

MINUTES OF THE
REGULAR MEETING
OF THE
ST. JOSEPH COUNTY COUNCIL
December 15, 2015

A special meeting of the St. Joseph County Council was called to order at 6:25 p.m., on December 15, 2015, by the President, Rafael Morton, in the Council Chambers, fourth floor, County-City Building, South Bend, Indiana.

Members in attendance were:

Mr. Robert L. Kruszynski
Mr. Corey Noland
Mr. James O'Brien
Ms. Diana Hess
Mr. Rafael Morton
Mr. Mark P. Telloyan
Mr. Mark A. Catanzarite
Mr. Mark Root

Present from the Auditor's office were Mr. Michael J. Hamann and Ms. Teresa Shuter, Chief Deputy Auditor. Council staff present was Mr. Michael A. Trippel, Attorney and Ms. Jennifer Prawat, Executive Secretary.

Petitions, Communications and Miscellaneous Matters:

Public Hearing/Land Use Planning:

BILL NO. 87-15: AN ORDINANCE OF THE ST. JOSEPH COUNTY (INDIANA) COUNCIL AUTHORIZING THE PURCHASE OF A BLANKET CRIME INSURANCE POLICY PURSUANT TO I.C. 5-4-18-1, AND MAKING OTHER CHANGES TO SECTION 36.06 OF THE COUNTY CODE REFLECTING LEGISLATIVE AMENDMENTS TO I.C. 5-4-1 ET SEQ. PETITIONER: THE COMMISSIONERS

Peter J. Agostino, Attorney, this is the request to authorize the purchase of a blanket crime insurance policy, this came out of the committee with a favorable recommendation.

Motion to pass Bill No. 87-15 was made by Mr. Noland and seconded by Ms. Hess. Bill No. 87-15 was passed to-wit; 8-0

BILL NO. 75-15: AN ORDINANCE APPROPRIATING AND TRANSFERRING MONEYS FOR THE PURPOSE HEREIN SPECIFIED FOR THE SEVERAL DEPARTMENTS HEREIN LISTED OF ST. JOSEPH COUNTY GOVERNMENT

TRANSFER

A. Health Dept.
General Fund

FROM: 1000-65030-000-0002	Inter Fund Transfer	\$500,000.00
TO: 1159-05206-000-0055	Transfer of Funds	500,000.00
	<u>TOTAL: \$500,000.00</u>	

APPROPRIATION

B. Commissioners
General Fund

1000-39401-000-0034	Mandates	280,000.00
	<u>TOTAL: \$280,000.00</u>	

Mr. Hamann, St. Joseph County Auditor, We talked about this past summer, looking forward from about July and August it looked as though the Health Department was going to end up five hundred thousand dollars in the red. Worst case scenario, it may not be that bad, hopefully as we get closer to the end here. It's largely due to the fact that they didn't realize as much money on the fees when property taxes as we had hoped. They are not spending more than they have been given permission to spend, this is what we all said you can spend, this is their budget. It is the case where I highly recommend for next year, once March and April hit, provided this goes through, that we take an inventory of how hard the circuit breaker hits them and if it's looks as though they are going to be running in the red by quite a chunk then we need to call them in and say they need to make the the requisite cuts. You approved a budget which was larger for them for 2016 which, those are things, in my judgment, I agree needed to be done. What I would like to do is be a little more proactive in the spring once we know what the impact is then we will do something. Hopefully that won't happen. If we choose not to do this, what are the results of this? Basically kick the can down the road, we are going to have to deal with it anyway. We will just have to ask them to make more drastic cuts, which I think would be, if that's what we need to do. This office will get written up if we let it go in the red but don't let that stop you. Our bond rating could potentially be hurt because these bond rating agencies look at factors like this in terms of your fiscal responsibility. That could cause, from a fiscal stand point that could cause more harm than good.

Mr. Telloyan: Mike, last time this was in committee, it was my understanding it was going to come out of the Rainy Day Fund. What was the thinking behind the change?

Mr. Hamann: We had the indication it was the will of the commissioners and for a lot of you that you would rather it not come out of the Rainy Day Fund that it come out of surplus cash. When we talked to Steve Dalton, a consultant from Cender Company, he was sort of lukewarm on it. He says well, this does not feel like a "rainy day moment." He didn't say it's an absolutely horrible idea to take out of Rainy Day Fund. I felt like it was a rainy day moment, that's why I suggested that in July and August.

Mr. O'Brien: Have we had the property tax distributions yet for the November payments?

Mr. Hamann: We are real close.

Mr. O'Brien: Do you have an estimate of what the yearend balance of the general fund is going to be then, after the property tax distribution.

Ms. Shuter: We are not done yet.

Mr. Hamann: Here is what I can tell you, we are probably not going to need all five hundred thousand dollars. Five hundred thousand dollars will cover it.

Mr. Catanzarite: Mr. O'Brien asked a question about property tax collections, do we have any idea percentage wise where we are at? Percentages of collections?

Mr. Hamann: Consistently, there has not been a huge drop off in terms of how much.... The number of collections, the percentage of collections.

Kelly Havens, 12032 Timberline Trace N. Granger, I want to say how grateful I am that this council passed this transparency ordinance. My concern with the appropriation in particular with the Health Department. The half million dollars is a significant chunk of change. It bothers me that during the budget process, the council basically approved what the county was willing to come up with and if the Health Department didn't come up with its portions through other funds, it's not clear to me that should then fall upon the council to have to make up the difference. Why are people spending money that they don't yet have? Then especially when I am looking at the things the money is being spent for, I am thinking that this council with some research might be able to find better, cheaper ways of doing what's being done. We don't want to address a problem that is not there, again, the natural way of doing things is that everyone's ways filters down from where they are and the ground can handle that. Only humans would come up with this idea, no lets collect it all and put in one spot where the ground can't possibly handle it, so instead, we will dump in a bunch of chemicals to try and process it and then throw what is left over into our river and we are not checking for things like birth control drugs, those things are going into the river, you have heard what they have done to Puget Sound over by Seattle and actually affecting the ability of the fish to reproduce. We have to think about where we are spending the money. I don't think another water study in Granger is at all called for.

Mr. Catanzarite: Ms. Havens, I just want to make one comment to you. Prior to the public session in our committee, you made the suggestion or the assertion that we should be looking at ways to do things in a less expensive way. We

had a presentation tonight from a vendor that was showing us a possible way for the county to save money, several hundred thousand dollars, maybe up to a million in insurance costs. We are trying to be innovative and look for different ways. We have taken your advice and continue to meet on a regular basis and try and find ways to be innovative.

Barry Baumbaugh, 12032 Timberline Trace, N. Granger, I wonder why one department is this far behind and I am not hearing the other departments, although we may be hearing from them now if we give this department more money. Why is one department behind five hundred thousand dollars behind on their estimates? The Health Department is not here so they are not going to get an answer from that, hopefully you guys have some idea but I really wonder why the Health Department is that far behind from what it expected to get and what it actually got. I'd like to also comment on the whole thing with Granger, they want to keep pouring more stuff into the river.

Mr. O'Brien: I am concerned about the Health Department being in the red and being in the red two and three years in a row now. I am not entirely clear how the money can be spent, I'd like to see the Health Department figure that out, how they can spend that money and use that money for, get them into the general fund. I got the email chain there but I am still not sure how it's ever going to be consumed and I guess, in my mind, if the burden is on the Health Department to figure out how they can spend it, I feel like they can figure out a way to spend it. I personally prefer to see this coming out of the general fund than the rainy day fund, I know, in talking to some of my colleagues, some of them do feel that this is a rainy day type of event and I respect that, between the two I'd rather see it come out of the general fund. It would not hurt my feelings to see this carried forward as a negative balance for another year so we can see how big of a hole there is. I think the Auditor's suggestion about looking at this in April or May and suggesting cuts is a very good idea, I hope that comes to play. I anticipate voting against this.

Mr. Catanzarite: In response to Mr. Baumbaugh's comment about why are there five hundred thousand in the hole. It's not just the Health Department, it's any other fund that has a spate fund from the general fund such as, St. Joseph County Parks Department, they are also seeing these kinds of, because the effect of the circuit breaker, they are seeing a decrease in their revenue. Unlike we have seen before. That is why this fund in particular, saw a decrease in tax revenue due to circuit breaker. The reference to the tobacco trust settlement fund money, Mr. O'Brien, I think the use of that money, I don't think can be used for general operating expenses and that's part of the problem I think with that money to use it to offset this deficit.

Mr. Hamann: It can supplement not supply.

Mr. Catanzarite: Like my other eight colleagues that are up here and the Auditor, we don't like to be in this position and are not pleased with necessarily how circuit breakers kind of forced us to do this now. I don't see any other choice other than to make us whole. I am afraid if we don't do this tonight, that we will have the possibility of seeing a decrease in our rating, our financial rating and that could affect us on any future bond issuance.

Motion to pass Bill No. 75-15 was made by Mr. Noland and seconded by Ms. Hess. Bill No. 75-15 was passed to-wit; 8-0

Privilege of the floor:

Adjournment: Mr. Morton stated that the meeting was adjourned 6:50 p.m.

Auditor, St. Joseph County

President, St. Joseph County Council

