WHEREAS, in the opinion of the County Auditor, the public interests required that the Lake County Council, should be called to meet in special session at this time, for the purpose of considering Budgets for Year 2026, a written notice was sent to each member of the Council, and proper advertisement made, and all other acts performed in accordance with the laws governing such matters.

And now in obedience to such call, come Christine Cid, President, David Hamm, Charlie Brown, Pete Lindemulder, Ted Bilski and Randy Niemeyer, County Councilpersons, together with Tom O'Donnell and Ray Szarmach, County Council Attorneys. Councilman Ronald Brewer was absent.

Financial Director Scott Schmal – Senate Bill 1 seems to be quite popular this year, and that's directly impacting counties' and local governments' finance strategies from this point forward. The game's rules have changed. What we've done typically in the past, we would need to adapt and be a little more mindful of how we navigate these new waters. We did get a growth quotient of four percent this year, which means you're allowed to increase your levy by four percent. But offsetting that by about eighty percent of that increase is carved out towards the homestead credits, which is a new piece of that legislation. The impact to Lake County is about a six-million-dollar reduction of increase, so that leaves about a million dollars of wiggle room for increase, and most of that million has been committed already by contracts or state mandates for the county itself. That being said, any increases in the budget would need an offset somewhere, and that's basically where we're at with levy funds.

Hamm made the motion, seconded by Bilski, to seed the 2026 budget from the 2025 adjusted budget for all funds and salaries.

Niemeyer – Is it seeded based on the budget request, or is it seeded based on the fundamentals that you just described? Basically, we have no excess to increase? Because the budget request, altogether, totaled close to four million, which obviously we don't have. So, what does that budget seeding look like?

Schmal – The 2026 budget is going to equal, at this point in time, what the 2025 budget is.

Majority voted yes. Brewer was absent. Motion to seed the 2026 budget from the 2025 adjusted budget for all funds and salaries carried 6-yes,1-absent.

Bilski made the motion, seconded by Hamm, to approve salary increases for all CBA increases for Sheriff Police, Correctional Officers, E911 Dispatchers and Highway Teamsters.

Niemeyer – Last year when we negotiated the contract with the sheriff's department, we had negotiated, as a part of that, offsets for salaries. I just wanted to make a note in the record that, I believe, although there will be more increases, we need to continue to look for those offsets within the budget so we're not clawing back the offsets that happened last year and then adding to it. So that's something I just wanted to make a note of, that as we go forward with this budget process, to alert the Sheriff's department people that that was an important part of our whole negotiating strategy because any percent over the levy equaled about 150 thousand percent over the levy, and those fundamentals are even tighter now.

Cid requested that, before the budget session ends, the Sheriff's office show where they are going to get the money to fund it.

Majority voted yes. Brewer was absent. Motion to approve salary increases for all CBA increases for Sheriff Police, Correctional Officers, E911 Dispatchers and Highway Teamsters carried 6-yes, 1-absent.

Lindemulder made the motion, seconded by Bilski, to approve mandated salary increases per Indiana Supreme Court (i.e. judges, prosecutor, deputy pros., magistrates, Sheriff, Chief, Public Defender, Asst. Chief Public Defender and approve probation officers' salaries per Indiana Judicial Conference Schedule in tax-based funds.

Niemeyer – Again, although these are mandated salary increases, in almost all of these departments, except for maybe a couple of cases, there are numerous vacancies of positions that haven't been filled for quite some time. We still need to look for offsets due to the description Scott gave of the available funds for this year's budget.

Majority voted yes. Brewer was absent. Motion to approve mandated salary increases per Indiana Supreme Court (i.e. judges, prosecutor, deputy pros., magistrates, Sheriff, Chief, Public Defender, Asst. Chief Public Defender and approve probation officers' salaries per Indiana Judicial Conference Schedule in tax-based funds carried 6-yes,1-absent.

Niemeyer made the motion, seconded by Lindemulder, to cancel all remaining workshops except the 1st Reading on September 16th and 2nd Reading on October 14th. Majority voted yes. Brewer was absent. Motion to cancel all remaining workshops except the 1st Reading on September 16th and 2nd Reading on October 14th carried 6-yes, 1-absent.

Hamm made the motion, seconded by Bilski, to place any remaining balance in reserves. Majority voted yes. Brewer was absent. Motion to place any remaining balance in reserves carried 6-yes, 1-absent.

Niemeyer – Throughout this complicated time of putting this all together, Scott, I think, has done a tremendous job at giving us an incredible amount of detail this year. We have more detail on revenue and fund balances than I think we've ever seen. Extremely well done. It's important to note that we have a breakdown of professional services, both non-levy and levy. There are some that are necessary to the function of government, and there are some that I question whether or not we have some duplication of employees that do the same thing as contractors. It's important while we're looking at each department to make sure that we don't have duplication as a way to balance the cost of government as we go forward in what is going to be property taxes that really don't grow. We're going to be shifting the cost of government to other sources of revenue. There are really four main sources of revenue in local government. That's income tax, property tax, fee funds, and grants. We have to figure out how to fit everything we need to do into those sources. It's important that we look at each individual professional services line item. I have twenty-eight million three hundred and sixty-two thousand in both levy and non-levy funds in professional services. We need to look at where we have duplications, where we can eliminate some of those contracts, where we can put things on employees, and what are things we can do to help offset this as we go forward to reduce that reliance on property taxes. Cash balances that are out there and revenue streams, where certain departments have revenue streams that they can shift more salary over to to help keep the whole process balanced. We have to look at every opportunity that's allowed in law to shift cost away from the property tax levy. Anything we can do together to make that happen is going to create a successful picture here for us to continue to do what we do here in Lake County.

Cid – I want to thank those departments that did take into consideration the financial issues the council is having because of Senate Bill 1. The last thing we want to do is reduce public service.

Bilski made the motion, seconded by Hamm, to remove any vacated positions from the budget.

Hamm – What I would like to see is a solid date instead of eighteen months from the 4th of September.

Cid – I think you have to exclude those positions that are in a contract like the CBA's and correctional officers.

Hamm – We have a list from Mr. Schmal and it excludes jail and the sheriff if we want to use that as an exhibit A. So, this exhibit A and pass that going back to January 1st 2024?

Bilski – Correct. Excluding anyone covered under mandatory state raises or CBA's. Reason being we're having a very difficult time filling the rank and file in the jail. We've had vacant positions there. We need the bodies but there are some positions in certain departments that have been vacant for the sole purpose of borrowing money from.

Niemeyer – I would agree with Councilman Bilski's motion, but I also think we have to look at whether the contracts have come up historically and whether we have been able to fill these slots. If we've got fifty more slots than what we've typically been able to fill, it's time to reconsider what full staffing looks like. We could budget for them all we want, but if we never fill them, what happens with that budget is it's used at the end of the year to make transfers, when maybe what we should be doing is looking at how we invest that money into that department to create less turnover, more sustainability, and utilize it within our systems where we can, where there's an opportunity to eliminate even some of those long-term vacant positions. Just carrying them doesn't make sense either; once the contracts are renegotiated, I think you have to look at some of that.

Cid – That's a good point. I know we did that last year in the jail because the vacant positions caused unused funds like professionals or whatever. So, we eliminate some of those positions and place them in overtime because they're always transferring to overtime.

O'Donnell – I want the council to know what they're voting on, so maybe we could withdraw the second and withdraw the motion.

Bilski withdrew his motion.

Hamm withdrew his second.

Bilski made the motion, seconded by Niemeyer, to eliminate positions that have been left vacant since January 2024. Excluding those covered by a CBA, state mandates or federal mandates. Majority voted yes. Brewer was absent. Motion to eliminate positions that have been left vacant since January 2024, excluding those covered by a CBA, state mandate or federal mandate carried 6-yes, 1-absent.

There being no further business to come before the Council, it was moved and seconded that this Council does now adjourn, to meet again as required by law.

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President, Lake County Council

ATTEST:

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Peggy Holinga Katona,
Lake County Auditor