

PORTER COUNTY COUNCIL
Special Meeting
March 24, 2003

The Porter County Council held a special meeting on Monday, March 24, 2003 at 7:00 p.m. in the County Administration Center, 155 Indiana-Suite 205, Valparaiso, Indiana.

Members present were Karen Conover, Carole Knoblock, Robert Poparad, John Ruge, Al Steele, Rita Stevenson, and President William Carmichael. Also present was Attorney David Hollenbeck, Auditor Sandra Vuko, Sheila Riley, and Jan Noll.

The meeting was called to order with Pledge of Allegiance at 7:05 p.m.

RESOLUTION 03-3-24

Mr. Carmichael, We have one item for discussion tonight. I will read the resolution that has been prepared and advertised.

At this time, Mr. Carmichael read the proposed resolution, proposing a Porter County Option Income Tax and Porter County Economic Development Income Tax Ordinance to the Porter County Income Tax Council and Casting the County **Council's** Votes in Favor of the Ordinance.

Mr. Carmichael, I will need a motion to consider this. Is there a motion?

Mrs. Stevenson moved to adopt Resolution 03-3-24 as submitted. Mrs. Conover seconded.

Mr. Carmichael, We have a motion and a second for adoption. I will now open it up to the council members for their input. Carole, I think you asked to be first.

Mrs. Knoblock, Can everybody hear me?

Members of the audience, No.

Mrs. Knoblock, Can you hear me, Mr. Chairman?

Mr. Carmichael, Yes, ma'am, I can hear you.

Mrs. Knoblock, Okay. Tonight we are going to be asked to vote on an income tax that will be paid by the taxpayers of Porter County forever. Before we have that vote, I would like to present to the Council four motions regarding possible action the Council could take to generate, rather than passing an income tax. As you know, we have attempted as a council to have a hiring freeze in order to keep our budget under control; and as you also know, we continuously make exceptions to that freeze at various meetings when different department head request additional personnel.

Mrs. Knoblock moved to establish a true hiring freeze that could only be circumvented by a unanimous vote of the Porter County Council, and reduce the number of full-time equivalent county employees by 3% a year for the next five years for a total of 15% reduction by the end of the year 2008.

Mr. Carmichael, Is that the end of your statement?

Mrs. Knoblock, No, just one. I've got four.

Mr. Carmichael, Do you want to take them all at once, or do you want to...

Mrs. Knoblock, Let's do one at a time.

Mr. Carmichael, She has made a motion to the effect of the hiring freeze, and the reduction of employees, 3% each year for the next five years. Is there a second?

Motion died for lack of a second.

Mrs. Knoblock, The second one, Mr. Chairman, I know that you are aware that **there's** been a lot of discussion regarding the growing cost of our health insurance plan, and the failure of either the council or the commissioners to sufficiently fund that program. Since 1993, there has been discussion regarding taking part-time people off the health insurance, but no one has really taken action regarding it.

Mrs. Knoblock moved to remove all part-time employees, part-time elected officials, and sub-contractors--like attorneys--from the county health insurance to make sure the health insurance is reserved for full-time employees and full-time elected officials.

Mr. Carmichael, Is there a second?

Mr. Poparad and Mr. Steele seconded.

Mr. Carmichael, The motion has been made and seconded. Would you read it once again so that we understand?

Mrs. Knoblock, Okay, the motion is: I therefore move that we remove all part-time employees, part-time elected officials and subcontractors--like attorneys--from the county health insurance. I move that we make sure that the health insurance is reserved for full-time employees and full-time elected officials.

Mr. Carmichael, Okay, under discussion I'll ask you this question, Carole. Are the county commissioners part-time?

Mrs. Knoblock, I would, they are right now.

Mr. Carmichael, Is that what you are saying? Part-time?

Mrs. Knoblock, Part-time, yes.

Mr. Carmichael, Do you understand that? Bob?

Mr. Poparad, Yes, I wasn't referring to the elected officials.

Mr. Carmichael, The elected officials are in there.

Mr. Poparad, Yes, I understand that. But my question was, part-time employees, do we have part-time employees on the health plan?

Mr. Carmichael, No.

Mr. Poparad, I didn't think so.

Mr. Carmichael, **She's** talking about maybe part-time elected officials. Then I asked a question specifically if **she's** talking about the county commissioners, and she said yes was.

Mr. Poparad, You are including the county commissioners in this, Carole?

Mrs. Knoblock, You mean as far as what?

Mr. Steele, Part-time.

Mr. Carmichael, In the health insurance.

Mrs. Knoblock, If they're full-time, sure.

Com. John Evans, Under the law, the commissioners are part-time.

Mrs. Knoblock, They are part-time? What about the council?

Com. Evans, You are part-time.

Mrs. Knoblock, Okay, then that removes us from that, from the health insurance.

Mr. Poparad, Well I'm not going to defend the commissioners too much, but they, I **don't** consider what they do down here part-time. I mean, I consider what we do part-time, but they're down here more than I am, and I'm down here too damn much, so.

Mr. Carmichael, Okay.

Mr. Poparad, I'm not defending them, I'm just stating the obvious.

Mr. Carmichael, Alright, do you all know what you are voting on now? Roll call.

Mrs. Conover, Just for further discussion.

Mr. Carmichael, Excuse me, I'm sorry. Further discussion.

Mrs. Conover, Would the commissioners be included in this? I **don't** consider them...

Mr. Carmichael, Yes.

Mrs. Conover, Part-time. **They're** on-call 24-7, and I think they put a lot of time into this.

Mr. Carmichael, They would be included in this since their job is considered part-time by law.

Mrs. Knoblock, I didn't know that they were part-time.

Mr. Steele, Carole, would you want to withdraw this, and maybe refine this a little bit more. I agree with your concept here, but I think we should study this a little more.

Mrs. Knoblock, I'll withdraw the commissioners.

Mr. Steele, I think this would be a good motion if we really talked about it.

Mr. Carmichael, He's asking you to withdraw the motion.

Mr. Steele, And present it maybe at another meeting.

Mrs. Knoblock, We have a motion and a second though, right?

Mr. Carmichael, Yes. You can only withdraw the motion with the agreement of the second. Does the motion maker agree to withdraw it?

Mrs. Knoblock, If you want to take the commissioners out of it even.

Mr. Carmichael, Yes or no, do you want to withdraw it? Yes or no?

Mrs. Knoblock, Yes, we will.

Mrs. Knoblock moved to withdraw her motion.

Mr. Carmichael, The motioner agrees to that. Does the second agree to that?

Mr. Poparad and Mr. Steele agreed to withdraw their seconds.

Mr. Carmichael, The motion dies, if you would move on, Carole, you're next.

Mrs. Knoblock, As you know, the council has been criticized recently because of their failure to have a long-term budget plan for Porter, and this criticism has not only been by outside organizations, but by members and former members of the council.

You also know that it's difficult for any one member of the council or any commissioner to have a complete overview of the budget workings of all the departments.

Mrs. Knoblock moved to reduce the salaries of the Porter County Commissioners and the members of the Porter County Council to \$3,000 per year after the expiration of their current elected terms, and use the savings of this action to employ a full-time professional county manager, someone with the credentials to run a complicated enterprise like Porter County, and someone who would be answerable to both the commissioners and the council regarding the operation of the county.

Mr. Carmichael, Is there a second? Hearing none, it dies for lack of a second.

Mrs. Knoblock, Okay. This is my last one. Are you, Mr. Chairman, are you aware that there have been many people advocating the sale of Porter Memorial Hospital health care system. I believe that it would be irresponsible to recommend the sale of Porter Memorial health care system without first learning the consequences of a possible sale. Consequences that relates to the, coincidence that relates to the future costs of health care, its quality and the convenience of our citizens. Before we pass another tax, I think we should at least investigate what impact the sale of the hospital would have not only on services in this county, but also what financial gain we might receive from the sale of our hospital, and would that be enough to substantially supplement our budget and reduce our enormous debt.

Mrs. Knoblock moved that Porter County commission an independent study to evaluate the full impacts of the possible sale of Porter Memorial Hospital care system.

Mr. Carmichael, Is there a second to that motion? Motion dies for lack of a second. Are you done?

Mrs. Knoblock, Yes.

Mr. Carmichael, Thank you.

Mrs. Knoblock, You know you wanted to, my, some of my ways of getting income and saving money, and that was mine.

Mr. Carmichael, I don't think too many people agreed with you, Carole.

Mrs. Knoblock, No, well, it's okay. I tried.

Mr. Carmichael, The motion is off the table. Karen, did you wish to say something?

Mrs. Conover, I thought we were going to have some information.

Mr. Carmichael, Yes, is Murphy here?

TREASURER'S REPORT

Mr. Carmichael, I did talk with the County Treasurer today, and asked him to make a report so that we fully understand exactly where we are in the whole situation. Murphy, would you stand over here and address the audience, also so we could hear you.

James Murphy, Either side?

Mr. Carmichael, Either side.

Mr. Murphy, How about over here.

Mr. Carmichael, And speak with your staff sergeant voice, would you.

Mr. Murphy, The reason that I'm here is to discuss House Bill 1219 with the members of the council. It would appear from the content of HB 1219, that I'm just

adding, giving more bad news when none was really required. This is a bill that will allow counties who have not completed their reassessment to send out a billing as soon as this bill becomes a law, so that we will be able to have some positive cash flow on an estimated tax statement for the tax year 2002, which is due 2003.

Each of you have a copy of 1219, I asked Jan, I brought a bunch of copies up here, but the bill as it is written would allow us to send out a bill that would be without any further consultation with the state, 50% of that which was paid last year. If we find, if a county finds that 70, an amount up to 70% would be more desirable for our particular circumstances, then the county auditor would then be required to send in writing a memorandum to the commissioner of the Department of Local Government Finance requesting that the percentage rate be set at 70%.

This tax statement would then prepared with a lot of provisional language in it, and its called the provisional tax statement. It would be delivered to the taxpayers. It would be payable in one installment on, and I did not pick the date because **it's** a Sunday and the building will be closed, but they picked June 15th for the billing date. The bill goes onto to add other definitions indicating that this provisional bill will be considered to be the spring installment, and a reconciling bill, when it becomes available, will be considered to be the B installment.

Now it costs us approximately \$12,000 to send out a tax billing in postage and preparation, envelopes and paper, **that's** not counting time, I mean, **that's** just the direct cost of the materials that we have. I was at a meeting last week in Indianapolis, and a county auditor from southern Indiana brought up the fact that he had investigated it, and that the cost of this billing would be chargeable to the reassessment fund, if any funds were available, because the delay in the normal billing is directly related to the reassessment or the incomplete status thereof. So that cost would be recoverable for the provisional billing.

Now there are a lot of problems with this. Number one, **we're** only going to have 70% of the revenue that we expected to have this year to work with. Unless circumstances change dramatically, and the assessors are able to get all of their work completed and turned into the **auditor's** office, so that that **auditor's** office can send an abstract to the state, the abstract of taxes which is that that will be billed for each taxing district and each unit within each taxing district. If we **can't** get this done by, I would estimate September at the latest, then **it's** going to be impossible for us to pick up, to complete this process and send out a reconciling statement. The reconciling statement will say you should have been billed this much for 2002, pay 2003; you were billed and paid this much; then you either owe me more or we owe you a refund. **That's** the reconciling portion of the statement. That amount of money is based on that which has truly been calculated as the reassessed amount, and all of the other calculations have been done based on tax rates approved on the completed reassessment. I **don't** know when, I **don't** know if we are going to be able to get that done in 2003, because the stories that we hear about the software problem the assessors are having is that that is going to drag, and it's going to be a very troublesome issues.

So **that's** the good news. No, excuse me, I guess **that's** the bad news. The good news is **we've** been following, the **auditor's** office, the data processing department, the print shop and the **treasurer's** office, **we've** been following this since it was thought of by the Lake County treasurer, and then the bill was written for Lake County, it was at 95%, and everybody thought okay, fine, we can work with 47 ½% and 47 ½% in two installments. The State of Indiana seems to think that when the new reassessment figures are cranked into the system, and no one knows for sure, because only three counties in the state--as of last week, Tuesday--were finished. They seem to think that when this reassessment is put in **place--everybody's** tax--most tax rates, most residential taxes are going to go down some, and **that's** why they will allow 50%. **We'll** have to wheedle to get the 70%, because they **don't** want us having to refund too much money. But no one has shown me that math in any more than three counties, so **that's** a little bit doubtful.

This is going to create a lot of problems with the 40,000 or so of the 75,000 parcels whose taxes are paid by an escrow account, because we are only going to have one deadline **that's** going to be at a different date. There will probably be either too much money in your escrow; **they'll** refund that money back to the owner of the home, and they will probably not save it and be able to apply it to a reconciling statement or to next **year's** bill. We have notified, and are trying to work with all of the mortgage companies with who we do a lot of business, and we hope that they will play along with us and try to minimize any disturbance we might have from that.

You all have been furnished spreadsheets, I believe, that the data processing department created indicating the impact of the collection of only 70% of what we had last year. You can see that it's quite a significant shortfall. I **don't** know that the fact that if you know about this in advance is going to make it any easier for you folks to deal with or not, but at least you have the figures in front of you. **That's** good arithmetic; those are good figures based on the information that we have.

Mr. Carmichael, Jim, one of the reports that the processing department put out, for me, I read it, in 2002, this thing started in 2001 with the bankruptcy, in 2002, we only collected 81% of the taxes that you sent out.

Mr. Murphy, That's right.

Mr. Carmichael, Which means we were 19% short in that year.

Mr. Murphy, That's correct. There are two reasons for that.

Mr. Carmichael, And what is that?

Mr. Murphy, The first biggest reason is that Indiana as a state, and the northwest, the region has the, has won the honors on this. We are the champions when it comes to foreclosures and personal bankruptcies, not to mention the corporate bankruptcies that we have that are extraordinary volume-wise. There are more facets based on the information that we get from the bankruptcy court, and that's one of the reasons.

The second reason is the way it's computed. It was 81% of the dollars billed, which means, in my way of thinking, **we're** probably only short, we were not short 19% of the parcels or of the billings, but if this is based on dollars, then some of the largest on personal property tax billings were from Bethlehem **Steel's** major equipment. So **that's** another reason that goes into making up only 81% collection.

Mr. Steele, Murph, this is a senate bill. Is that correct?

Mr. Murphy, This is a house bill.

Mr. Steele, It says here: The Senate Committee on finance to which was referred to House Bill 1219.

Mr. Murphy, It was House Bill 1219. It passed the House at 95%.

Mr. Steele, **That's** what I was going to bring up. The House at 95%, and here we are talking about 50 and 70%. Has there been a compromise on that yet or? This 50 and 70% is not written in stone, they still have to go back and agree or can agree on a percentage. Is that correct?

Mr. Murphy, It was passed out of the Senate Finance Committee last week-- Thursday, I think--it will be voted on this week in the Senate, then it will go to a conference committee where they can hammer out a compromise.

Mr. Steele, But it can go back to the House then or?

Mr. Murphy, It will be a conference committee, which I believe is made up of members of both bodies, then they get together and...

Mr. Steele, But in the House it's still 95%. Is that correct?

Mr. Murphy, It will lose its identity. It will go back, it will lose that, that would be amended out of there. It would be amended down to 50, perhaps 70%.

Mr. Steele, So the 95% is dead, is that right?

Mr. Murphy, Right.

Mr. Steele, Okay.

Mr. Carmichael, Any more bad news or good news?

Mr. Murphy, The good news, I suppose, and I'm just being philosophical for a moment. It's been ten years since you folks have had a conversation like this, or more. I truly think that you have a heck of a responsibility. You have a lot of people to please, and as many people as you please, you will find that many people that you're not pleasing. If I were in your position, if I were asked my opinion, I would have to say that I think Porter County is a damn good investment, and if I have to pay a little bit more out of my pocket to keep it as good as an investment as I really think it is, then I'm certainly willing to pay that.

This is something, this financial situation that we are in is one of those, it can't get any worse than it is, but it does get worse, and so all of these analogies, you know, when you have all your eggs in one basket, and the handle comes off the basket, what do you. We are reacting perhaps late, but I think that this is a positive step, and I appreciate all of the hard work you folks have put into this decision-making process. I don't know what else could have been done. John.

Mr. Ruge, Yes, what would be the readjustment, say if it was 70%, couldn't you send another statement readjusting to bring in more taxes?

Mr. Murphy, If the adjusting statement were a reconciling statement, John, it will go out as soon as we know what we should have billed now. As soon as we have those figures in hand, we'll send out the adjusting statement, and we'll settle up with everybody. If they paid too much, we'll write them a refund. If they still owe me some money, then they'll have 60 days or something, I forget what the language is, 60 days or more to make up any arrearages, then we'll be square for the year.

Mr. Carmichael, Thank you, Jim.

Mr. Murphy, Thank you.

COMMISSIONERS ' REPORT

Mr. Carmichael, John, you had requested to say something on behalf of the county commissioners.

Com. John Evans, First of all, I would like to echo Treasurer **Murphy's** remarks. Thank you, for doing this. Thank you, for being here. Thank you, people, for being here. I really want to thank the Vidette Times, and the Chesterton Tribune. They have brought this issue everyday to you people, and let you be informed so that you can make a decision as you have. But, what Mr. Murphy did give you was the good news, because **he's** talking about money that you are going to get. Someday you are going to get that money. The problem is the money that you don't have to pay your bills.

So I'm not going to stand up here, and kick a dead horse because we have been over this issue. **We've** talked it, **we've** talked it, **we've** talked it, and I'm not going to say that you are trying to balance the budget on the backs of your employees, but that might be true. But, I've got a few things that I wanted to show you.

The first is the fixed assets increase in Porter County, and I think everybody in this room can relate to the fixed assets. They are your NIPSCO bill, your power, your lights, your water. The blue represents water. From 1997, \$67,000, last year \$93,000. The telephone is something that the commissioners take pride in, because we have worked very long and very hard to get this expense down. \$314,000 in 1997, \$314,000 last year, and that was a lot of work and a lot of energy on a lot of **people's** part. The orange line is power, from \$522,000 in 1997 to \$559,000 last year in 2002. The green line is your insurance, which covers building liability, comprehensive and just about all encompassing, \$466,000 in 1997, \$773,000 in 2002. So just like everyone, we have increased costs in our fixed assets all the way across the board. I'm not going to take very long because I know a lot of people want to talk to you. I let you get your turn, Dorothy.

Dorothy Alabach, Yeah, I hope so.

Com. Evans, Lost revenue from the steel mills, and I think this is something that has been gone over many times. By the time that the property on lake out there pays tax again, they will have missed seven installments. **That's** 1.8 million dollars per

installment, for a total of 12.6 million dollars. The proposed agreement with ISG calls for them to pay \$.45 on a dollar. That means instead of 12.6 million dollars, Porter County will receive 5.67 million dollars. By the way, **that's** a shortfall of 6.93 million dollars. The loan to the state, which is due and owing, is 5.4 million dollars, so **you'll** have a little change to spend there someplace.

Beginning in 2005, the anticipated long-term steel revenue is based on the assessed valuation, which will be established at the purchase price that ISG pays for the property on the lake. **It's** projected to be about 50% of what it was in 2001, those revenues, which means **we'll** have an 8.5% loss in our revenues as they were in 2001 or 2.4 million dollars less than we had in 2001. This **doesn't** even take into consideration National Steel's bankruptcy, which hasn't been decided.

In 2007, the state **legislature's** mandated inventory tax will be done away with. Inventory tax put in the coffers of Porter County, 2.4 million dollars. **There's** no replacement. **That's** another 2.4 million dollars that will be gone. So briefly **that's** about all **I've** got, other than to tell you that Porter County has 100 million dollars in real assets. Those are our buildings and we have absolutely no plan as to how to maintain them. Why we **don't** is because we **don't** have the funds. Thank you very much for your time. John.

Mr. Ruge, How can we pay the costs caused by the...

Com. Evans, You are charged with the financial responsibility.

Mr. Ruge, We have to have some more taxes. **We've** got to pay our bills, **don't** we?

Com. Evans, I would say. I don't think bankruptcy is an option.

RESOLUTION 03-3-24 - RESUMED

Mr. Carmichael, Thank you, John, we appreciate it very much. Now **we'll** move on. Do you want public comment first? I'll take some limited public comments. If you had your chance at us on February 10th, you probably said your piece. I'm not going to allow anyone to speak any extra length of time--an exorbitant length of time. You say your piece concisely, directly to the point, **we'll** consider it and move on. Over here, state your name for the record.

Tom Pappas, I'm from Portage. I'm on the Portage School Board. We had our financial officer do some research just so that everybody is aware since **there's** a lot of rumors out there. Neither one of these taxes are going to help the school systems in any way.

Mr. Carmichael, We understand that. Dorothy.

Mrs. Alabach, I'd like everybody to know that I distributed 400 of these of 60 trillion dollars of **taxpayers'** money **that's** hidden, local, state and federal, nobody finds out about. I'd like to know, David, you write a nice whereas, whereas, whereas, but **I've** been reading that in Indianapolis for 40 years. Why does the economic development get a free ride without public scrutiny?

Mr. Carmichael, Dorothy, direct your questions to the county council. David is an employee. He's instructed not to answer any questions.

Mrs. Alabach, Well they're all public employees, right?

Mr. Carmichael, Hang on just a minute. David answers to the county council, not to you or anybody else.

Mrs. Alabach, Know what, if you're going to dictate to the public.

Mr. Carmichael, You talk directly to us.

Mrs. Alabach, I'm talking in general. I told him I'd like to know how legal, constitutionally legal, COIT, CEDIT is.

Mr. Carmichael, Then ask us the question, and we'll ask the attorney.

Mrs. Alabach, CEDIT is, well this is the result, I came in and left a message for him. CEDIT is for economic development for chambers of commerce, 501C3's through 501C6 tax exempts for projects. It's not for kids. It's not for libraries. That sounds good, but I've been downstate and up here, and all over the place. I know how the game is played, and I see no reason for the CEDIT. If they want COIT, then they should eliminate all property tax in perpetuity and have COIT.

But to have all three, and put CEDIT, feedback right on one or the other, and you're wrong, lots of people agree with Karen Conover. Lots of people that you haven't heard from, and to dictate to the people instead of finding what the people want, because you're all supposed to be representing we the people, instead the newspapers that the commissioners just; you know, all of you compliment each other so much it gets to where you want to barf.

When the newspapers played all this out, they played it in their own profits because they want it. It's the public that can't find a third or fourth pocket to dig in and give some more money so everybody can keep spending. They try to tell everybody that and you people are oblivious.

Mr. Carmichael, What you're saying, Dorothy, is the printed word that you don't agree with is no good. But this printed word that you gave us is good. Now, we'll answer your question. You asked about the CEDIT, what it can be used for. Is that correct?

Mrs. Alabach, I said.

Mr. Carmichael, Is it legal.

Mrs. Alabach, Is it constitutionally legal? Has it been before the public and scrutinized by the public that it's representing the public and not special interest profits?

Mr. Carmichael, David, what is the answer to CEDIT?

Mr. Hollenbeck, If I understand the question, Dorothy, as to the...

Mrs. Alabach, I'm sure you do.

Mr. Hollenbeck, Constitutionality of CEDIT. I forget how long CEDIT has been around. I'm not aware of it having been challenged on a constitutional basis. So the answer is, a court has not addressed that issue, and until a court does, one of many, many counties have can reasonably operate under the presumption that it is constitutional.

Mrs. Alabach, It's spit. You don't operate under presumptions of the Constitution.

Mr. Carmichael, Alright, Dorothy, that's enough of an argument. You received an answer. We'll move on.

Mrs. Alabach, That's no answer.

Mr. Carmichael, The gentleman in the back.

Dennis Byron, I'm a resident of Valparaiso, and just kind of a statement, I think, certainly if the budget was 28 million bucks, and your \$6,000,000 is lost due to Bethlehem, it points out drastically there's a huge problem. It would be very difficult for anybody generally to sustain such a loss, and keep their expenditures at current level.

Porter County government in general has done an abysmal job of informing the public as the income increase. The issue conveyed forth is really, how is the money spent prudent. I'm sure the taxpaying public would have liked to have heard what was the budget in each of the past five years; what were the expenditures in each of those five years, and in what general categories; what has happened via the population of those five years; what were the revenue streams in those five years; property taxes; fees; federal and state help. Have these streams stopped or have they been impacted?

What services are provided by the County, and paid from other revenue streams other than property taxes? Also, what was the number of personnel on hand in each of those five years? None of that information has been presented. What I've heard is anything that has come out of your lawyer. I **don't** want to hear that. I want to hear from you people. The council has not put forth any trial balloon or concrete proof, proposals on expenditure saving ideas.

I **haven't** seen anything on investigation of subsidized services; Porter Memorial Hospital, the airport, Opera House, others. What happens if these fundings are decreased or reduced, what are the ramifications? You know, we may not want to do that. But I **haven't** seen it really put forth by anyone on this council or the commissioners; the investigation of governmental structure, such as centralized purchasing. I looked at your budget, your budget is unbelievable, and I'm sure the problem is the state forces you to put it in that type of form. But you could have given us something that shows more along these lines in dollar--real dollar expenditures--and I haven't seen any of that.

It's very difficult to tell you, hey I'm all for this income tax, because I know **you've** got a big problem, when I have not seen that information. I **don't** see any plans for long-range expenditures. There **doesn't** seem to be any three to five year plan. There **doesn't** seem to be any optimizing of government structure or services. I would hope the council tonight could essentially give the people exactly what your problem is. I know your, well, not, your problem is you **don't** have any money, but you need to spell out where is this money being spent. **There's** a huge, and I look at these budget figures, a huge amount of money goes into public safety. I think people need to understand that. I think they need to understand what happens if we **don't** pass this tax. I agree bankruptcy is not an option. **It's** not an option for me, you know, as a member of this community. So I ask, and unfortunately you probably **don't** have that information, but I really think that you should have presented that information to these people. I think you did a real disservice by not giving people that information. Thank you.

Mr. Carmichael, That paper that you have in your hand, I prepared that. That came from the Farm **Bureau's** report of all the counties in the state of Indiana. So you can compare that, and you can see that Porter County is the ninth largest county in the state of Indiana, and 28th in assessed valuation, the highest taxed county is number one, Porter County is number 50, and Lake County is number 92.

Mr. Byron, And I don't dispute that.

Mr. Carmichael, **That's** why I put those figures together for you so you would understand it.

Mr. Byron, I **don't** dispute any of that. But my feelings are I really **don't** care what other people do. What I want to know is what you do, how do you spend our money judiciously. I know you got a big problem.

Mr. Carmichael, Well you can look at that paper if you want to see what the sheriff's department costs you. It tells you in actual dollars to you as an individual.

Mr. Byron, Well.

Mr. Carmichael, It's there.

Mr. Byron, You know, you go through the sheriff, the coroner, the prosecutor. You go through the, how much the judges are, how much all of these juvenile detention and juvenile probates, all these things. You can look at all those dollars. You need to give people dollars. These things don't tell me beans.

Mr. Carmichael, Those are dollars.

Mr. Byron, What, do I multiply each one of these out by 148,323 people?

Mr. Carmichael, Right. The dollars are there with the total at the bottom.

Com. Evans, Have you ever seen this, sir?

Mr. Byron, No.

Mrs. Vuko, Have you ever seen our annual report with all the figures of every department, every...

Mr. Byron, I have a copy of your budget, that's what I went down.

Mrs. Vuko, They are two different things.

Mr. Carmichael, **We'll** move on to the next one. Sandy, did you want to say something?

Mrs. Vuko, No, I just wanted to say that we do have annual reports in the office per year **that's** got all the numbers on it--all the figures. No one has ever inquired about it. No one has ever come in to ask about it. We have budget hearings that we go through every year for two weeks, and no one shows up to those; nobody is interested in those. Only when crunch time comes, and meetings like this is when everyone shows up. But where are all of you when the money is being spent? **You're** not here giving your advice then or seeing what is going on.

Mrs. Alabach, They all trusted you to manage it.

Mrs. Vuko, No, I don't manage it. They manage it.

Mrs. Alabach, All of them. That's what I'm saying; we're giving blind trust.

Mrs. Vuko, Then why are you not trusting us now to manage what we have to do now?

Mrs. Alabach, Because you haven't managed it right.

Mr. Carmichael, Okay, Sandy, do you want to finish your presentation?

Mrs. Vuko, No, I'm done.

Mr. Carmichael, You're done?

Mrs. Vuko, I'm done.

Mr. Carmichael, Thank you very much. We'll move back...

Gentleman in the audience, Sandy, let me ask you a question. Is that one sheet of paper like...

Mr. Carmichael, **We'll** move back. **Let's** go from one side to the other; then I'll get the middle, okay.

Mrs. Vuko, No.

Mr. Carmichael, The lady in the back because I want to go over here. Yes, sir.

Herb Read, I'm from Westchester Township, I've seen these questions about where the money goes, and where it comes from, and so forth for months now, and I **don't** want to go through all of that junk. All of these figures have been out there in the paper, in the meetings **we've** had, in the previous public hearings we had. If you want to know, if you wanted to know prior to today what these figures were, you could have done what I did, which is come to the sub-committee meetings, and then we looked at each and every dollars, and went all the way down the line.

So the information is there, and if you want to know what it is, I say get your nose out of the boob tube and away from the sport pages, and you can find out. Now, as far as my opinion, on what you should do, even if we did not have the problem with the steel mills, I'm in favor of a tax base, which is spread out over several different methods of collecting that tax, so that if there is a problem coming up--like **we've** had with property taxes--it **won't** have as severe an impact. I think that we should have the taxes spread between various ways of doing it. Income tax, property tax, sales tax and the

various fees, which are charged, which in effect are taxes, so that we should have this spread so you **don't** have all your tax dollars at one source, and **it's** a lot better over the long run. Thank you.

Mr. Carmichael, The lady in back; no, right here.

Debbie Anderson, I live in Valparaiso. First I understand your frustration with people in the community not coming forward at other meetings. Well **it's**, we trust our public officials to make those decisions. You are paid by the citizens of Valparaiso, and we do trust you to make the proper decision, and there are times that, yes we do come in at crunch, and do put in our input. But you should also be grateful that all these people have shown up today to show whether they are for or against. **Don't** criticize because maybe **it's** the first time we are here, because we have been following it. We do care about what you are doing. We do care about your budgets. But we do trust that everybody is doing their job, but now we are just here putting in our input.

So I'd like to get started with the Porter County, the board that we are looking at earlier, the fixed assets. The fixed expenses of the community. **It's** just like at home, our NIPSCO has gone up; our telephone has gone up; our gasoline has gone up; everything has gone up. **It's** just like looking at my budget at home. We **don't** have any more money at home, so what do we do when our own personal household, when all of our fixed expenses go up, just like they have in Porter County. I know what everybody does; they cut back every place else.

Com. Evans, We have done that.

Ms. Anderson, The government is not any different than running a personal household, **it's** just a lot bigger. We still have all the same problems, and the fact that Porter County has not made any schedules maintaining buildings is disgusting.

Com. Evans, I **didn't** say the schedules **weren't** there. I said there is no money. There's no plan because...

Ms. Anderson, Well with no scheduled maintenance planned.

Com. Evans, Because there's no funds to pay for it.

Ms. Anderson, But you know why, that is part of proper budgeting. **There's** not a business in Porter County that could keep their doors open for 100 years, and...

Com. Evans, You're talking to the executive, ma'am. They're the financial ones.

Ms. Anderson, Okay, yes, but you were presenting that. Okay, they know what I'm saying. They know I'm, I'm talking about what you did there. I'm just discussing.

Gentleman in the audience, Let her talk.

Ms. Anderson, Thank you. **There's** lots of business people in here today that own their own businesses in Porter County, and if we do not properly maintain our homes, our businesses, our gas stations, our storefronts, and we **don't** build that in, **they're** going to fall **apart--it's** not happening. The commissioners of Porter County, it is their job to schedule this maintenance, and the fact that they **haven't**, I think every single employee in the county should be really upset with them, because it should have been done, because now they are saying, well we **don't** have any money to do that, and we **don't** have any more money for you to, to expand your payroll or to hire people or whatever they need to do in each department.

The other issue was collecting the tax--the property taxes. You mentioned that it was \$12,000 to put out the property tax bills. **That's** not including the employees. The employees is a fixed cost, because you have so much, and I'm sure the employees are paid salary and not hourly. Is that correct?

Mr. Carmichael, Correct.

Ms. Anderson, And I'm sure they probably work 40 hours a week whether they work their 40 hours a week or they work their 44 or 45 hours a week, **they're** paid the same amount. Is that correct?

Mr. Carmichael, Generally.

Ms. Anderson, Okay. Now, so **it's** only going to cost us \$12,000 to send out those bills, but **wouldn't** we still have that exact same \$12,000 if we were doing our scheduled billing. Is that correct?

Gentleman in the audience, Yes.

Ms. Anderson, Okay, so that was irrelevant, because we have it anyway.

Mr. Carmichael, No, when we mail out the taxes normally--the tax **bill--there's** a spring and fall statement in the same envelope.

Ms. Anderson, Okay, but it would still cost \$12,000.

Mr. Carmichael, You don't see it probably because you have an escrow account.

Ms. Anderson, But it still costs \$12,000.

Mrs. Vuko, No, it costs \$12,000 for one mailing.

Mr. Carmichael, Each mailing costs \$12,000. There's 67,000 letters.

Ms. Anderson, So it would be \$24,000.

Mr. Carmichael, 67,000 of those have to go out.

Ms. Anderson, So we're saving \$12,000 this year by mailing out one.

Mr. Carmichael, Yes.

Mrs. Vuko, Right.

Members of the audience, No.

Ms. Anderson, But we have, but, so we have, okay, so **we'll** have an extra \$12,000, right, but can you imagine how much time and energy that department would have to do to collect that extra 30% from all those people that **don't** have mortgages or on extremely fixed incomes, that maybe their property taxes are only \$600 or \$700 or \$800.

Gentleman in the audience, \$6,000.

Ms. Anderson, But still to come up with that extra \$300 to \$600 would be next to impossible, because they have the exact same problems that Porter County has. And the last issue, I promise I'll stop talking. You're lucky I didn't sit in the front.

Mr. Carmichael, That's alright.

Ms. Anderson, There are counties that are starting to centralize all of their units. Instead of every **assessor's** office being for each community, what, have you ever thought of pulling them all into one to start cutting expenses, so that the county is not supporting offices throughout every little township.

Mr. Carmichael, Can I answer that? I asked that same question.

Ms. Anderson, Okay.

Mr. Carmichael, It happens to be by state law that you shall.

Ms. Anderson, Well I appreciate all of Carole's efforts for the...

Mr. Carmichael, We have to have an assessor in each one.

Ms. Anderson, For what you're going to cut some expenses.

Mr. Carmichael, And all we are doing is providing, you know, abiding by the law, so that the local electors--the people who vote--can have their own township assessor answerable to them within their townships. **That's** the law in the state of Indiana. If we could consolidate it all in one, we'd do that, yes, but that's not the way it works.

Ms. Anderson, There is a county, is it Marion County?

Gentleman in the audience, Marion County.

Ms. Anderson, Marion County has got that.

Mr. Carmichael, Marion County has got the uni-gov, yes. That is a totally different law in the state of Indiana.

Gentleman in the audience, Have we looked at that?

Mr. Carmichael, That's one county.

Ms. Anderson, Have we looked at that option?

Mr. Carmichael, It was talked before this council, before I came on this council it was discussed, yes.

Ms. Anderson, Well thank you for your time.

Mr. Carmichael, Thank you. The gentleman with his hand up; I **can't** see; there he is. Yes, sir.

Casey Maynard, If **you're** broke, you can start on expenses right outside this door. Look at all the useless lights you have out there. **There's** lights around the roots of the tree. You got the Banta Center they have the lights on in their parking lot for what? Nobody is going to steal that parking lot. You go up in these halls, you got to cup to see if the light is on, and it is on, when the sun is shining through the windows, all the lights are on. You can save \$1,000 a day here on the electric bill alone. Why **hasn't** this building have a sonar, solar roof?

Mr. Carmichael, Okay, thank you very much. We appreciate it. I'm sure the commissioners have heard that. The gentleman in the red shirt in the back.

Tom Aldi, I'm from Portage. First of all, I would like to thank you for listening to my comments and my statement. I understand in the past that this same issue of the county option income tax or something like it has come up in the past. Is that correct?

Mr. Carmichael, Ten years ago.

Mr. Aldi, Okay. What has this council done, you came through obviously the same type of process that **you're** involved in right now. What has this council done to correct the situation in that ten years?

Mr. Carmichael, This council was not in office.

Mr. Aldi, I'm sorry.

Mr. Carmichael, This council was not in office at that time. That was a previous council. And what have we done; we **didn't** do anything until the straw broke out here on the lake. Then people began to say, hey, **we've** got to do something. **That's** the truth, that's the way it works.

Mr. Aldi, Okay, so what you are saying is, you did not review the previous councils, what they had investigated as far as the taxing need or anything like that. You just sort of picked up here and took off forward not ever looking back at what had been looked at or discussed in the past?

Mr. Carmichael, Well we knew it.

Mr. Aldi, Okay.

Mr. Carmichael, We were told that. **You're** going down hill, folks. We were told by people like the auditor and the treasurer, **you're** going down hill, folks; you better do something.

Mr. Aldi, Well, did you do anything?

Mr. Carmichael, Finally.

Mr. Aldi, Are you doing it finally? Are we finally in this trip downhill that **you're** talking about?

Mr. Carmichael, Nobody can say that we acted hastily.

Mr. Aldi, Well.

Mr. Carmichael, It's a tough decision. If you were sitting in my place...

Mr. Aldi, My point is, sir. I look across the room, and **there's** a great cross-section of what appears to be this county, young, old and everything in between.

Mr. Carmichael, Right.

Mr. Aldi, I'm a father of five kids. Like this lady said, I have only got so much money. I am lucky to be one of the few people that have a fairly decent job. But, just like she said, it is the same as a household budget. If things get tight, guess what, me and the five youngens don't go to McDonald's. We've got to pay the set bills.

I'll be frank and honest with you. I am tired of taxing bodies looking to their citizens as an endless money supply. Now, take offense if you wish, **that's** fine. When you ran for those seats, you led everybody in this room and this county to believe that you can run this county responsibly, financial and otherwise. You just admitted to me that you did not look at the previous **council's** findings. You did not start a process to eliminate the finally point that we are at now.

Mr. Carmichael, Oh we looked at it.

Mr. Aldi, You looked at them, but you did not act.

Mr. Carmichael, Did you say you had five children?

Mr. Aldi, Yes, sir.

Mr. Carmichael, Are they in the school system?

Mr. Aldi, Yes, sir, three of them. Four this fall.

Mr. Carmichael, Multiply four times 6,000. **That's** \$24,000 a year that you are costing to have those children educated in any system in Porter County.

Mr. Aldi, Well guess what, not a nickel of what **you're** proposing goes to help my four kids.

Mr. Carmichael, I **don't** have any children in school, but I'm paying for your children.

Mr. Aldi, Respectfully, you were put in that position to make the right decision. Raising my taxes is not the right decision. **You've** got to cut what needs to be cut, however deep you need to cut it, and make this county work with the money you have in hand. Do not become a credit system. Thank you.

Rich Shurr, I just moved to this town a few months ago. It took me a while to get up to speed.

Mr. Carmichael, Why don't you come up a little farther so we can hear you?

Gentleman in the audience, No, we can't hear you.

Mr. Shurr, I just moved here a few months ago. I come here and I find out what is this county income tax. I never heard of a county income tax before. I went to the **auditor's** office today trying to get a handle on what one of these gentlemen here was saying. What has been the budget of this county for the past ten years; how has it changed. They were nice enough to give me these annual reports that you just mentioned, and they are huge. I mean, yeah, if **you've** got a couple weeks you could study them. But we can kind of understand that the general disbursements, general fund, receipts the, **that's** basically what I'm looking for, but I noticed here that in 1998, you had receipts of \$24,000, \$24,000,000, you had disbursements of \$24,000,000. I noticed in 2002, you had receipts of \$35,000,000 and disbursements of \$34,000,000. **That's** an increase of 40-some percent. Now I **don't** know about you, but my wages have not increased 40% over the past five years, and I would guess that many people here they **haven't**. Now I want to know where, you know, just tell me when I ask, where did this money go to?

Mr. Carmichael, Can I answer it?

Mr. Shurr, You know, specifically, and you **can't** expect citizens to, to get this, and to read through job, through this, and figure out where all their money went.

Mr. Carmichael, Can I answer that one question?

Mr. Shurr, Sure.

Mr. Carmichael, When the budget was x-number of dollars as you stated, 27- whatever it was, the County went out--this council--along with the **commissioners'** permission and borrowed money. The state report, which is what you are reading says, hey Porter County, you had income of this amount of dollars--the amount we borrowed--and when you expended it, you expended that number of dollars, so they added that as if we had received **taxpayers'** money and spent **taxpayers'** money, and inflated the budget. When in reality, all we were doing there is paying back the debt on the money we borrowed. Okay?

Mr. Shurr, So for with this first one here?

Mr. Carmichael, Incorrect.

Mr. Shurr, The \$10,000,000 increase in disbursements?

Mr. Carmichael, That is a state bookkeeping system. Every dollar that you take into county government, whether it be taxes, a fee or borrowed money, is counted as income. When you paid it back to the entity you borrowed it from--December 31st--that was counted as an expenditure. That's why that figure is inflated.

Mr. Shurr, So then I would just go back to before 1998 to determine what the growth and income has been. See, I just feel that yes, during the late **90's** we had a grand time in this country, and the economy was booming, and we spent money. Governing bodies all over the country spent money. They spent money, and now their budgets are up to here, and guess what, the **party's** over. And all of a sudden, individuals have to make their budgets, but governments for some reason now our budget is up here and it has got to stay up here. I don't.

Mr. Carmichael, Did you say you just moved to Porter County a while back?

Mr. Shurr, What's that?

Mr. Carmichael, Did you say you just moved to Porter County a while back?

Mr. Shurr, Yes.

Mr. Carmichael, Why did you move to Porter County?

Mr. Shurr, I moved here because I wanted a slower pace of life and the taxes were lower.

Mr. Carmichael, Sure, a lot of people in this room.

Mr. Shurr, But the point is not, the point is, if **you're** going to institute this thing, we all know it's not going away. It will be there forever, and if anything it will only get bigger.

Mr. Carmichael, No, that's correct.

Mr. Shurr, And we all know that as much as you promise us that our property taxes will be reduced, we all know that that is pie in the sky, and unless **you're** willing to put your name on a contract, it doesn't mean anything.

Mr. Carmichael, **That's** what these people are voting on tonight. **It's** listed here in this ordinance, and that's what we have to live by.

Mr. Shurr, For how long?

Mr. Carmichael, Forever.

Members of the audience, Forever, and ever and ever.

Mr. Ruge, You moved here for lower taxes?

Mr. Carmichael, John, hang on for just a minute. Karen, did you want to say something?

Mrs. Conover, Sir, just my opinion, a little bit of answer to your question.

Mr. Shurr, I can't hear you.

Mrs. Conover, A little bit of an answer to your question. We have been a hold-out, and then it goes back to the man in the red shirt who spoke a few minutes ago. We have held out on this. We are using this as last resort. Yes, your tax rate here has been low. **We're** in the lower 50 percentile across the state of Indiana, and yet still, other counties, 87 other counties have a form for more of this income tax. We are not reinventing the wheel here.

Mr. Shurr, But that doesn't make it right.

Mrs. Conover, Well we are trying to make government work here.

At this time, there were several outbursts from the audience.

Mr. Carmichael, Okay, you can't speak, unless you are recognized by the chair.

Women in the audience, And other counties have also recognized that prosperity.

Mrs. Conover, There is no prosperity; there is no profit here.

Mr. Carmichael, That gentleman had the floor.

Mr. Shurr, If your expenditures have gone up \$10,000,000 from a base of 24 to 34, 35 in five years, obviously you are increasing your spending, and you are doing something with it.

Mr. Carmichael, I will take you next, then the gentleman with the hat.

Andrew Sutter, I live in Lake County, I'm employed in Portage for 31 years. As a non-resident, it is my understanding I'll still have to pay a county income tax.

Mr. Carmichael, Absolutely.

Mr. Sutter, Well you know what? This **isn't** Boston Harbor; **it's** not 1775. But I still say, no taxation without representation.

Mr. Carmichael, Would you leave that on the desk out there. I can use an extra one. My son works in LaPorte County, and he pays it over in LaPorte County, but it doesn't come back to Porter County.

Mr. Sutter, I'm aware of what Porter County is doing. But you know what, my parents always told me, if all your friends jump off a cliff that **doesn't** mean you should do it.

Mr. Carmichael, Yes, ma'am, the lady in the front row.

Women in the audience, Why is this not being put on a ballot for the public to decide?

Mr. Carmichael, Because **that's** not the way **it's** done by the law in the state of Indiana, otherwise it would be. Yes.

Valerie Kubacki, Hi, I'm from Hebron. I have a question. He stated that from one year to the next there was like a \$10,000,000 raise because of a loan.

Mr. Shurr, No, that was from 1998 to 2002; that was over five years.

Ms. Kubacki, Just in what?

Mr. Shurr, From '98 to 2002.

Mr. Carmichael, That was over a period of five years, borrowing.

Ms. Kubacki, Okay, you said there was a loan, and what year was the loan?

Mr. Shurr, What?

Mr. Carmichael, 2001, payable 2002, December 31st.

Ms. Kubacki, And what year was it that Bethlehem stopped paying?

Mr. Carmichael, 2001.

Ms. Kubacki, And was that the reason for the loan?

Mr. Carmichael, Yes.

Ms. Kubacki, You, had no clue they were not going to pay at that time?

Mr. Carmichael, We...

Ms. Kubacki, That money was already spent, I guess?

Mr. Carmichael, Well they **didn't** pay their fall installment, so we were out of money.

Ms. Kubacki, Okay, so I guess what I'm asking is if you already had that money spent before it came in?

Mr. Carmichael, No, we just paid our bills with it to keep operating. When Bethlehem notified us the 15th of October--they were not going to pay their millions of taxes--we had to scramble and do something immediately. Okay. No, **you've** already asked your question, you're done. The lady right here.

Woman in the audience, I just have a quick question. I'm neither for or against the tax. I think this is the wrong time to implement a tax because of the unemployment and stuff. But has the council looked at any other type of revenue to start the ball rolling to get money in, then maybe down the line a tax to keep the county going.

Mr. Carmichael, We looked at various things, you know.

Woman in the audience, Like what?

Mr. Carmichael, The County is a catch-all for the cities and towns. What we could do is this. If a police officer in Portage arrests someone, he brings them down to the sheriff and says, sheriff, **he's** yours, you take care of him, you feed him, you guard him, you go through the court system with him, you get the prosecutor out here; then they walk away. That cost just for feeding and housing that prisoner each day is \$33, almost \$34. We could put a service charge on there or a charge of some kind to the city of Portage; \$17 a day for each prisoner you've got down here; share the cost.

Woman from the audience, But has the Council actually got together and looked at other options for other revenue?

Mr. Carmichael, They've looked at all kinds of options, you know on the...

Woman in the audience, Are you going to implement any other options?

Mr. Carmichael, Well they have implemented them in the area of the Plan Commission. That I do know. I **don't** know what else has been implemented. I'm sure some of the other office holders can tell you what fees are charged like copying fees. Yes, sir.

Gentleman in the audience, Mr. Carmichael.

Mr. Carmichael, Wait a minute, this lady isn't finished yet.

Gentleman in the audience, I'm sorry.

Woman in the audience, I just wanted to say that we are looking at a black and white situation tax-wise. I think down the line it may be probably needed, but this is the wrong time. But I'm asking the Council to really study other forms of revenue to bring in some other money from other ways, like immediately start.

Mr. Carmichael, I've mentioned to the commissioners, we have a home rule in the state of Indiana, and if it is possible, then **that's** something **they've** got to look into--start charging and sharing the costs for some of these services. Obviously, you **can't** do it in the health department, because **that's** a public health issue. **That's** a different story. **You've** got kids that got to have vaccinations. People have to be taken care of. Restaurants have to be inspected. You've got to be safe.

Woman in the audience, When I need money sometimes, I look at selling things or I look at other adjustments.

Mr. Carmichael, Okay.

Woman in the audience, So I'm looking. I'm just saying; are you guys working together to look at other forms of revenue?

Mr. Carmichael, Yes, **ma'am, there's** been lots of suggestions by each one of these council members. Now the gentleman in the red jacket back here.

Gentleman in the audience, My question is, I'm just curious in the room tonight, how many county employees. Could we see a show of hands?

Mr. Carmichael, How many county employees; you've got about 20.

Gentleman in the audience, Well I think **there's** a few more than that. Certainly some vested interest here.

At this time, there were several remarks made by the members of the audience.

Mr. Carmichael, Shouldn't they have a voice in this?

Gentleman in the audience, No, I just was curious to know how many there were. They certainly have salted the pot.

Gentleman in the audience, This thing's useless if you can't hear anything.

Mr. Carmichael, I've asked them to come up, but he won't come up.

Gentleman in the audience, I'm sorry, I **didn't** hear you; do you want me to come up?

Mr. Carmichael, The county employees are taxpayers just like everybody else. They just happen to be on the low end of the wage scale as compared to a millwright in Bethlehem Steel. I know what a millwright in Bethlehem Steel makes a year. Any millwrights from Bethlehem Steel here tonight? Do you want to tell me what you make a year at Bethlehem Steel?

Gentleman in the audience, On an average at Bethlehem Steel, \$3,700, \$37,000, top pay.

Mr. Carmichael, This gentleman has the floor.

Gentleman in the audience, I think it was in 1979 there was over 30,000 employees going through three or four gates at US Steel in Gary. Since then, that number has been reduced to, I think, about 5,500. Many of those people today that lost their jobs--and **that's** a significant amount--were men and women that were mid-age and older that could find no jobs that were comparable to what they had lost. Many of the folks are underemployed today, but what this means is that, and my family was caught up in that business, what this means is that many mortgages **weren't** able to be paid; children **weren't** able to be helped through **school**--I'm talking about college and so forth--there was a great deal of belt tightening, sorry, gnashing of teeth and so forth.

Frankly, I see from where I sit the future of this country being very, very tough for a good many years yet, and our economy today is an indication of where **we're** headed, also with **what's** going on in the mid-east. But **that's** beside the point. When things get rough in our homes, we start tightening the belt and do without certain good things, and maybe not have the recreation and the entertainment, and even the grocery list that we had in better times. Frankly, I think the county should tighten its belt to the point where it starts to hurt, and if we get down to either or, I frankly, prefer at my age, prefer an income tax. But **it's** not both of them, because governments; who was it, George Washington said: Love your country with all your heart; fear your government. And **he's** right, because the folks at taxes play one off of the other.

Mr. Carmichael, Thank you. This lady over here, and then this gentleman who raised his hand over here. Do you want to give your name?

Donna Pappas, I have a question. I attended your forum at the Expo Center. There was a comment made during the presentation that said most of the counties that just have some type of income tax still have a problem with funding. What kind of a program or something have you come up with to keep this county from coming out with the same problem, if you do pass this option income tax or another form of it? **They're**

still in debt. **That's** what the presentation told us at the forum. Why, what do you, do you have a plan to keep to us from coming, developing the same problem even though you have the county option income tax or a CEDIT or a CAGIT or what or some of the others?

Mr. Carmichael, Okay, does somebody want to handle it?

Mrs. Conover, Well I guess I just wanted to say that **it's** not going solve our problems overnight. There is still going to be cutbacks. There was a process committee that got off to a really good start in gathering information. **We've** also had some suggestions by a fellow council member--Mr. Steele--that we should further study this issue. We had been made an offer by the government process government study group. I'd like to see that group continue where the process committee left off, including council members and commissioners and various department heads. Our job **isn't** over if we put in a tax. **We're** really in a bad situation, and yes we need to plan where the money will go.

Mrs. Pappas, So **you're** saying even if you pass this **it's** not going to solve the problem.

Mrs. Conover, It will be a solution towards solving the problem. **We're** trying now to keep the doors open. The commissioners **don't** even know at this point if we can keep the north county complex open with its two courts and its **clerk's** office and its **assessor's** office. Other governmental units have been moved out of that building. **There's** many, many things we have to look at. Our job **isn't** done here tonight with the passage of a tax. No ma'am. We're in trouble. We're in deep trouble.

Mrs. Pappas, But you have no other plans at this point except for some kind of a county income tax?

Mrs. Conover, Just basically to stay afloat right now--basically just that.

Mrs. Pappas, So you're wanting us to give you money, but you have no plans?

Mrs. Conover, We are in the process and are going to be making plans if we can get through this juncture, Mrs. Pappas.

Mr. Carmichael, **She's** answered your question. **Let's** move on to the gentleman right here.

Jack Rust, I live in Kouts, and I'm also the president of Farm Bureau incorporated, which is separate from the insurance. You people up there know that, but other for people. And Farm Bureau Incorporated is a grassroots organization, and we pay lobbyists down in Indianapolis to lobby on tax bills. And the taxes that we did get last year was the one, we got some deduction off of our tax roll for our schools, so that our tax rate will be less. The state is going to pay that difference. Also, I would like to know if, when ISG buys Bethlehem Steel, are they going to get a tax break, like an abatement?

Mr. Carmichael, I **don't** know, **that's** Burns Harbor. They are in the town of Burns Harbor. **That's** where the granting entity would be in Burns Harbor, and I **don't** whether that's been applied for or not.

Mr. Rust, Yes, you know **you're** talking who knows how many years down the road.

Mr. Carmichael, I know they are only going to pay 50% of what Bethlehem paid.

Mr. Rust, Right, and another thing that Farm Bureau always advocates is the property taxes, and **we've** always pushed our county here and all through the whole state to eliminate property tax. If we do go to an option income tax, we do have one in there that will give some money back to the homeowners to give them a break. **You'll** pay on the one end a percentage, then **you'll** get a percentage back on your property. I think, you know, for our standpoint as far as Farm Bureau or most of Farm Bureau

people as far as incorporated voting members would like to see the county come up with that type of an option income tax.

Mr. Carmichael, You're talking about CAGIT.

Mr. Rust, We're talking about CAGIT, yes.

Mr. Carmichael, **That's** been addressed, I mean the question has been asked, the question has been directed at me and other members for that particular option. **We've** still yet to consider that. I **don't** have an ordinance in front of me so that we could vote on it tonight.

Mr. Rust, Yes.

Mr. Carmichael, But maybe we can do it tomorrow night if that's an option.

Mr. Rust, Yes. The other thing, I know I was down in Indianapolis the same time that the County went down there to borrow the money. Okay. That was what, last year?

Mr. Carmichael, Yes.

Mr. Rust, Okay, and there was a lot of questions asking about the option income tax, and why Porter County voted it out ten years ago. Actually it was '91.

Mr. Carmichael, Porter County **didn't** vote it out ten years ago. The Porter County Council voted for it ten years ago.

Mr. Rust, Right.

Mr. Carmichael, The cities and towns did not.

Mr. Rust, The cities and towns voted it out.

Mr. Carmichael, Right.

Mr. Rust, And they, you know, and if you do not pass the option income tax, how much money do you have to pay back on the interest of the money that you borrowed?

Mr. Carmichael, The total amount, the figured relayed to me, for all units of government is about \$500,000 interest due on that particular borrowing.

Mr. Rust, And that's in July or June or something like that.

Mr. Carmichael, Well it starts, the payback starts in June.

Mr. Rust, Right. How are you, if you **don't** have any money now, how are you going to get the money for that?

Mr. Carmichael, We are going to be in default.

Mr. Rust, But, but, did not the...

Mr. Carmichael, We'll send a statement downstate to just hang on.

Mr. Rust, An IOU? Or maybe you could just get credit cards; lay the credit card down.

Mr. Carmichael, Have you got one.

Mr. Rust, But anyway.

Mr. Carmichael, **There's** tax abatement under this proposal **that's** laying on the table here tonight.

Mr. Rust, Yes, I didn't get one.

Mr. Carmichael, I listed it when I read it. The homestead credit, that's what it is.

Mr. Rust, Right.

Mr. Carmichael, And it increases every year.

Mr. Rust, Okay.

Mr. Carmichael, Okay. So it will be accomplished either with CAGIT or with COIT. It's just the timing that's different, basically. Okay?

Mr. Rust, Okay.

Mr. Carmichael, Alright.

Mr. Rust, Thank you.

Mr. Carmichael, The gentleman with the white shirt.

Charles Sabino, I moved to Porter County for one simple reason, because taxes are low here. But the question I have for the Council is, **what's** this rule here, if this income tax gets implemented and on the books, and when the economy gets real good and the mills are rolling and everything, are we going to be here again tonight to do away with the tax.

Mr. Carmichael, Well **that's** for future councils to decide. Now, in the meantime, do you own a home in Porter County?

Mr. Sabino, Yes, sir.

Mr. Carmichael, Well **you'll** be getting a tax break on your home. Your property tax is going to be going down.

Mr. Sabino, Right, but once we put this on the books, and the economy gets better and the mills are making money, are we going to be, will you lift this tax?

Mr. Carmichael, Well your tax rate will go down. Your property tax will go down regardless, because its part of this ordinance.

Mr. Sabino, And the income tax will keep going up.

Mr. Carmichael, The income tax keeps going up. One balances the other out.

Mr. Sabino, Thank you.

Mr. Carmichael, This lady, then that gentleman right there. Hang on just a minute; this lady is going to speak over here. Yes, ma'am.

Sharon Lippens, I just wanted to comment on **lady's** comments here and the gentleman in the back that I agree when income stays the same and your expenses go up, you have to tighten your belt. You have to cut out luxuries, and even sometimes some necessities. But what do you do when **that's** not enough? What do you do when you **don't** have the money to put food in your **kid's** mouth, and you **don't** have money to pay your bills? What do you do? You get a second job. I mean you **don't** have any control over those expenses. You **can't** tell NIPSCO, sorry I **didn't** get a raise, I'm not going to pay your more this year. You **don't** have that option, and neither does the County.

Gentleman in the audience, There's no other jobs available.

Mrs. Lippens, They have to pay those fixed expenses.

Gentleman in the audience, Make an attempt first.

Mrs. Lippens, Well I'm not saying that there aren't cuts that could be made.

Gentleman in the audience, Look at the airlines, **ma'am**. I work at the airlines, there's thousands of people getting laid off, if you haven't heard.

Mr. Carmichael, Okay, this gentleman.

Joe Somino, I live in Porter County. I got a very simple suggestion for you. Do like families do, when the money goes down, you tighten your belt, just like regular normal families do everyday. Okay. When the income goes up, then you go on a spending spree.

Mr. Carmichael, Okay, thank you very much. This white-haired gentleman, yes, sir, right there.

Robert Nell, I'm from Porter Township. How long does a person have to own a house, how long does a person live in a home before he starts paying taxes? How many years?

Mr. Carmichael, Do we have an assessor here?

Mr. Steele, One year.

Mr. Carmichael, When you first move into a home?

Mrs. Vuko, The following year.

Mr. Carmichael, Well maybe an auditor could answer it.

Mrs. Vuko, Taxes are a year behind, so it depends on when you moved in.

Mr. Steele, Before and after March.

Mr. Carmichael, After March 1st, they are assessed as of March 1st.

Mrs. Vuko, That's right.

Mr. Nell, I moved into my home January 1st of 1960, and I think I started paying taxes the next year. Well, **what's** happening to all these new homes that are being built in Porter County right now. Apartment buildings, all kinds of businesses going up, where's that tax money going?

Mr. Carmichael, They are a deficit on the tax roll as I explained to that fellow with four children in the school system. He may be paying \$2,000 a year in taxes on his house with half of it going to the school system, that's \$1,000.

Mrs. Vuko, Almost 82%.

Mr. Carmichael, But his bill for those four kids is \$6,000. Whose paying that? You, who **don't** have children in school, and me, who do not have children in school, and everybody else shares in it because we also share the benefit of educating all children. So I'm not complaining about that.

Sheila Riley, I work in the **auditor's** office. I used to do the payroll. I've been here since 1993. You keep saying cut, tighten our belts. **We've** done everything we can. We cut 27 people last year in all of our departments--27--which cuts yours services, which means we **can't** help you in the way that we need to help you when you come to our windows, and you stand at our windows, and **you're** in line all the way the hallway because you want to pay your taxes or **you're** in line because you want to file a mortgage exemption. **We've** done everything we can. We are doing, we cut a person in our payroll, in our back office in the bookkeeping. That one job, its been divided amongst four different people. And yes, **we've** have added responsibilities, **we've** done it with no extra money. **We've** done it with no raises within the last two to three years. **We've** cut. **We've** cut 10% in all of the budgets last year--10%--yet you still think its not

enough. I don't know what you want us to do. Do you want us to not even be open?

Mr. Steele, Sheila, I'd like to address that. Like everybody here on the Council, **we've** had about four weeks of telephone calls and emails and everything with complaints and suggestions. I have not had one person tell me their services lack one bit, which means that maybe when we cut out the 10% of fat two years ago we brought us to where we should be.

Ms. Riley, **That's** possible. But everybody keeps saying, cut, cut, cut back, cut back. If you keep cutting our people, and you keep cutting our services, then where are we going to be, honestly?

Mr. Carmichael, Thank you, Al.

Ms. Anderson, Are you having to work more overtime?

Mr. Carmichael, Hang on, you have already asked your questions. The gentleman with the yellow shirt.

Tom Beck, I'm from Chesterton. I'd like to ask you a question, what are you going to do between now and January, for months.

Mr. Carmichael, Right now we're looking at a shutdown in county government.

Mr. Beck, Okay, if you can do it between now and January, you can do it forever.

Mr. Carmichael, Have you figured out how we can shut down the jail? Would you recommend that? The health department? The courts?

Mr. Beck, What are you going to shut down between now and January?

Mr. Carmichael, Well we're going to have to cut down quite a few and...

Mr. Steele, They all couldn't.

Mr. Carmichael, And work part-time.

Mr. Steele, I'd like to speak to that.

Mr. Carmichael, Hang on just a minute, Al. My suggestion is we work in the afternoons or one day a week, but...

Mr. Beck, What are you going to do to survive?

Mr. Carmichael, But **that's** going to put those lines that **she's** talking about way down the hall. When you want to record or pick up a death certificate, if you have one of those in your family, or you want to get a shot out of the health department or whatever the case may be, it isn't going to be there.

Mr. Beck, Okay, is that what you are going to do?

Mr. Carmichael, **That's** what **we're** looking at right now, unless we can figure this out.

Mr. Beck, Is the county going to survive between now and then?

Mr. Carmichael, The only thing that this helps, if we pass the COIT tonight, is the banks say, okay, you have a way of paying it back starting in January, and **we'll** loan you the money.

Mr. Beck, Now we're going to take another loan?

Mr. Carmichael, **We're** loaned to the maximum now. We have, **we'll** run out of money before too long as I was told by that young lady who stood up a while ago. **She's**

the one who keeps her eye on the money on a daily basis, and every penny that comes in here, and every penny that goes out. **She's** saying **you're** going to be out of money before too long. **We've** been put on notice, and when that happens, we may have to close the doors. Al.

Mr. Steele, Bill, **you're** always talking about the next week or the next month, but **let's** say we had a \$28,000,000 budget, **let's** say we cut, lost four from the mills, but maybe two in our taxes, we still have \$22,000,000 left to run this government. **That's** when you set priorities and work with what you have. I'm not saying we **don't** need money in the future.

However, when all these departments, and elected people, and the head of the departments, we have 92 different budgets we figure here, when all these people sit down and do what these people out there said, set down our priorities, and we all stick to the priorities, we'll be able to get through.

I would say for myself, I'm not going to vote for COIT tonight, but if you would just give me a program, and tell me what our priorities are, then I may look at this different the last year if I can trust you to spend the money in that way, and **that's** what these people are telling you.

Mr. Carmichael, Okay, I'm going to give another five minutes; then this thing is going to be over, folks. **We're** sometimes saying the same thing over and over, although we appreciate the input, its good input. I'm going to start, one, two, three. Okay, this lady in the front row.

Kathy Nichols, I worked in this county government for the past 22 years. I work at the **sheriff's** department, which I know is an object of many discussions regarding their budget. I want to tell you right now that, you talk about losing county government services, standing in lines, making lines being longer if we cut services, cut employees.

I'll tell you right now that the office that I work in, which is the civil bureau/warrant division at the **sheriff's** department, if you take an individual, **let's** say from our office, we will not be able function. Not only do we, we **don't** have to worry about people standing in line to come for us to service the public. What we have to worry about is statutory obligations. Okay. And in our particular office we do the mortgage foreclosures. As it has been stated, Porter County has been the highest increased in mortgage foreclosures. We take care of the warrants when people get arrested.

So my job may not directly affect a taxpayer or my other staff people, but I'm telling you that we are so tired. We work--and you can laugh all you want to sir, thank you very much--but I'm telling you that we are tired. We work, we work hard, we work long hours. We do work overtime, but we do not get paid for, and I know you can say, well **that's** the way the economy is, and all that stuff. But I'm telling you that the services that you get from our division are quality services, and we want to keep that quality. If you take somebody from our department, we **won't** be able to function. We will not be able to meet our statutory obligations that we have to meet. We have cut back.

We have done everything that we can, and I think that you need to have a county income tax. **It's** going to affect me too. I'm going to have to pay it. My husband is going to have to pay it. I **don't** want to make one more expense in my home budget. **We've** had to cut expenses in my home, but I'm telling you, my husband--who makes a very nice salary--has said in the last couple of weeks that maybe he needs to go out and find a secondary job. So I'm telling you we need it.

Mr. Carmichael, Yes, ma'am.

Marg Hefner, Yes, I had an article in the paper, and for the people who **didn't** read it in the paper, I'd like to share it: What are the answers on Porter tax proposals? How long will there be property tax relief? Is CAGIT, County Adjusted Gross Income Tax, a tax for the people with long-term relief? Is COIT, County Option Income Tax, a tax for the politicians, developers, and realtors? Is property tax relief short-term with COIT? What comes next? Will CEDIT, County Economic Development Income Tax, follow and result in the need for more services, and we **can't** even take care of the services now, as our population grows, thus requiring more taxes.

Aren't there many kinds of taxes hidden and exposed? **Let's** not be fooled thinking we are getting long-term property tax relief when maybe we **aren't**. Yes we need to pay our bills, and provide needed services, and treat our county employees fairly, but **let's** hear the whole story. Everyone needs to pay their share of taxes. **Let's**

not be told that government and taxation is too hard to understand. **Isn't** it worth knowing the fact?

Why **weren't** the developers and realtors at the tax meeting expressing their views? They are never at any of the meetings that I go to. Why **aren't** they here tonight? It seems like **there's** always someone up for election, so we have to do more studies, is this a way to avoid decisions. Has our tax money been spent frivolously, and now we have to find a way to get more. **Let's** be careful of how we are taxed. I want to say again, if we **can't** even take care of our services now, and if our county continues to grow, how are we going to take care of the services for a bigger population.

Mr. Carmichael, Thank you.

Rich Koeppen, I was just referring back here. I got, I work for Boeing, and they have 200,000, and they laid off 45,000. I was one that got laid off. I returned back home. I **didn't** think they had a function, but **they're** still functioning, but I'm still here, and I've got to live with income, you know. I would love to find a second job. I mean you guys tell me so much is available, get a second job, tell me where to get one. But I came back home, and think **it's**, you know, you got to look at other options. Taxes maybe good, but yet, you never drop the taxes. Boeing laid off 45,000 people out of 200,000, and oh, **that's** where you do what you got to do, you know, look at the other options. Has anybody got a job; I'll take a job.

Mr. Carmichael, Alright, **that's** the end of the public input of this session. Does any council member wish to speak at this time? John.

Mr. Ruge, I think the fairest tax that we have is the income tax. Taxes **shouldn't** be based on property. **It's** more fairer to have a distribution of taxes between property and income. If you make income, you pay more taxes. If you make a little income, why you'll pay little taxes. I think we ought to change this relying on property taxes.

Another thing, do we want to keep the quality of government in Porter County that **we've** had in the past or do we want to pass like **we're** a poor county down on the Ohio River that **can't** finance 4-H, **can't** have the Opera House, **can't** have a lot of important things for the people of the county. I think we should maintain the high level of government in Porter County, not let it deteriorate just because one of us has to pay \$100 a year more.

Mr. Carmichael, Thank you, John. Okay, I'll ask the auditor. A motion has been made and seconded on the floor for the adoption. I'm sorry. Karen.

Mrs. Conover, I've prepared a statement here tonight, and I wish you would bear with me. Our budgets here are so very, very complex. **There's** the ins and outs of so many different funds. **There's** user fees. Someone had mentioned looking at the fee structure. **That's** well and good, and when you impose a fee everybody pays the same fee. Someone who is retired is paying this fee versus maybe a working family with two jobs and **it's** the same fee. **There's** a lot of things that **we've** talked about that can be done, and we will think about it.

I first would like to start out by commending commissioners Dave Burrus and John Evans for coming out at the beginning of the year to let everyone know how serious the financial problems are within county government. It **wasn't** your bailiwick. You try to live the budget cuts for a year, and you saw us sinking. You came out in January, I know that you and Commissioner Burrus have studied, and studied, and studied the numbers. Like the commissioner indicated, we have a lot of fixed costs. Costs that we **can't** control, like you **can't** control, like your utilities, your water bill, your insurance, and all the way down the line. We have contracts, just to name a few.

Over six years ago when I began serving as a Porter County councilperson, my first meeting was a real eye opener. After selecting a president, and a vice president, the next order of business was to borrow from the bridge and reassessment funds to carry us over until the **year's** first tax draw. We had cash flow problems six years ago. **That's** why a council of ten years ago wanted to introduce this tax. They were met with a lot of resistance, one of those members is here tonight, and **she'll** tell you she still has her bruises.

Problems became more compounded over the years due to more revenue shortfalls, things totally out of our hands, and out of our control. An example, the state of Indiana cut the excise fee we pay when purchasing license plates. It was great to

realize the huge savings when registering our vehicles, however, the catch-22 was local government lost while you and I saved. Another component that ran dry was the interest we received from investments the treasurer made. That was part of our operating budget. It fell to an all-time low, again lost revenue. All these things make up part of your budget.

Trying to run a county government experiencing explosive growth, and yes, adding new employees--needed employees--in primarily the criminal justice departments, health and highway departments. Some of these employees were brought in on state grants. We had a match, but we were able, and we are always looking for ways to get grant money and bring people in under the auspice of that.

We've been dealing with escalating health insurance costs, as you have as a family, as I have. Utility fees, **we've** been trying to stay afloat and provide you basic service, and it became more of a robbing Peter to pay Paul. And yes, the bottom fell out when we lost Bethlehem and National **Steel's** share of the property tax payments. We were able to borrow from the state with quite a bit of resistance. The bailout loan came with strings attached. We have to pay interest unless we do what **we're** considering to do here this evening, and this resolution would go through.

A Porter County council of ten years ago tried to pass a COIT. The resolution died for lack of support from the municipalities. I personally, was strongly opposed to that **council's** efforts as some of you are here tonight. But times have changed, and not for the better. Services you expect, and you demand from your local government are provided through property taxes, some user fees, and sometimes, private providers.

Your local tax dollar is something you directly benefit from. **It's** the road to drive on, the roads that are plowed, the roads that are salted. **It's** highly accredited school corporations within this county, and we have great ones. **It's** curbside trash and recycling pickup. You need only to walk to the end of your driveway to have this service if you live within an incorporated area. We have really great park systems for our children to play or enroll in organized positive activities.

We have first-rate fire and police protection. Again, fire may be provided through a municipality, and it may be provided through a township. **It doesn't** matter. We have first-rate fire and police protection. Some of our local police departments will respond to an accidental 911 call, just to make sure you accidentally dialed it, and **you're** all right. We **don't** have to wait hours for a response; **it's** immediate; 911, dispatches these vital services. If I were to call 911 because I was having a heart attack, the first on scene are the police and your local fire department. These highly trained and dedicated public servants will sustain your life until the arrival of an ambulance when seconds count. If you think of a fire department as just somebody putting out fires, yes **it's** that, and so much more.

We in Porter County have a unique situation where the County is the sole provider of some services, one of which is the health department. Budget reductions of last year have been across the board. Some services that used to be free there, there is now a charge for or they are eliminated altogether. It has been stated again and again, due to cutbacks, 2,000 children did not get immunized last year, and maybe none of you in this room are concerned about that because yours were, but these are kids playing with yours on the playground. Our food inspections are not as frequent as they should be, and these are the restaurants we all enjoy dining at.

We do not have city or town courts. The County alone provides for these services, which brings me to the jail that was already discussed. We have one in our county to house and care for inmates arrested by county police, city police, town police, and state police. None of these things are a bad thing. It goes to show you that we **don't** have a lot of duplication of services between the various taxing entities. All you need to do is look to the east and west of us to see all the red tape in all the government. **We're** not here to put more government in your life. **We're** here to fund what is in place now.

Our reputation for being tough on crime **doesn't** just happen. **It's** because of our honest hardworking judges, prosecutors, public defenders, probation clerks and their staff. These are departments funded only with your county tax dollars. Our community as a whole is considered pretty safe. There **aren't** neighborhoods any of us have to avoid because **we're** afraid of drive-by shootings or gang activity. All in all, this is what I refer to as quality of life. And again, you only need to look to the east or the west to appreciate how good we have it here. Our rapid growth has also not an accident. People want to live here because of what we offer. Home building within our county is alive and well, and this industry is thriving.

Inherent distrust of government, we watch with interest on a federal and state level when decisions are based on politics, and that has not been the case within Porter County. Decision-making is based on overall what is best for the community, and for fulfilling our obligations. I would also like to add that your public officials in Porter County are not being indicted by the federal grand jury, having trials, and making deals. They are working office holders who show up and work along with their staffs to serve you, the public, honestly and openly, and if I sound a little upset here, I am.

Some of you would like to believe that we are budget fat, and **we've** mismanaged the money you entrusted to us, that **there's** shady business going on here. I, along with most of my other fellow officeholders resent the implications, the spreading of fear, the total misrepresentation of the facts, the distortion of the truth, the maliciousness, and it puts our service in question, and it's been a very hard pill to swallow.

One of the proudest moments of my life was to be elected to serve you on this Porter County Council, and I have given you my very best. This option tax issue alone has caused me loss of sleep, and I've literally put in hundreds of hours in researching in finding solutions. I am not independently wealthy, and I **don't** want to pay another dime in tax. But if we enjoy our freedom, and all that comes with it, we have to pay. If we want laws to govern our lives and demand equal justice, we have to pay. There is no such thing as a free lunch, and we are losing ground locally to try to finance all of the reasons that we live here.

I've heard from a great many folks over the last couple of months, and I've enjoyed talking to each and everyone of you to hear your concerns, your opinions, and to try to answer your questions. On the other hand, I've also been harassed and threatened from primarily the spread of misinformation that has been circulated and published. It has been suggested that those of us supporting an income tax may have something to gain. Well let me tell you loud and clear, there is nothing in this for me personally or for those I serve with on this or any other board.

The sole means we fund government within Porter County is archaic. Our reliance on the property tax dollar is taxing people out of their homes. It has caused us to borrow, to a point where we can borrow little more. Just today I got my escrow analysis. My **husband's** and **mine's** mortgage payment is going up \$66 a month. **That's** \$792 a year, because of property taxes. Budgets have been balanced on the backs of our county employees for the last several years, yet some feel that they are dispensable. I however do not. Layoffs and benefit cuts **haven't** been enough, and believe me, we are not, we are not, employee heavy.

This reassessment issue has compounded our financial problems. We **don't** know when or how much we will be able to bill for your taxes based on last **year's** figures until the outcome of pending legislation. The state also has its hand up of 1.8 million dollars to say we owe for juvenile care. The federal government is mandating us to purchase a new voting equipment system to the tune of over 1.7 million. We have to respond to the state mandates. We **can't** ignore them. They tell us what to do. They give us no mechanism of funding. And **that's** another fact of county government, and all governments. **We're** not reinventing the wheel here to meet this evening to consider a better way to fund local government.

I would like, as I had mentioned earlier, to take the government study group up on their offer to find further inefficiencies and cost-saving measures, and we, and the commissioners, and any other department head to serve on that committee; give them the information they need, and total cooperation and take off where the process committee left off.

This is not an easy decision for me, but I took an oath of office to provide for the health, the safety and the welfare of the citizens of Porter County, and I truly believe this is the only way, and the fairest way to carry out those duties I swore to fulfill, because Porter County needs to maintain its excellence, and we are losing ground. All you need to do is pick up a newspaper everyday to see where we are short, and what **we've** lost. Thank you all for coming tonight.

Mr. Carmichael, Sir.

Gentleman in the audience, Do we get equal time on that?

Mr. Carmichael, You've had it. Rita. Rita would like to say something.

Mrs. Stevenson, I wrote something, and I would like you to listen. First of all, I would like to thank each and everyone on your for coming out, and explaining how you

feel. Despite the fact that it has been a very emotional issue for myself, my fellow council members, and for each municipality, I was elected to do a job. A job I am finding out is not always an easy one.

I always knew it, but never really thought much about how dependent property tax owners are on big business taxes, but Bethlehem **Steel's** bankruptcy has been a constant reminder of what I took for granted. A good majority of their taxes helped to fund our schools, our police, practically our government. That loss is here now and it will never be what it once was.

Our federal and state government continues to mandate unfunded mandates, which we, as a local government have to satisfy. How do you decide who and what programs are important? This is a question I have had to ask myself over and over again, and decided to go through the **county's** budgets to see what services the departments provide, and what they mean to me. Each office here serves a function, which may not be important or essential to you now, but could be later on in the future.

The Airport has helped bring economic development to the county. Our Animal Shelter provides a 24-7, 365 day service to keep our county safe, and has a wonderful adoption program for those animals that would often be left to die. The Probation Departments and Juvenile Detention provide a service that may very well affect a **person's** life forever; instead of locking a person up and throwing away the key, they have programs to help those people improve their lives. We are also looking into the state saying that we own 1.8 million for our juveniles that we have had to relocate, but we are studying that to make sure that that is correct.

As much as people hate to pay their taxes, the Assessor and township assessors play an important role in funding our government. Without their work, we would be unable to collect the necessary dollars to keep our county a place where we want to live. The **Auditor's** office provides mapping information, tax information, budgets, etc, that is important to those who need it. They are also responsible for paying all the bills in the county. Our Building Department is necessary to make sure the homes and structures going up in the county are safe and in compliance with the building codes. Those who receive their child support through the **Clerk's** Office, that department is very important, because often the payment is used for food and rent for those who receive it. This office also plays an important role in public safety by processing and maintaining court files, issuing restraining orders, processing tickets, and so on. The **Clerk's** office, as well as our courts are responsible for every municipality in the county. Without them, our county would not be as safe as it is.

The **Commissioners'** are the executive and legislative body of county government, who often have very difficult decisions to make. Among many things, they are responsible for the maintenance and upkeep of our buildings. One might ask is our maintenance and custodian staff essential? I think so. We need to maintain our buildings because we have all paid for them, and we need to keep those places clean if only for health reasons.

The **Coroner's** office is a service that must be provided, and is often involved in public safety. The Data Processing Department is necessary for many reasons, but the most important thing to me, is they keep our government up and running with information that ranges from tax statements to property information. The Drainage Board works closely with the **Surveyor's** office to resolve drainage problems in the county. To keep Porter County a better place to live, we need to make sure we provide services to our citizens. Right now to those who are building a home, the Plan Commission, Surveyor, Soil & Water, Health and Highway departments are very important.

The Health Department plays an important role in the health, safety and welfare of our citizens. They are responsible for the issuance of well and septic permits, as well as the inspections. Last year, the department had the task of picking up dead birds to establish whether West Nile Virus was here in the county. The nursing division of the department had to cut their various programs down. Children **weren't** immunized, as they should have been; women who were in need of prenatal care **didn't** get it because of the cut in services. Although this might not affect you at the moment, it could down the road. Look at **what's** happening in Iraq. There is a potential threat of biological weapons. Many years ago smallpox wiped out a huge population. Do you want that here? We were immunized as children, to get rid of the things that killed people, and if we continue to regress, we might be sorry one day.

For those who utilize the Extension Office and participate in 4-H, that department and program is very important. The Emergency Management Agency works closely

with our state and federal government to provide information ranging from the weather to terrorist updates. Until 9-11, people probably **didn't** worry much about their safety. Now, I wonder if there is a day that goes by that one does not remember or think of how vulnerable we really are. The Environmental Department also provides a 24-7, 365 day a year service to keep our communities safe from events that could compromise our environment.

The **Recorder's** office is important to those who have to file their mortgages and developers who have to record plats among other things. Since the interest rates are at an all time low, the work in this office has doubled. For every refinance, a new mortgage is recorded and a release of the old mortgage is recorded.

The Parks Department, one might say is a luxury we **can't** afford, but it plays an important role by keeping green space undeveloped, and gives us a place to go with our families. The Prosecutor and Public Defender offices have opposing roles in county government, but they work to keep the criminals off the street, and keep the innocent from being locked up. The Print Shop has reduced our paper and printing costs. Many years ago our printing line probably totaled anywhere from \$80,000 to \$100,000. This **department's** budget is now \$62,000. The **Treasurer's** office is open to the public to answer questions, and collects the property taxes.

Voters Registration and the Election Board were established so "**we the people**" could vote the way we wanted to in a country that gave us that right. And if you are not aware, we have a mandate that will cost this county 1.7 million dollars for voting equipment and that has to be done by 2004. And finally, Weights & Measures; This two-man department makes sure we get our full gallon of gas or pound of lunch meat among other things.

The decision I will make was not an easy one, and it took months of investigating facts, questioning many people getting their ideas and views, and finally realizing what is important to me as a citizen of Porter County. Again, what is important to you? That is the question you need to ask yourself. I know what is important to me, and that is to keep Porter County safe and continue to make it a better place to live. So to keep Porter County safe, we need to maintain our **sheriff's** department and jail with the proper staffing and equipment. To keep Porter County safe, we need to make sure the health services are not under funded and properly staffed. So as a citizen, and not as a council member, but as one who loves the place I live, I ask you, what is important to you?

Mr. Carmichael, Al? Bob? Auditor, would you please call the roll and the motion?

Motion carried on the following roll call vote:

Carmichael	-	Yes	Conover	-	Yes
Knoblock	-	No	Poparad	-	No
Ruge	-	Yes	Steele	-	No
Stevenson	-	Yes			

Mrs. Vuko, It's 4 to 3 for yes.

Mr. Carmichael, The motion is passed, and the meeting is adjourned.

There being no further discussion, meeting adjourned at 9:00 p.m.

**PORTER COUNTY COUNCIL
PORTER COUNTY, INDIANA**

William Carmichael

Karen Conover

Carole Knoblock

Robert Poparad

John Ruge

Al Steele

Rita Stevenson

Attest: _____
Sandra Vuko, Auditor