

COUNTY COUNCIL REGULAR MEETING – JULY 13, 2009

The meeting was called to order by President, Charlie Canary.

I. ROLL CALL

The following members were present: Brian Walker, Anita Knowles, Beth Boyce, Ron West, Steve Hollenbeck, and Josh McCarty. Phil Wilson was present as the Council’s attorney.

II. PLEDGE OF ALLEGIANCE

III. INVOCATION

IV. APPROVAL OF 7/13/09 AGENDA

Mr. Canary noted that a request for a part-time rate from the Health Dept needs to be added to item three. He also wanted to add four items under New Business: (1) Update of the Sheriff’s Pension Fund, (2) Appointment of the Jail Study Committee, (3) Update of Budget Hearing Dates – Anita Knowles, (4) Consideration of Binding and Non-Binding Recommendations of other Budgets – Jan Richhart, Auditor.

Mr. Hollenbeck moved to approve the agenda as presented with the additions; Mrs. Knowles seconded the motion, which carried unanimously.

V. APPROVAL OF 5/29/09, 6/08/09 (joint) & 6/08/09 (regular) MINUTES

Mr. West moved to approve both minutes as presented. Mrs. Boyce seconded the motion that unanimously carried.

VI. PUBLIC COMMENTS

There were no public comments.

VII. SALARY ORDINANCE AMENDMENTS, ADDITIONAL APPROPRIATIONS, REDUCTIONS, & TRANSFERS:

1. PROSECUTOR DEFERRAL PROGRAM – (327)

Sheriff Terry McLaughlin appeared on behalf of Michelle Murray, Administrative Assistant for the Prosecutor’s Office. He relayed that the request was to appropriate funds that were collected by the Prosecutor’s Office so the funds could be dispersed to the Johnson County Sheriff’s Office and the New Whiteland Police Department for their participation in the traffic deferral program.

Mr. McCarty moved to approve the request as presented. Mr. Hollenbeck seconded the motion that carried unanimously.

327.33500.000.327 – Deferral Program Participants \$ 6,193.40

2. SHERIFF – (105)

JAIL – (124)

COUNTY MEDICAL CARE OF INMATES – (903)

Sheriff McLaughlin then appeared to request an appropriation of \$573.00 into their Overtime line item for their participation in the DUI for the month of May and an appropriation of \$190.00 into their Wearing Apparel line item, which was paid as restitution for ruining a deputy's uniform. He also requested an appropriation of \$44,113.39 in fund #903 to help pay some of the inmate medical bills.

Mr. McCarty asked if there had been large claims for inmate medical and inquired how much more funds would be needed for the remainder of the year.

Sheriff McLaughlin responded that currently they receive a 27% discount from Johnson Memorial Hospital; however, effective July 1, 2009, the law changed and for the next two years, hospitals can't charge more than Medicare plus 4%. Therefore, he and Commissioner Price met with the CEO of Johnson Memorial Hospital and they are now receiving a 65% discount. Unfortunately, this year there have been large claims for the inmates, including three women that are pregnant and are expected to deliver within the next forty-five to sixty days. On the flip side, they have been having good luck on keeping the costs down for prescription drugs.

Mr. McCarty inquired what the current balance was for the Inmate Medical line item and how much was originally budgeted in it.

Sheriff McLaughlin stated there is about \$46,000 in the line item now and it started with about \$190,000; the amount he is requesting now is from the money they collected by charging the inmates co-pays for doctor visits.

Lastly, Sheriff McLaughlin requested a transfer of \$20,000 from Operating Supplies to Misc Equipment in order to help offset the cost of replacing things in the Jail kitchen. He explained it would take about \$77,000 to replace the following items: dishwasher (\$42,000), washing machine (\$8,600), water softener (\$2,200), ice machine (\$7,000), and possibly a steamer (\$17,000). The remainder of the bills would get paid from Commissary.

Mr. Hollenbeck suggested contacting the Coca-Cola Company (or whomever) about maybe donating an ice machine since the inmates are allowed to purchase their soft drinks.

Mrs. Knowles moved to approve the following requests as presented:

100.19900.000.105 – Overtime	\$	573.00
100.25100.000.105 – Wearing Apparel	\$	190.00
From: 100.21600.000.124 – Operating Supplies	(\$	20,000.00)
To: 100.44100.00.124 – Misc. Equipment	\$	20,000.00
903.30100.000.903 – Inmate Medical	\$	44,113.39

Mr. Hollenbeck seconded the motion. The motion unanimously carried.

3. HEALTH – (210)

John Bonsett, Director, appeared and stated that they had received money from the insurance company for flood related things and then he asked for the following appropriations:

210.21500.000.210 – Office Supplies (insurance)	\$	416.46
210.21600.000.210 – Operating Supplies (insurance)	\$	289.88
210.37202.000.210 – Rent (insurance)	\$	500.00
210.42000.000.210 – Equipment (insurance)	\$	13,184.37
210.44000.000.210 – Office Equipment (insurance)	\$	1,835.06

He also asked for approval for a part-time Nurse/Nurse Assistant at the rate of \$25.00/hour. He explained that in 2006 they had a rate approved at \$25.00 for a part-time Nurse/Nurse Assistant, and then in 2008 the rate was negotiated to \$21.13 due to special circumstances and didn't realize that they had locked the rate at the \$21.13 from that point forward. He commented that they have trouble keeping their nurses fully staffed and actually need more help because of all of the things that the State wants them to accomplish and even though they offer some grant money, it gets frustrating to comply with their stipulations to get the grant monies.

Mr. West moved to approve the requests as presented, including the part-time rate of \$25.00/hour and with a retroactive date of June 1, 2009. Mr. Walker seconded the motion that carried unanimously.

4. INFORMATION TECHNOLOGY – (141)

Robert Norris, Director, appeared to request transfers from Office Supplies and from Office Equipment to Equipment Maintenance plus an additional appropriation for Equipment Maintenance to help pay for unexpected maintenance expenses for the remainder of the year. The expenses include: \$1,258 for the digital recording system in the Courthouse, \$1,880 for radio tower climbing services to connect the Prosecutor's Office building, installation and configuration costs for the radio link in the amount of \$1,375, a \$338 printer repair, and \$4,200 for network wiring at the new Animal Shelter.

Mr. Canary inquired about the \$4,200 for the network wiring at the new Animal Shelter.

Mr. Norris replied that after he inspected the new building, he noticed that there was no wiring to hook-up their computers and telephones.

Mr. Canary commented that wiring should have been included in the original floor plan and construction of the building and someone should have caught it earlier.

Mr. West asked if there was \$4,200 available in the Animal Shelter Donation Fund from donations received after the new building was completed.

Barb Davis, First Deputy Auditor, replied that she could check later on the balance of that fund.

Mrs. Knowles asked if the \$1,880 for the radio tower climbing services would be eligible for FEMA reimbursement.

Mr. Norris responded that he was unsure if it could be reimbursable; he did state that the tower itself was paid from flood money. Originally, they were connected by a T-1 connection for voice and data, but it was insufficient; it was slow and dragging so they came up with a solution of the radio tower.

Mr. West inquired about the \$1,258 for the digital recording system in the Courthouse and asked if it was for one court or multiple courts. He also asked if the courts had funds within their budgets to help offset this cost.

Mr. Norris replied that all of the courts used the system and he didn't check or even ask the courts to help offset the cost. He just volunteered to pay it and was actually going to budget the cost for next year.

Mr. McCarty moved to approve the requests as presented. Mrs. Knowles seconded the motion that unanimously carried.

From: 100.21500.000.141 – Office Supplies	(\$ 1,100.00)
From: 100.44000.000.141 – Office Equipment	(\$ 1,000.00)
To: 100.36000.000.141 – Equipment Maintenance	\$ 2,100.00
100.36000.000.141 – Equipment Maintenance	\$ 7,000.00

5. COOPERATIVE EXTENSION – (116)

Linda Souchon, Director, appeared to request transfers from the FEMA reimbursement money into their Office Supplies and Office Equipment line items. She commented that at this time, they are only asking for a small amount of what they have available for their portion.

Mrs. Knowles moved to approve the requests as presented. Mr. Walker seconded the motion, which carried unanimously.

100.21500.000.116 – Office Supplies (FEMA)	\$ 6,799.68
100.44000.000.116 – Office Equipment (FEMA)	\$ 2,003.87

6. BOARD OF COMMISSIONERS – (122)

Commissioner John Price appeared to request an appropriation of \$79,547.86 into their Capital Improvements line item to make a partial final payment to Belfor for the flood related reconstruction work in the West Annex. They are retaining a small amount of the their bill until a small problem is resolved.

Mr. McCarty moved to approve the request as presented. Mrs. Boyce seconded the motion that carried unanimously.

7. RAINY DAY – (506)

Jan Richhart, Auditor, appeared to request an additional appropriation of \$400,000 from the Rainy Day Fund for the employee medical insurance; she stated this should be enough funds for the remainder of the year. She also distributed a spreadsheet outlining the checking account from Healthscope Benefits, which was balanced as of the end of June.

Mr. McCarty remarked that claims are averaging about \$250,000 each month.

Mrs. Knowles asked what the current balance of the Rainy Day Fund was.

Mrs. Davis replied it was about \$1.7 million and also reminded the Council that they had borrowed some money from it to help with the county's cash flow.

Mr. Walker asked when that money would get paid back.

Mrs. Davis responded that after taxes are collected and settlement is done, then the money would get paid back.

Mrs. Knowles then inquired about the progression of reducing the county's health insurance.

Commissioner Price replied that they revisited the insurance coverage of all the buildings, vehicles and medical insurances. Everything has been sent to the brokers to put out to the open market to get competitive prices. He hopes they have information back in time to give a report before budget hearings.

Mr. West asked how many employees are covered under the health plan.

Mrs. Richhart replied it was somewhere between 300 and 350 employees.

Mrs. Knowles moved to approve the request as presented. Mr. West seconded the motion that carried unanimously.

506.14400.000.506 – Employee Group Health

\$ 400,000.00

Mrs. Richhart also requested to transfer unspent funds from the GOB 2001 Fund in the amount of \$85,675.06 to the Rainy Day Fund. According to state statute IC 36-1-8-5 any unused balance may be transferred to the General Fund or the Rainy Day Fund.

Mr. McCarty inquired where the dormant fund came from.

Mrs. Davis responded that it came from the Hi-Tech Communication Fund 330, which was left over from the General Obligation Bond.

Mr. Hollenbeck moved to approve the transfer as requested. Mrs. Knowles seconded the motion, which unanimously carried.

From: G.O.B. 2001 Fund (259)	(\$85,675.06)
To: Rainy Day Fund (506)	\$85,675.06

Mrs. Richhart then requested an additional appropriation in the amount of \$50,000 from the Rainy Day Fund to pay for three invoices from Manatron in the amount of \$31,950 for the Auditor and Treasurer MVP Tax Billing project for training. The estimated remaining balance of \$18,050 will be used for additional required training of both offices for the cashbook, certificate of errors, abstract and settlement procedures for 2009.

Rita Sievertson, Treasurer, and Rob Norris, IT Director, were also present to address any questions or concerns the council members may have.

Mrs. Sievertson stated that additional training is necessary and they charge \$1,200/day per person. She also stated that they need this training done right away, but they won't come until these outstanding invoices are paid.

Mrs. Richhart added that once the initial training is done, the support is handled by phone.

Mrs. Boyce asked if we get charged for phone calls; Mrs. Richhart replied no.

Mr. Norris noted that they purchased thirty user licenses and the annual cost to maintain those licenses is \$33,000; this will be included in his budget for 2010.

Mr. Walker inquired if training could be done through webinars.

Mr. Norris replied they offer webinars and he wasn't sure if we would get charged for those; however, some of the employees did training through a webinar last week.

Discussion was held about how much additional training is needed and the cost associated, how much training was already done, as well as why this pricing wasn't included in the contract.

Mrs. Knowles moved to approve the request as presented. Mr. West seconded the motion. The motion carried unanimously.

506.31000.000.506 – Professional Services (user license/software training)	\$ 50,000.00
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VIII. OLD BUSINESS

There was no old business discussed.

IX. NEW BUSINESS

Update of the Sheriff's Pension Fund

Sheriff McLaughlin and Elaine Beaty, with McCready and Keene Inc, appeared to update the Council on the status for the funding of the merit pension. Ms. Beaty explained that the pensions are designed to be pre-funding arrangement to pay for obligations up front rather than waiting for a member to retire. With that said, their standard percentage assumption is 7%; some years it is more, some years it is less. Last year was an exception; the fund lost about 30% as a result of investment selection. Therefore, the decision has to be made on how those funds are going to be caught up. It will need to be made up through the county's contribution, spread out over a period of time. She distributed a copy of their recommendation for funding the 2010 budget based upon either a 20-year (\$793,745) or 30-year (\$751,649) funding of the unfunded liability as set by statute. Ms. Beaty then further explained how these figures were calculated.

Mr. West expressed his concern on how the investment decisions were made, who made those decisions, and why the County is responsible to make up the difference for those losses.

Sheriff McLaughlin replied that Wachovia handled their investments.

Ms. Beaty stated that since this program is a Defined Benefit Plan, the benefits are promised to the members and the employer sponsoring the plan will deposit money in advance and bear the burden of the risk of the investments. She added that Johnson County is not the only employer or group faced with this burden; it is just how the program was designed by the State Legislatures.

Mr. McCarty asked if there are safer investments that can be made.

Ms. Beaty replied that the Sheriff and the Merit Board have looked very closely at how the investments were made and have made some changes.

Sheriff McLaughlin added that they have switched over from Wachovia to Morgan Stanley and stated that most of the investments are long-term investments.

Ms. Beaty reminded the council that the statute requires that the pension plan be actuarially sound and there shall be contributions made for a minimum funding; these are those figures for the minimum funding.

Sheriff McLaughlin noted that he used the \$751,649 recommended amount when preparing his 2010 budget.

Appointment of the Jail Study Committee

Mr. Canary commented that based upon the last joint meeting of the Council and Commissioners regarding the proposed jail complex it was decided to appoint a committee. He noted that Mrs. Knowles expressed interest on being on the committee. He would like to see two more council members on the committee. He added that this committee wouldn't need to do any extensive study on the necessity of it, just the options relating to the funding aspect, specifically the funding of the operating expenses. The committee then should be able to report back to the Council within the next thirty to sixty days.

Commissioner Price stated that he is the appointment from the Commissioners.

Mr. Walker expressed that he felt like the Prosecutor and Judges should be included on the committee too.

Discussion was held regarding what the committee will be discussing. The end result should be to help find solutions on how to fund the daily operations for one of the proposed plans or a portion of the proposed plans and bring that back before the Council to get a favorable vote.

Sheriff McLaughlin stated that to continue to do nothing is not an answer and he gets worried each time a decision gets delayed. It needs to be decided how much the Council can afford now so that the jail needs can get met and he will work within those parameters.

Mr. Walker, Mrs. Knowles, and Mrs. Boyce were appointed to be on the Jail Study Committee.

Update of Budget Hearing Dates & Consideration of Binding and Non-Binding Recommendations of other Budgets

Mrs. Knowles wanted to make sure that all of the council members received the email that Mrs. Davis sent earlier regarding the legislative changes in the budget process regarding the dates of adoptions. She noted that the deadline for all taxing units to adopt budgets is November 1st; therefore, they could change their budget hearing dates if they wanted to. She also stated that the County Council must review and issue non-binding recommendation to civil taxing units regarding civil taxing units' proposed tax rates, levies, and budgets fifteen (15) days before the civil taxing unit adopts its rate, levy, and budget.

Mrs. Richhart stated that a letter was going out to all taxing units asking them to notify her of their adoption dates in order to schedule time for the County's fiscal body to review their budgets. She also pointed out that if failure by either the County Council or a taxing unit to complete the necessary steps will result in the current annual appropriations and annual tax levy continuing for the 2010 budget year.

Mr. McCarty inquired how the Council was going to handle the budgets that are presented to them from other entities; especially when they are asking for salary increases and the county employees are not getting any.

Some discussion was held on how they could handle approval of the non-binding recommendations of the civil taxing units in order to keep them in alignment with the county's budgets.

Mr. Canary stated that he would work with Mrs. Davis on scheduling meetings for approval of the civil taxing units.

There being no further business, Mr. West moved to adjourn the meeting. Mrs. Knowles seconded the motion that carried unanimously.