

MINUTES
La Porte County Council Special Meeting
April 1st, 2024 at 6:00pm CST

A La Porte County Council Special Meeting was held on April 1st, 2024 at 6:00 p.m. (central time) in the Assembly Room of the La Porte County Government Complex, 809 State St., La Porte, IN 46350.

CALL TO ORDER

The meeting was called to order by Council President Randy Novak.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Yagelski.

ROLL CALL

Auditor Tim Stabosz called the roll: Councilman Cunningham, Councilman Yagelski, Councilman Rosenbaum, Councilman Novak, Councilman Koronka, and Councilman Kiel were all physically present. Councilman Mollenhauer was absent from the meeting.

APPROVAL OF THE APRIL 1ST, 2024 AGENDA

- i. Motion to approve made by Mr. Koronka and seconded by Mr. Rosenbaum.
- ii. All members voted in favor.

PUBLIC COMMENT

There were no public comments.

ORDINANCES AND RESOLUTIONS

Resolution No. 2024-04 – A resolution Authorizing Electronic Fund Transfers

- i. Motion to read by title only made by Mr. Rosenbaum and seconded by Mr. Yagelski.
- ii. All members voted in favor.

- iii. Mr. Stabosz read aloud the ordinance by title only.
- iv. Motion to approve made by Mr. Rosenbaum and seconded by Mr. Yagelski.
- v. All members voted in favor.

NEW BUSINESS

- 1. Requesting approval to use Commissioner Employees Group Health Insurance Funds (1000.11019.000.0143) to cover Fund 4700 Group Health in Bank 6 \$618,014.45

- i. Motion to approve made by Mr. Rosenbaum and seconded by Mr. Koronka.

When Mr. Kiel asked for clarification on what the item was about, Mr. Novak explained that about five weeks prior, Bank 6, which works almost exclusively with the healthcare account, reached out to the Treasurer's Office to inform them that this account was overdrawn by about \$116,000, and a transfer from the Commissioner's Employee Group Health Insurance Fund was made to ensure that the account was balanced. In the meantime, while the Council had been planning on making a formal advertisement for the appropriation of the \$116,000, an additional shortage in the amount of \$500,000 occurred in the Bank 6 account as well, and financial advisor Karl Cender was reached out to so an investigation on the source of the overdrafts could be found.

Mr. Kiel asked if more funding would be needed to backfill any potential additional shortages, which Mr. Novak noted that the Council would be unsure until Karl Cender finished his investigation, and Council Attorney Guy DiMartino answered that additional funds would likely be needed. Mr. Kiel recommended that, at some point, the Insurance Committee be reformulated to create better oversight on this process. Mr. DiMartino clarified that the charges in question were claims.

- ii. Five members voted in favor (Mr. Yagelski, Mr. Rosenbaum, Mr. Novak, Mr. Koronka, and Mr. Kiel) and one member voted not-in-favor (Mr. Cunningham).

- 2. Requesting Approval for Additional Appropriation from Riverboat (1191) or WinTax (4220) or ARP (8950) for:

Replacement of Employee Group Health Insurance Funds \$618,014.45

Chief Deputy Auditor Rhonda Graves clarified that money could not be transferred into the account, however an appropriation to make it available from where it was currently accounted

from could be made. Mr. Kiel asked if the appropriation could be made at a later date, which Mr. Koronka stated that he agreed with, so the Council could receive Mr. Cender's report on the cause of the overdrafts in question before transferring large amounts of money. Ms. Graves clarified with Mr. Kiel that the county budgeted money for Employee Group Health Insurance with the Commissioners' budget, which for 2024, was \$6.85 million, and every pay period, the employees' 15% contribution and the county's 85% contribution were grouped together and placed into the 4700 account, which was also the Bank 6 account.

Mr. Kiel asked that, if by approving the transfer, the county was accelerating the collection process. Ms. Graves responded that not only was this moving the money ahead, but also moving the money to be used toward something was for something other than its original purpose – the original purpose being the county's 85% contribution, but by moving it, money would be directed not only to claims, but administrative fees as well, which had not been budgeted for this year or in the past. Mr. Novak questioned how the administrative fees had been paid for the year prior, which Ms. Graves explained that the fees had just been rolling by on the deposits that the Commissioners submitted, and it had been doing so for years. Mr. Kiel noted that, if at one point the account had a very large surplus, it would take a long period of time for it to drain down, as money was constantly flowing in and out of the account.

Mr. Cunningham asked what percentage of the cost was for administrative fees, which Mr. DiMartino answered that calculating a percentage would be difficult to do, as the county was self-insured up to \$200,000 per insured individual, so a percentage was dependent on the claims history, which varied, but the UMR administrative costs were roughly \$300 per family or \$162 per individual per month. He added that he was unsure if the employees' 15% contribution paid anything towards these administrative fees, or if the county's 85% contribution covered the fees entirely. Ms. Graves stated that the cost of claims had also increased, with the lowest total monthly claim being about \$1.1 million. Mr. Kiel added that he would like to have GIS explain to the Council how the insurance, fees, and claims worked, which Mr. Novak answered that this could be planned following the conclusion of Mr. Cender's investigation, and added that the last time \$5 million was added into the account was about 2016.

- i. Motion to table the item until the April 22nd, 2024 Regular Council Meeting made by Mr. Kiel and seconded by Mr. Koronka.
- ii. All members voted in favor.

Mr. DiMartino asked what would happen in the interim if the Treasurer's Office approached the Council once more if another shortage were discovered, to which Mr. Novak answered that all that should be required to address it was an authorization to cover shortages in Bank 6, with proper notice to the Council.

Examined & Approved by the La Porte County Council this 22nd day of April 2024.



Councilman Earl Cunningham



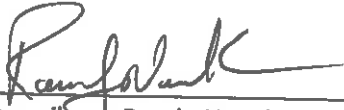
Councilman Adam Koronka



Councilman Justin Kiel



Councilman Mike Mollenhauer




Councilman Randy Novak



Councilman Mike Rosenbaum



Councilman Mark Yagelski

ATTEST: 

Timothy Stabosz, Auditor