

**MINUTES OF THE INFORMAL MEETING OF THE JOHNSON COUNTY
BOARD OF SUPERVISORS:
JANUARY 14, 2011**

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Chairperson Harney called the Johnson County Board of Supervisors to order in the Johnson County Administration Building at 9:00 a.m. Members present were: Pat Harney, Terrence Neuzil, Sally Stutsman, and Rod Sullivan. Janelle Rettig arrived at 9:12 a.m.

FY 2012 COUNTY BUDGET

Executive Assistant Andy Johnson said discussion at the Budget Meeting on January 10, 2011 led to a desire from the Board to further understand the numbers in the budget. He said in this new process, Budget Coordinator Rich Claiborne has been providing a tax askings page and the total that would be available for capital projects or reserves. It has not necessarily been broken out by source or if the funds are carried over.

Harney said Rettig sent an email to Johnson saying that she will be about 15 minutes late to this meeting. He asked if they want to get into this issue before Rettig is present. Johnson said Rettig said to not wait on her. Stutsman said there are other things they could go over. Sullivan said they could discuss items related to Medical Examiner Administrator Michael Hensch. Harney asked if they should do that.

Sullivan asked Claiborne if this is a new version. Claiborne said it is the same one. He said from day one that they are taking a backwards approach. He previously said the fund balances and everything else would come later on in the budget process. They are now at that point. Neuzil said it did not take long for Claiborne to explain that these numbers are just counting the extra reserves from the previous year which is where the extra money came from. It is very easy to understand this now.

Claiborne said he has the supporting documents regarding questions that came up at the Budget Meeting on January 10, 2011. He left the meeting early due to illness. He updated the Decisions Pending document. He added the less revenue cost savings the Board discussed at the Budget Meeting on January 10, 2011. He updated it with information from County Attorney Janet Lyness' decision package, Deputy Auditor Chris Edwards' workup of overtime saved with the part-time Account Clerk II position, and Hensch's amount saved from on-call investigators. He plugged in those amounts and added some other items the Board had talked about. Capital expenditures included three projects Facilities Manager David Kempf offered to the Board to budget for FY12: Sheriff alternative number two, records civil division; west side Ambulance alternative one; and the County Attorney's Office reception upgrade.

Sullivan said Lyness is projecting that a new attorney could bring in \$83,000. Claiborne said that is a conservative estimate. He said Lyness' decision package details that amount out. Sullivan said the amount that Claiborne would bring over as the adopted amount is still the actual cost, but the amount available was adjusted down. Claiborne agreed. This formula nets out the \$80,996 and the \$83,021. Sullivan said OK and that it actually took it down a little bit. Claiborne said yes. It did the same for the Auditor's Office and the Medical Examiner's Office.

Claiborne said under the Board of Supervisor's budget there was talk about mobile home safety issues. They put a placeholder of \$10,000 for that item. There was talk of removal of structures, which was given another placeholder of \$10,000. He does not know if the Board wants to discuss those now until Rettig shows up. Harney said he thinks they can go ahead. He asked for clarification regarding the removal of structures line item. The County cannot remove much for \$10,000. Stutsman said that is to haul mobile homes to the land fill. She thinks they said it was \$2,000 per mobile home. Sullivan said Thatcher Mobile Home Park Owner Jim Hammes told the Board it cost him \$2,000.

Claiborne said when he listened to the audio file of the Budget Meeting from January 10, 2011, he thought the Board was referring to the properties across the street from the Jail. Neuzil said no. Those are two separate issues. Stutsman asked if what is reflected in this budget worksheet is actually the removal of those homes. Claiborne said yes. There was talk of a \$10,000 issue. Sullivan said during discussion regarding the proposed property maintenance ordinance, the Board agreed that they want to address abandoned properties. He said they could potentially purchase abandoned homes, but that is a big policy decision. Neuzil said if there is an identified piece of property on which taxes have not been paid and the County wants to take action, they are going to need money to do so. If that piece of property is forfeited, the County will need money to clean it up.

Stutsman said she thinks this is a big policy decision. This amount budgeted is not that much money. If they decide this is something they want to do sometime during FY12, they can use money from the reserves. She has issues with bailing out negligent landlords. Neuzil said the other caveat is the potential to create a policy or code that kicks people out of their homes if unsafe living conditions cost a certain amount of money to fix. If there is no backup to that, the headlines are not going to be in favor of the Board. Perhaps there needs to be a change in the title, which is currently "mobile home safety issues." Stutsman suggested including terms such as relocation or rehabilitation. Neuzil said it could be pretty minimal.

Sullivan said he likes the idea of having some funds budgeted for this purpose. The County does not know what they are going to do, but they know that if there is no money they are limited in what they can do. The Board may decide not to spend on either of these issues, but it makes sense to have something budgeted. Neuzil said it would be a safety net of potential resources. He does not want to take a mobile home out just to have Regency Mobile Home Park put another one in, but he also thinks the County needs to

have some standards that eliminate the ability for people to move into old mobile homes. Stutsman said there are standards, but people do not comply with them. Neuzil said perhaps there needs to be tougher consequences. Sullivan said the Board will probably have a lot of continued discussions regarding this in the next six months.

Harney said it will be a completely different discussion regarding how they will manage this situation. He has a lot of ideas regarding it as well. He does not have a problem budgeting this amount. His concern is that he thought this item was for the houses by the Courthouse, and the amount is not sufficient for that project. Neuzil said that is a whole other issue. He said Kempf had estimated \$250,000 for land for the justice center. This would include having additional resources available because the County shorted the bond this past year for the purchases of those houses. The County will need to have those houses assessed so they can purchase them. The question was if \$800,000 was going to be enough. It might be enough to purchase the houses, but probably not enough to cover the moving expenses and other related costs. He said Kempf thought they should budget more money for that. Stutsman said OK. She asked if Chatham Oaks has the boiler. Sullivan said half of the boiler. Johnson agreed.

Claiborne said he will back up to the Board's budget. He asked if the Board wants to vote yes across the board for the line item of mobile home safety/health for \$10,000. The Board said yes. Stutsman said the vote is yes on the removal of the structures too. Neuzil asked if that is what Kempf said he needed to remove the structures of those three houses.

Rettig arrived at 9:12 a.m.

Claiborne said no; that is what the Board discussed at the meeting on January 10, 2011. Stutsman said the Board did not check with Kempf regarding how much he needed. Claiborne agreed. Johnson said now he is confused. He asked if the removal of structures line item is for trailer parks or the houses. Stutsman said it is for the houses. Neuzil said they need to determine the cost to raze the three homes the County owns and if they will do this in FY12. That is all they need to know from Kempf. He is not sure if it is necessary to raze them yet. Stutsman said she is OK with just budgeting \$10,000. If it is more than that, there are always reserves they can tap. She hates taxing for projects that they are not sure they will do and projects with uncertain costs.

Neuzil said the County owns three homes. He does not think it is necessary to raze those homes if it is determined they will not need the property for the justice center. The Board will know in the next several months because borings and other procedures will be done. There is no reason to spend the extra money if it's not necessary; the County could just resell those houses. Stutsman said she is just saying that there is no reason to tax more than the budgeted \$10,000. Neuzil said he does not know what it costs to remove a structure. He would assume it is pretty pricey.

Sullivan said the County knows the price of taking down the Fisher Building. Neuzil asked for the amount. Sullivan said he thought it was around \$20,000. Harney said there

may be additional costs because these homes are older and may have problems, such as asbestos. Neuzil said even if they could do it over a three year period and save up the money that way, it would be nice to have an estimate from Kempf on what it would cost to remove the three homes. Sullivan said if they pass a bond it would be part of the bond, so he is not sure they have to do anything now unless there is a problem. Rettig said if the homes are falling down and are an eyesore it is one thing. Neuzil said they are boarded up.

Claiborne asked Rettig if she would like to go on the record regarding these line items. Sullivan said line 29 is just a place holder for whatever they end up doing regarding policy. Rettig said that is fine. Sullivan said line 30 is referring to those three houses. Stutsman asked if they should take it out. Neuzil said he thinks they should vote no on it now, unless Kempf says the County will need funds in FY12 to tear those houses down. If not, Neuzil does not want to budget for it. Sullivan said the other thing is that the County could end up having some revenue if Lyness is able to buy those other houses. The other houses are in better shape and the County would not have to tear them down until knowing that the public could pass something. The County could possibly be collecting rent for awhile. Claiborne asked if the Board is voting no for that line item. Stutsman said yes. Neuzil asked Claiborne to label the line item as removal of structures/houses for the justice center for clarification purposes.

Johnson said the Board received an email from Edwards so they can cover that if there are any questions. Rettig apologized for being late; she was in a committee meeting in which a large decision was being made. Johnson said essentially Edwards indicated that the amount Claiborne has provided in these scenarios with the specified assumptions gives the amount for capital projects/reserves. This is a new process so they were waiting to define the terms and it got a little unclear with the impression that it was all new money. As Edwards indicates, the FY11 General Fund actual beginning balance was \$4.8 million higher than projected in the Budget Coordinator's final FY11 budget spreadsheet. In the FY12 worksheet, there is the recommended General Fund balance of \$2.2 million, which is what the County Auditor says should be on hand. That is lower in FY12 because the County has been saving for the extra pay period and there will not be another one of those for quite awhile. The Board has budgeted an additional \$1.4 million so the FY12 General Fund ending balance is \$3.6 million. As indicated by Edwards, the short answer is that a big portion of the \$6.8 million is additional fund balances at the beginning of FY12.

Sullivan said the timing is unfortunate because the Finance Committee has been talking about fund balances for the past few months. He said he hoped by now the Committee would have a recommendation for the Board. This way the Board would know how much of the roughly \$6 million could be spent and how much they want to save.

Rettig said she is a little confused by this chart. She had suspected the problem with the other chart was ending fund balances. A recommended fund balance is to cover the periods where the County does not get revenues. That is not the same thing as money the

County has been saving for projects. Almost every department head has told the Board they have been saving for vehicles, copiers, tuck pointing, or other items. That is in addition to an ending fund balance. She does not see that number reflected here. She wonders how much money the County has in the General Basic Fund that has been designated for some project. Claiborne said those are transferred out to Capital Expenditures and Capital Projects. Those funds roll over year to year. Similar to Information Technology Director Jean Schultz tracking technology throughout departments, he does the same for Capital Expenditures and Capital Projects. Those are totally separate from General Basic. That way, there is no risk of the money being returned back to reduce the levee. Johnson said that is why he did not include it in his chart. Claiborne said it has already been moved to the equivalent of a separate bank account. Stutsman said those are designated funds.

Sullivan said the \$2.4 million that comes from the Auditor's Office is really cash flow. Claiborne agreed. Sullivan said that is the money the County has to have to meet bills because taxes come in sporadically. The \$1.26 million is the cushion. Claiborne agreed. Plus, they have to remember that two other issues affect the cash balance. One is the Revenue Expense Adjustment, which they hold at \$1.4 million, which is always very conservative. That is when a department receives more money than they budget for revenue and they do not expend their entire budget. That amount is returned back to the General Basic Fund. Throughout his seven years doing budgets, that amount has always averaged around \$2 million per year. When the Auditor's Office says the County needs around \$2.67 million for FY11, they tax for that to make sure it is there, and then they have the Revenue Expense Adjustment built in as a buffer to help absorb some of the excess money. They still run about \$2 million above that.

Claiborne said this year, the instruction from the Board was to tighten up expenses and revenues across all departments. The word from Edwards is that the Board could get more aggressive with Revenue Expense Adjustment. Claiborne does not think that would be a wise thing to do in FY12 because they are tightening up. The \$1.4 million has proven to be very conservative over the years. He could not see raising the Revenue Expense Adjustment, yet tightening up the return money to the General Basic Fund. He thinks it would be pretty risky.

Johnson said to clarify, the recommended fund balances on his chart includes both General Basic and General Supplemental. There is around \$400,000 in the General Supplemental. Sullivan asked if the Rural Fund is separate. Claiborne said yes. He has a recommended ending balance for every fund. Similar to what Edwards said, he just focused on the General Basic and General Supplemental Funds.

Rettig said the Auditor's Office's recommended ending fund balances are from the County Auditor's perspective of cash flow. That is not from the perspective of increasing County reserves to better capture bond rates or to prepare for a disaster. While this may be the minimum, she does not consider it to be the minimum in her view. Claiborne said sure. Stutsman said the Finance Committee was working on bringing a recommendation forward. Claiborne said right, that has been an option. From day one he has said that

fund balances would be a different subject toward the end of the budget cycle, which is near. That is where the Board could designate their ending balance. They can adjust for that. His scenarios all along have been keeping in mind the effect on taxpayers. Most of these scenarios involved using carryover. Stutsman asked if these estimates are reflected on page 11 of the budget worksheet. Claiborne said yes. Harney asked County Treasurer Tom Kriz if he had anything to add.

Kriz said from the Treasurer's Office's perspective the key things to remember are that the County has taken conservative approaches before, and they had looked at paying off the remaining \$1.065 million of the Health and Human Services (HHS) building in June 2010, which they did not do. They anticipated that money was there and it was, so that is also reflected in this figure. The information from Edwards explains the Auditor's Office side of it really well. He said Edwards did a nice job of breaking down why that has happened. From a cash in the bank aspect, it has always been pretty stable. He has one account that has had about \$3 million in it for the past three years. They have never had to touch that money, which circles around to prove out the numbers. He thinks the numbers are very close and are right, based on the fact that Joint Emergency Communication Center (JECC) was taken out of it, which had skewed things before in the past.

Kriz said he thinks, as Claiborne mentioned, with the tightening of the budgets they need to be really careful. He will use the Treasurer's Office budget as an example. He increased their revenue by about \$80,000 because they have seen that increase even during tough economic times. If there are departments like his that underestimated revenue for FY11, there is extra money. He said it does not take long to have extra money in County Recorder Kim Painter's office due to real estate refinancing. As they try to get that amount closer, the County will no longer have this fallback.

Kriz reiterated that he raised his revenue expectations by about \$80,000. If the economy turned around and all of a sudden it caught up with the County, it does not take much of the extra revenues to pull that back down. He thinks it is a tenuous thing. There has been a leap of faith in trying to get departments to remove open positions. As all of these changes take place, there will not be a track record of carry over anymore. In talking with Edwards, he is confident that they are close to that. It is reflected in the cash balances, which carry over in a semi-annual report each time. As Claiborne said, the Finance Committee will come up with a recommendation in the next few weeks regarding what reserve the County needs. That could use up most of it.

Kriz said in regards to the Auditor's Office emergency reserve, he moves approximately \$1.1 million every two weeks for payroll. There is \$2.2 million covering payroll for a one month period. They have to keep that in perspective to why that reserve has to contain that amount. He said while Claiborne and the Auditor's Office look at fund balances, the Treasurer's Office looks mostly at the cash balances and if there is money available to pay for certain things. He thinks the figures are right. The County is fortunate that departments have come in under. That has helped build the reserve. Now

that they are going to departments, telling them they are underestimating their income by hundreds of thousands of dollars, the reserve slowly goes away.

Neuzil said he thinks FY12 is still an attractive year to build up reserve knowing the potential of what is going to happen the following year. That is what is going through his mind right now. It would be nice to build up reserve. He thinks the three scenarios laid out are pretty realistic. He does not look at percentage; he looks at dollars. He thinks keeping most of these taxes to \$2.00 or less per month is a good start. Harney said he is going to be very cautious about spending this down too much. The County can certainly anticipate from all signals that there is going to be a tough year perhaps in one or two years. He does not want the County to get itself in a hole.

Kriz said he thinks Harney is right. During a Finance Committee Meeting with the assessors six months ago, they were looking at a 0% to 1% anticipated growth. Once the Auditor's Office got done with it, it actually came out to be over 3%. Claiborne said it was 3.9%. Kriz agreed. It was almost 4%. That adds \$700,000 to \$800,000 they did not anticipate. He thinks they need to be very cautious with the new legislators and a new Governor who believes they can chop away commercial tax, a change that would be devastating to communities like Johnson County or Polk County, which have a lot of commercial growth. A lot of dollars come from that. He agrees that that this is a point where they have the dollars so they will not have to say it will take them 10 years to get to the threshold they need for an emergency fund. They do need to be cautious. Harney said they can still pay for the HHS building with these funds. Kriz said it was there on June 30, 2010.

Sullivan said he spoke with some people from Linn County and suggested to Claiborne that he might want to do the same thing. These individuals figured out what Governor Branstad's proposal would actually cost Linn County. Linn County alone would lose over \$7 million. He is sure that Johnson County would lose around \$5 million. Stutsman said Iowa State Association of Counties is having a meeting on January 21, 2011, with the largest counties to talk to the legislators about the impact. Sullivan said most of those counties do not have the kind of fund balances seen in Johnson County. Kriz agreed. Sullivan said they would be talking about pretty big tax increases just to maintain their services. Kriz said he just visited with Linn County's Treasurer, and she is looking to cut 10% from her budget in addition to union bargaining increases. There are some tough things ahead. Johnson County is fortunate to be here, but they need to be very careful.

Stutsman said they assume they can raise taxes to make that up. In Branstad's previous administration, he put caps on what counties could raise taxes on. It is not a given that the County can automatically make that up by raising property taxes. Neuzil said if they want to look at the Ambulance building and having the resources to improve it, they need to have money in the Capital Projects fund for that. It could potentially be two bonds for that project. Harney said he understands, but he is not willing to lower this too much and get them in a bind by spending this now. Neuzil said now they are talking about taxing. He looks at these scenarios and even in the worst scenario of 3.5%, the

average taxpayer pays less than \$1.00 per month of an increase on a \$100,000 house. He thinks that is a reasonable amount of money to adjust even in this tough time. He said it is around \$2.00 a month for those in rural or agricultural areas. He knows people have more than \$100,000 houses.

Kriz said it is important to keep in mind that is the County's side of the taxes going up. Unfortunately the Board, right or wrong, gets blamed for the whole tax bill. He said Neuzil is exactly right, but when the tax statement comes out, it is the Board who gets blamed. Neuzil said right. He is also looking at the fact that the JECC and the Conservation Bond are a part of this now.

Rettig said it is a 6.5% increase for other cities. One may define it as \$2.00 per month for Coralville, Tiffin, or North Liberty, but it is still a 6.5% increase in what the Board asked for FY11. Neuzil asked to what Rettig is referring. Rettig said she is looking at the first scenario. Neuzil said it is still under \$2.00. Rettig said it is a 6.5% increase. Neuzil asked what it is for the County's budget, not including the JECC or the Conservation Bond. Rettig said it is a 6% increase. Neuzil said no, he thinks it would be less than that.

Claiborne said the Assessor revaluation is very high. That is 4.58% right there. That is out of the Board's hands. Rettig said right, but the public does not look at it as out of the Board's hands. The public looks at it as the County asking them to pay 6.5% more than they had to pay the previous year. She finds certain scenarios to be high. Sullivan said once they get through this, the Board needs to address that and start talking about it. Claiborne said this is where he was going to punch in the number the Board wanted.

Rettig said she does not believe the scenarios. They have \$2.3 million of built in increases with JECC, inmate transport, payroll, and medical. They cannot ask for only \$900,000 of new tax askings and have \$2.3 million of new spending. If the rollover of the ending fund balances is included and if the assumption is made that paying off the HHS building is included, they cannot ask for \$900,000 more from the taxpayers and get \$2.3 million more in spending before they make a single decision here. Sullivan said the bottom line shows the County has \$4.6 million that they basically did not know they have. Neuzil said that is money that is sitting in the bank right now. Sullivan said it is from over budgeting and under spending the previous year. Claiborne said this scenario assumes the Board is going to do the entire full General Supplemental and General Basic transfer, which they did not do last year.

Rettig said she is still not buying all of that. In Johnson's memo, it says the projected ending fund balances are \$7.4 million. She asked if that is in General Basic and General Supplemental. Johnson said yes. Rettig said of that \$7.4 million, there are \$2.1 million unexpended budgetary funds that have been in there and \$2.5 million unexpended Block Grant funds. She said those Block Grant funds are going to get spent. Then, they add in the Auditor's Office recommendation of \$3.6 million of ending fund balance and they do not end up with that much carryover, even if the Finance Committee agrees with the Auditor's Office. She must be missing something because she does not see how they can

take \$7.4 million, subtract \$2.5 million, subtract \$3.6 million, add in \$2.3 million of brand new spending before they make a decision, and only ask the taxpayers for \$900,000 more. She asked Kriz what she is missing.

Claiborne said it is all spelled out in a packet the Board has not seen yet, which shows the beginning balance plus revenues, transfers, and taxes levied, minus expenses and transfers out, which equals the ending balance. Johnson asked if Claiborne thought that packet will be ready by the end of the day on January 14, 2011. Claiborne said yes or by the Budget Meeting scheduled for January 18, 2010. Harney asked if in the materials they have, revenues are not included. Claiborne said yes. This entire packet has been looked at by Edwards, himself, and Deputy Auditor Mark Kistler. Every year at this time they get the bank balance and he has to take off the interest earned to get the cash balance, not the accrual balance. Then, he puts those numbers in, Kistler does a mid-year re-estimation of taxes based on collections and forecasts from the State, and Claiborne plugs in those numbers. Everything else ties out to expenses, revenues, transfers in, and transfers out. Every number in this packet ties out to something else which has been checked by someone else.

Rettig said she still does not buy that. If they have an ending fund balance of \$7.4 million and the Auditor says that at a minimum the County needs \$3.6 of that and \$2.5 of unexpended Block Grants will get spent, they do not have that much money to carry forward to the FY12 Budget. Scenario one asks the taxpayers for \$500,000 less than in FY11. She does not understand how they can do all of those things and ask for less money. The County has built in expenditure increases of somewhere around \$2.3 to \$2.4 million before they ever make a single decision on here. She said Claiborne cannot prove to her that there is \$2.4 million to carry forward into the FY12 Budget to offset that. There is a \$600,000 deduction in debt levee. Sullivan said there is \$700,000 in tax growth. Rettig said that would not matter because the number on this sheet that says "tax askings" is everything combined. When they add up everyone's taxes, this is what they have combined. As far as she is concerned, regarding Claiborne's scenarios, the only number that matters whatsoever is tax askings. If they take the ending fund balances, the increases and the ending fund balances that will get spent, tax askings must be high enough to cover that before the scenarios come into play. She must be missing something, but no one is explaining what she is missing.

Claiborne said it is in the packet. It shows General Basic Fund tax askings of \$19.7 million. This includes the \$6.68 million of Capital Projects. It all ties out. It is very complicated and will make more sense when the Board gets the packet. Rettig said she does not believe that. It says tax askings for FY11 are \$43.457 million. In FY12, there is \$43.059 million in tax askings. They are asking taxpayers to invest \$400,000 less in County government. Even with the ending fund balance, rollover, new growth, and new spending, she does not understand how that can be and still say there is \$4.7 million for Capital Projects.

Neuzil said it has everything to do with the end balance and adding it to the tax askings for the coming year. The hiccup here is how much money will be left on June

30, 2011, and adding it to what the County would tax. Johnson said he has a question on the funds Kriz identified as Block Grant funds. He thinks it needs to be clarified with the Auditor's Office. His suggestion would be to have the working copy of the packet and go through it. Harney said he thinks they have to do that because they could sit here and talk about it all day without getting any answers. He has questions as well concerning JECC's Block Grant for \$2.5 million. He thinks that is money that was being held back for payment of equipment that is currently being installed. He thinks that money will go away. Sullivan said it is reserved. Harney said it is not reserve funds, but is earmarked. Rettig said it will be gone as soon as the bills come in. Sullivan said it is JECC's reserves, not the County's. Johnson said that is what he needs to clarify with Deputy Auditor Dana Aschenbrenner. They spent a lot of time early in FY11 coming up with the amount owed to JECC and Aschenbrenner knows that. Sullivan said tax askings resulted in a larger starting balance for FY12 that allows them to ask for less.

Rettig said she is confident that is what has happened, but she does not think they have a large enough reserve. Subtracting \$2.5 million and \$3.6 million from \$7.4 million, there is only \$1.2 million left to rollover. In the best case tax scenario, she is actually asking the taxpayers for \$400,000 less. She knows they have built in increases of \$2.3 million, although in a meeting on January 13, 2011, Human Resources Administrator Lora Shramek indicated it might be higher than that due to what the County has been asked to contribute by Blue Cross Blue Shield. Rolling forward the \$1.2 million is not enough to explain this scenario they have been given.

Harney asked Claiborne if it is built in that they are spending down some of the reserve in these scenarios. Claiborne said yes. Harney asked by how much. Claiborne said the highest example is \$4 million because they are looking at starting FY12 at \$7.3 million in the General Basic Fund and ending with \$3.2 million, which is still higher than required by the Auditor's Office. In addition, that \$3.2 million, as he has said for many years, is the most conservative figure they can look at. That is assuming the County spends every single dollar of expenses and only receives the revenue budgeted. From previous years, they know that is at least \$2.5 million. He can comfortably look at \$3.2 million and know it will be closer to \$5 million, or maybe a little more, that the County will be ending with. This is much higher than the Auditor's Office requires and there is some money built in for the increased reserve level. The decisions the Board made are about \$1.8 million. If they want to put \$3 million back, he was thinking \$3 million is a safe target. \$3 million minus the \$1.8 million gives them around \$1 million to add to the reserve. This is from a conservative standpoint.

Sullivan said one thing they have to figure out is what Edwards is calling the reserve for the JECC. Harney said the only money for the JECC should be the bond money. Rettig said that means it will be spent. Sullivan said the money is not the Board's to play with. Claiborne said the bond money is actually in the Debt Services Levy, not General Basic. Sullivan said wherever it's located, the Board cannot count it as reserves. Claiborne said the fall amendment was a final payment to JECC. Their hands should be clean of JECC. Neuzil said right, but the question is if Edwards estimated that being expended in FY11 or not, and if he is counting it in the reserve. Johnson said Edwards

told him he checked with Aschenbrenner specifically about that, and Aschenbrenner does not think it is. That is why they need to clarify it. It does not make sense to him. Claiborne said from his standpoint, the re-estimation includes the fall amendment. The fall amendment has been entered already, so that \$1.4 million final payout to JECC certainly should be reflected here. They will follow up. Harney said the Board will have to review this after they receive the final report.

Stutsman asked if there are specific questions the Board wants answered. She does not know if it is a good use of time to continue discussing this. Rettig said she would rather adjourn and let them figure it out and come back with the answer at the next Budget Meeting scheduled for January 18, 2011. She said she does not trust these numbers. Harney said he thinks that is what they will do with this portion of it, but he thinks there are some other things in the budget to go over. Neuzil said he has a couple of questions. Maybe that team can get together and Rettig can sit in on the meeting. Stutsman asked if there are any specific questions. Neuzil said he trusts the numbers the budget experts have compiled, and if it ends up changing, then the Board should be told by January 18, 2011.

Sullivan said his biggest issue is concerning JECC funds. Kriz said for him, Rettig's question remains unanswered. He knows where she is coming from. Stutsman said the personnel increases are included. Neuzil said that is one of the issues he wants to discuss. At the current meeting the Board needs to continue to work toward what they want to agree and disagree on, assuming these numbers are correct. Obviously, if there is a large change, they have to start over. Harney asked Kriz if he would be available to attend the meeting scheduled for January 18, 2011. Kriz said yes, but the key will be to have staff from the Auditor's Office attend.

Sullivan said in the Board of Supervisors' budget there is a budget assumption built in under the line item of additional General Basic Fund balance. Claiborne said he made it clear weeks ago that he put in the additional fund balance as he did in FY11. He said the Board can decide to change that. Sullivan said when they are thinking about how much they want in reserves, they have already budgeted \$1.2 million toward reserves. Claiborne said that is reflected in the packet under the end balance section. Sullivan said the County will probably have more, but the Board already has some budgeted in. He thinks that is important for them to review.

Johnson said if they are done with that, he received an email in response from Kempf who estimates that it will cost around \$250,000 to \$300,000 to remove the properties. Rettig asked if that would include all seven properties. Johnson said yes. Neuzil said maybe that would happen during the bond. Stutsman agreed. Harney asked if they already bonded for that. Neuzil said no, they just bonded for the purchases. Kriz said the County bonded \$1 million for the purchase. Rettig asked if they budgeted for it, but have not bonded for it. Kriz said yes. It is budgeted for, so they will have to bond for it. Harney said he thought removal was included in that bond, but he could be wrong. Kriz said it could be, but the question is how much will be paid for those properties.

Sullivan said it would not make sense to tear most of them down anyway because they are revenue generating properties. The County would not tear them down until necessary. Kriz said they will have to look at that. He referred to the Fisher Building which was a losing proposition. The County took in less than they paid in taxes. They have to calculate that out. Neuzil said it could be a scenario where they have ownership of it a year or two later. Harney said depending on the deal. Some of the properties could end up similar to other buildings the County bought where it was very expensive to bring them up to City code.

Harney asked Claiborne to go through the rest of the items. Stutsman suggested starting with the Ambulance Service. Harney asked if there are any changes there. He said he is alright with the budgeted amount for the County Attorney's Office. Stutsman said those will be included. Harney asked if the Board denied additional software requests from the Auditor's Office. Stutsman said yes. Harney said there is \$100,000 budgeted for the justice center. Stutsman asked if the \$35,000 budgeted is for a grant writer. Rettig said it is a half-time of a position grade 15 if they are keeping it in a holding pattern. Sullivan said it does not commit the Board, but if they start the investigation and decide they want to hire then they will have funds to pay for it. Neuzil asked if that is different from the grant writing intern. Rettig said they removed the grant writing intern if they put this position in. Sullivan said the payoff will truly pay it off. Neuzil said it is done in FY11. Rettig said no. Unless they end up with more money, they are paying half of it in FY11 and half of it in FY12.

Stutsman asked if the Board is OK with budgeting \$10,000 for mobile home removal. Harney said he thought they took the removal of structures line item out. Neuzil said they did. Harney said he is not sure what they plan to do with mobile home safety issues. \$10,000 will not do much if the Board is planning to pursue much in that category. Perhaps they could move that up. Stutsman asked if Harney meant to budget more money. She asked if he meant \$20,000. Harney said that would be his suggestion, if they are going to do anything. Neuzil said he is comfortable with raising that if the County is going to be serious about cleaning up mobile homes. He also thinks that would give them the chance to work with Habitat for Humanity and some other organizations. Stutsman said that way they could use matching funds. Stutsman said in the future she would like Social Services Coordinator Amy Correia to work on a Block Grant process to allocate those dollars. Neuzil said Correia has cited that in her goals. Stutsman agreed.

Harney said the Board voted no to a Public Health vehicle replacement. Neuzil said he is not seeing the item for a Public Health clerical position. He asked if they voted yes or no to that item. Claiborne said it is already in the Public Health Budget. Rettig said a no means that Supervisor wants it removed from that budget. The Board did not authorize Public Health to replace that position. Neuzil said the Board voted yes. Stutsman agreed. Sullivan said he knows Public Health is going to have another opening too. He wants them to look at how the work is distributed. Rettig said the Board has already said Public Health is not allowed to fill the position, and now they are telling Public Health to keep the money even though they cannot fill it. Rettig said Public Health will never look at efficiency if the Board keeps giving them money.

Sullivan said that is why he wants to change his vote to a no on this issue. Neuzil said that is what he was wondering. Sullivan said he said yes last time because he wanted to get to this point and see where they were, but now he wants to vote no to make sure the position is being reviewed carefully. Stutsman asked if the Board is removing that \$25,000 from Public Health's budget. Harney asked how they do that if someone else is leaving because they need money to do a replacement. He asked if Sullivan is saying that Public Health will only need to fill one position instead of two. Neuzil said yes.

Rettig said the \$25,000 clerical position is a new one. Harney said he thought an employee left. Rettig said no, Public Health reorganized and eliminated a position. In turn, for eliminating that position, they wanted to add a brand new half-time clerk. If the Board signed the form, that position would be allowed to be filled. What would be on the table is that the Board is not interested in a brand new half-time clerk. Stutsman said she thinks this is a mistake; she wants to leave the position in the budget. Public Health does a lot of billing, and the only way to get revenues is from billing. There are all sorts of inefficiencies in Public Health. Maybe they can reassess with retirement. Sullivan said the key issue to him is the inefficiencies. He does not know how else to get Public Health's attention.

Rettig said Public Health claimed the County would lose revenue, but then told the Board that was wrong and that they have already been billing. The County cannot hire their way out of this. They cannot just keep hiring personnel; they have to force efficiencies regardless whether it is in technology, space, or somewhere else. Once they add this clerk, it is a lifetime commitment. She does not think the County can continue to add staff everywhere. She said she discussed with Mental Health and Disability Services Director Kris Artley that the County's case workers have around 33 cases, which are too many. A DHS case worker has 180 cases. Sullivan said those have completely different requirements. Stutsman agreed. Rettig said she understands, but at the County, if a department needs a clerk, the Board says yes. The County will never get to efficiencies if the Board keeps funding inefficiencies. Harney said Rettig is a no. Rettig agreed. Sullivan said he is a no. Harney said he is a yes. Stutsman said she is a yes. Neuzil said he is a no. Harney said there are three Supervisors against it, so it is off. Sullivan said he hopes this brings the Board of Health before the Board so they can discuss some issues.

Neuzil said he is still hesitant about the Auditor's Office adding a new position for the same reason. The Board is arguing one way for Public Health, but not one way for the Auditor's Office. Stutsman said County Auditor Tom Slockett made the argument that Account Clerk II Carla Scherbring is working a lot of overtime. It still begs the question concerning the reorganization of the whole Auditor's Office. Rettig said she thinks the reorganization should happen. If the Board agrees to add a part-time clerk, they also deduct the overtime money. Neuzil asked if they did that yet. Sullivan said Edwards gave that amount to Claiborne and it was deducted. Rettig asked if the \$27,814 budgeted for the part-time clerk does not represent the entire amount. Sullivan said \$8,170 was spent on Scherbring's overtime. Neuzil said that has been removed. Rettig said it is not

removed because the adopted amount should be subtracted from that. Sullivan said he asked that earlier and Claiborne said it will come out from the top. Stutsman said it is a complicated formula. Harney clarified that the Board is leaving this new position in the budget. Stutsman confirmed.

Johnson said he has an email from County Sheriff Lonny Pulkrabek, who is working on negotiations for inmate housing, and is comfortable reducing that down to a total of \$1.65 million instead of \$1.7 million. Neuzil said that changes his vote to a yes. Stutsman asked why her vote is marked as a no. Neuzil said Stutsman was not present to vote. Stutsman said her vote changes to a yes. Harney said everyone is a now a yes on this item.

Claiborne said Lyness' decision package spells out that she could conservatively save \$83,025. He put this in the budget from the decision package. Neuzil said it is confusing on the budget worksheet. Rettig said that means by putting the position in, the County is saving \$3,000. She said Lyness' decision package made some assumptions that may not pan out. Neuzil said he looks at that as trying to justify what the Board had laid out in regards to hiring employees, which was public safety, emergency response, if it was self-supporting, and if it fell under strategic planning.

Sullivan said there is some onus on the Board when somebody tells them that there will be savings. He thinks the Board needs to hold Lyness to that. He said Lyness told them the new employee would be working on revenue generating projects so that needs to happen. Stutsman said she thinks they need to budget these savings because that is what Lyness told them to expect. Rettig said she did not think Lyness' memo said she was going to make money with the addition of this position. Stutsman said she thought it said the County Attorney's Office would save money. Rettig said this budget worksheet says that Lyness is going to make \$3,000. Sullivan said the first decision package did not say that, but when Lyness later talked to Claiborne she gave him this number. Claiborne said no, it is spelled out in the memo. Johnson said he thinks it was a combination of increased collections and not hiring a clerk.

Harney said this has reminded him of something. The Board did the same thing with the Auditor's Office. He said Slockett said it would save overtime. Harney asked the Board if they deducted it out of Slockett's request for overtime. Neuzil said they did. Claiborne asked Stutsman if she is OK with the vehicle replacement for the Sheriff's Office. Stutsman said yes.

Johnson said he found Lyness' decision package and the total increase in revenues is \$52,000 and a decrease in Jail costs of \$31,000. Rettig said when the Board argued with Pulkrabek and Sheriff's Major Steve Dolezal they made that assumption. Stutsman said that is why there was a decrease in the Jail budget.

Stutsman said they can take the vehicle replacement line item out for the Medical Examiner's Office. Sullivan said yes. He said they had great news concerning this from Hensch. Rettig said there are multiple vehicles Hensch could get. Sullivan said Hensch

is going to use a former Ambulance vehicle and spend a little bit of money to fix it up. He said if anyone needs an argument for fleet management, Ambulance Director Steve Spenler said that last year that vehicle was only driven around 50 miles. Harney asked if they want to leave the vehicle replacement line item in to pay for repairs. Rettig said Hensch already has it budgeted. Stutsman said Hensch is using what he saved up. Harney said OK, that item is out. Neuzil said he votes yes to remove it.

Neuzil asked Stutsman if she wants to weigh in on the employee van pool budgeted under SEATS. Stutsman said yes. Neuzil said he is OK with that, but wants to receive an update in the first six months. If employees are not investing in it, then the Board needs to rethink the idea.

Harney said they will move on to Physical Plant's budget. Rettig asked if Kempf talked to Claiborne regarding recycling and waste removal. Claiborne confirmed. Rettig said Kempf has been investigating what it is in the strategic plan and his personal plan and gave her a number. She thinks it was \$5,600, but she cannot remember. Claiborne said he received the number and Kempf is going to put the line item into his department. Claiborne said he failed to put it on the sheet, but he can make a note to add it.

Harney said he would like to make a suggestion regarding the cleaning of the Administration Building, which is under Kempf's Physical Plant budget. He would like Kempf to give the Board the numbers of what they are paying to have someone else clean the building versus having a County employee do it. It is not getting done. He had to empty the trash himself before a Board Meeting on January 13, 2011, because it was overflowing. Neuzil said his trash or recycling has not been emptied once this entire week. Stutsman agreed. She thinks the Board needs to have a separate discussion. Harney said if they are going to do something, they have to decide before the budget planning process ends. Neuzil asked if the Board wants to look at an employee versus a service contract. Harney said that is what he wants to do. Neuzil asked if that is something the Board could research. Stutsman said yes. Sullivan said this is a level of service issue. At some point they have to decide what level of service is desired and the cheapest way to receive that.

Neuzil said he can empty his own trash and recycling if that is what he is supposed to do, but someone needs to let him know that. Stutsman said she is not going to pay someone to do it and then do it herself. Harney said they will have Kempf get them some numbers regarding that before they finish the budget. Claiborne asked if the Board is OK adding the recycling line item. Rettig said yes. It is a combination of waste management. Neuzil said they have to look at that as a strategic plan issue. Stutsman said she is a little disappointed it was not included in Kempf's budget analysis.

Rettig said Kempf was asked to create his budget before the Board had their Strategic Plan. The Strategic Plan said that Kempf will have a new recycling plan by July 1, 2011. Sullivan said Kempf has to come back to his budget to add it. Rettig said Kempf has to research it to provide the Board with a cost number. She does not know how Kempf could anticipate what the Board would create in their Strategic Plan. Harney said the

person that is cleaning the Administration Building parks their car in the main parking lot, and their car is full of pop cans. He thinks this individual is personally recycling the County's pop cans. Neuzil said if this individual is pulling them out of garbage cans, then he does not care. Stutsman said at least they are being recycled.

Neuzil asked if there is anything else under Physical Plant. He said they had asked for clarity regarding doing two parts of the Sheriff's Office as opposed to three. Sullivan said that is in a line item further down on the budget worksheet. Neuzil asked if the issue regarding two bays is also included. Claiborne said yes.

Rettig said she is not clear what is happening under the dues and training line item of Planning and Zoning's budget. The adopted amount there is \$1,500. That number is actually the Green Team's budget. This portion has changed since the Board last saw it. \$10,000 had been plugged in. The number here of \$1,500 was never voted on by the Board. That only reflects the Green Team expenses. It does not reflect the dues already being paid or the training costs. That line needs to be divided into three and it is higher than \$1,500. Harney asked if they were moving that somewhere else. Sullivan said he could be remembering incorrectly, but he thought the reason just \$1,500 was there was because \$6,000 was already in the Planning and Zoning budget.

Rettig said that could be the argument because they do not need \$6,000 in Planning and Zoning. A more adequate way to say it is that they put in dues, training, and Green Team, and then they have a deduction of \$6,000 because they are able to find that in their own budget. The way this reads now is that the Board is only going to fund \$1,500 and that is not what is happening. Harney asked if they put the AmeriCorps person in to offset some of those costs because they will be working on it. Rettig said there was a sustainability intern who was removed because they are no longer with the County.

Sullivan said he thinks they are saying the same thing, it just does not necessarily show up. From draft to draft it changes the way it reads a little. The idea is that Zoning Administrator Rick Dvorak's budget already had that in there. Rettig said the budget did not already have that in there, but Dvorak could move it from one line item to cover it. Johnson said they can clarify that and the net result would be an additional \$1,500. Sullivan said it is an additional \$1,500 because the Green Team was not considered. Johnson said OK.

Harney asked if the Board has any comment regarding the Block Grants budget items. Sullivan said Correia changed her recommendation to \$0 for the Innovation Fund line item. Neuzil said basically Correia is not funding an employee, not creating an Innovation Fund, and just building up the Block Grant Fund. Rettig said Correia is building up her own staff. Neuzil said Correia is taking the extra money and putting it into more Block Grants. Rettig said Correia is also putting the extra money into more staff. Sullivan said it is not more Block Grants, just returning them to the FY11 levels. Stutsman agreed. Rettig said there is an increase in General Assistance and Correia's own staff. Sullivan said General Assistance is Correia's staff. Neuzil said it just means that any potential quality of life investments will not happen until July 1, 2012.

Sullivan said they do not necessarily have to do those at the same time. If the Board has a process that they like, it makes sense that they would apply it to the quality of life items and the Human Services Block Grants. The question was if the Board would have a process for either by then. He was supportive of Correia when she was going forward with this, but now that she thinks it would be better to wait, it is up to the Board to decide if Correia needs direction.

Rettig said she thinks the case has been made that the County is not getting out of the Department of Human Services (DHS) position what they originally committed to get out of it. She does not think the case has been made regarding why Correia needs additional staff time in her department. She does not think the Board has held Correia's department to the same level of scrutiny as others regarding the department's case workload. All of a sudden, Correia wants to defund that position and then just capture all the money.

Rettig said those are actually two different decisions in her mind. She does not think the Board has given Correia the same level of scrutiny they have given the Auditor's Office, the Sheriff's Office, or Public Health. She asked what happens if the Board decides they want to turn that into an Innovation Fund in FY12. They would no longer need the additional staff hours because they would have to decrease General Assistance in the budget to fund it. She has not seen a very good argument regarding why those staff hours are needed.

Sullivan said he thinks the opposite. He has been asking Correia about it. The County has the same General Assistance hours they have had since General Assistance Assistant Director Susan Campney was hired in the 1980's. The County has had over 25 years with no change whatsoever, whereas the population has gone up 45,000 people in that time. The number of people using General Assistance follows a general trend of going up as the population increases. It makes sense to him. He said Correia has comparisons of Johnson County to Linn, Polk and Story Counties and Johnson County is not necessarily funding as generously as other counties.

Rettig asked when the last time money was added into General Assistance. Sullivan asked what Rettig means by adding money. Rettig asked how long the budgeted amount has held steady. Neuzil said it never gets spent. Rettig said she does not remember the exact amount, but given that the budget is \$100,000, it does not matter how many people live in Johnson County, there is still only \$100,000. The case work levels do not actually change. Sullivan said he is saying that the need is greater. Rettig said that is the argument to put more money in General Assistance, which is not the same argument of needing more staff. Maybe Correia told other Supervisors the level of casework they are carrying, but she has not seen it. The Board asks Mental Health and Disability Services and Ambulance for their call volume. In this case, it would be the case volume. She has not seen those numbers to justify a half-time position.

Sullivan said Correia has the numbers and it is not a half-time position. It is ten additional hours. Neuzil said Correia wants to increase the current part-time general

assistant to full-time, which would cost \$20,000. He said Rettig's question is for Correia to show more data, which is fair. Sullivan said when he asked Correia about it, he thought she gave that data. Maybe Correia needs to come in and have that specific discussion. Harney said his question is similar. He said if the County is meeting the need, then there is the question of whether they really need another person. Stutsman said it is not another person, it is ten more hours. Neuzil said it is \$20,000 because the individual will receive benefits. Rettig said it was multiple decisions because there were more hours to Social Services in other places also. Neuzil said right. There is an increase in AmeriCorps assistance and administrative hours to operate the Empowerment School Ready program. Rettig said it is a \$66,000 increase to General Assistance. Sullivan said yes, that is the actual funding.

Rettig said there is the increase of the General Assistance Assistant to full-time for \$20,000, the increase of non-mandated service items to attract AmeriCorps for \$3,600, and the increase in administrative hours to operate the Empowerment School Ready program and continue care for \$2,000. There is an increase of staff hours costing \$25,600, but she has not seen a memo detailing case loads to justify that. Neuzil said he knows the increase in administrative hours to operate the Empowerment School Ready program makes up for some of the duties of the eliminated DHS position. That helps on that end, but he thinks Rettig is right regarding the need for clarity on the General Assistance side of things. He is disappointed that the Board is not taking any action on any kind of innovation for quality of life until FY13. Sullivan said they could do the quality of life items. Neuzil said they could have it ready, but there would not be any funding for it until FY13. Sullivan said this is just the Social Services Block Grants. Neuzil said, for example, the United Way Community Needs Assessment has no funding. Sullivan agreed that it is not focused for the Social Services aspect. Neuzil said that is what he is disappointed in. At least a majority of the Board is invested in the Community Needs Assessment and now they are basically going into an upcoming budget with no funding.

Rettig said she has a different perspective on it. The Board sent out requests for people to apply for the Block Grants, which they did in good faith. On the fly, the County is trying to create an innovation fund without having done any of the research, investigation, or planning. They are saying they will just dump in the money and figure it out later. They are going to do this by taking from people who were asked to apply without knowing this was a possibility. She is not against doing the fund, she would just prefer they do the planning before committing the money. Neuzil said he wants to do the planning before he commits the money too, but that requires they wait an entire year to start the work on the Community Needs Assessment. Obviously, that is what they will be deciding.

Sullivan said what is so confusing now is that Correia has changed her recommendation based on discussion by the Board. They really have to sit down with Correia. The Board can go either way. They have the ability to do either thing here. The Board and staff have to be on the same page. Rettig said the problem is that Correia did it, but Rettig was the only no vote on it. It is her opinion that they should plan before

taking money away from things they asked people to apply for in good faith. She is the only one who apparently held that position. Stutsman said Correia restored all that money.

Sullivan said he does not think that is fair to say. Rettig said the vote was four to one. Sullivan said Neuzil's argument is that the planning could be completed within six months. Stutsman said she does not have an issue with that. Sullivan said in terms of the framing of Rettig's argument, he does not think it is fair to say that Neuzil said there should not be any planning. He said Neuzil is just saying the planning could be completed in six months. Stutsman said by budgeting for it, the Board is giving the OK for the planning. They do not have a plan for the removal of mobile homes, but they budgeted money for it. Rettig said right, but that is new money. The Board did not take money from community organizations. Stutsman said Correia restored all of that money. Rettig said Correia is restoring it as long as the Board does not do the funding.

Neuzil said the Board is doing that with Economic Development. Rettig said she is against that also. Neuzil said he is just saying that it is the same thing. Stutsman said she is OK with what Correia has laid out. Neuzil said Correia has eliminated the innovation fund. Stutsman said she knows. Sullivan said he thinks even then the framing is a little misleading. It is hard to argue that it is all being taken away when they all know it is an annual appropriation, subject to change. It is the same argument; he just thinks the framing is kind of important. Neuzil said it just means that when the Board starts to develop strategies for investing with the Community Needs Assessment, they will have to wait until FY13 to budget for it.

Sullivan said or the Board can tell Correia she has to do it. The Board just has to decide. Neuzil said that is fine. He is just saying that at some point, the Board has to figure out the uses for these investments. It has become everyone's annual budget. He knows they are all doing good things, but he cannot think of anywhere else in the country that social service agencies automatically get this. That is what it is, and it is going to be another year and that is fine. They will plan to hopefully determine areas to focus on, prioritize, and invest in for FY13, because currently they do not do it. Stutsman said she thought that is what Correia did and now the Board is saying they want her to go back to what everyone got before. Neuzil said that is what Correia is doing. Sullivan said Correia proposed to do what Neuzil is suggesting, but after hearing the Board's discussion she decided to withdraw it. Neuzil said that is the easy decision. They can take the easy route which is to do nothing and fund them again.

Rettig said the Board should have had this discussion in August or September 2010, before they sent out the Block Grant applications. They should have notified the entire community at once that the County was going to do an innovation fund, an economic development fund, and a quality of life fund. Neuzil said right, but in December 2010 the Board voted for a Strategic Plan. Rettig said right, but she thinks the Board should tell people what they are going to do before they ask them to apply. That is her argument, not that they should not do it. Sullivan said Johnson made a good point because the tasks for the Strategic Plan were starting to feel daunting for him. He said Johnson said it is a

three year Strategic Plan and there is nothing saying that they have to complete it all in year one. It should all be completed by year three.

Neuzil said he said from the beginning of this discussion that the quality of life decision is easier because they have more time. Neuzil said he is really OK with that. He is OK either way. He is just saying that if there was an expectation that the County was going to be aggressive about this, this is the time to do it. Otherwise, they will have plenty of time. Hopefully, by October 2011 they can tell agencies that this is not a guarantee. Rettig said the Board has the power to override Correia's recommendation. It was a four to one vote to not do the innovation fund this year and Correia withdrew it. The Board has the power to override it and capture money from what had been previously funded to United Action for Youth (UAY), neighborhood centers, and Mid-Eastern Council on Chemical Abuse. Neuzil said maybe they take the funding from the employee hours Correia wants and put it towards those projects instead. Stutsman said they could tax for new money if they think it is that important.

Sullivan said Correia was obviously persuaded by Rettig's argument after listening to the audio recording of the Board Meeting. He said Correia will do what the Board decides; they just have to decide. Neuzil said it is an easier decision to do the new recommendation. He will tell them that next year at this time, it is likely that there will be three Supervisors who will be more hesitant on drastic change.

Rettig said she does not agree. She is not in favor of Correia's current proposal because she has not seen the justification for additional staff. She thinks if the County follows a process which evaluates what the County wants and then decides the base level of the Block Grants, then they have gone through a long planning process instead of haphazardly taking money. She would rather have a bigger buy in to the process. If they want to create an innovation fund today, without capturing money from previous funding levels, they can say they will not fund these staff positions and they will only take \$30,000 of new General Assistance money. After they have thought about it, they can capture more money from the pot.

Sullivan said he does not want to do that for several reasons. One reason is that he thinks the General Assistance is the area in most need of an influx of cash and he thinks that is born out by the results of the United Way study. The last thing he wants to do is cut it. He thinks the County is trying to get to the level where it should be located. He would much rather adopt Correia's recommendation there and go status quo on the agencies.

Stutsman said she thinks what bothers her about this whole discussion is that they have a department head who did exactly what the Board told her to do, and now the Board is rewriting it to what they think. Neuzil said no, Correia came in and rewrote it. That is the problem here. Rettig said but Correia had no buy in from the agencies or the public. It was just dropped on the Board. She said Correia has done all the research and the Board is supposed to believe what she has said. No other department head gets that. The Board scrutinizes everything else.

Harney said he thinks Correia did not handle removing the position correctly. If they are going to eliminate a position, they should do it and say they want a certain amount of money to do these programs. Stutsman said that is what Correia did. Harney said it looks like Correia is taking money from one place and rotating it to somewhere else as a way to undercut what is being done. Neuzil said that is what Correia is doing. Sullivan agreed. Neuzil said Correia is eliminating a position and respending the funds. Harney said he would agree that he does not think there is a plan laid out on the innovation fund regarding what it is or will do versus what was there and is being taken away from other agencies. That is where he was reluctant, but he did vote for it.

Stutsman said regarding the funding request, these agencies submit what they think they will need for the next year. She said the agencies always know they will not get the exact amount of what they request. It is a process done every year. She does not think this is pulling the rug out from these agencies. This is the way the process works. Agencies submit what they think they need and Correia decides what she thinks is appropriate. Neuzil said Correia had decided, but she does not anymore. Rettig said the County gave UAY the same amount in FY09, FY10, and FY11. Now, without any buy in from anybody and without any community meetings, their original recommendation was to take some of that away. She is OK with that if there had been a process. She thinks it is wrong to tell someone to apply for a Block Grant and then change the process in midstream.

Neuzil said he does not think the process has been changed. That is where he is disappointed in this department. There is a department head that has identified an area where they could see a reduction, gives the Board that recommendation, and then says they can have the agency reapply. All of that was done, and then the department head comes back to the Board and says they do not want to do it that way. It is OK to change one's mind, but there has been less understanding of it.

Sullivan said he has had lengthy conversations with UAY Executive Director Jim Swaim who says UAY does talk with Correia, who tells them that she cannot guarantee they will get the same amount of Block Grant funding every year. That is not news to them; Swaim knows that every single year. Stutsman said the state and federal government does it. There is no guarantee that a program will be funded year after year. Sullivan said he will guarantee that if the County cuts the amount of funding UAY receives, Swaim will come in and argue why they should get more, as he should. That is Swaim's job. Stutsman said or Swaim will change his programming. Sullivan said if he has to change it, but he would be disappointed if Swaim did not come in and make his case because that is his job.

Neuzil said what he is saying is that if the Board does not do this for FY12, it is going to be more difficult for FY13 when someone comes in and says they cannot believe the County is cutting certain programs. The Board's decision making will change for FY13. Sullivan said whenever they do it; they will have people who are upset. Neuzil said if this is not the year, it is probably not next year either. Stutsman said she supported

Correia's original proposal, which created the innovation fund and reallocations of those dollars. She would like to go back to that. Sullivan said the Board can still tell Correia to do that, if they want. He said Correia will do what she is asked to do. The Board just has to decide.

Neuzil asked if there is a way to create some kind of funding to siphon off some of those agencies, but without such a big impact. He asked if there is a compromise between the two. In other words, they could take Correia's original recommendation and cut it in half. Sullivan said they could siphon off \$15,000 instead of \$30,000 and then have \$15,000 for the innovation fund. Neuzil said at least that way they have something to get started for the Community Needs Assessment.

Johnson said he does not want to speak for Correia, but he knows that reducing it to \$30,000 was a previous suggestion and he thinks that was part of what prompted her decision to withdraw it. He does not know if one idea is to take some of the General Assistance increase. Sullivan said he does not think it is. His impression was that Correia's number one priority was the combination of the increase of the ten hours and the additional money that would go into General Assistance.

Stutsman said part of her concern is the message that the Board sends to department heads. They ask department heads to be innovative and constantly reevaluate their budget. However, then when a department head does that, the Board says they do not like it and wants to leave it the way it was before. Neuzil said he would propose reducing the innovation fund to \$20,000 and ask Correia to come up with \$20,000 less in Block Grants. This way the Board creates the fund, but has less of an impact on those agencies expecting the same amounts every year. Harney said he would have been more comfortable had Correia come in and said she wants to take away from these agencies for given reasons. He never heard that. All of these agencies provide good services and help build livable communities. Neuzil said Correia's argument was that these agencies would be able to reapply for this money. Sullivan said the reason Correia did this is because the Board asked her to do so. Stutsman agreed.

Neuzil said \$20,000 would go to the innovation fund, and the Board would have Correia reinvest that so the cuts are not as significant. Sullivan said they would create the process and have the \$20,000 available through that process with the understanding it will be the process in FY13 when more is budgeted for this. Neuzil said they would at least start telling agencies that there will be some cuts, but they can reapply based upon what the community decides for the Community Needs Assessment. Sullivan said he is OK with that. Stutsman agreed. Harney said he is reluctant to say that there is going to be more money available in FY13 because they do not know that. He said Correia could move money around within her budget. Sullivan said he thinks that is exactly what Neuzil means. Stutsman said OK.

Rettig said the problem is that eliminating the position, creating an innovation fund, cutting Block Grants to create the innovation fund, giving more money to General Assistance, giving more staff hours to General Assistance, AmeriCorps, and

Empowerment School Ready program are all individual decision packages in theory. Sullivan agreed. Rettig said they are not laid out that way. Sullivan said the Board can run through them individually if that helps people. Neuzil said he is comfortable with Correia's recommendations concerning the employee. He is comfortable with creating at least a partial fund to have something ready to go and have less impact on those agencies. Stutsman said she is comfortable with that too. She said they will leave the increase with General Assistance. Neuzil agreed. The Board can leave those things as is, take what the Board has invested in Block Grants, and take \$20,000 instead of \$60,000 out and put it into a fund. He thinks that helps Rettig's point that agencies will be blindsided by cuts.

Rettig said these agencies have had no warning and do not know the Board is doing this. She is still against it. She thinks they should do the planning before they yank the money. Sullivan said he does not agree that the agencies do not know the Board is doing this. Rettig said she asked Correia if the agencies know they are doing this and Correia said no. She said she asked Correia if she talked to the agencies about this and Correia said no. Stutsman said the agencies do know the County is going through a budget process, and they do know there are no guarantees through that process. Rettig said Correia is arbitrarily picking these agencies and the County has done no investigation on what that means. Sullivan said Correia has 20 years of experience that she is drawing on to make these decisions. Rettig said the Board has no role then; the department head should not be able to make all decisions they want within a vacuum. Sullivan said no, he just happens to agree with Correia's decision. Stutsman agreed with Sullivan.

Neuzil said when they created this position, the Board was trying to get closer to what the County eventually wants, which is where the Board identifies areas where they want to invest dollars and the Social Services director works her expertise with other agencies to reach that goal. That is what the Board is doing this year. The question is whether they want funding for that. The answer sounds like not yet. Stutsman asked if Neuzil is referring to the innovation fund. Neuzil said he means they will get started on it. Sullivan said the impact will be very small with this budget. Stutsman agreed. Neuzil said he just wants some funding to be available if they have identified a goal or two, particularly out of the Community Needs Assessment, that they can start. It would be nice to get something started. These dollars will go back to these agencies to help reach this goal. Stutsman said exactly. Neuzil said the government is not going to spend this money internally.

Stutsman said she thinks the message they send to these agencies is that the Board will fund what they think is addressing a need in the community. They will not just fund because someone has a storefront downtown. The Board will fund because the agency is satisfying what the County has identified as a need. Neuzil said that is the plan. Sullivan said it is a large community effort and the Board is part of it. Stutsman said Correia is so involved and pivotal to all that is going on. Harney said maybe he does not have a full understanding of the innovation fund because he does not see how the money is going back to the agencies. Stutsman said the agencies will apply for those monies. Harney asked if this will happen through the innovation fund. Stutsman said yes.

Neuzil said he will give an example. The community decides it wants to try to increase the graduation rate. Then they determine the strategies, goals, and first step. It might be a parent mentoring program. Stutsman said UAY set up a parent mentoring program. Neuzil said they would then need someone to coordinate it. Harney said he is kind of weighing it against the child that needs immediate assistance. He sees this as taking away from these individuals. Stutsman said when it is all said and done, she does not think they will be taking money away from these individuals; it may just be redistributed. Neuzil said Harney is right. He said Correia has to come up with \$20,000 and he thinks some of it may be easier to come up with. He does not know if Correia has to take it all out of the Block Grants Fund. He said Correia has some additional monies that are unallocated. He is OK with keeping Correia's line items equal from FY11, like the Board has asked some other departments to do.

Harney said he thinks they need to move forward. He asked if there is a willingness to leave a certain amount of money in that fund. Stutsman confirmed. Sullivan said he liked Neuzil's compromised position of getting the fund started. It will be a smaller impact on those agencies and they will know that the next year there may be a larger impact. Stutsman said she is OK with that. Johnson asked about the other half of Correia's decision package, which asked for an increase in staff and General Assistance. Rettig said they are all individual decisions. She votes no for capturing the innovation fund dollars without planning. Harney said he votes yes to go ahead with it. He thinks it will allow the Board to put a plan in place to expand upon the next year.

Stutsman said she is OK with the General Assistance staff increases. Sullivan said he is in favor of that. Rettig said she votes no. She has not seen the case for it. Neuzil said he is OK with it. Harney said he agrees with Rettig. The Board is making all the other departments provide information regarding why staff increases are needed and he has not seen that from Correia. He is not necessarily against it, he would just like to know what the issue is and why. Neuzil said he thinks an action step would be for Correia to provide the Board with more details on the argument. He thinks it is a fair thing to ask. Stutsman said she did not hear a lot of argument to add that new intern with Planning and Zoning. She heard that Assistant Planner Josh Busard is overworked, but that is about it, so she does not know why they cannot accept what Correia has laid out.

Harney asked where the 20 hours are going to go. Sullivan said it is ten hours. It is to make someone a full-time employee as opposed to a 75% position. Rettig said that means it is an \$80,000 position. Ten hours at \$20,000 multiplied by four is \$80,000. Sullivan said no. He thinks those employees are paid in the high \$30,000 range. Rettig asked why it is a \$20,000 increase then. Neuzil said the increase is increasing it \$20,000 to equal whatever the employee is currently making. Rettig said they are saying it is adding ten hours. Neuzil said it is adding ten hours, but there is also the benefits side of it. Sullivan said perhaps it is estimated too high. Rettig said she thought it was half-time, which would make sense. If it is only adding ten hours, that is a pretty highly paid employee. Neuzil said his guess is that this individual is part-time, they will go to full-time, and when adding the costs of being full-time plus benefits it equals \$20,000. Harney said he does not have a problem doing that, provided that it is coming out of the

money saved from eliminating a job position. Neuzil said it is. Stutsman agreed. Harney said if it is coming out of that, he is fine with approving this. Stutsman said that makes it four supervisors to one in favor of approving it.

Johnson asked about the \$3,600. Neuzil said it is for community non-mandated service items to assist in attracting a community partnership AmeriCorps member to assist in outreach programming. He said he needs more information on that. Rettig said she has no idea what it is. Sullivan said Correia came to a Board Meeting and talked about this for an hour and a half. Rettig said Correia did not talk about the staffing. She said Correia talked about the need for more General Assistance money. Neuzil said Correia did, but he thinks the Board needs a little more information. They still have until January 18, 2011 to make this decision. He will vote yes for now, but he would like more information. Stutsman and Sullivan voted yes. Harney said he is a tentative yes, but he wants to know more about it.

Johnson asked about the \$2,000 for increased administrative hours. Neuzil said it is to operate the Empowerment School Ready program. Rettig said her knowledge of this comes from the decision package, but it says this is part of the work done by the position recommended for elimination. She asked if the County is required to do this work or if it is something they value. Sullivan said the County is required if they are going to pass through the state empowerment money. Rettig asked who is going to be paid this \$2,000. Sullivan said Empowerment Administrative Assistant Alicia Lepic will pick up additional hours, so it will be paid at a clerical rate versus a social worker rate. Rettig asked if Lepic only works part-time. Sullivan said he thinks Lepic works 15 hours per week. Rettig asked if this would add a few hours. Sullivan said yes, during a peak time. Stutsman said it is not for the entire year. Rettig said they have now told her more about this than Correia did. That is her argument. When a department head asks for more staff, she needs to know why. Neuzil said he would like to keep that in as a yes. Rettig said she votes yes, but only because Sullivan and Stutsman have explained it.

Johnson asked about the increase to General Assistance. Sullivan said he wants that. Stutsman said she is OK with that. Rettig said she is a no because she thinks it is too high in one year. Neuzil said he is a yes. He said it looks like by eliminating the positions and decreasing the DHS administrative line items, Correia has \$107,400. He said Correia's recommended increases are \$91,600, which leaves \$15,800. The question is what the Board wants to do with this amount.

Rettig said the only thing the Board actually eliminated was the \$75,000. These other budget lines of \$24,500 and \$7,900 have not been spent. This is an example of the budget not reflecting the actual needs. Although the County taxed for it and the funds were there, this is an increase in what would be expended. Sullivan said that is the same kind of thing happening with Planning and Zoning. Harney said to him, it rolls back to the General Basic Fund. Neuzil said the question is whether the Board wants to spend some of it or not. Rettig said if they fund the requested sexual assault nurse examiner program that takes a lot of it. They are down to \$4,800.

Neuzil said he is all over the place regarding the nurse issue. On one hand, there was a pretty good argument why the County needs this. On the other hand there was a pretty good argument that if it is so important, the State would fund it. Stutsman said it is going to get worse. Neuzil asked if the County is going to keep picking up more and more of what the State should fund. It is frustrating because this is funding a position that cannot work for the County. Sullivan agreed. Stutsman said it is good because it is collaborative. This is part of the nurse's salary. Sullivan said he followed up with Correia regarding his concern, which is that they allocate money and it does not get used. He said Lyness made it sound like there is a possibility that they may not be able to find someone to do this. If that is the case, he wants to get the money back or stop payment. He said Correia said she thought that by the time this budget would go into effect, she and Lyness would have a contract.

Stutsman asked why the County taxes for this. She asked why they cannot take it out of reserves. Sullivan said that is the challenge. Neuzil said basically it is a new position. If they start this now, it is going to be very difficult. His guess is that they will want more money next year. If they do not fund it, it leaves the remaining unallocated of over \$15,000 which could be put toward the \$20,000 for the innovation fund. That way Correia would only have to find cuts of around \$3,000 or \$4,000 from the Block Grants. Stutsman asked if they want Correia to make that decision. She said Correia could either use the money for the nurse or reallocate to the Block Grants. Neuzil said the Board is asking Correia to come up with \$20,000 for an innovation fund and she has \$15,800 that could be used for a nurse or to subtract from Block Grants. Stutsman said it could also put more money into the innovation fund. Harney said that is the thought he was having. Either they put the money toward the innovation fund or the nurse; it is the question of which will give them the most bang for their dollar.

Sullivan said the advantage of putting it in the innovation fund is that the nurse has to compete with other applications. Then the County is reviewing it on an equal basis with the other agencies. Neuzil said the nurse would not be funded, but the money would go to the innovation fund, which means Correia only needs to come up with roughly \$3,500 to \$3,800 from the Block Grants. That would have much less impact on the agencies. Sullivan said the nurse position could get the \$15,000; they would just have to apply and compete for it. Stutsman agreed. Harney said if they did it once for the nurse, he thinks the expectation would be there for future years. Neuzil said it also does not give them very much money to address what the Community Needs Assessment says. He thinks the Community Needs Assessment will reflect the need for funding programs for children, not for this nurse.

Neuzil asked Johnson if the Board has given him enough direction. Johnson said no. Neuzil said Johnson should let Correia know that the Board wants to create a \$20,000 flexible fund and they want her to come up with those dollars based on what she has remaining in her budgeted line items, which equals \$15,800, with the remaining being taken out of Block Grants. He said Correia needs to recommend to the Board how she would come up with the \$20,000 fund, but she can use the entire remaining budget.

Stutsman asked if they are putting in the additional funds for the nurse or having it be included in the innovation fund. Neuzil said that is up to Correia. He said Correia might be able to put \$11,000 towards the nurse and choose to cut another \$9,000 from Block Grants, instead of \$3,800. Harney said his thought was that Correia could decide that. Sullivan said it definitely sounds like Correia needs to attend the Budget Meeting scheduled for January 18, 2011. Johnson said there are \$4,000 unused dollars. Neuzil said he thinks that should be rolled back into the budget. Stutsman asked if Neuzil is referring to the General Assistance budget. Neuzil said yes.

Rettig said before they leave the topic of staff without justification, she wants to note that Planning and Zoning prepared an entire document and memo giving information regarding their recommended intern position. She said Correia provided the Board with a single line. That is her problem. A single line is not enough for her to say that the department needs more staff. Neuzil said that is fair. He said Johnson can communicate with Correia that the Board has asked for additional information. Stutsman said they can make it very clear in the future that everyone needs to present a proposal. Neuzil asked if these changes were in any of Correia's decision packages. Sullivan said he thinks it is written out in the decision packages. He would have to go back and look. Neuzil said if it is or not, it would be helpful for Correia to have that information for the Board.

Johnson asked if the Board wants to move on to Capital Expenditures. Neuzil said the Board needed to make decision on three items. Stutsman said she thinks they were all voted yes. Neuzil said the question was if the County wants to fund those in FY12 or put them in a budget amendment in FY11. He wonders if that would make a difference with upcoming bids. That is what the Board has to decide. It sounded like there was not a lot of interest in the Sheriff's Office alternative number three. Stutsman agreed. Neuzil said there were items regarding the Sheriff's Office lobby and intake area, the garage, and the records civil update, which he thought was alternative number three, not two. Johnson said he thinks there is a base, and then alternatives one and two. Neuzil said it sounded like there was some direction that the Board wanted to make sure they supported the base and the garage, but there was some concern about the next one.

Rettig said the base is in the FY11 budget, but the others are not. It depends on whether the base in the FY11 budget is \$450,000. The County Engineer's estimate is \$451,000. If that came in around \$500,000 she may have a different opinion about the garage. She thinks they can find \$38,000, which is what she thinks the garage costs. She does not know if they can find \$200,000. Harney said the Board always reserves the right to reject any bids. Rettig agreed. She said she thinks that depends on the base bid and that would be true of the other project, which is not currently budgeted. The entire package is around \$660,000 in non-budgeted items. Neuzil said he votes no on the Sheriff's Office alternative number two, records civil division. Stutsman said she votes no. Sullivan said he has never been in a favor of this. Harney said he is also a no.

Neuzil said the additional dollars for the garage can probably be part of a budget amendment in the spring of 2011. He is comfortable with that. At least the Board does not need to label it as a FY13 expenditure. He said Rettig is right because if the bid goes

over, they will need to have some conversation about the project. Rettig said she is convinced the remodel needs to happen to save the County transport costs. Neuzil agreed. Rettig said even if it went over, she would be trying to find the money. Neuzil said the County has always had flexibilities within the Physical Plant budget.

Neuzil said the west side Ambulance location is basically the project they gave staff direction to move forward on to come up with a plan. The Board would decide whether to make a budget amendment for it. Rettig said she thinks this is two decisions. There is a west side Ambulance location and then there is adding bays. Not every vehicle has to be inside. Every bus for the Iowa City bus system sits outside. The capital investment deteriorates a little bit, but the ambulance cannot sit outside. When the ambulance is on duty, it sits outside running in order to keep it heated to the necessary level. A bus is a different matter. If a bus is sitting outside, the driver turns it on, warms it up, and then goes. To her, these are two separate projects. If they want a west side Ambulance location by next winter, they need to get it indoors. She does not have to get more vehicles indoors at the end of the building.

Harney said the bays are not necessarily to bring something new back in. The Ambulance facility is already short on space. Secondary Roads uses some of the bays for vehicles that have to be indoors and leaves some SEATS vehicles outside. Rettig asked which Secondary Roads vehicles have to be inside. Harney said he does not remember.

Sullivan said that is part of his issue with this. He does not think County Engineer Greg Parker justified why a vehicle that was outdoors now has to be inside. Neuzil said that is due to space. Even if it is two projects, he is in favor of both. Harney said he is too. Rettig said she is only in favor of the Ambulance project. She does not think all County vehicles need to be in garages. To her, it is two separate projects. Neuzil said that is fine. He said then the Board will need to identify the costs for two projects. Sullivan said they need to break them up. Neuzil said then they will determine if they want to fund it in the FY12 budget or if they would like a spring 2011 amendment. Rettig said Kempf had it divided. Until the bids come in, the Board will not know the costs.

Neuzil summarized that there are two projects; there is the Ambulance portion and then there are the additional two bays. The question is whether the Board wants to fund that, tax for it in FY12, or use reserves for FY11. He would probably prefer to tax for it in FY12, if they have the ability to do so. Rettig said she is convinced that they have to do the Ambulance portion. She is not convinced that they have to add garages. Sullivan said he thinks it should be broken out and he agrees with Neuzil that some of it depends on whoever gets the bid and when they can be paid. Harney said he is willing to leave it in for the time being. If they have to revisit it due to budget situations, they can do so. Stutsman said she is OK with leaving both in.

Johnson said he has an email from Kempf that states cleaning costs equal around \$24,000 currently. He said Kempf thinks a full-time custodian with benefits would probably cost about twice that amount. Stutsman said at least. Neuzil suggested hiring

another cleaning company that actually does the work. Rettig asked if a custodian would make \$50,000 with benefits. Neuzil said probably, to cover the hours. Sullivan said it is probably a little more than 40 hours a week. Rettig said the current cleaning company is gone by 9:00 p.m. so they are only working six hours per night. Stutsman said she is not ready to add that position. The Board needs more justification. Harney said he needs to research it more. Neuzil said their expectations need to be met as well. Harney said eventually they may need to hire someone to clean multiple County buildings, including the new Ambulance project. Sullivan said when he looks at everything the County pays for, cleaning the offices is a very low priority for him. Rettig said she would rather the cleaning company clean the public space and let her clean her own office because they do a terrible job in her office. Neuzil said he could do that, but he would want to know it was saving money.

Harney suggested they move on to the next item. Neuzil said that is the County Attorney's Office reception area. Sullivan said the only problem he has is that he has not seen any plans. He is assuming Kempf came up with the estimated cost of \$55,000 somehow. Neuzil said creating a list of needs is something the County just started doing in the Space Needs Committee. Sullivan asked if this includes adding Plexiglas and an additional door. Rettig said it would make the entrance into the County Attorney's suite safer. Neuzil agreed. Rettig said that needs to happen, but they are kind of making budget decisions without having talked about it. If it has to be \$55,000 then that is what it costs. Neuzil said they will have that sometime in March or April 2011. Their Strategic Plan item number two includes this. It did rise to the top. Sullivan said it is probably better to budget the \$55,000 and not spend it. Rettig said she is fine with keeping it. It has to happen regardless of cost. Stutsman suggested the Board say they will spend \$55,000 and the Physical Plant staff can figure out how to do it within that amount. Sullivan said they are going to frame in the opening and make the door accessible by key card. Rettig asked if it will only be Plexiglas and not bulletproof glass. Neuzil said it will be ballistic glass.

Harney said they will move on to Secondary Roads. Sullivan said he can give an update on these items because he just had a liaison meeting with Parker. He said Parker has no choice on the radios item. The Federal Communications Commission (FCC) is requiring the change and there is nothing Parker can do. \$99,000 is the most it will cost and it could be \$10,000 or \$15,000 less. He said Parker does have some preliminary bids and they are lower than that. He said Parker got great news about the line item concerning the shed. They located someone with land very close to the recommended location and the owner is interested. They just have to negotiate it out. He thinks the owner may have a concern that giving up the property for this would leave him with under 40 acres and he wants to reserve the right to someday build a house. The County might have to agree to make an exception if that was the case. Neuzil said the County has done that before. He said Parker basically just has to finish the deal.

Harney said he does not mind leaving both of those items in the budget. He would like to know what it would cost to be on JECC's system. Sullivan said Parker is doing that. He said Parker knows if he cannot, it will still be less than \$99,000. Rettig said

there are no assumptions about the value of the resale for the shed. That would probably occur the year after. Sullivan said right, because the County would have to build it before they could move into it. Rettig said the revenue would come the following fiscal year. Sullivan said it would technically be selling two sheds. Neuzil said the costs associated with the shed are going to be more than \$300,000. It will include the land and building costs. Stutsman said she thought Parker said that was going to be the total cost. Sullivan said he thinks that is what Parker came up with for the whole project. Neuzil said OK. Sullivan said it is a little over \$200,000 to build and the land will cost around \$40,000 to \$50,000. It will be seven acres costing around \$7,000 apiece. Neuzil said that would be great. He asked if that can be debt services funds. Rettig said she does not know why not. She thought they had talked about letting them figure out what they could buy it for. Neuzil agreed. Sullivan said he does not know if it matters that it will be out of the Rural Basic Fund.

Harney said they will move on to Capital Projects. Neuzil said he is OK with land for the justice center. Everyone voted yes on that issue. There is not a consensus of yes votes for the line item of bonding. Claiborne said if they get into bonding they have to redo all of the scenarios because there is such a big reserve. It will change the tax bill and every single levee. He and Kriz talked and do not see any necessary bonding. Sullivan said they have to pay to bond and there is an expense to it. Neuzil said he will leave it up to the budget experts. If they do not think there is a necessity to bond, then the County should not. Claiborne said with the County's reserves, they would be spending to bond. Neuzil said he does like to get into the Tax Increment Financing (TIF) districts. Rettig said right. The bonding from FY11 to FY12 is going down by \$1.1 million, and a bond lower than around \$1 million does not make mathematical sense. Neuzil agreed. He will let Claiborne and Kriz mull that over. If they think there are enough identified projects to do so, then the Board would want to have those adjusted.

Neuzil said salaries were brought up. If the County wants to start convincing the unions that they are serious about reductions, they have an opportunity to do so with the Board salaries and non-union administrative positions. These positions don't have to get the same amount as the union employees. Stutsman said that is what other counties are doing. Neuzil said in 2010 the Board argued that the elected officials and their administrative deputies should only receive half of the union increase. He doesn't know why the Board doesn't consider more of that. It would provide a good start for this coming year's union negotiations if the Board has made an effort to reduce somewhere with 200 to 300 County employees. There would be some impact and he would like to know how the monetary impact if all of the employees received a 2% increase instead of a 3% increase.

Rettig said she is in favor of a more flat salary scale without big divisions, but the cascading effect is encouraged to give people incentive to want to take on more responsibilities. If they start separating the unions from management, which she generally prefers, it can affect the cascading effect quickly. Neuzil agreed. Harney said that is his real concern. Neuzil said it would send a message that the County is not going to have 2.75% and 3% increases anymore. Harney said then the Board should not be

agreeing to that in the union contracts. Neuzil said that is right. He asked why not start now. Sullivan said there is always an argument that when making a change, someone has to change first. Neuzil said that is what he is saying. They have the opportunity to send a message. There are six union negotiated contracts coming up and this would show that the Board took the first step. It does not have to be a dramatic decrease; it could be around 0.05% less.

Stutsman asked if that would affect the health payout contributions. Neuzil said they decided on January 13, 2011, that they would do that. They gave direction to Shramek to accept her recommendation. He is just asking if they want to do the same for salaries. It is just something to think about. He said it would be helpful if Claiborne could provide additional information. Rettig asked what the payroll is for non-bargaining employees. Neuzil said it would be good to know what the amount would be with a 2% or 2.5% increase instead of a 3% increase. Stutsman said she would like to know what it would be at 1%, 2%, and 3%. Neuzil agreed. Sullivan said he thinks Edwards can get them that information pretty quickly.

Adjourned at 11:32 a.m.

Attest: Tom Slockett, Auditor
By Emily Lentz, Recording Secretary