TIPPECANOE COUNTY COUNCIL
BUDGET HEARINGS
AUGUST 24, 2009

The Tippecanoe County Council met on Monday, August 24, 2009, Tuesday, August 25, 2009 and September 17, 2009 in the Tippecanoe Room at the Tippecanoe County Office Building. Council members present were: President Kevin L. Underwood, Vice President Andrew S. Gutwein, Betty J. Michael, Roland K. Winger, John R. Basham, Kathy Vernon and Jeffrey A. Kemper. Also present were Attorney David W. Luhman, Auditor Jennifer Weston, and Secretary Jennifer Prange.

President Underwood 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, 2010, 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 expenses 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 24th day of August 2009.

Attest:_____
Jennifer Weston, Auditor

Kevin L. Underwood, President

Presented to the County Council of Tippecanoe County, Indiana, and read in full for the second time, and adopted, this 13th day of October, 2009, by the following vote:

	Aye	Nay
John R. Basham II	____	____
Andrew S. Gutwein	____	____
Jeffrey A. Kemper	____	____
Betty J. Michael	____	____
Kathy Vernon	____	____
Roland K. Winger	____	____
Kevin L. Underwood	____	____

ATTEST:_____
Jennifer Weston, Auditor

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

REVIEW OF ALLOWABLE BUDGET

Auditor Weston reviewed the contents of the budget packets provided to members. An estimated budget for the General Fund of $39,240,650 was proposed by the various county departments. Over recent years, the council has opted to set a budget that is equal to estimated revenues in a given year, rather than relying on cash balances when revenues drop. This would mean a cut of $3.4 million is necessary to balance the budget. By using the cash balance the following calculations demonstrate scenarios for approving the budget and setting tax rates for variable assessed valuations.

Calculation of 2010 Levy based on requested Budget

Budget Request for the year 2010	39,240,650
Anticipated Expenditures from July 1 through Dec 31, 2009	19,500,000
Anticipated Additional Appropriations July through December, 2009	618,000
18 Month Expenditures	**59,358,650**
County General Cash Balance on 6/30/09	- 7,800,201
Anticipated 2009 Tax Collections 99%	18,764,800
Anticipated Misc Re from July 1 through Dec 31, 2008	9,987,889
Miscellaneous Revenue projected for the year 2010	17,353,016
18 Month Revenues	**38,305,504**
Property Tax required to meet budget requests	**21,053,146**
Proposed Operating Balance	**500,000**
REQUESTED TAX LEVY	**21,553,146**

Calculation of How Much Property Tax Can Be Raised	NAV Unchanged	NAV down 20%
2009 Normal Maximum Levy	19,989,966	19,989,966
Estimated 2010 Normal Maximum Levy (+3.8%)	20,749,585	20,749,585
Minus Levy Excess	0	0
Plus Financial Institutions Tax	19,255	19,255
Plus Misc Changes – Mental Health	888,682	888,682
Plus Misc Changes – Mental Retardation	1,353,876	1,083,101
Plus Misc Changes – Cumulative Capital Development	23,675,063	23,271,555
Working Maximum Levy	0	0
Excess Levy Request		
Tippecanoe County 2006 Certified Net Assessment	7,312,910,225	
Tippecanoe County 2007 Certified Net Assessment	7,708,606,470	
Tippecanoe County 2008 Certified Net Assessment	6,636,645,381	6,636,645,381
Proposed 2009 Net Assessment	5,309,316,305	5,309,316,305
Proposed 2009 General Fund Amount of Levy to be Raised	21,553,146	1,553,146
Cumulative Bridge Levy ($0.035 per $100 AV)	2,322,826	1,858,261
Cum Cap Development Levy ($0.0204 per $100 AV)	1,353,876	1,083,101
Reassessment Levy (set annually by DLGF)	309,998	309,998
Total (this cannot exceed the Working Max Levy +Excess Levy)	25,539,846	4,804,506

Calculation of General Fund Property Tax Levy/Budget Cuts

Estimated Amount over the Allowable Maximum Levy	1,864,783	1,532,951
Amount of allowable 2010 Budget to meet Max Levy	**37,375,867**	**7,707,699**
Allowable General Fund Tax Levy	**19,188,363**	**19,520,195**
General Fund Tax Levy with proposed operating balance	**19,688,363**	**20,020,195**

Proposed Rate

2007 County General Tax Rate	0.2354		
2008 County General Tax Rate	0.2312		
2009 County General Tax Rate	0.2856		
2010 Proposed County General Rate		0.2967	0.3771
2010 Proposed County General Fund Tax Rate Change		3.87%	32.03%

GENERAL FUND REVENUE DISCUSSION

Councilmember Kemper stated health insurance will be a key variable in this year's expenditures as the amount of growth in revenue the county can incur is the same amount as the expected increase in health insurance, approximately $800,000. Auditor Weston expects a property tax levy of $19.6 million; however, the same amount was budgeted from last year was used for 2010 with the anticipation of a circuit breaker impact that could offset the growth in levy. The entire county estimate for circuit breaker is $1.1 million. COIT estimates, not yet available, are expected to be at least the same as 2009 so she recommended the council use the $6.7 million estimate.

Cary Home Director Rebecca Humphrey reported HB 1001 mandated a Probation Consultant review applications for acceptance into Cary Home. The first half of 2009, 80% of the referrals were rejected; currently 100% of the referrals are accepted into Cary Home. An anticipated increase in per diem in 2009 was delayed by the Department of Child Services (DCS). Director Humphrey expects DCS to allow an increase in 2010 as she also has opened an Independent Living Unit at Cary Home, which should increase revenue.

Sheriff Brown reported Department of Corrections (DOC) reimbursements are held up at the state. The Sheriff added bills are sent 4-5 months in arrears to prevent re-billing after court orders are received. He intends to move the billings up to 90 days; the Sheriff's Association intends to meet with the DOC in an effort to expedite payments. Sheriff Brown expects DOC reimbursements in 2010 to be around $1.4 million.

GENERAL FUND BUDGET DISCUSSION

By consensus, the council proceeded to cut budgets with the intent to cut raises at the end if needed. The estimated cost of $500 per employee (on average), including social security and PERF, is $270,000.

As council members discussed the proposed 2010 budget, the following changes were made:

Treasurer	Lease of envelope/mail machine for $19,800 to Cumulative Capital Fund 010
Recorder	Deputy Recorder position to Recorder Perpetuation Fund 170
Surveyor	Drainage Board Secretary - $16,000 of salary to Phase II Stormwater Fund 247
	Surveyor - $15,000 of salary to Phase II Stormwater Fund 247

Assessor	Real Estate Land Deputy to remain vacant for 2009 and eliminated 2010; 5 Full-Time positions previously in General Fund will move to Reassessment Fund 281
Sheriff	Maintenance Technician to remain vacant for 2009 and eliminated for 2010
Commissioner	$6,462 in Part-Time to Parking Garage Fund 322; other Part-Time eliminated
Ancillary	New requests of Court Administrator, Deputy Court Administrator, and Floating Court Reporter eliminated for 2010; added $20,000 to Part-Time

- *Council members heard a presentation from Ann Roberts, WeCare, Inc. during lunch on August 24, 2009. No formal action was requested or taken.*

2010 TAXING DISTRICT BUDGET REVIEW
Town of Dayton

Councilmember Underwood explained Dayton is proposing a 4.1% increase in their 2010 budget. According to the budget the increase is for salaries only; historically, Dayton has given a 4% increase each year. Members suggested the salaries should be in-line with the other municipalities and townships.

- Councilmember Basham moved to recommend the budget increase be within the growth quotient of 3.8% and maintain a percentage increase in salaries consistent with other municipalities, second by Councilmember Gutwein; motion carried.

- President Underwood recessed the meeting until Tuesday, August 25, 2009 at 8:00 a.m.

- Tuesday, August 25, 2009 President Underwood called the meeting to order.

CONTINUATION OF COUNTY BUDGET DISCUSSION

Auditor Weston confirmed that revenue could be increased by $85,000 for worker's compensation reimbursements from other funds to the General Fund.

Superior Court 3 Judge Loretta Rush spoke regarding the 2010 budget. With a change in legislation, expenses for Institutional Care have increased drastically. In the past, medical expenses for Medicaid recipients were covered by the Department of Child Services. Expenses are now the responsibility of the county; Judge Rush confirmed $314,000 has been spent in the first half of the year. Judge Rush stated $1.1 million was spent last year for institutional care and proposed the county continue to earmark funds for a potential youth center. She shared her concern regarding other uses for the funds; if the funds are re-appropriated she is concerned the need will be forgotten. The council decided to reduce the Youth Center Operations request for 2010 from $600,000 to $115,000. The amount could be used toward juvenile initiatives.

The council discussed the Cumulative Capital budget for 2010. Commissioner Byers explained an estimated $1.1 million has been earmarked for a new facility for TEMA and possibly a few other departments. The commissioners will pursue the lease of a facility or lease with an option to purchase; the council left $200,000 in the storage budget for 2010.

In reviewing other budgets, Councilmember Vernon asked Prosecutor Pat Harrington if diversion funds could cover any General Fund expenses to alleviate pressure on the General Fund. Prosecutor Harrington responded that the intent of the statute for diversion fees is not to cover salaries and if the state advisory commission sees this use, they could re-write the laws to prevent it.

He feels like the county is benefiting from the purchases he's made that might have otherwise needed to come from the Sheriff's budget, such as K-9's, software, and law enforcement equipment.

The council asked County Assessor Samantha Steele if part-time could be eliminated in 2010 due to the delay in the 2011 General Reassessment. She stated there is a constant need for part-time; with the added duties from other townships the work remains constant. She agreed five full-time employees could be added back to Reassessment Fund 281 for 2010. With the Reassessment Fund dwindling, the council suggested postponing any further work on commercial assessments until 2010. This would allow the Assessor to begin work on the General Reassessment. Council suggested the contract fee for the consultant in 2010 be paid from the EDIT fund. Commissioner Knochel concurred this would be acceptable to the commissioners.

- Councilmember Vernon made a motion to move $500,000 into EDIT Fund 301 for payment on the Tyler Contract for 2010 for $450,000 and begin Commercial and Industrial assessments at $122 parcel through Tyler with any remaining money under consultant for 2009 be applied towards the same contracts with deadlines stated in contracts, second by Councilmember Gutwein; motion carried.

Treasurer Bob Plantenga suggested increasing revenue by adjusting the Property Tax Levy. In 2009, the levy was $18.95 million; with a minimal amount of circuit breaker in 2009 this amount could be increased slightly for 2010. In 2010, the overall tax levy for the county will increase by 3.8%. With a drop in assessed valuation in 2010, Cumulative Bridge funds will decrease and if the general fund levy increases the county could estimate a 3% increase to amount to $19.5 million and increase the General Fund by $800,000.

TAXING DISTRICT 2010 BUDGET REVIEW
Fairfield, Jackson, Lauramie, Perry, Randolph, Shelby, Sheffield, Tippecanoe, Union, Washington, and Wayne Townships

Councilmember Gutwein stated after meeting with the townships it appeared advertised rates were inflated as a safety measure in the event assessed valuations were down. Increases in budget were kept to a minimum; some notable increases were for capital items within the township. Fairfield is working to increase their levy growth in an effort to catch up.

Councilmember Winger stated many of the townships are reporting an increase in budget requirements for public assistance. With those increases the townships are forced to find other areas of revenue to accommodate the needs of the township. He added the creation of the Fire Territory seems like a beneficial plan for the townships to alleviate the administrative and strategic aspects of a large part of township duties.

- Councilmember Gutwein moved to recommend the budget increase be within the growth quotient of 3.8% and maintain a percentage increase in salaries consistent with other municipalities, second by Councilmember Winger; motion carried.

PUBLIC COMMENT

Michelle Blaas – stated she doesn't want to see the tax levy increase 3.8% and asked the council to consider a lower increase when calculating the budget.

Terry Masterson – said with the tax burdens increasing taxpayers aren't getting anything for their money. He said the 'trolley tax' would be a good tax to challenge; since there is a discrepancy in the cap on the amount City Bus should receive he recommended the county not pay the tax to the bus service.

With $744,076 left to cut, Councilmember Kemper suggested there may be departments that can afford to cut an employee in an effort to decrease the expenses for 2010. He asked Department Heads to consider reducing personnel either through attrition or decreasing from full-time to part-time.

- Councilmember Kemper moved to recess the meeting until Thursday, September 17th at 8:30 a.m. in the Tippecanoe Room, second by Councilmember Vernon; motion carried.

➢ Thursday, September 17, 2009 Councilmember Underwood called the meeting to order.

2010 TAXING DISTRICT BUDGET REVIEW

Wabash Township

Councilmember Vernon stated the township had not exceeded the maximum levy or given raises to its employees.

- Councilmember Vernon moved to recommend the budget increase be within the growth quotient of 3.8% and maintain a percentage increase in salaries consistent with other municipalities, second by Councilmember Kemper; motion carried

City of Lafayette

Councilmember Kemper reported the proposed city budget is approximately $500,000 less than last year. No employee raises have been authorized. The only budget increase is in the police department, which is due to a sizable grant. These funds will allow for the hiring of two sergeants, two patrol officers, and the purchase of vests and equipment. Several positions in the city, currently unfilled, will stay that way with the exception of the development department; one position will be added through a grant. Health insurance is expected to increase by 15%.

- Councilmember Kemper moved to recommend the budget increase be within the growth quotient of 3.8% and maintain a percentage increase in salaries consistent with other municipalities, second by Councilmember Michael; motion carried

Little Wea Conservancy District

Councilmember Vernon gave the council a brief history of the purpose of the conservancy. They are requesting less money this year because there is not much maintenance needed.

- Councilmember Vernon moved to recommend the budget increase be within the growth quotient of 3.8% and maintain a percentage increase in salaries consistent with other municipalities, second by Councilmember Winger; motion carried

FINAL REVENUE/BUDGET DISCUSSION

Auditor Weston reported the certified 2010 COIT figure was received by the county late yesterday. The county's portion is $7,464,032; the budget contained an estimated figure of $6,720,991. The unexpected increase is attributable to the amount of homestead credit available as property tax relief. The DLGF assured Ms. Weston this higher amount does not affect what taxpayers receive as a credit. The formula for calculating the COIT amount uses estimated figures that self-balance over a 2-3 year period. While

this certified amount is solid, she warned against using this amount as a bottom line going forward. Before taking the new COIT figure into consideration, the amount needed to reduce from the proposed budget was $744,076. This amount is after a reduction of $270,000 assumed for raises. Applying COIT brings the budget to a surplus of $1,035.

Councilmember Gutwein requested the council continue the review of the County Assessor overall budget from the previous meeting. To recap, five positions were switched from the General fund to the Reassessment fund; $500,000 budgeted for Contracts/Consultants in the Reassessment fund have been moved to the EDIT fund. Attorney Luhman informed the council the EDIT project plan must be changed to include Reassessment support; this is done by the Board of Commissioners at the beginning of each year.

Councilmember Winger voiced the council's request for Assessor Steele to submit a four year plan for the 2011 General Reassessment with the 2010 budget so the entire process could be planned to ensure consistency and future funding. Councilmember Underwood questioned if any money would be left at the end of 2009 in the Reassessment Contract/Consultant budget line that could be applied towards 2010 so less would be needed from the EDIT fund. Councilmember Vernon said the cash balance of the fund was $353,195 as of August 31, 2009. Ms. Steele concurred $250,000 of the Contracts/Consultant balance would be necessary to complete the Commercial & Industrial (C&I) contract with Tyler. Ms. Vernon reiterated the council's request for a four year plan to be submitted with the budget. Councilmember Kemper suggested the Assessor, the Assessor council reps, and one commissioner sit down with Tyler to have the contracts and work yet to be completed broken down more clearly before the next budget hearing.

Budget adjustments as of the end of budget hearings are on file in the Auditor's Office. Final budgets were adopted October 13, 2009.

TIPPECANOE COUNTY COUNCIL

Kevin L. Underwood, President

Betty J. Michael

Andrew S. Gutwein, Vice President

John R. Basham II

Roland K. Winger

Jeffrey A. Kemper

Attest:
Jennifer Weston, Auditor

Kathy Vernon