

MINUTES
ELKHART COUNTY COUNCIL
December 13, 2008

The meeting of the Elkhart County Council was called to order by Sheriff Michael Books at 8:00 a.m., in Room 104 of the County Administrative Building, Goshen, Indiana. Members present were John K. Letherman, Donald E. Abel, Clarence J. Yoder, Dennis E. Sharkey, Randall D. Yohn, James L. Hartman and David E. Foutz.

Also present were David Hess, County Auditor; Floyd Hindbaugh, Director of Personnel, Tom Byers, County Administrator, Gordon Lord and Craig Buche, County Attorneys.

Letherman announced that he would like to express his thanks and gratitude to Jim Hartman for eight years of outstanding service. He presented Jim with a plaque and said he hoped he would think of the Council when he looked at it. He then read what was on the plaque "To James L. Hartman, Elkhart County Councilman At-Large from January 1, 2000 to December 31, 2008, for outstanding and meritorious service to the people of Elkhart County presented with our sincere thanks and gratitude, Elkhart County Council, John Letherman, Dennis Sharkey, David Foutz, Randy Yohn, C. J. Yoder and Don Abel".

MINUTES: Approval of minutes for November 14, 2008

On motion made by Sharkey seconded by Hartman and unanimously carried, the Council approved the minutes as read for November 14, 2008.

COMMITTEE REPORTS:

COMMISSIONERS: None

COUNCIL: Abel, Yoder, Yohn, Foutz, and Sharkey all made comments to Hartman on his leaving office. Hartman said that he has been involved in a lot of organizations during his career and gave recognition to his wife for her support. He said it has been a genuine privilege to serve on the Council. This County is fortunate, when he came on the Council we were in good financial shape and he feels we are still in good financial shape. We have not had to borrow money like some counties and he feels that is a credit to the Council and your willingness to work until budgets balance. None of us could do our job without the help of the Auditor and his staff. He thanked John for his leadership and other members of the Council for doing their job. He thanked all of them for the pleasure of working with them. John gave a short report.

AUDITOR: Hess gave a short report.

SHERIFF: Sheriff gave a short report.

PERSONNEL REPORT: Present for the Personnel meeting were Councilmen Dennis Sharkey, Donald Abel, Clarence J. Yoder and Commissioner Frank Lucchese. Floyd Hindbaugh, Director of Personnel presented and explained the following personnel requests:

1. PERSONNEL REQUESTS

A. Buildings and Grounds

1. Proposed market premium rates for maintenance staff. CCPC recommended approval 4-0.

On motion made by Sharkey seconded by Hartman and unanimously carried, the Council approved this request.

2. Request 3% individual rate increase for Assistant Director (Whitehead) from \$1,811.06 to \$1,865.39. CCPC recommended approval 4-0.

Jim Miller, Director of Building and Grounds spoke and told the Council about the reason for this request.

On motion made by Yoder seconded by Hartman and unanimously carried, the Council approved this request.

B. Auditor's Office

1. Request reclassification of First Deputy (Graff) from PG7/JF6 to PG8/JF6 including a 6% rate increase from \$1580 to \$1674.80. CCPC recommended approval of reclassification to PG8 and a 3% rate increase 4-0.

Hess explained this request to the Council.

On motion made by Hartman seconded by Abel and unanimously carried, the Council approved this request.

2. Request reclassification of Property Tax Manager (Miller), PG6/JF6, to Property Compliance Manager, PG7/JF6, including a 6% rate increase from \$1406.93 to \$1491.34. CCPC recommended approval of reclassification to PG7, new job title, and a 3% increase 4-0.

On motion made by Hartman seconded by Sharkey and unanimously carried, the Council approved this request.

C. Community Corrections

1. Request reclassification of Work Release Specialist I, II, II (Community corrections only) to Intensive Case Managers I,II, III. CCPC recommended approval 4-0.

On motion made by Sharkey seconded by Foutz and unanimously carried, the Council approved this request.

C. Health Department

1. Local Health Maintenance: Request new position, Health Promotion Specialist (Accreditation Coordinator), PG6/JF5, up to \$18.08/hr. (\$33,976 annually). CCPC recommended approval 4-0.

On motion made by Hartman seconded by Yoder and unanimously carried, the Council approved this request.

2. Classification of Health Promotion Specialist – recommendation is a reduction from pay grade 7 to pay grade 6. CCPC recommended approval 4-0.

On motion made by Hartman seconded by Sharkey and unanimously carried, the Council approved this request.

E. Personnel Office

1. Request to amend the 2009 Salary Ordinance with update to Market Premium Rate Schedule for Plan Director, three positions in Information Technology, Engineering staff at Highway, and maintenance Staff in Buildings and Grounds. CCPC recommended approval 4-0.

On motion made by Yoder seconded by Abel and unanimously carried, the Council approved this request. (Page 512)

F. Prosecuting Attorney’s Office – FACT Grant

1. Request part-time rate in Account 4129 up to \$12.50 per hour. CCPC recommended approval 4-0.

On motion made by Sharkey seconded by Jim and unanimously carried, the Council approved this request.

The preceding Emergency Appropriation Ordinance was then duly adopted. (Page 513-517)

EDC MATTERS: None

TRANSFERS REQUIRING COUNCIL ACTION:

A. GENERAL FUND (#001)

1. Concord Twp. Assr. (114)	
From 4312 Postage-----	\$ 650.00
4397 Education & Conf. Costs-----	\$ 650.00
To 4546 Data Processing Software-----	1,300.00
2. County Council (129)	
From 4313 Travel-----	\$ 100.00
To 4209 Supplies-----	100.00
From 4310 Sustenance-----	\$ 50.00
To 4242 Service Awards-----	50.00
3. Emergency Management (137)	
From 4313 Travel Expense-----	\$ 600.00
To 4209 Other Office Supplies-----	600.00
4. Buildings & Grounds (140)	
From 4326 Gas-----	\$ 3,000.00
4330 Building Repair-----	\$ 3,000.00

	To	4220 Repair Parts & Equipment -----	6,000.00
5.	Soil & Water (144)		
	From	4205 Photographic Supplies -----	\$ 150.00
		4310 Sustenance-----	\$ 350.00
		4342 Auto Rental-----	\$ 350.00
		4397 Ed & Conf Costs -----	\$ 250.00
	To	4545 Computer Hardware -----	1,100.00
6.	Circuit Court (160)		
	From	4206 Law Books -----	\$ 700.00
	To	4542 Office Equipment -----	700.00
7.	Juvenile Court (161)		
	From	4259 Office Equipment -----	\$ 1,000.00
		4203 Copy Machine -----	\$ 160.00
		4397 Ed & Conf Costs -----	\$ 400.00
		4259 Office Supplies -----	\$ 100.00
	To	4541 Office Furniture -----	1,400.00
		4309 Other Professional Services-----	260.00
8.	Superior Court #3 (164)		
	From	4310 Sustenance-----	\$ 700.00
		4312 Postage-----	\$ 907.00
		4397 Ed & Conf Costs -----	\$ 963.00
	To	4108 Paraprofessional -----	2,570.00
9.	Court Magistrate Elkhart (167)		
	From	4309 Other Professional Services-----	\$ 500.00
	To	4118 Excess Hours-----	500.00
10.	Community Corrections (179)		
	From	4312 Postage-----	\$ 2,000.00
		4390 Dues -----	\$ 500.00
	To	4209 Office Supplies -----	2,000.00
		4545 Data Processing Hardware-----	500.00
B. COUNTY HEALTH OPERATING (#102)			
1.	Health Department (340)		
	From	4305 Computer Services -----	\$ 1,000.00
	To	4539 Other Equipment -----	1,000.00
	From	4304 Lab-----	\$ 500.00
		4331 Maintenance-----	\$ 87.00
		4335 Equipment Repairs-----	\$ 100.00
		4337 Cleaning -----	\$ 416.00
		4390 Dues -----	\$ 465.00
		4392 Subscriptions-----	\$ 136.00
		4397 Tuition -----	\$ 125.00
		4398 Training-----	\$ 21.00
	To	4217 Medical Supplies -----	1,850.00
C. H.I.V. GRANT (#141)			
1.	Health Department (980)		

From	4337 Cleaning -----	\$	100.00
	4310 Sustenance-----	\$	199.00
	4313 Mileage -----	\$	684.00
To	4217 Medical Supplies -----		983.00
2. Health Department (980)			
From	4313 Travel -----	\$	121.00
To	4219 Other Office Supplies-----		121.00
D. STORM WATER MANAGEMENT (#320)			
1. Soil & Water (980)			
From	4319 Print Other-----	\$	1,300.00
To	4545 Data Processing Hardware-----		1,300.00
E. CUMULATIVE CAPITAL DEVELOPMENT (#334)			
1. Commissioners (980)			
From	4330 Building Repairs-----	\$	3,486.00
To	4220 Repair Parts -----		3,486.00

On motion made by Hartman seconded by Foutz and unanimously carried, the Council approved these Emergency Transfers.

The preceding Emergency Transfer Ordinance was then duly adopted.

(Page 517 A)

TRANSFERS NOT REQUIRING COUNCIL ACTION: Transfers of appropriated funds within the same major classification for November are available in the Auditor's office.

OTHER BUSINESS:

(a) Reappointment of Karen Mackowiak to the Elkhart County Park & Recreation Board for another term. Her term will expire 12/31/12.

On motion made by Foutz seconded by Hartman and unanimously carried, the Council approved this request.

(b) Reappointment of Jack Simper and Nelson Nix to the Elkhart County Board of Appeals for 2009. Their term will expire 12/31/09.

Cathy Searcy, County Assessor spoke to the Council about the Board of Appeals.

On motion made by Hartman seconded by Foutz and unanimously carried, the Council approved this request.

(c) Reappointment of Brad Newcomer to the Nappanee Public Library Board of Trustees. His term will expire October 1, 2012. (Page 518)

On motion made by Hartman seconded by Abel and unanimously carried, the Council approved this request.

(d) Ordinance #CC-08-11 authorizing loan to Welfare Fund 189 and Health Fund #102.

Hess explained this request to the Council. He said this ordinance makes sure that all accounts are in a positive position at the end of the end of the year. We are just now starting to add the property tax money into the funds. When we looked at welfare the amount of money going in will pay off the loan we did in August, but we would be very close and at first we thought we would hold some of the payments until January and then decided that would not be fair to Basher Home and Oaklawn who were owed money before the end of the year. We want to make sure the Health Department is also in a positive cash flow position at the end of the year. So those two have been coupled together. The ordinance Buche has prepared essentially takes the loans that are currently in place and extends them for six months to give us the ability to get settlement in January to start paying these loans off.

Sharkey asked if this would be the last year to pay welfare and Hess said yes, there is no rate for 2008 pay 2009 and in working with the people at Welfare we are anticipating that when we get all of the bills we will encumber everything at the end of the year because these bills are still going to be coming through perhaps June. We are anticipating approximately \$200,000 that would then go to the levy excess fund which then would be distributed back to all the units of government in the County in 2010.

Buche then addressed the Council and said as you may recall the Council did some ordinances earlier this year for loan purposes to carry those funds until the end of the year. This is the same kind of ordinance for the Welfare and Health Fund which are still slightly short toward the end of the year. Procedure is that the statute allows you to do it through December 31 and the normal expectation is by that point you would have your distributions which would allow you to repay those. The first ordinance CC-08-11 would be to place those two additional funds under those loan ordinances and then we would go to the second ordinance which is the extension ordinance.

On motion made by Sharkey seconded by Hartman and unanimously carried, the Council approved this ordinance CC-08-11. (Page 519)

(e) Ordinance #CC-08-12 extending loans until final settlement of property tax collections.

Buche said the statute requires that the expectation is that those loans be paid back by December 31st. If they can't be then the statute requires that the Council do another ordinance authorizing the extension of those loans a maximum of six months. We took advantage of the maximum, we expect that those funds will be repaid early in the year after settlement, but there is no reason to cut it short if there would be any reason that the settlement doesn't occur by a particular date. This would be all of your loan ordinances that you have authorized this year for these cash flow purposes. The intent is that all of the loan ordinances including the two you just approved would be attached to this ordinance for references in term of what you are extending. That would be the ones you did in August as well as this meeting.

On motion made by Foutz seconded by Hartman and unanimously carried, the Council approved the Ordinance CC-08-12. (Page 520)

(f) Resolution CC-08-14 authorizing the loaning of money from the local Major Moves Construction Fund for the Johnson Street Bridge project and the Six-Span Bridge project.

Buche said this is the same resolution that was in your packet last month and there was discussion about the interest rate and what the terms would be for the financing. This ordinance has been put together by the Auditor's office and discussions with Jeff Taylor. This is the funds you appropriated last month for these two bridge projects. You had \$9,200,000 coming from local Major Moves for Johnson Street Bridge and \$9,800,000 for the Six-Span Bridge project. This is the documentation of the loan which is required under your ordinance dealing with your Major Moves construction fund. If the County loans the funds you have to have agreements in place for the repayment of that and provide for interest. This is the \$19,000,000 for those two bridges projects. This would be repaid with interest at 2% and Hess has talked with the Treasurer about what interest rate to use. An interest rate of 2% will continue to grow this fund. This loan will pay off December 31, 2014. Buche said what the Council has to decide is what interest rate you want. He told Hess that anything that you decide less than 5% or 6% and you are saving money rather than doing a market loan. Anything that you pay yourself above 1-1/2% you are doing better than your investment return would be if you had it in the bank. You could put a higher interest rate on this loan and take more from your Major Bridge fund and you would have less in that fund in the future for other projects.

Letherman said he would support the 2% interest but he wants that figure reviewed at least every six months. He felt the rate should be higher. The Council agreed to review this interest rate every six months and asked the Council Secretary to make note of that request.

On motion made by Foutz seconded by Yoder and unanimously carried, the Council approved this ordinance. (Page 521)

(g) End-of-the year requirements per House Bill 1001.

Buche said the last financial aspect we have to discuss is the mandate the legislature put in the CAGIT statute that requires the County Council to at least once a year discuss whether or not to adopt a supplemental CAGIT for the property tax levy freeze. If you recall with House Bill 1001, it established three different ways that you could adopt an additional income tax rate locally for purposes of either property tax levy freeze, reducing property taxes or public safety. This particular one dealing with the property tax levy freeze says that you have to discuss that each year as to whether you would want to impose it or not to impose it. It does not require a public hearing; it simply requires that you discuss it. What is normally going to happen is that this would take place probably sometime in the late summer because you normally have to adopt it by August 1st or August 15th. This year because of this whole mess with the budget, they allowed the Counties to look at these through the end of the year. So the process is whether or not the County would want to impose an additional income tax rate under CAGIT for purposes of freezing the property tax levy.

There was a long discussion before the Council came to a decision on this matter. Buche then summarized what the Council had been discussing. In terms of the requirement, he suggested

the Council is saying that it is premature to consider a change in the income tax rate based on property tax levies at this point and that there may be a need to do that in the future in looking at what the economy is, what the efficiencies are to be achieved in cooperating with the local governmental entities as a whole, as well as in comparing the three legged stool where the taxes come from and what the balance should be: sales, income and property tax.

The County Council engaged in a discussion required in the House Bill 1001 dealing with the supplemental CAGIT for property tax levy purposes.

ADDED ITEM: Letherman said there is a joint resolution of the Elkhart County Commissioners and Elkhart County Council implementing certain policies in response to circuit breaker financial impacts to be considered today. He said it has been decided that the vacant position section 1-C was a bit heavy handed and so we are encouraging people to consult with us before filling vacancies. The point of this resolution is to basically lay out where we think the County is going for the next 12 months so our employees understand that our focus is on trying to retain the people who got us here and if we have to make changes or save money we will try not to do it on the backs of our current employees.

We are asking Department Heads to try to do more with less and we are trying basically to anticipate the moves we are going to have to make this year. Sheriff Books then spoke up about this resolution and it was very evident he was not in favor of it. Byers then spoke to the Council and tried to explain the reason for the resolution. A long discussion back and forth between the Sheriff, Council and Byers took place.

There was finally a consensus from the Council to table this resolution until January.

On motion made by Sharkey seconded by Hartman and unanimously carried, the Council tabled this resolution.

(h) Dorinda Heiden-Guss will give an update on Economic Development Corporation of Elkhart County activities.

Dorinda gave the Council a short report on the EDC's recruiting and loss of new businesses for the County.

Added Item: Hess said he would like permission to amend the dates on the resolution for Six-Span Bridge. He said Buche has the amounts right but not the dates. He would like to send each of you an amended amortization schedule. The Council did not have a problem with an amended schedule.

AUDIENCE ITEMS: None

ADJOURN: There being no further business to come before the Council the meeting was adjourned at 10:30 a.m. on motion by Sharkey seconded by Foutz and unanimously carried.

Recording Secretary
Kenlyn Arnott

A complete recording of this meeting is available in the Auditor's Office. The recording of this meeting will be available for one year and then erased.