

WHEREAS, in the opinion of the County Auditor, the public interests required that the Lake County Council, should be called to meet in special session at this time, for the purpose of considering Budgets for Year 2024, a written notice was sent to each member of the Council, and proper advertisement made, and all other acts performed in accordance with the laws governing such matters.

And now in obedience to such call, come Presiding Chair Christine Cid, David Hamm, Clorius Lay, Pete Lindemulder, Ted Bilski and Randy Niemeyer, County Councilpersons, together with Tom O'Donnell and Ray Szarmach, County Council Attorneys. President Charlie Brown was absent.

Schmal – The delay we had on Thursday to Tuesday has been resolved so we're ready to roll in terms of our traditional process of completing and preparing the budget for 2024. The state authorized a four percent maximum levy increase to governmental entities within the state. We've carried over some surplus from 2022 into 2023 so that will be reflective in available funding balances for next year which should help us bring up our reserves from three percent last year to four percent this year in terms of the reserves and levy funds. In terms of cash balances, based on the numbers I've reviewed from the Auditors office, we're looking pretty good in terms of moving forward with the budget process and the wishes of the council. I've prepared seventeen proposed motions based on conversations I've had with various council members. These are similar motions to last years budget and we should be able to get through this efficiently and effectively.

Hamm made the motion seconded by Bilski, to set reserves for Funds 1001,1014,1107,1105 and 1337 to four percent of their levy. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Bilski made the motion, seconded by Hamm, to approve 1651 Cum Cap, 1790 Drainage Improvement, and 4350 Cumulative Bridge as requested. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Lindemulder made the motion, seconded by Bilski, to set levy rate for 1651 Cum Cap to max levy, and set 1790 Drainage Improvement and 4350 Cumulative Bridge operating balances to achieve .0070 and .0086 levies respectively. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Niemeyer made the motion, seconded by Hamm, to set 2024 budget for Funds 1001, 1014, 1107, 1105, and 1337 to 2023 adjusted budget plus three percent for all non-salaried line items. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Lay made the motion, seconded by Hamm, to approve four percent salary increase to twenty-three budgeted full-time salaries for all non-mandated & non-contractual salaries all levy funds. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Hamm made the motion, seconded by Bilski, to approve Salary increases for all CBA increases for Sheriff Police, Correctional Officers, E911 Dispatchers and Highway Teamsters.

Niemeyer – The CBA for the sheriffs' police, is still in process of negotiation.

Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Bilski made the motion, seconded by Niemeyer, to approve mandated salary increases per Indiana Supreme Court {i.e. judges, prosecutor, deputy prosecutors, magistrates, Sheriff, Chief, Public Defender and Asst. Chief Public Defender and to approve probation officers' salaries per Indiana Judicial Conference Schedule in tax-based funds. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Lindemulder made the motion, seconded by Bilski, to approve all part-time, overtime, seasonal and election day workers line items as requested. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Niemeyer made the motion, seconded by Hamm, to approve requested amounts for 63730 Property Rental, 61250 Assessor Certification, 61229 Board Member Per Diem, 61210 Longevity, 61251 Assessor Per Diem and 61196 Election Day workers. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Lay made the motion, seconded by Hamm, to approve health insurance rate per position at \$27,800.

Cid – What is the current amount per employee?

Larry Blanchard – \$24,600.

Schmal – Insurance this year is running eight percent higher (2023 versus 2022). We're actually running at a deficit in the budget this year.

Cid – So, we may be talking about increasing employees' cost?

Schmal – Yes, because next year is projected to be at least another eight percent as well. So, there's an issue with insurance cost.

Hamm – I believe Councilman Pete and I are going to have some more dialogue with Mr. Blanchard on that in the future

Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Hamm made the motion, seconded by Bilski, to approve appropriations all user fee/grant funds as requested/advertised except for salaries. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Bilski made the motion, seconded by Hamm, to approve the Parks Cumulative Cap Building Fund at \$700k levy and reduce Park Fund 1107 Land Improvements by \$700,000. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Lindemulder made the motion, seconded by Hamm, to approve all levy fund department budgets that comply with the 3% total increase.

Cid – So these are their non-salary line items correct Scott?

Schmal – Yes.

Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Niemeyer made the motion, seconded by Hamm, to approve all department salary reorganizations provided the total salary amount does not exceed 4%.

Cid – In my opinion the wording is not correct. You know how sometimes a department will say they want one person to have a merit increase and not just the four percent but something higher than the four percent? I believe I still want to approve those but then the next item takes care of them not receiving the four percent on top of that.

Hamm – I think that does cover it, the other one. Scott was working on that.

Cid – The next motion covers that if you have something greater than four percent, then you don't get the four percent but this motion is kind of saying that four percent is the max. So, we can do it today and then come back to it.

Bilski – But if we're going to take raises away we have to watch on how much disparity we cause between certain positions because over the years we've built in certain positions where it should be that at this level you should be making less than the person that's in a spot above you. If we make some of these adjustments we just have to make sure that if they're getting a bump that person in the lower level isn't now exceeding the person that was suppose to be in the higher rated position. We need to watch not taking that money away from them. We need that pecking order.

Schmal – The total of the salaries for that specific line item can't exceed four percent. Individual positions within that line item could receive more than a four percent raise.

O'Donnell – The total 100 series?

Schmal – Correct. You can reorg it but your total 100 hundred series can't go more than four percent is what the intention of that line item is.

Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Lay made the motion, seconded by Hamm, to approve any salary increases due to a reorganization where the salary increase is 4% or greater will not receive the across the board raise percentage in addition to the reorganization. Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Hamm made the motion, seconded by Lindemulder, to approve Criminal Courts Department 3002 new positions of Courtroom Commissioner at \$99,750, Bailiff at \$43,549, and Commissioner Secretary at \$41,995 in the County General Fund 1001.

Lay – This commission is for all of the criminal courts?

Hamm – All the felony courts, correct.

Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Bilski made the motion, seconded by Hamm, to approve Public Defender request for Other Professional Services at \$1,002,059 in the County General Fund 1001 to allow them to maintain compliance with state reimbursement program due to guideline changes.

Hamm – What is reimbursable Scott?

Cid – Forty percent.

Schmal – The increase of that is \$300,000 and we'll get back \$120,000 but we have to spend the \$300,000 to even stay in the whole program anyway. So, there's two to three million dollars at risk if we don't increase that line item by \$300,000.

Majority voted yes. Brown was absent. Motion to approve carried 6-yes, 1-absent.

Hamm made the motion, seconded by Bilski, to cancel the meeting scheduled for Thursday September 14, 2023 at 1:00 P.M. and reconvene for the First Reading scheduled for Thursday September 19, 2023 at 10:00 A.M. Majority voted yes. Brown was absent. Motion carried 6-yes, 1-absent.

Bilski – Scott is there anything we should start considering between now and Tuesday's meeting?

Schmal – Anything we can do to shore up our reserves and i.e. health insurance because again that health insurance is really escalating annually and I think we actually need to assess that whole program not just the premiums employees are paying. But that's the commissioners so I don't want to step in their sandbox but again that expense is almost becoming unsustainable as a program. We're able to afford the six-million-dollar surge in expense in this budget that's because we're relying on surplus from the prior year but eventually that's not going to be available.

Bilski – What would be some of the considerations to solicit to commissioners for change? Besides going for a bigger increase on the employees in 2024?

Schmal – Well there are different health insurance vehicles out there. High deductibles plans with HSA accounts things like that but again, I wouldn't want to get into their sandbox.

Bilski – I would suggest that if you had to do an increase, that you would equal that increase in their salaries so its less of an impact. You'd hate to give an employee a pay raise and then turn around and take more money away from them because they now have an increase in their health care cost. So, it's a zero increase at that point or a negative so I would ask that the council really pay attention to that and plan for 2024 that way.

Cid – I mean its still a great benefit and we're still paying less than probably most entities that I know of.

Schmal – Well evidence of that is our employee population contributes five percent of the total medical cost for the county. I think national average is twenty percent. So that shows you how attractive our medical insurance plan is and that may not be understood or enticing enough to attract employees to the county which is a contributing factor to our vacancy rate.

Hamm – We have to balance. Larry is going to work some numbers and we'll come back to you with our findings.

Schmal – The other side of it is, we formulized reserves at four percent. Experts say we should be ten to twenty percent, something like that. So, our reserves are pretty low.

Bilski – Before we adjourn the meeting, on Tuesday I'm going to ask to increase one staff member in Veterans Affairs to help administer satellite offices for our veterans. Possibly the clinic would be a great place to have a service office.

Schmal – Overall, I think everyone needs to understand the insurance expense crisis we're facing so every dollar that we don't allocate elsewhere whether its new positions, contract labor etc. is going to go towards health insurance and then ultimately that'll relieve some of the pressure on increasing employee premiums. So, every position we add from this point forward or any increase and expense from this point forward increases the case to add additional expense on the employee's health insurance.

Bilski – Just throwing it out there then Scott what the impact would be like hypothetically, if we treated the 27<sup>th</sup> pay period as a stipend, that gives everybody one additional bonus check, and you gave a flat three percent pay raise which is about four million dollars itself to everyone and then you took one percent which would be a million to shore up insurance instead of on the check you gave a combination to the folks and then if in 2024 you gave that additional pay period, that's a nice stipend to help pay for if we have to increase out of pocket, if you had one additional check next year. Just one of many options.

Schmal – The six million we're increasing in next year is the minimum increase we should do. It's probably closer to eight to ten.

Bilski – If we use that formula that way then maybe for 2024, if we had to ask, we could have that increase there for the folks.

There being no further business to come before the Council, it was moved and seconded that this Council does now adjourn, to meet again as required by law.

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President, Lake County Council

ATTEST:

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Peggy Holinga Katona,  
Lake County Auditor