

**GRANT COUNTY COUNCIL  
SPECIAL SESSION  
October 7, 2015**

The Grant County Council met in special session on Wednesday, October 7, 2015 at 6:00 p.m. in the Council Chambers.

In attendance were council members Jim McWhirt, Michael D. Conner, Tresa Baker, Frank Hix, Mark Leming and Shane Middlesworth. Also present were Auditor Roger A. Bainbridge, Chief Deputy Auditor Tammy Miller, Assistant Chief Deputy Chris Hancock and Executive Secretary Sharon Kirkwood. Mike Scott was absent.

President McWhirt reconvened the meeting at 6:01 p.m.

Roll call was taken and 6 members were present.

President McWhirt, "The purpose of this meeting is to discuss the budget items we are being faced with at this point. At our last regular session, we did go over several items as we went through the public hearing process in the various departments in the General Fund and other funds as well. As we left last time there were some items with the Health Insurance that we did not have information on. Just yesterday the commissioners met with the consultants and we do have some good news. It's not going to cost us less but at least they are not expecting us to increase the monies into the Health Insurance Fund in 2016. That is a positive piece of news. Just to recap a list of items we talked about last time. So we can get our minds thinking that way. Just a quick list of items that we were talking about last time, there were items in the General Fund that need to be considered. The County Extension Office was one. We thought about the possibility of reducing our 3 full time educator positions from 3 to 2 1/2. Through some communication with Mrs. Clupper we did confirm that the savings for the one half would be \$30,270. We had a couple of items that the County Clerk had requested during the budget process. One was to include a budget item for \$5,900 to pay Microvote Services for the election process next year. Another item was to increase her part time/overtime request for the election process next year as well. She asked to increase \$23,000 to \$30,000. I do want to recognize Mrs. Mowery; she did request to withdraw those items. She is able to pay for the Microvote items through another fund that is available. So that would save the General Fund that cost. We do appreciate that and from the part time/overtime by staying within the budget that is available with the staff she has on hand with the one additional person to fill that last vacancy. We appreciate that. The Sheriff's Department had requested to reduce the number of clerk positions and cut that budget from 6 to 5 but increase the remaining 5 positions to something that gives them an equal amount with raises involved to absorb the responsibilities of the person involved that would no longer be on staff. That was one and then there was a request to increase his pay. We also talked about the amount of the Merit Pension. It could stay in the General Fund or be paid from the C.O.I.T. Fund. I believe we made the decision to use the C.O.I.T. Fund for that. The other item up for discussion was the Veteran's Affairs Administrative Assistant. We threw out there the possibility of reducing that position that we put in place for 2015. Currently that position is \$24,440 in salary plus benefits. Then we had some issues with the Public Defender that is in the General Fund. Keep in mind we do get reimbursed 40%. The items we were asked to consider would be an increase in the Public Defenders Salary by \$1,233 per position. There are 10 positions. We want to make sure we keep the salaries in line where we need to make sure we get the reimbursement. We don't want to lose that from the state perspective. That would be hurting us rather than helping us. We also do want to include in the budget the amount of \$6,000 for malpractice insurance for the public defenders. Do we continue that? Or do we want them to take care of that on their own? We had a request to increase the Chief Public Defender's salary by \$1,000; also the request for his secretary and investigator. We also need to do something that would help us overall from the reimbursement standpoint. We agreed with the courts to move \$32,000 from the courts budgets to the public defenders budgets to pay for depositions and transcripts so we can be reimbursed 40% for that cost. Those were the items we talked about in the public defenders budget. In the E.M.S. budget, Mr. Ashcraft did request that we consider substantial raises for 3 full time drivers because they are currently trained in doing some work to code and bill the services that are provided. We did have a discussion on the compensations that are earned by the staff in the Assessor's Office for level certification. We have concluded that at this point we will leave those levels in tact through Mr. Stephenson's recommendation. I think there is a bit of uncertainty about the requirement there based on

information that we have. At this point we can always change that but so far we have left those additional stipends intact. In the Health Department, Health Officer Kennedy had asked that we allow use of the Local Health Department 1206 to provide additional or larger raises for his staff if we do approve raises. Those are the items we talked about and brought back to this meeting to consider. As we looked at what the operating balance would be as of the last meeting we were in the \$160,000 range. Keep in mind when we started the process, we asked the auditor's staff to give us a spread sheet of the requests that had to happen. There are 4 funds that we need to be aware of concerning the cap. Those are the General Fund, Reassessment Fund, Health Fund and Cumulative Bridge. Those 4 funds combined are capped by the state in the amount of money and what the growth factor allows us to do. When we started the process the operating balance was -\$798,132. That included a projected loss of Circuit Breaker \$826,107. As we got through the public hearing process I asked Tammy to put together the numbers that would incorporate all areas of the budget except personnel. Then to include the changes which would be the contract with the Sheriff's Department, Correctional Services and include the Public Defender's Compliance B figures. Once that was done and the other items were removed it brought our operating balance to a level of \$851,498 as a positive balance. Then in addition to that would be the Circuit Breaker losses. We were using \$826,000 as a projected loss in 2016 when that was the same loss we had in 2015. It is reasonable to assume that because of levies growing, our AV not growing to the level that the other grew, that we would see larger Circuit Breaker losses. So I have suggested that we bump that estimate up from \$826,000 to \$1,000,000 which is an additional \$171,893. So if you take that number plus the raises we are required to have, add the additional Circuit Breaker losses, and add back what Carolyn Mowery has withdrawn which would put us at a positive balance of \$685,505. That would be the operating balance we would have for those 4 funds combined for General Fund, Health Fund, Reassessment Fund and Cumulative Bridge Fund. Just so everybody knows the operating balance we have in the Health Fund, Reassessment Fund and Cumulative Bridge Fund are not as big as the General Fund but that would be the total of those 4 funds combined. So we have to decide as we complete our process how much to assign to each of those funds. Now the piece that is missing is the Health Insurance part. Last time we looked at the C.E.D.I.T. Fund and C.O.I.T. Fund are also crucial to us because of the General Fund because those funds are used to pay items normally paid from the General Fund. Because the state separated those funds, we have to budget those funds to help offset the General Fund. As we got into the numbers we had fewer dollars available. In 2015, the C.E.D.I.T. Fund is \$1,715,000 this year we can only budget \$1,200,000 that is a reduction of \$515,000. I wasn't sure why so much so I wanted to compare the revenue from 2015 to 2016 that the state gives us. That is income tax collected and then given back to us in Grant County. It should be based on the people that reside here that file their taxes. That is the amount we should get of their adjusted gross income. Really the 2 years incomes are not very much apart. The projected revenue for C.E.D.I.T. Fund was \$1,188,000 versus \$1,173,000, so only about a \$15,000 reduction. So that tells me we don't have that cash balance to budget this time. So that's a reduction. The C.O.I.T. Fund is closer. Last year we budgeted \$5,102,000. This year we can budget \$5,098,000 so it's only a \$4,000 difference. After looking at the revenues of 2015 there was \$4,889,000 and this year is only \$4,875,000. So there is only a \$14,000 difference. So we are pretty consistent on that fund. The C.E.D.I.T. Fund does have less money available to budget. Which that concerned me because then the General Fund has to pick that up. With our Health Insurance information it looks like we can absorb the health insurance budget without reducing the operating balance to \$500,000. I want to be a little cautious there. But if you look at the mathematics of the Health Insurance Fund looking at projected revenue and projected expenses. If we can still maintain our revenue level, meaning our payments into the fund, if we maintain those at the same level that we have in 2015. We would be able to maintain a \$1,000,000 balance in the Health Insurance Fund at the end of 2016. You are never sure of the expenses in the Health Fund. It's just a variable you don't know. My thoughts are looking at the numbers, it's in the ballpark. I went back to look at some of the numbers in the past. The fund balance to start 2012, 2013, 2014 and 2015 were all in the one millions. So it is not substantially less. I'm not thrilled by it but its ok. I'm ok with assuming numbers will be ok and having an operating balance of \$600,000. I want to be cautious about that. It's not nearly what we should have as a General Fund. I'm hopeful that over a period of time, the next 3 years we can work that back into some kind of a position where we will be a little more comfortable with it and can absorb anything unexpected. It's something we can live with. Last time we cut positions. Do we reduce salaries? Do we do something with P.E.R.F.? All of those options come into play when you get to the bottom line position. I don't feel as bad when I come to that number as I did the last time. As we have stated in the past our budget goals have remained constant for some years now, we want to pass a reasonable budget, one that we

can expect will cover our expenses, minimize the need for additional appropriations. We know those happen and we want to minimize that. We want to take care of our employees with reasonable wages and benefits as much as we can. Then finally we want to keep the county financially solvent. We have to make sure we are responsible with the money. Those are things we have always kept in mind as we do the budget. I have been asked from people a couple of times how is it going to look down the road? We get our revenue from 2 sources. Primarily from property tax income and income taxes and most likely as you look at what has been happening to us the last few years. I can't say that I expect the property tax income to grow a lot because unless AV's grow and even though the state gives you a growth factor of revenue unless the AV grows you won't realize that money because the tax caps are going to take it away from you or at least a lot of it. So you really can't count on a lot of property tax increase. Our growth factor has been 2.6% to 2.7% range for some time now. It is 2.6% for next year. Of the 2.6% we won't get all of that revenue because of tax caps that will be increased. We will get some of it. The other piece is the income tax revenue and as I saw what the last 2 years are and its pretty constant like this, a little bit of reduction in 2016 compared to what it was in 2015. On a percentage basis it is pretty much the same. Can I say I expect income taxes to increase? That means we have to have to more people working. I'm not going to count on that right now, I hope it happens. But to say that we as a county council being responsible as how we handle the finances I don't think we should we expect that. If it happens that's great. At this point we can't make a decision based on that happening. In the past, to help the General Fund, I remember when I first came on the council we were really trying to stay above water. It was tight. We delayed appropriations in the Cumulative Bridge Fund to help the General Fund. It's one of those things that you don't want to get into unless you have to. I would caution any kind of move that way especially since we can't have an operating balance. So, there are things you can look at when it comes to the total picture. But the bottom line is we are tight and we are going to be tight for a while. We will gradually get back into a position where we feel more comfortable. That's what we ought to be working towards. Are there any questions or comments at this point from the council?" There were no comments from any members of the council.

President McWhirt, "At this point, you have heard my thoughts; let's just go down the list."

### **County Extension Office**

President McWhirt, "Do we cut back or leave it the same? Do we cut it less? What are your thoughts?" Councilman Middlesworth, "I think we should cut it back to 2 ½ like it was before due to our current circumstances." President McWhirt, "do you want to make that a motion?" Councilman Middlesworth, "so moved." President McWhirt, "Motion from Mr. Middlesworth with a second from Mrs. Baker to reduce the contractual services positions from 3 to 2.5 reducing the appropriation by \$30,370." Director Clupper asked to speak on the subject.

Mrs. Clupper, Director of County Extension Office, "I just want to make one point, if there is a position or a part of a position that is cut; the council will not be able to determine which position that is. That is done by Purdue. In the past that had been the 50% position called HHS which is the Health & Human Sciences which used to be known as the Consumer and Family Sciences. If that position is cut or if there is a cut in contractual services it does not necessarily mean that is the position that will be cut. That will be a determination that comes from Purdue. They will ask me for input but a lot of it has to do with the makeup of the county and what the major emphasis is. In Grant County, poverty is the major issue which is an area that Health & Human Sciences works with quite a bit. So potentially you are looking at a cut with the 4H Program which is one of the main extension programs. So I just wanted to make you aware of that. We do have the Extension Board President who wished to speak. The Extension Board is made up of volunteers who support the extension office and the projects and initiatives that we have."

Greg Thompson, 5384 Strawtown Pike, "Thank you for allowing me to speak. I have been in Grant County since March of 1989. I have 6 children in 4H, 5 of which were 10 year members. The only difference is Alex is a freshman at Madison-Grant. I have worked closely with the county agents since 1989. They work with farmers. I just want to point out that the Extension Office also works with farmers to help you get your applicator certification. Continuing education is required in order to purchase certain chemicals. I see a lot of good that happens. I know your decision is difficult. I just hope that you give full consideration to the benefits that the extension office has performed and can perform into the future. Thank you for your time."

President McWhirt, "We all know that any time we make cuts we realize that when something that has been a good service to this county and any time you are looking to reduce it there is something you lose. It's unfortunate but it just is. That is more of a difficult approach than adding. It's just the nature of it. But we have to live within our means. Regardless of how the vote goes we do understand that it's still a difficult position to be in." There was no further input.

The vote carried 4-2 with Councilman Conner and Councilwoman Baker voting nay.

### **Sheriff's Department**

President McWhirt called for a motion to make the cut or not do the increase or no action at all. Councilman Middlesworth, "I do see some merit in his thinking of bringing the clerk's pay all equal but as far as raising them all I just don't see that happening." President McWhirt, "I want to add this to the conversation. We have a contract with the Sheriff's Department. We have the uniform deputies and the non-uniform staff and their salaries are dictated somewhat by that contract. We would need something to open that up? Is that right Mr. Stephenson?" Attorney Stephenson, "what you actually gave was percentage raises and if you give a raise that would increase it even more. I would want to run that by the president."

President McWhirt, "Called for a motion. There was none taken which means the position's will remain as they are. President McWhirt, "I do appreciate your thought process on trying to take care of that."

President McWhirt asked if there was any motion concerning the sheriff's request for salary increase from \$92,000 to \$115,000 which is a 25% increase. President McWhirt asked for input. Councilman Middlesworth, "I would like to leave it as is." There was no further action taken.

Councilwoman Baker, "How much do we need to cut to be where we want to be?" President McWhirt, "That depends on where you want to be? At this point the balance we would have is roughly \$680,000 but we want to be at \$2,000,000 plus. So you are talking over a million dollars plus." Councilwoman Baker, "well, we would have to let go of a lot of people then." President McWhirt, "which is why I said I don't think we can do this in one year. It will have to be a gradual motion. We knew back in February that it's going to take some time to recoup. We just have to patient in that way. We don't want to have any more impact on our people than we have to get that accomplished. Let me make this comment too. We have been very receptive to allowing vacancies to occur that need replaced. We may have to at some point be a little tougher than we have too. We have to look at each one that comes before us and we may have to prioritize that. There are some things that we may need to attack through attrition instead of having to cut. There are some things as a council that we need to aware of and be diligent. We have mentioned this in the past and we need to make sure that all the department heads and elected officials we are dealing with consider these things. We aren't being flippant with this and just throwing it out there. This is real. We are in a time where revenue is not going up for us. Then when you have increased expenses then it's tough."

### **Veterans Affairs**

President McWhirt, "do we need to consider anything as a change there?" Councilman Middlesworth, "I think the Veterans Affairs Office needs to keep their administrative assistant as a full time position. I think it's a great benefit to the county. I think he does a good job. I say leave it alone." Councilwoman Baker, "That's how I feel. I think he needs that position. It's been a blessing to help him." President McWhirt, "I think that our news on the health piece was better than expected that allows us that flexibility." There was no action taken.

### **Public Defender's Office**

President McWhirt, "I think there is no question that we will need to deal with the salary increase. We want to make sure we are in compliance. My reaction is we need to allow that. But one thing we could consider is in the General Fund. The salary increase was \$12,330 which is for 10 public defenders plus the benefits of F.I.C.A. and P.E.R.F. which totals around \$15,000. We can leave that and it be paid from the General Fund. We could consider using the Public Defenders Supplemental Fund possibly." Bruce Elliott, Chief Public Defender, "Actually, you cannot. That is not available for funding public defenders salary." President McWhirt, "can you tell me what it can be used for. I don't think it's being used for anything right now." Chief Elliott, "that is accurate. That fund is there for situations where one of the public defenders is

over the amount then we can hire a public defender on a case per case basis to serve on that case. Then they could be paid from that fund. The supplemental fund is available for payment of salaries.” President McWhirt, “Well, there are 2 things. One is where you don’t want to lose the reimbursement so if you don’t pay it out of that fund you don’t get the reimbursement then you aren’t getting the benefit of the state paying that cost. The other thing is what is the fund going to be used for because it’s just sitting there.” Chief Elliott, “I can tell you that recently that fund was used to pay expenses on a case out of Superior Court I. It was a murder case and the individual was representing himself so there was a lot of depositions and transportation costs.” President McWhirt, “I’ll just ask Phil on that. Phil do you have any other stance on that?” Attorney Stephenson, “I haven’t looked at the statute but I recognize the (inaudible)”. President McWhirt, “Well, I wanted to throw it out there for discussion if it were possible. The balance is \$139,000 right now.” Chief Elliott, “That’s being funded by the courts levying a public defender fund against the defendants.” President McWhirt, “do we want to do anything the malpractice insurance?” Councilman Middlesworth, “didn’t that figure into the reimbursements?” Chief Elliott, “yes, it is and it’s the same as last year’s figure.” President McWhirt, “didn’t we use that in figuring the compliance factor? So we could reduce that?” Director Elliott, “that is true and the last time the state told us we were in compliance but the malpractice differs from the prosecutor’s office because they do not have that as a benefit. What we did was divide that by the 11 public defenders, me included, we added that as part of our income package which did pass with the state.” President McWhirt asked for any action. There was no action taken.

President McWhirt, “Is there any action to be taken on the \$1,000 increase for Chief Elliott?” Chief Elliott, “Yea, I was hired in at \$103,000 and have only been paid \$102,000.” Councilman Middlesworth, “We will be compliance with state?” President McWhirt, “I don’t think that’s a factor.” There was no action taken.

President McWhirt, “there are also the requests for \$1,000 each for the secretary and investigator. My assumption is we want to leave those the same as well.” Chief Elliott, “If I might add, I had told the council that we are going to return to the General Fund in the amount of \$10,000 to \$15,000 for what was budgeted for 2015.” President McWhirt, “I do appreciate that and believe it or not even though we are probably going to deny this request we do appreciate that. It’s going to be important for all of us to do that if we can so it helps our financial picture for the future. So it is much appreciated and we kind of expect that if you understand where I am coming from.” Chief Elliott, “I do understand where you are coming from. I just wanted to remind you of that information before you made your decision.” There was no action taken.

### **Emergency Medical Services**

President McWhirt, “We were asked to consider increasing the salaries of the full time drivers to accommodate the fact they are doing some billing services now. I think we should stay in same spirit as far as not increasing pay. Tammy there was an additional appropriation in 2015 for costs. One was \$5,000 and then the other. Part of things he said made sense because they are doing extra work and they are bringing in more money than just the requested expense. So we are appreciative of that. I also say that because the General Fund needs it.”

Duaine Ashcraft, Grant County Emergency Medical Services Director, “There are some considerations to hear”. President McWhirt, “We are sensitive to the request. Not sure how we are going to approach it just yet. One thought is perhaps we keep the salary of the drivers in tact just like they are. But then maybe we allow a \$5,000 pool so they can be paid for time they actually spend on billing type actions. And that you record that and they get paid accordingly, something additional for that purpose. That’s a thought.” Director Ashcraft, “well those additional appropriations basically came from situations where we had to provide ambulance coverage. Like last weekend or the weekend before we had 80 plus runs in 2 days. We had to put trucks in Jonesboro and Gas City. That’s where the additional came from. The idea came from having only one coder. But getting them certified allows us that if and when we are audited we get an automatic appeal. Our monthly expenditures are about \$47,000 with a monthly income of \$54,000.” President McWhirt, “We are glad that is happening and it does help our General Fund so I understand that. That’s great.” Councilman Middlesworth, “I like the idea of setting \$5,000 aside for the pool.”

Councilman Middlesworth moved to maintain the pay for the drivers as is with a pool of \$5,000 for the drivers to track hours of coding for pay from the pool account. Second by Councilman Conner, there was no public input. Motion carried 6-0.

### **Elected Officials Training Fund**

President McWhirt stated there was an Elected Officials Training Fund that the dues and training for elected officials could be spent from this fund. The clerk, auditor, treasurer, recorder and surveyor could have their expenses moved from the General Fund to the Elected Officials Fund.

Councilman Middlesworth moved to approve \$2,575 from the General Fund being Clerk, Auditor, Treasurer, Recorder and Surveyor's training and dues accounts to the Elected Officials Training Fund. Second by Councilman Hix, there was no public input. Motion carried 6-0.

### **County Assessor**

President McWhirt, "Next is the Assessor's Staff's Certification Level Pay as far as changing them or leaving it alone. I think Phil's recommendation from the last time was that we would be better to leave them the way they are." Attorney Stephenson, "Just as long as we meet the requirements as to what they have to be paid. I think I was saying to leave the salaries where they are (inaudible) in case there is an increase in certification. President McWhirt, "well, we aren't looking to increase anything at this time. What we have currently would account for anything that is in the law at this point in time and possible in excess." Attorney Stephenson, "then if somebody else gains in certification then you will need to adjust that." President McWhirt, "But you don't think we should roll anything back at this time?" Attorney Stephenson, "that is correct. Rolling it back would violate the spirit of the letter of the statute." President McWhirt, "so then let it ride as it is?" Councilman Middlesworth, "let it ride." There was no action taken.

### **Health Department**

President McWhirt, "I think the next item kind of takes care of itself. Doctor Kennedy had asked for us to allow additional raises out of the Trust Fund. Since we aren't granting any additional raises then do they just stand as they are?" There were no actions made by the council so the 2015 pay stands as is.

### **General Fund - Health Insurance**

Councilman Middlesworth moved to allow the General Fund's Health Insurance in 2016 levels for transfers to the General Fund per employee as it was in 2015. Second by Councilman Conner; there was no public input. Motion carried 6-0.

### **C.E.D.I.T. Fund**

President McWhirt, "Based on the revenues for budget, let's budget \$1,200,000 as the following: Health Insurance at \$1,189,675 and Dues for the Energize E.C.I. at \$10,325.

Councilman Middlesworth moved to approve the C.E.D.I.T Fund at \$1,200,000 with the above listed breakdown. Second by Councilman Conner; there was no public input. Motion carried 6-0.

### **C.O.I.T. Fund**

President McWhirt recommended \$5,098,000 as follows:

Merit Pension	\$ 638,977
FICA	\$ 767,600
PERF	\$1,030,000
Health Insurance	\$1,859,693
Life Insurance	\$ 67,000
Unemployment	\$ 40,000
Workmen's Compensation	\$ 147,000
Vehicle Insurance	\$ 82,730
Utilities	\$ 465,000

Councilman Middlesworth moved to approve the C.O.I.T. Fund for 2016 as stated above. Second by Councilman Conner; there was no public input. Motion carried 6-0.

The next meeting will be October 21<sup>st</sup>, 2015 at 6:00 p.m.

President McWhirt adjourned the meeting at 7:02 p.m.

COUNCIL MEMBERS:

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JIM McWHIRT, PRESIDENT

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SHANE MIDDLESWORTH

\_\_\_\_\_  
MIKE SCOTT

\_\_\_\_\_  
MARK LEMING

\_\_\_\_\_  
TRESA BAKER

\_\_\_\_\_  
MICHAEL D. CONNER

ATTEST:

\_\_\_\_\_  
FRANK HIX

\_\_\_\_\_  
ROGER A. BAINBRIDGE  
AUDITOR