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Martin

County

THE MARTIN COUNTY COUNCIL

SPECIAL SESSION

JULY 10, 2023

MINUTES

The Martin County Council convened in a special session on Monday, July 10, 2023, in the Commissioners’ Room at the Courthouse located at 129 Main Street, Shoals, Indiana. Councilmen attending: Jordan Dant, Adam Greene, Warren Albright, Keith Gibson, Monty Gregory, and Jim Hamby. Councilman Andrew Beaver was absent. Also attending were Auditor Michelle Norris and Greg Guerrettaz and Charlie Joyce from Financial Solutions Group via Zoom.

President Jordan Dant called the meeting to order with the Pledge to the Flag at 4:00 pm.

Charlie Joyce from Financial Solutions Group, the financial advisor for the County, presented to the Council the sustainability report for Martin County. The report gives historical revenue and expenses of the County, current year budget, revenue, and expenses, and projects out three additional years.

Revenues of the County were discussed. Normally the increase in property taxes is limited to the assessed value or growth quotient calculated by the State. That is based on non-farm personal income in the whole State of Indiana which is a rolling six years calculation. If that were done this year the growth quotient would be at least 5% for 2024. The State legislation has passed a new law which states for 2024 and 2025 the maximum growth quotient is capped at 4%. Also in that legislation, the definition of a residential unit was changed which will most likely increase the circuit breaker impact. Both changes in the legislation will result in a possible decrease of property tax revenue for the County.

The State keeps the local income tax trust balance for all counties, the State holds those income taxes and sends those dollars to the counties the next year. The LIT trust balance for Martin County this year is approximately $1.6 million, which indicates there is growth in income taxes received by the County. The LIT trust balance was negative in 2018, but the balance has doubled from 2021 to 2022. If the balance gets to the right levels there is a supplemental distribution in May by the State. Most counties received the supplemental distribution but Martin County did not this year, and has not received it for the last few years. In 2024 income tax projections went up by 3%. FSG is hopeful the taxes will go up even more when those numbers are received by the State in August.

FSG has entered a payroll increase of 2% for all County employees. Based on inflation that is a low amount, but that is a starting point. For other expenses FSG has entered increases into the model of at least 5% for 2024.

Councilman Gregory pointed out that last year the health insurance increased by 25%. Deputy Auditor Teresa Wininger stated in past years the projected increase has been estimated at least at 15%. She has reached out to Thompson’s Insurance to try to determine the increase for next year. President Dant stated 7% entered into the sustainability model was probably too low. FSG stated Anthem is usually one of the more expense plans. Deputy Auditor Wininger stated the County is a January 1st renewal so we will not get our rates for next year until the November or December. Mr. Guerrettaz stated the County may want to look at adding a stop loss to the insurance policy. A stop loss is the amount, which some Counties do $125,000 to $150,000, and Anthem will pay up to that amount on an employee and after that amount the payments fall back on the County as self-insurance. The County currently has unlimited payments by Anthem and is fully insured through Anthem. The Council decided to estimate on a 15% for insurance premiums for 2024.

General Fund revenues have been consistent over the past 5 years, which is normal for a county. In 2019 the revenues were 3.6 million, 3.7 in 2020, 3.8 in 2021, 3.9 in 2022 and estimating 3.9 in 2023. The expenses have increased every year. In 2018 there was only $600,000 in the bank, but the County has been able to build the fund balance up over the last few years. At the end of 2022 there was $2 million in the bank. In 2023, based on the budgeted amounts, there is expected to be $3.9 million in revenue coming in against $3.8 million of expenses.

Sheriff Housing of Inmates has collected over $400,000 so far in 2023. In 2022, $265,000 was collected. It was noted by Deputy Auditor Wininger that about $150,000 of money collected in 2023 was for inmates housed in 2022. FSG asked the Council the amount of out of county inmate revenue that they expect to be collected for 2024. President Dant stated he is not speaking on behalf of the Sheriff, but in the past the Sheriff has stated it is difficult to count on that income. Manpower is difficult and if manpower is not figured out the County will be faced with different challenges. The Council stated for the sustainability model an estimate of $200,000 in inmate revenue can be entered, but the Council will speak with the Sheriff to get his feedback.

In 2021 interest on investments revenue was only $10,000. In 2022 the revenue was $44,000. In 2023 the revenue was estimated at $50,000. The actual revenue so far in 2023 in interest is $67,000 for only 6 months.

FSG asked the Council what the focus of the 2024 budget will be, in the 2023 budget the focus was to raise salaries. Councilman Albright stated they do not need to increase the number of staff, but wages need to be increased again if the County wants to compete even with McDonalds. President Dant stated the Jail is not fully staffed right now. The Council told FSG the focus of the 2024 budget will be to continue to address salaries where it can.

The Sheriff’s budget spent through June of 2023 is $276,000 of the $704,000 budgeted which is 37% of the budget. This shows the Sheriff is understaffed and has been paying some overtime instead of paying full time employees. In the Jail budget, the budget went from $425,000 in 2022 up to almost $500,000 in the 2023 budget, most of which was to try to get salaries up.

Mr. Guerrettaz stated the corrections officer is making $36,775 in 2023, which is not being filled due to no interest. Mr. Guerrettaz asked the Council what they believed the salary needs to be in order to fill that position. Councilman Albright stated there will be more of a problem soon because the State police have increased starting pay salaries to over $70,000. A jailer in Martin County is currently making $17.68 per hour. The Sheriff was contacted by phone and he is looking for a minimum of $21.35 for 2024 for corrections officers, patrol deputies, and dispatch. The jail is currently holding 30 Vigo County inmates and have consistently held 40 inmates this year. Vigo County is trying to cut the number of inmates sent out of County, but the Vigo County Sheriff is limited due to the federal judge. Sheriff Greene is anticipating on the out of county inmate count to be around 30. To get to $21.35 an hour would be about a 20% increase. Mr. Guerrettaz does not see a 20% increase working with the increased health insurance cost. Possibly 10% a year for two years. The Council asked FSG to run numbers for a 15% increase and 20% increase in the sustainability model.

Mr. Joyce stated he would like to address the percentage of increase for the other County employees. Mr. Joyce stated 2% is too low and asked the Council what percentage they would recommend. Mr. Joyce recommended to plug in 5% into the model and run the numbers. Mr. Guerrettaz stated 20% for the Sheriff’s Department and 5% for other employees will not work in the budget, but they will run the numbers. The EMS impact will be too great and the County will have to make up more of that difference.

Mr. Joyce stated they next need to focus on the EMS fund. Salaries are built into the EDIT fund. The revenue was increased in 2021 when the County increased the LIT tax rate. A majority of that money went into the EDIT fund. Before the rate was increased the revenue was about $700,000 and after the increase the revenue went to $1.9 million per year. EDIT is shared by the city and towns in the County and is based on the property tax levy. If Shoals or Loogootee can raise their property taxes more because they had an annexation or some other property tax appeal, they can grow their share more than the County can. A county would see revenue go down because other units increased their share.

Mr. Guerrettaz stated his assumption for 2024 and 2025 is that the Council does not want to discuss the idea of a dedicated EMS income tax, which would not be shared with anyone else, and to also bring down economic development income tax rate. The Council agreed that he was correct, they did not want to discuss the EMS income tax. Mr. Guerrettaz stated he also assumed that the Council does not want to raise the income tax rates. The Council stated they were not for raising the rate at this time. Councilman Greene stated he would like to lower the income tax rate. Mr. Guerrettaz stated he does not think there is any way to lower the rate at this time.

Mr. Joyce asked if the EMS service was also having trouble with staffing. Councilman Hamby answered that the EMS staffing has had resignations but it is not due to the income, the staff are getting paid just as much as other EMS units around our area. The EMS service is not yet ALS certified and are being paid paramedic pay but are only able to perform basic runs. EMS has brought in $174,000 through June, but some of the income was from last year’s runs.

There is a 3% growth in the EDIT fund for 2024 which is $60,000. Health insurance will be increasing from $500,000 to $600,000 so it takes the entire 3% and then more just for the health insurance.

There was a Community Crossings grant received for $500,000 and the project will be happening this year. The match will be paid out of the restricted fund. The highway funds look to be in good shape. Commissioner Cody Roush stated bridge #58 will be funded with federal money and we have our match for it. There are some equipment issues.

Mr. Joyce asked about the election costs for next year, if any election equipment needed to be replaced. Councilman Albright stated the voting equipment is leased. The Council mentioned that a stipend was going to be discussed for the clerk at tonight’s regular meeting of $1,500 per year. Mr. Guerrettaz stated the State Board of Accounts has a high audit point regarding an elected official having two lucrative positions within the County. Mr. Guerrettaz cautioned the Council as they move forward, one clerk may have been required to pay the money back, and they should get guidance from the State Board of Accounts to make sure it meets the legal requirements. Councilman Albright stated an elected person’s wage cannot be increased mid-year.

Auditor Michelle Norris stated there were increases in the election fund for 2024. In the election fund ballots were increased to $21,000. Absentee board increased from $4,000 to $14,400 for 2024. Judges went from $1,350 in 2023 to $6,100 in 2024. 2024 is also a Presidential election year. The total budget request for the election fund is $91,420. FSG will change the sustainability model for the election fund to show $91,500 instead of the $77,000 originally in the model. 2025 will not have any election expenses except for the election clerk for record keeping. Loogootee is moving to the same two-year cycle as the County.

The County does have a cumulative voting fund, fund 1143, which has a balance of $161,000. Voting systems are the only expense to come out of the fund. Auditor Norris was asked to find the enabling ordinance to find what expenses can be paid out of this fund. Mr. Guerrettaz stated cumulative voting usually comes from property taxes and reduces the amount received for the general fund. Auditor Norris stated no receipts for the cum voting have been received for this year.

Councilman Albright asked FSG if there were better options to collect interest other than what we might be doing. Mr. Guerrettaz stated he could set up a conference call with the Treasurer to discuss options such as a CD.

FSG stated they would have updates to the sustainability model would be available by Friday the 14th.

With no further business, the meeting was adjourned at 5:46 pm with a motion made by Councilman Hamby and seconded by Councilman Gibson, all were in favor and the motion passed.

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Jordan Dant Adam Greene

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Warren D. Albright J. Keith Gibson

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Andrew Beaver Jim Hamby

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Monty Gregory

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Michelle Norris, Martin County Auditor