

## **COUNTY COUNCIL PUBLIC HEARING –BUDGET 2006 SEPTEMBER 1, 2005**

The meeting was called to order by Council President, Ron West, with the following Council members present: Charles Canary, John Price, Josh McCarty, and Richard Mason. Paul Reed and Steve Hollenbeck were not present.

### **Public Hearing of the 2006 Budgets**

There were no public comments.

Michael Reuter the county's fiscal adviser appeared to explain that he has the amount that the county may appeal for an increase to the maximum levy based upon the increase cost of the police pension plan. The amount to be considered would be \$158,035. If the county approves the petition to appeal then all the required forms would be sent to the Department of Local Government Finance (DLGF) for their approval. The increase would be a permanent levy increase. He explained after he includes the \$158,035 appeal and the budgets for 2006 after all reductions have been made the budget is still a deficit of \$497,543 with an ending cash balance of \$315,547. It also includes the Cumulative Bridge rate at .0225 for 2006. He noted if the Council would choose to proceed with the appeal process and in order to qualify, the county has to show that there is no available revenue in the calendar year of 2006. In order to do this the Council would need to appropriate all the reductions that were made in the first and second readings of the general fund into a line item in the Council's budget titled "Capital Outlays". What will happen is the DLGF at the state budget hearings would not approve the budget for 2006 and they will say the county needs to reduce their budget by a certain number and that will come from the capital outlay line item. If there are still funds left in that line item after the reductions, the county then should reduce that line item even further in January of 2006 by a resolution. The county tax rate if the appeal is approved would still decrease by four tenths of a percent, however that does not include a rate for bonding. What the county is working towards is balancing the budget without using available cash on hand. He noted the appropriation for employee medical insurance is at 1.2 million in the general fund and \$100,000 in the highway fund and at the current rate of expenditures that will be short in 2006. If the Cum Bridge rate was reduced back to .015 that would generate approximately \$500,000 for the general fund.

R.J. McConnell, County Commissioner, appeared explaining if the Cum Bridge rate was reduced to .015 for 2006 that would not result in a balanced budget because the additional funds would need to be appropriated into employee's medical insurance line item. He noted with the \$1.2, the \$100,000 and the \$500,000 that would result in the insurance line item being closer to meet the needs for next year. The Board of Commissioners is exploring different health care networks to offer better discounted medical services. They are estimating that by moving from Encore to Sagamore the county could save around \$120,000 to \$140,000 a year.

Mr. Canary moved to create a new line item in the Council's budget titled "Capital Outlays", #135-410.0 and appropriate \$1,656,489 into the line item. Mr. Mason seconded the motion that carried with five votes.

Mr. McConnell stated for the record that he was not in attendance at the second reading of the Commissioner's budget, and wanted to clarify any misunderstanding in regards to the increase of professional services for next year. Somehow what was said created the impression that the Commissioners had a mess to clean up by prior Commissioners or by prior legal counsel; that is not accurate if that is what was stated and he wanted to clarify that the increase in cost for professional services is due to the aggressive agenda that the county has to address.

There being no further business, Mr. Price moved to adjourn the meeting. Mr. Mason seconded the motion that carried unanimously.

**September 1, 2005**

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**Council Member**

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**Attest:**

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**Johnson County Auditor**