biege said the Recorder's Perpetuation Fund is made for record preservation, but the expenditure was for blinds and furniture which doesn't fall under Perpetuation Fund. The Recorder is allowed to use her personal credit card and ask for reimbursement from the Council, but there is no guarantee of reimbursement from a governmental entity. There should be a request made before the actual purchase.

Councilman Santana asked for the exact amount, which was \$4,128.86. He continued that he previously discussed this issue of not coming before the Council before making a purchase. He said this cannot continue.

President Yagelski said the amount was tabled, so Councilman Santana made a Motion to take it off of the table and it was seconded by Councilman Novak.

Recorder Barbara Dean explained that she misunderstood the original email sent regarding coming before the Council to ask for an appropriation. She thought it only applied to the 2014 budget. However, she feels the Perpetuation Fund can be used for improvements. She believed she could buy the two desks and blinds to improve her work environment.

Attorney Biege read the definition of the statute, which said that the Perpetuation Fund can be used for the preservation of records, and improvement of record keeping systems and equipment within the control of the County Recorder.

Councilwoman Sosinski said that it is a courtesy to bring requests before the Council and does not feel that this purchase can be paid for out of the Perpetuation Fund.

Councilman Garner explained to Ms. Dean that money cannot be spent without coming before the Council.

Ms. Dean said she felt that her office needed these items.

Councilwoman made a Motion to deny reimbursement from the Perpetuation Fund and was seconded by Councilman Santana.

President Yagelski said he has been working with Ms. Dean regarding the Perpetuation Fund and was gracefully allowed to use the fund for salaries. The fund could not be used without Ms. Dean's signature.

Councilman Bernacchi asked that if the reimbursement was turned down from this account, could she re-advertise it from a different account.

President Yagelski asked Auditor Winski what other account she would be able to use.

Auditor Winski said Riverboat, Win Tax or CAGIT, but it would have to be re-advertised.

Motion failed 7-0.

Auditor Winski will advertise under all 3 accounts and the Council can then choose.

CORRESPONDENCE

Letter from Attorney Biege regarding Redevelopment Commission

Attorney Biege said there are some inaccuracies in the records in the County. Attorney Biege discussed it with the County attorney and have a proposed resolution to the Council to essentially clean up and validate some of the actions that have been taken by the Redevelopment Commission. Because of the composition of the commission and how appointments are made, all involved thought things were being done properly. However, the statute changed but this proposal will clean everything up and validate what the Commission has previously done.

Mr. Decker agreed with Attorney Biege. Attorney Biege said that this won't affect board composition assignments, just to ratify what has occurred in the past.

A Motion was made by Councilman Novak and seconded by Councilman Bernacchi to read by title only.

Auditor Winski read Resolution 2015-4A by title only.

Motion passed 7-0.

ORDINANCES AND RESOLUTIONS

Sheriff's Commissary Fund – Resolution 2015-4

Attorney Biege explained that the DLGF has a rule that it has to be approved by a resolution, which was prepared for the Council by Attorney Biege.

A Motion was made by Councilman Bernacchi and seconded by Councilman Kirkham to approve by title only.

Auditor Winski read Resolution 2015-4 by title only.

Motion passed 7-0.

President Yagelski asked to return to OLD BUSINESS. Mr. Decker handed out pictures of the Courthouse. President Yagelski explained that there is a beautiful skylight in the ceiling and asked some Council members to take a look at it.

Councilman Novak and Councilman Garner said they visited the building and said it would be a shame and disrespectful not to restore the building to its original splendor.

Mr. Decker explained that drop ceilings covered the windows and art work. He is requesting not to exceed \$275,000.00 for plaster, drywall, electrical and lighting. A historical preservationist will be bringing an architect to restore the building, including windows, woodwork and marble.

Attorney Biege said after an affirmation from the Council, the amount will be advertised and the appropriation can be made next month.

The Council approved moving forward with this project.

APPROPRIATIONS, TRANSFERS, REQUESTS

La Porte County Community Corrections

Requesting Permission to Spend

CTP GRANT (9105)

for Field Officer Vehicle

\$12,990.00

Councilman Novak said the vehicle is a 2013 model with 38,000 miles on it with 12,000 miles left on the warranty. A Motion was made by Councilman Novak and seconded by Councilman Santana to approve. Motion passed 7-0

La Porte County Sheriff

Requesting Permission to Spend

MISDEMEANANT (1175)

for Inmate Safekeeping (Indiana Women's Prison)

\$2,500.00

for Inmate Safekeeping (Vienna Correction Center)

\$390.00

for Ford One-Ton Jail Van

\$42,353.88

A Motion was made by Councilman Garner and seconded by Councilman Novak to approve. Motion passed 7-0.

La Porte County Prosecutor

Requesting a Transfer

PROSECUTOR PRETRIAL/DIVERSION (2501)

for Salary, OASDI, Medicare, PERF, Health Insurance, Etc.

\$12,615.00

A Motion was made by Councilman Novak and seconded by Councilman Bernacchi to approve. Councilman Santana asked for the description of OASDI. Auditor Winski explained that is was Social Security. Motion passes 7-0.

La Porte County Maintenance

Requesting Permission to Hire

for two (2) Janitor Positions with (2) Maintenance Positions

Mr. Cooley explained he wants to eliminate the janitor spot and make it a maintenance position. He also wants permission to hire an HVAC person and an electrician. Councilman Bernacchi said there is supposed to be a service contract for all of the new equipment and Mr. Cooley affirmed that. However, he feels he needs qualified people to be able to work on the equipment.

President Yagelski asked what is currently being paid to the HVAC and electrical contractors. Mr. Cooley said they are being paid \$15.73 per hour. President Yagelski said it is sometimes more cost-efficient to bring in a contractor over a full-time employee. It would have to be evaluated further to before a vote can be taken.

Councilwoman Sosinski said it goes back to putting together a plan, give it to Human Resources and then bring it before the Council.

Mr. Cooley wants to remove the Janitor position from the budget and, instead, add a Maintenance position.

A Motion was made by Councilman Garner and seconded by Councilman Santana to approve. Motion passed 7-0.

Councilman Novak confirmed that the Motion was for 1 Janitor and 1 Maintenance, but Mr. Cooley said it is for 2 Maintenance and he will come back for the other Janitor position.

La Porte County Juvenile Center

Requesting an Additional Appropriation

RIVERBOAT (1191), WIN TAX (4220)

for New Dryer and Installation

\$6,000.00

for Three (3) Horn Strobes

\$900.00

Councilman Novak looked at the dryer and said the strobes are for the fire protection. Mr. Cooley said they are waiting on bids for the dryer. A Motion was made by Councilman Novak and seconded by Councilman Bernacchi to approve not to exceed \$6,000 for the dryer out of WIN TAX. Motion passed 7-0.

President Yagelski confirmed both items are approved.

La Porte Superior Court No. 3

Requesting an Additional Appropriation

ADULT PROBATION SUPP. (2102)

for Dictation Equipment, Recording Equipment, Office Chair

\$9,254.00

for Postage Machine Lease

\$303.00

A Motion was made by Councilman Kirkham to approve. Councilman Novak said he has an issue with the Postage Lease machine. He said there is a service that may do it cheaper.

Commissioner Bohacek said other options are being looked at in lieu of the Postage Lease, and some of the Postage Leases have already expired.

A Mootion was made by Councilman Novak and seconded by Councilman Santana on the \$9254.00. Councilman Santana asked the condition of this equipment and Councilman Novak if the equipment has already been purchased.

Steve Eyrick responded that he is unsure of the condition or if the equipment has been purchased.

Auditor Winski said she received a letter from Judge Thorne asking to request additional items at the next Council meeting.

Steve Eyrick added that the FTR recording equipment is having problems and is at the point where it is starting to fail.

Attorney Biege said that the Court of Appeals and the Supreme Court require that there be, both, recordings and transcripts. He explained that Court Reporters are certified to do the stenography and are also required to do the recording.

Motion passed 7-0.

A motion was made by Councilman Novak and seconded by Councilman Santana to table the request for Postage Machine Lease (\$303.00). Motion passed 7-0.

La Porte County Treasurer

Requesting an Additional Appropriation

RIVERBOAT (1191), WIN TAX (4220), OR CCD (1138)

for Computer Upgrade

\$14,094.85

A motion was made by Councilman Garner and seconded by Councilwoman Sosinski to approve out of RIVERBOAT. Motion passed 7-0.

La Porte County Highway

Requesting an Additional Appropriation

CEDIT (1112)

for Fuel

\$250,000.00

A motion was made by Councilman Bernacchi and seconded by Councilman Santana to approve. Motion passed 7-0.

Requesting an Additional Appropriation
CUMULATIVE BRIDGE (1135)
for Otis Road Bridge

Not to Exceed
\$333,000.00

A motion was made by Councilwoman Sosinski and seconded by Councilman Santana to untable the motion. Motion passed 7-0. Motion was then made by Councilwoman Sosinski and seconded by Councilman Santana to retable the issue. Motion passed 7-0.

Commissioner Bohacek questioned why the motion was retabled. President Yagelski said more research needed to be done.

COUNTY COUNCIL/ATTORNEY COMMENTS

The consequences of job reclassification were discussed.

President Yagelski brought up InterAct. It is a system that is not being utilized. He is concerned that the Council will be held financially responsible for it.

Councilman Novak said it has numerous problems and will, hopefully, go live this year.

President Yagelski said the phone system also has problems and asked Darlene Hale to address the situation. She said they are exploring alternatives and that there is, currently, a contract with Frontier.

President Yagelski explained his frustration with the Michigan City Schools situation.

Councilman Novak spoke on the Shared Ethics Advisory Commission. He said he doesn't want the County to depend solely on the Commission and would like to see more training within the County.

Councilman Garner raised the criminal situation regarding Councilman Bernacchi. He said that some taxpayers requested him to ask for Councilman Bernacchi's resignation from the Council. However, Councilman Garner said he is only asking him to resign as Council Vice-President. He said he wants to try to help the Council preserve some decency. If he does not resign, Councilman Garner said he will recommend to the Council to remove Councilman Bernacchi.

President Yagelski asked Attorney Biege if there is any specific law to make such a motion. He also asked Councilman Garner if he was asking him to resign from the Council.

Councilman Garner replied that he is not asking him to resign from the Council, just resign as Council Vice-President. He said that Councilman Bernacchi has proven himself to be a better councilman than any candidate the Democratic Party would put into the vacant seat. However, he made a motion to remove Councilman Bernacchi as Council Vice President.

Attorney Biege said there is no basis for removal from the County Council at this time.

President Yagelski said there is a motion to remove Councilman Bernacchi as Council Vice-President. The motion was seconded by Councilman Kirkham.

President Yagelski asked for a roll call. The vote was as follows: Councilman Bernacchi: nay; Councilman Garner: yay; Councilman Kirkham: yay; Councilman Novak: nay; Councilman Santana: nay; Councilwoman Sosinski: yay; President Yagelski: nay. Motion failed 4-3.


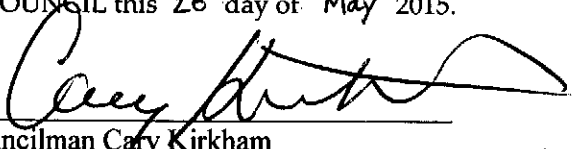
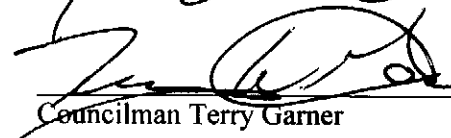
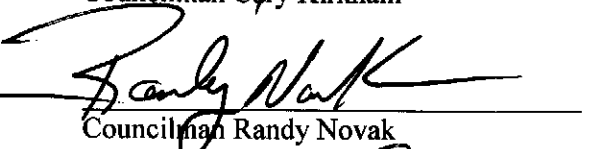
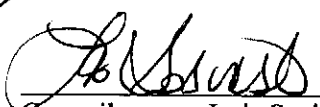

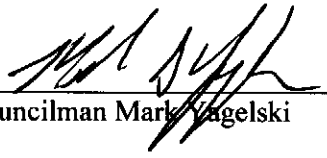
Councilman Bernacchi expressed his appreciation to Councilman Garner for saying he is a good Councilman. He said he was grateful that, in America, a person is innocent until proven guilty. He continued that he has been on the Council for 6+ years that he hasn't missed one meeting. He asked if anyone other Council members could say the same thing. He also said that he has never been under the influence of drugs or alcohol.

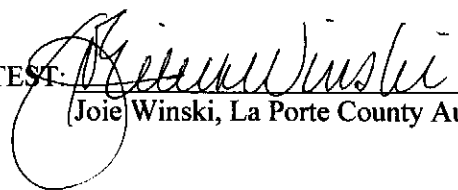
Councilwoman Sosinski added she may have missed some meetings, but has not been in possession of any illegal drugs and wanted that on the record.

ADJOURNMENT

A Motion was made by Councilman Garner and seconded by Councilwoman Sosinski to adjourn. Motion carried 7-0

EXAMINED & APPROVED BY THE LA PORTE COUNTY COUNCIL this 26 day of May 2015.

 _____ Councilman Matt Bernacchi	 _____ Councilman Cary Kirkham
 _____ Councilman Terry Garner	 _____ Councilman Randy Novak
 _____ Councilwoman Lois Sosinski	 _____ Councilman Jeff Santana
 _____ Councilman Mark Yagelski	

ATTEST: 

Joie Winski, La Porte County Auditor