

MINUTES
La Porte County Council Budget Workshop
September 18, 2023 at 5:37 PM CST

A La Porte County Council Budget Workshop was held on September 18, 2023 at 5:37 PM (central time) in the Assembly Room of the La Porte County Government Complex, 809 State St., La Porte, IN 46350.

The following were present at the meeting: Michael Rosenbaum, Justin Kiel, Mark Yagelski, Randy Novak, Michael Mollenhauer, Earl Cunningham, Adam Koronka.

The Council discussed the 2024 budgetary items as advertised in the meeting announcement. The following general topics were discussed:

- Prosecutor
- Health Department
- Baker Tilly
- Building Maintenance
- MS4
- Recorder/Recorder's Perpetuation Fund
- Treasurer
- Coroner
- Community Corrections
- Public Safety Lit
- Superior 4
- Adult Probation
- Economic Development
- Regional Planner

It is also noted the Auditor's office did not provide any updated information for the Council to take any action to forward the budget process.

The Workshop was adjourned.

Examined & Approved by the La Porte County Council this 11th day of December, 2023.



Councilman Earl Cunningham



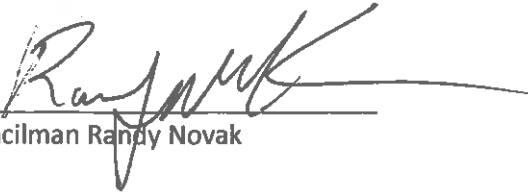
Councilman Justin Kiel



Councilman Adam Koronka

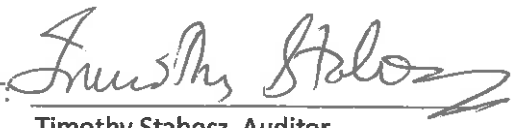


Councilman Mike Mollenhauer


Councilman Randy Novak


Councilman Mike Rosenbaum

ABSENT
Councilman Mark Yagelski

ATTEST: 
Timothy Stabosz, Auditor

MINUTES
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The La Porte County Council Budget Workshop was held on September 18th, 2023 at 5:37 p.m. (central time) in the Assembly Room of the La Porte County Government Complex, 809 State St., La Porte, IN 46350.

Councilman Rosenbaum clarified that the purpose of the workshop was to discuss the budget requests that needed finalization and review, as well as any salaries that still needed to be considered. The planned date for the adoption of the budget was scheduled for the end of October, and additional workshops would be scheduled if additional modifications to the budget were needed. He explained that all of the items on the agenda would not be able to be addressed, and requested that the October 2nd Public Hearing be instead changed to a continuation of the current workshop, to be scheduled prior to the Regular Council Meeting at 5:30pm central time. Afterwards, he said the county would be able to have its rate set, either in very early October or immediately after the Public Hearing. Mr. Kiel noted that after the October 2nd continuation, the Council should have a clear idea of what they want the budget to look like, and then Chief Deputy Auditor Rhonda Graves and the Auditor's Office could post notice ten days before a hearing was held. Mr. Rosenbaum noted that a separate meeting for the public hearing would need to be held, as it was between regular meetings, so that the second hearing could be had at the next Regular Council Meeting, to be followed by the budget's adoption at the October 23rd Regular Council Meeting.

Prosecutor

Mr. Rosenbaum explained that the Prosecutor had only one change, noting specifically that the Prosecutor wanted one employee's salary to be paid out of Public Safety LIT, and that their 200 and 300 accounts had been approved, so little action was required from the Council for the Prosecutor's Office this particular evening.

Health Department

Mr. Rosenbaum explained that the Health Department needed a 3-year average of their budget to secure a grant, however this year, their budget was below average, and it needed to be corrected in order to secure the grant; he noted that the updated numbers would be available for the next meeting. Regarding another grant that the Health Department was getting from the State of Indiana, Mr. Rosenbaum stated that the grant would need to be set up as a budgetary item so the Council would not need to appropriate every dollar of the grant.

Baker Tilly

Mr. Rosenbaum explained that Baker Tilly had been hired as a financial advisor to assist with the budgeting process, including to help fully understand the Council's General Fund concerns, in addition to investigating the budgets of other funds as well. Jason Semler of Baker Tilly appeared electronically via Zoom to explain that Baker Tilly had assembled a summary of the General fund, along with a history of the fund for the past three years, revenue received, expenses, and 2023 and 2024 projections. He noted that the only question that Baker Tilly had was regarding the preparation of the budget in 2022; the Council had not yet decided on the amount of the raises to be given at that time, so they were not only looking into incorporating the 2023 budget, but also the additional amount of expenses that the county was incurring and would incur for the rest of the year so they could get a better idea of what the ending balance would be for 2023. Mr. Rosenbaum noted that another follow-up meeting was scheduled with Baker Tilly on September 29th. Mr. Cunningham asked that the September 29th meeting be scheduled for 5pm central time, to which Mr. Rosenbaum stated that he would try to accommodate Mr. Cunningham's request. Mr. Novak requested that a meeting with the entire Council be had so they could be present if they happened to have any questions for Baker Tilly, which Council Attorney Guy DiMartino informed the Council that the meeting would need to be noticed. Mr. Kiel asked how many members physically needed to be present in order for the meeting to be partially done virtually, to which Mr. DiMartino clarified that only a majority of the Council would need to be physically present, while the remaining minority of the Council could attend the meeting virtually.

Building Maintenance

Mr. Rosenbaum stated that the Council agreed to use the 2023 budget for Building Maintenance's 2024 budget, to which Ms. Graves noted that the reason that she included Building Maintenance on her agenda was because they had made changes after their most recent correspondence with the Council. When Mr. Rosenbaum noted that the Commissioners' budget was also going to share the same budget for 2023 as it did for 2024, Mr. Kiel questioned if the Commissioners' budget should be kept the same, taking into consideration that the budget would be missing certain amounts of money for insurance payments.

MS4

Ms. Graves noted that MS4's pay decreased to which Mr. Rosenbaum explained that MS4 did not have accurate pay going into 2023 under the original plan, however the Commissioners changed their plans on how the group was going to run. Mr. Koronka noted that he spoke with MS4's Chris Havens, who explained that the Professional Services account was severely underfunded in the past year, so MS4 would need to approach the Council for an additional appropriation to cover for the over expenditure of the account, as well as for some known incoming invoices that would take the account over \$19,000 spent so far. With that in mind, he emphasized that the currently proposed \$15,000 would likely need to be reconsidered. Mr. Kiel asked if MS4 was able to transfer funds from their other accounts into the Professional Services

account, to which Ms. Graves noted that MS4 had already reached out to her to do so, and Mr. Koronka clarified that the over-expenditures were a direct result of the incoming invoices in the amount of \$19,000, which would require appropriation from the Council to address.

Recorder/Recorder's Perpetuation Fund

Ms. Graves noted that the changes in the Recorder's paperwork were only representing what the Council had previously requested from the department's budget. Mr. Rosenbaum recalled asking the Recorder to take more out of the Perpetuation Fund, which Ms. Graves noted that only one salary in the office was asked for, as they were restricted on what salaries could be paid with the Perpetuation Fund.

Treasurer

Ms. Graves explained that the Treasurer's Office previously thought that they didn't need to turn in their steps until January, so the update to their budget included their steps so they could be taken into account when the complete budget was done. Mr. Rosenbaum asked if the Treasurer's Office 2024 budget numbers included current salaries plus the steps, which Ms. Graves confirmed that it contained both items.

Coroner

Ms. Graves confirmed that in the originally proposed budget from the Coroner, there was an inconsistency in the pay of the Coroner's First Deputy, which was later discovered to be that the Coroner's requested pay for the First Deputy position was what was listed in the proposed budget, however it was a different rate of pay from what the position was currently paying according to Payroll. Mr. Rosenbaum noted that the Council made a request to have all salaries to be set at their current 2023 amounts, with whatever longevity increases that were pre-established, and 2024 amounts could start at the 2023 amounts to begin, with considerations above and beyond stemming off those amounts.

Community Corrections

Ms. Graves explained that a \$200,000 deficit accrued from one of Community Correction's grant funds from the previous year. This was a result of Community Corrections coming before the Council with an estimated amount of what their Department of Corrections grant was expected to be, however the Department of Corrections would give them the actual total for the grant at a later date, which was not reported to the Auditor's Office for correction later, resulting in overspending. This \$200,000 deficit would need to be addressed at a different meeting, and would need to be resolved with positive and negative appropriations. Ms. Graves noted that the Council would see the amounts updated, however there was one error on 4909590 and 9107584, which did not overall change the amount of Community Corrections' budget, and instead relisted a position that was initially listed incorrectly, so 179 would be getting an update. She added that Community Corrections was doing all of their Public Safety LIT and POLE Position raises out of Public Safety LIT for the 179 account, however they have since changed

this, which is why the documentation stated “this equals base pay less 15% of the salary” for each of those departments on account 179. Regarding Community Corrections’ 9107584, Ms. Graves noted that the Department of Corrections was giving Community Corrections a total of \$654,849, so now that Community Corrections knew this, they were putting the money toward salaries, \$2,000 toward office supplies, and any remaining funding going toward Employees’ Group Health Insurance. Ms. Graves explained that the account would be grossly underbudgeted from the Department of Corrections, so Community Corrections would likely need to approach the Council throughout the year to make up for this shortage. She added that when Community Corrections approached the Council in July, they had \$866,181 and the budget was reduced by \$210,000 based on that number alone.

Mr. Rosenbaum asked Community Corrections Director Mericka Beaty what the numbers for employee Group Health Insurance should be, which Mrs. Beaty noted that only a projected amount had previously been presented, and did not know what the exact amount should be. Mr. Rosenbaum asked why the Department of Corrections was reducing the amount that they were giving to Community Corrections, which Mrs. Beaty explained that the number was not inherently being reduced, it was simply that Community Corrections would approach the Council during budget hearings with an estimate as to what they thought the Department of Corrections would be providing to them, only for the Department of Corrections to come back to them at a later date with a number different than when had been presented to the Council. The updated number from the Department of Corrections was never reported to the Auditor’s Office for balancing, thus causing the account to be overspent from. Ms. Graves clarified that the amount requested during the meeting in July for Group Health Insurance was \$140,000 and the new amount, based off of the correct budget, was \$46,000, which meant that there was a \$100,000 lack of funds that existed in Group Health Insurance alone, which the Council may need to assist in covering.

Health Department (Revisited)

Ms. Graves noted that the Health Department did not have their Health First Indiana budget during previous talks, however they did now. Mr. Rosenbaum reiterated that to get the Health First Indiana grant, the county needed to provide the last three years’ average for the Health Department’s budget, which had more funding in the past than this year, so their regular budget may need to be investigated. Mr. Semler noted that he would look into their budget.

Superior Court No. 4

Ms. Graves stated that Superior 4 had one change in their budget, a step increase that needed to be accounted for, which was now listed on the update.

Adult Probation

Ms. Graves explained that the only changes made to Adult Probation’s budget were the changes that had previously been requested by the Council at the last budget hearing, including moving

a grant to Opioid Restricted to be budgeted for, and some things were moved from a grant to Public Safety LIT. Mr. Rosenbaum noted that Problem Solving Court was trying to fund \$80,000 of their expenses from Opioid Funds that were received from Restricted Funds, which would come out of Superior Court No. 4's budget, and move over to the Opioid Fund.

Public Safety LIT

Ms. Graves noted that Public Safety LIT had a long list of items that the Council would need to decide whether to fund. Items with question marks still needed to be considered, and she had a few items from EMS which she did not include, however they were on EMS's original budget, so once the Council decided on EMS's budget, they would know if those items' funding would need to be pulled out of Public Safety LIT. There was an item from the Sheriff's Department that was understated and another that was overstated, which Ms. Graves had already corrected. Mr. Kiel asked what the anticipated revenue was for Public Safety LIT in 2024, which Ms. Graves stated that the best estimate came out to \$8.02 million, which Mr. Kiel concluded would leave about \$1 million left for budgeting, which Mr. Rosenbaum reminded the room that EMS and other items might draw from that amount.

Economic Development LIT

Ms. Graves explained that the \$224,000 for the Economic Development Budget, which was directed to a fund in previous years, had been fully budgeted for in 2023. She noted that the Council would need to decide how they wanted to fund their budget, as in the past, the Council had also appropriated half of the budget at the beginning of the year, and appropriated the remaining half in July.

Regional Planner

Ms. Graves clarified that there was an item in the Regional Planner's budget that gave payment to NIRPC, which the Council had been previously allotting \$95,000. It was running out of funds, so it needed to be added to the tax levy, however the county paid an allotted amount of \$75,000-\$79,000 as specified by the state. Mr. Kiel explained that statute obligated the county to pay a per capita amount for their contribution to NIRPC. Mr. Rosenbaum asked why the Council was budgeting \$95,000 for this when they only spent upwards of \$79,000 on the item, which Mr. Kiel explained that when the county put in the requested levy, it was not always what was collected, so if La Porte County's estimated high for its levies across the board, the DLGF would then cut and reduce some, as the levy could not grow beyond a certain point. Ms. Graves added that, according to the levy, she assumed that the fund ended up with a lot in it, so the levy was likely removed. Mr. Kiel noted that NIRPC was seeking to increase their revenue to combat inflation, so the county might face increased contributions to them in the future.

Mr. Rosenbaum asked to recap on one item under Economic Development LIT, noting that 2023 was the first year that the county put the requested \$224,000 into their budget, while Mr. Novak reiterated that in the past, La Porte County would appropriate half of their budget at the

beginning of the year and the remaining half in the middle of the year. Mr. Novak added that the Council had the option to budget the entire \$224,000 as requested, and simply ask Economic Development LIT to return at the middle of the year with a status report.

Mr. Mollenhauer asked if there was a conclusion to the research that had been done regarding the county's LTC positions, and if it could be separated or changed in any way. Mr. Kiel explained that, following meetings with Waggoner Irwin Scheele & Associates, it was concluded that it would be too difficult to pull certain individual employees out of the job classification system without deflating the entire purpose of the job classification system, as it would end up creating even more classes of jobs. It would also be difficult to give an additional stipend to some employees without given that stipend to every employee who shared that classification, and at this time, Waggoner Irwin Scheele & Associates was unable to provide a solution to this situation. Mr. Rosenbaum added that many of the lower classifications that were available were not being utilized by many departments, and the Council would also need to decide the future of the Job Evaluation Committee, as they had not taken care of several matters that the Council asked them to address, including training.

Regarding incentive pay for the Sheriff's Department that did not get approved in 2023 by accident, Mr. Mollenhauer asked if it was being considered in the 2024 budget. Mr. Rosenbaum noted that Ms. Graves alluded to putting the item back into the budget; it simply wasn't in the packet provided, and it was in the amount of roughly \$78,000, and would be used as incentive for Sheriff's Department employees and officers receiving certain types of training.

Mr. Stabosz asked the Council to inform the room on the background of the General Fund. On the topic of tracking and estimating the General Fund's revenue for 2024, as well as tracking approved expenses, Mr. Rosenbaum noted that so far to date, the Council had approved more in expenses than it had expected revenue, which he found problematic. In order to spend more, La Porte County needed to find new funding elsewhere, or create another source of income. With increasing income taxes being out of the question, he advised thoroughly researching the county's expenses, and decided what it could and could not afford, which he had wanted to address during the evening's workshop, however would unlikely be able to address at this immediate time. Overspending out of the General Fund the past few years resulted in the General Fund's projected end-of-year balance being very low, although income that came in later in the year may have changed the initial estimate. Now, however, he was unsure of what that estimate could possibly be.

Mr. Stabosz pointed out that in 2022, the county collected \$1.7 million of new money from the levy growth, however the county increased salaries to the degree of \$2 million, which meant that any additional appropriation from the General Fund from that year would draw down the cash balance. In 2023, the regular 10% pay increases (barring the 15% pay increases for Community Corrections and the 25% pay increases for the Sheriff's Department), required \$3.8

million in funding, and the county only acquired \$1.9 million in new money for that year. He emphasized that the raises created a structural deficit in the General Fund and concluded that the raises could not be realistically funded through the General Fund without off-setting budget cuts or redirecting funds, such as using Public Safety LIT to fund more of the ongoing Public Safety budget. Mr. Kiel stated that in 2020, the General Fund had a net cash flow deficit of \$1.95 million, a deficit of \$957,000 in 2021, and a deficit of \$4.67 million in 2022. If the 1782 Report was to be believed, 2023's General Fund would end with \$110,000, however this estimate was now outdated due to recently acquired revenue, which increased the cash flow by \$3 million, but taking away from that, the 10% pay raises were not programmed into that outcome, so now those funds were being shifted in the other direction, making predicting 2023's General Fund ending cash balance difficult. He emphasized if the County were to certify a budget that they couldn't fund, the DLGF would reduce the county's budget to one that it could handle, which was not a favorable outcome. Mr. Stabosz added that each 1% increase in pay would, including with benefits, consume \$450,000 out of the budget, as a calculation. Mr. Kiel added that Baker Tilly's current projection for the General Fund's net cash flow for 2024 was estimated at negative \$2.2 million.

ADJOURNMENT

- i. Motion to continue the meeting to October 2nd, 2023 at 5:30pm made by Mr. Koronka and seconded by Mr. Mollenhauer.
- ii. All members voted in favor.

Examined & Approved by the La Porte County Council this 2nd day of October, 2023.

Councilman Earl Cunningham

Councilman Adam Koronka

Councilman Justin Kiel

Councilman Mike Mollenhauer

Councilman Randy Novak

Councilman Mike Rosenbaum

Councilman Mark Yagelski

ATTEST: _____
Timothy Stabosz, Auditor