TIPPECANOE COUNTY COUNCIL
BUDGET HEARINGS
AUGUST 25, 2008

The Tippecanoe County Council met on Monday, August 25, 2008 and Tuesday, August 26, 2008 in the Tippecanoe Room at the Tippecanoe County Office Building. Council members present were: President Thomas P. Murtaugh, Vice President Kevin Underwood, Betty J. Michael, Andrew S. Gutwein, David S. Byers, Kathy Vernon and Jeffrey A. Kemper. Also present were Attorney David W. Luhman, Auditor Jennifer Weston and Secretary Jennifer Prange.

President Murtaugh called the meeting to order and led the pledge of allegiance.

Attorney Luhman read the following Ordinance For Appropriation and Tax Rates.

Budget Form 4 (Rev. 1985)

ORDINANCE FOR APPROPRIATIONS AND TAX RATES

Be it ordained by the County Council of Tippecanoe, Indiana: that for the expenses of the County government and its institutions for the year ending December 31, 2009, the sums of money shown on Budget Form 4-A are hereby appropriated and ordered set apart out of the several funds herein named and for the purposes herein specified, subject to the laws governing the same. Such sums herein appropriated shall be held to include all expenditures authorized to be made during the year, unless otherwise expressly stipulated and provided for by law. In addition, for the purposes of raising revenues to meet the necessary expense of County government, tax rates are shown on Budget Form 4-B and included herein. Two (2) copies of Budget Forms 4-A and 4-B for all funds and departments are made a part of the budget report submitted herewith.

Presented to the County Council of Tippecanoe County, Indiana, and read in full for the first time this 25th day of August 2008.

Attest:_____ _____
Jennifer Weston, Auditor Thomas P. Murtaugh, President

Presented to the County Council of Tippecanoe County, Indiana, and read in full for the second time, and adopted, this 9th day of September, 2008, by the following vote:

	Aye	Nay
David S. Byers	____	____
Andrew S. Gutwein	____	____
Jeffrey A. Kemper	____	____
Betty J. Michael	____	____
Thomas P. Murtaugh	____	____
Kathy Vernon	____	____
Kevin L. Underwood	____	____

ATTEST:_____
Jennifer Weston, Auditor

- Councilmember Michael moved to approve Ordinance for Appropriation and Tax Rates on first reading, second by Councilmember Vernon; motion carried.

REVIEW OF ALLOWABLE BUDGET

Auditor Weston explained the two ways in which Council could look at proceeding with budget cuts: first, in the traditional, required method as indicative of the required budget forms and levy limit calculations and second, the more recent method of setting an expense budget equal to or less than total estimated revenues (for the general fund, specifically). Using the first method, the council needs to cut $2,248,175. Using the second method, the amount to cut is $2,236,841. A revision to revenue estimates would change the amount of budget to cut.

Calculation of 2009 Levy Based on Requested Budget

Budget Request for the year 2009	38,618,077
Anticipated expenditures from July 1 through Dec 31, 2008	19,700,000
Anticipated Additional Appropriations July through December 2008	750,000
18 Month Expenditures	**59,068,077**
County General Cash Balance on 6/30/08	-6,674,226
Anticipated 2008 Tax Collections (July 1 – December 31, 2008)-99.25%	17,688,700
Anticipated Misc Rev from July 1 through December 31, 2008	9,793,802
Miscellaneous Revenue projected for the year 2009	17,881,236
18 Month Revenues	**38,689,512**
Property Tax required to meet budget requests	**20,378,565**
Proposed Operating Balance	**500,000**
REQUESTED TAX LEVY	**20,878,565**

Calculation of how much Property Tax can be raised

2008 Normal Maximum Levy	19,221,866
Estimated 2009 Normal Maximum Levy (+4.0%)	19,990,000
Minus Levy Excess	0
Plus Financial Institutions Tax	12,000
Plus Misc Changes – Mental Health	856,148
Plus Misc Changes – Mental Retardation	770,861
Plus Misc Changes – Cumulative Capital Development	1,572,556
Working Maximum Levy	23,201,565
Excess Levy Request	0
Tippecanoe County 2006 Certified Net Assessment	7,312,910,225
Tippecanoe County 2007 Estimated Net Assessment	7,708,606,470
Proposed 2009 Net Assessment	6,166,885,176
Proposed 2009 General Fund Amount of Levy to be raised	20,878,565
Cumulative Bridge Levy ($0.035 per $100 AV)	2,698,013
Cum Cap Development Levy ($0.0204 per $100 AV)	1,572,556
Reassessment Levy	300,606
Total (this cannot exceed the Working Max Levy + Excess Levy)	**25,449,740**

Calculation of General Fund Property Tax Levy/Budget Cuts

Estimated Amount over the allowable Maximum Levy	2,248,175
Amount of allowable 2009 Budget to meet Max Levy	36,369,902
Allowable General Fund Tax Levy	18,130,390
General Fund Tax Levy with proposed operating balance	18,630,390

Proposed Rate

2007 County General Tax Rate	0.2354
2008 County General Tax Rate	0.2312
2009 Proposed County General Rate	0.2417
2009 County General Fund Tax Rate Change	4.53%

REVENUE DISCUSSION

Members discussed several areas of concern regarding revenue for 2009. Treasurer Plantenga reported PTRC will be eliminated in 2009; in 2008 the county collected $600,000 in interest from PTRC. He added additional revenue is expected if property taxes are billed in the spring and fall in 2009.

Auditor Weston reported the estimated County Option Income Tax (COIT) figure used in budgeting was based on last year's figure. COIT amounts are usually available in September.

The Public Safety/Miscellaneous account for Department of Corrections (DOC) revenue was increased by $80,000; the trend in the past few years indicates a consistent increase.

Cary Home revenue for 2008 was adjusted downward to reflect the girls' unit opening in September, rather than earlier in the year. The 2009 revenue estimate was increased to reflect a change in per diem.

Revenue estimates, as adjusted during budget hearings are on file in the Auditor's office. Final budgets were adopted November 12, 2008.

2009 NEW POSITIONS

The following positions were approved for 2009 by the Commissioners:

- Part Time Attorney (Public Defender)
- Regular Part Time Court Reporter (Magistrate)
- Full Time Project Safe Neighborhood Coordinator (Prosecutor)
- Full Time Probation Officers or Intake Officers (2) (Probation)

GENERAL FUND BUDGETS

Councilmember Byers reported the County Assessor's 2009 budget does not include provisional funding for Fairfield Township, which will be decided after the election (referendum question). Assessor Steele suggested transferring a Real Estate Land Deputy and Real Estate Improvements Deputy to the Reassessment Fund and transferring the Computer Programmer from Reassessment to the General Fund.

Part-time from the General Fund was eliminated and $25,000 for part-time was added to the Reassessment Fund.
Since the assessing duties of the Wabash and Wea Township Assessors and the township trustees had already been transferred to the County Assessor as of July 1, there were no budgets submitted or reviewed. The Council set the compensation of each elected township assessor at $1 for 2009.

Prosecutor Pat Harrington stated his office will outsource bad check collections. The Bad Check Clerk position will be eliminated in 2009 if a contract to outsource the collections is approved by the Commissioners. A Case Worker position was eliminated from Child Support; the position was vacant in 2008 and the Prosecutor does not intend to fill it in 2009.

Two additional Probation Officers were approved for 2009; one will be funded from the General Fund and the Chief Deputy Probation Officer and the other officer will be funded from user fees in 2009.

Jury expenses for each court were reduced and a budget established for the Jury Pay fund.

COMPENSATION & BENEFITS DISCUSSION

Human Resources Coordinator Shirley Mennen spoke regarding employee compensation and benefits. She reported the Personnel Reclassification Committee had noticed and discussed the large number of requests for job reclassifications in the past year. The committee decided to have the current pay grids evaluated by Waggoner, Irwin and Scheele (WIS) to determine how county wages compare to other counties in the state. WIS reported Tippecanoe County's salary grids are anywhere from .06 % to 11.48% behind market based on the current longevity steps. Currently, employees aren't receiving market rate pay until they have been employed seven years. Waggoner, Irwin and Scheele suggested Tippecanoe County attempt to hit the market rate for county employees in three years. Coordinator Mennen provided a scenario for the proposed 4% across the board raise vs. a 4-step pay grid with a five-year market rate. With the five-year market rate projection, step one entry level employees would receive 94% of the market rate and receive their first increase at one year. Step two, at one year, employees would be paid 97% of the market rate; step three employees would be at market rate; and at step four employees would be 3% above market pay. After seven years of employment, employees would only receive cost of living increases.

Clerk Linda Phillips stated most of her employees are in the clerical grid and she believes the COMOT grid should be increased closer to market rate. APC Director Sallie Fahey stated the COMOT grid should be compared to Indiana counties but the Special Occupations grid should compare to salaries nationwide. She also agrees the COMOT grid should be adjusted closer to market rate, but also proposed all employees receive a cost of living raise.

Members also discussed the option of 1/4th of the suggested increase to the charts under market but freezing the grids that are at or over market value. A combination raise was discussed to allow for an increase in all the pay grids; a designated percentage raise for the charts below market and a flat percentage for pay grids at or above market. It was estimated that approximately 1/3rd of county employees would be frozen under a scenario that was less than the full recommendation.

Coordinator Mennen reported the up-front cost on the 4-step grid would be costly in the beginning. The last study was performed by WIS in 1998 and she recommended the pay grids be reviewed every two to three years in an effort to keep the county on track with market rate pay rather than let it go so long and end up with a problem again.

- Councilmember Byers moved to proceed with the four-step increase for grids under market value. *Died for a lack of a second motion.*

BENEFITS

Auditor Weston reported the council should expect a 20% increase in health benefit costs for 2009. Currently, the county offers two health plans. The following table represents the current cost per plan for each level of coverage.

Annual Contributions to County Self-Funded Health Insurance Plan

Plan	# Employees	Employee Cost/year	Employer Cost/year	Employee Total Cost	Employer Total Cost	Total Cost	Percent Employer Share
Plan A							
Employee	181	$ 1,056	$ 5,361	$ 191,136	$ 970,407	$ 1,161,543	83.54%
Employee/Spouse	89	$ 2,196	$ 11,280	$ 195,444	$ 1,003,963	$ 1,199,407	83.70%
Employee/Children	35	$ 1,992	$ 10,201	$ 69,720	$ 357,038	$ 426,758	83.66%
Employee/Family	92	$ 3,336	$ 15,274	$ 306,912	$ 1,405,249	$ 1,712,161	82.07%
Plan B							
Employee	101	$ 456	$ 5,135	$ 46,056	$ 518,676	$ 564,732	91.84%
Employee/Spouse	15	$ 1,440	$ 10,302	$ 21,600	$ 154,530	$ 176,130	87.74%
Employee/Children	19	$ 1,248	$ 9,376	$ 23,712	$ 178,139	$ 201,851	88.25%
Employee/Family	20	$ 2,412	$ 13,803	$ 48,240	$ 276,063	$ 324,303	85.13%
Totals	**552**			**$ 902,820**	**$ 4,864,065**	**$ 5,766,885**	

The Commissioners will be receiving quotes on benefit plans in September and will decide at that time how much of the cost to share with employees. Coordinator Mennen reported she will be requesting additional funds at a future council meeting for 2008 claims.

By consensus, it was decided to continue review of compensation and benefits until a firm recommendation could be made. With the DLGF extension of the budget deadline until December 1, the council can consider approving the budget in October or November instead of September.

- Council President Murtaugh called for a recess until 8:00 a.m. on Tuesday, August 26, 2008.

TIPPECANOE COUNTY COUNCIL
BUDGET HEARINGS
AUGUST 26, 2008

- President Murtaugh reconvened the meeting from Monday, August 25, 2008.

AMBULANCE DISCUSSION

TEMA Director Mark Kirby discussed the need for additional ambulances in Tippecanoe County. As the Chairman of the Emergency Medical Services Advisory Committee, he reported additional ambulances are desperately needed to meet the needs of the growing community. Currently, TEAS depends on mutual aid from area fire departments as well as volunteer departments. Director Kirby researched county government's investment to ambulance service throughout the state and found most were government supported.

Council members shared concern regarding the amount of revenue received for ambulance services. Director Kirby reported the cost to operate one ambulance per year was approximately $615,000 per year.

Lisa Decker with St. Elizabeth Regional Health explained all allowable charges are billed but there is a difference in the amount billed and the amount paid due to contract obligations with insurance companies.

Purdue Fire Chief Kevin Ply provided information on mutual aid services. He reported Marion County townships provide ambulance service for their respective townships; smaller townships without fire/ambulance services contract with Wishard Ambulance Service. Howard and Monroe County provide similar services; Monroe is most comparable to Tippecanoe with county participation of $125,000 per year with a non-profit and for profit hospital in the county.

Director Kirby clarified the initial request for $600,000 from TEAS for additional ambulances will allow the service to purchase five trucks to allow for expansion of the service and retiring high mileage trucks.

Vicky Snipes reported the Emergency Medical Services Advisory Committee has established a sub-committee to create a governance body to oversee the county ambulance service. A medical directorship will oversee the operations. The governance body will include area fire chiefs, Clarian/Arnett, St. Elizabeth Regional Health, and Tippecanoe County Commissioners.

Attorney Luhman stated the commissioners will need to submit a request for additional appropriations to the council for their October meeting to fund the purchase of the ambulances.

- Councilmember Vernon moved to amend the EDIT Plan to reflect an appropriation for $610,000 in 2008 for the purchase of six ambulances, second by Councilmember Michael; motion passed. *Councilmember Gutwein voted in opposition.*

Councilmember Gutwein expressed concern that the DOC line item (Superior 3 budget) had been absorbed by other areas of the budget, yet it had been the intent to set that money aside for operation of the juvenile facility. He questioned if the money could not be found by making additional cuts, how could they expect to find the money in future years? It was decided that a review committee meet before November to scrutinize each line item, looking for additional cuts.

At the end of day two, the budget was balanced with funding available for a 2% raise for county employees, assuming some form of the compensation study could be implemented. The Personnel Reclassification Committee will meet to discuss options regarding the pay grids and provide information to the council at their next meeting. The budget will be presented for final approval at the November Council meeting.

- Council President Murtaugh called for a recess until 4:00 p.m.

- Council President Murtaugh reconvened the meeting at 4:00 p.m.

PUBLIC COMMENT

None

- Councilmember Gutwein moved to adjourn.

Budget adjustments as of the end of budget hearings are on file in the Auditor's office. Final budgets were adopted November 12, 2008.

TIPPECANOE COUNTY COUNCIL

absent
Kevin Underwood, President

absent
Betty J. Michael

Andrew S. Gutwein, Vice President

John R. Basham II

absent
Roland K. Winger

Jeffrey A. Kemper

Attest:
Jennifer Weston, Auditor

Kathy Vernon