

July 13, 2016

The Ellettsville, Indiana, Town Council met for a budget meeting on Wednesday, July 13, 2016, at 6:00 p.m., at the Fire Department Training and Conference Room. Members present were Scott Oldham, President; Dianna S. Bastin, Vice President; Kevin Farris and Brian Mobley. Scott Thomas was absent. Jim Davis, Town Manager and Sandra Hash, Clerk-Treasurer, were also present. Supervisors present were Kevin Tolloty, Mike Farmer, Jeff Farmer, Mike Cornman, Danny Stalcup and Jimmie Durnil.

Year 2017 Budgets

The Supervisors presented their 2017 Budgets to the Council for review and the discussion follows.

Planning Department - Budget:

Kevin Tolloty, Planning Director, proposed bringing the Building Department back to Ellettsville, and there was a discussion about the same.

Jim Davis, Town Manager, advised the Town is experiencing a shortfall in revenue due to spending more money than it is taking in. For the first half of 2016, there is a shortfall of \$138,000. Mr. Oldham clarified the problem is the General Fund balance continues to go down. Ms. Hash agreed. The Town is spending more than it is bringing in. The Town has gone with funded budgets rather than balanced. Eventually, if you spend more on an annual basis than you bring in, you're running in the red and you've got to stop and fix it.

Scott Oldham explained the Town Council purposely hired employees to make things better and knew they would experience a shortfall. The Clerk-Treasurer paid a full year of insurance. They aren't really in the red because they still have money in the bank but the balance continues to decrease. At a certain point, they'll be in the red and have to dip into the Rainy Day Fund. The situation is going to get better because they have other funding coming online and other things that will improve the overall picture. All departments will have their requests but Utilities is outside of the General Fund. They can't tolerate any increases through the General Fund and this applies to Planning, Street, Fire, Police and Clerk-Treasurer offices. As it is projected, the Town should make back the vast majority of what it lost in the last two years. Basically, they will give the departments the same budget as 2016 with some funded exceptions that have been reallocated. There is \$187,000 in the Rainy Day Fund for emergencies. There could also be some reallocations between funds. Mr. Davis noted in 2016, the Department of Local Government Finance moved money from the MVH to the General Fund without the Town's knowledge. It was discovered in February 2016 when the 1782 notice was received. With some exceptions, the budgets should be flat-lined with the hope it can be fixed in one year. This means no raises with the exception of a few and not too many increases. Mr. Davis advised with what the Planning Department budget is asking for in new revenue, they could save \$31,700. The Town needs \$138,000 to come out of the hole. If every budget is flat-lined, the Town can save \$93,000 by not going to new increases. There is a problem of \$80,000 in MVH. They may have to take something out of the Rainy Day Fund to supplement MVH (Street Department).

Scott Oldham remarked, last year the various departments within the General Fund had approximately \$64,000 turned back at the end of the year. Ms. Hash noted there were also several purchase orders in 2015. Mr. Davis added they were \$47,000 in the red at the end of 2015. In 2016, as long as they take back the budget funds not used and add it to flat-lining the budget that may bring them even at the end of the year. Mr. Davis stated with the \$93,000 they're saving from the 2017 budget and \$48,000 expected in new revenue for 2016, this totals \$141,000. Ms. Hash added if the supervisors could be conservative and turn back appropriations, no purchase orders to carry money over and go back to their frugal ways as in 2009 and 2010; the Town can come out of this. Because \$80,000 shifted from the MVH to the General Fund, it falsely inflated the General Fund so it is actually short \$200,000 and some of it will have to be shifted back to MVH. Mr. Oldham said if they pay attention and do what they're supposed to do fiscally and have what the supervisors return at the end of the year, within the next year they should be back on track and moving forward.

There was a discussion on the special LOIT distribution and clarification that the distribution is earmarked for road improvements only and could not be used for personnel.

Mr. Davis left the increases of \$400 for Fuel and an additional \$800 in the Planning budget. The Planning Department will be moving to the New Town Hall so he removed the electric and rent totaling \$1,700 from their budget. He left the \$200 in Training and ADA in the budget. All the raises will stay the same as the 2016 budget.

Dianna S. Bastin asked if there would be an insurance increase. Ms. Hash met with the insurance agent last week and there are a couple of options with one being I.U. Health. She is hopeful they can keep it within 2% or 3%. Most of the department budgets have an 8% to 10% cushion in insurance from 2016 since there was not an increase between 2015 and 2016. The deductible and co-pays may be a little higher. Mr. Davis thinks to prepare for 2017 they need to hold the expenses for the remainder of this year and only purchase things they absolutely have to have. Mr. Oldham commented they do not have any capital needs that have not been funded. Employees will not receive a raise this year based on the Town's funding lines. Mr. Oldham asked how many General Fund employees there are. Mr. Davis answered approximately 35. Mr. Oldham remarked if they give a raise this year it would put the Town further in a hole and there probably would not be raises for four to five years. Ms. Bastin commented raises are her first priority.

Brian Mobley asked if they bring the Building Department in-house would it generate more money for the Town. Mr. Tolloty answered, it should, based on what the county receives versus the Town's share. He is hoping to receive \$25,000 for 2017. Mr. Mobley suggested having Denise Line do Code Enforcement and that would save \$6,600. Mr. Tolloty explained that would put her out of the office and she does a lot of work in the office. Ms. Hash added Ms. Line is only in the Planning office three days a week. Mr. Mobley asked how many hours the current Code Enforcement Officer works. Mr. Tolloty answered 20 hours a week from April through October. Mr. Mobley stated to save money Mr. Tolloty could also do Code Enforcement. Mr. Oldham asked Mr. Davis if there was any way to grant the Planning Department's budget requests. Mr. Davis replied in the Planning Department budget removed the raised, but he didn't touch the small budget items requested such as Vehicle Maintenance, Fuel and Training. Adding he is skeptical, the budget can be repaired in one year.

Kevin Farris would like to work toward bringing the Building Department back to being in-house. Mr. Mobley concurred. Mr. Oldham asked what the Town's share of the permits are at this time. Mr. Tolloty answered the Town receives .05¢ per square foot for most permits. Mr. Oldham asked what it brought in last year. Mr. Tolloty replied last year they brought in \$7,600 and the county brought in another \$25,000 on top of that. Mr. Oldham suggested revisiting this mid-year to find out if they have garnered enough in revenue to sustain it until the end of the year and do nothing with it at this time. Mr. Davis stated the budgets do not have to be in until September. By then they will know, hopefully, what the health insurance and other expenses will be. They may have to come back and make some adjustments. Mr. Oldham asked Mr. Davis' thoughts on bringing back the Building Department. Mr. Davis answered he did it for 25 years. He thinks they will make money from it but it will not be a windfall. Mr. Farris thinks it will pay for itself. The reason it went to the county to begin with was so it would be in one location. Ms. Hash added; it is not consistent revenue and it requires a building inspector. Mr. Farris asked if the budget would remain the same as 2016. Ms. Bastin answered yes with the exceptions of Fuel and Oil, Vehicle Maintenance, Training and ADA Training. Mr. Tolloty stated if the Building Department doesn't go through, he would rather go back to the 2016 budget because the additional funding was for the building inspector. Mr. Davis reiterated they would revisit this before the deadline for submitting the budget.

Utilities Budgets:

Jim Davis, Town Manager, didn't do anything with Utilities because they have their own funding mechanism. Raises are included in the personnel lines.

Water - Budget:

Jeff Farmer, Ellettsville Utilities, explained they just had a water rate increase and they're getting ready to do a line extension. In Wastewater, at the end of this year, they will no longer have to fund the Wastewater Treatment Plant ("WWTP"). In the Water budget, salaries increased by 2%. They are going to replace an employee who retired to do the waterline extension. This is a \$26,000 increase under Maintenance and is split between Water and Wastewater. The water budget can change with how much water they buy and sell. Ms. Hash asked if they accounted for their bond payments. Mr. Farmer answered it increased from \$1,677,000 to \$2,043,000. Ms. Hash asked if the Town Hall bond was included in the budget. Mr. Farmer answered no; he doesn't know what it will be. Mike Farmer noted they would be paying rent. Jeff Farmer noted their projected revenue for 2017 is estimated to be \$175,000 above their estimated budget. Currently, Water has over \$500,000 available and that does not include \$1,526,000, which is the bond for water construction. Ms. Hash advised she would be making a payment of \$300,000 to WWTP from the bond proceeds for Town Hall. This will bring them up to \$1.1 million available for Wastewater. Ms. Bastin commented Bloomington approved a rate increase. Will this have any effect on the Water budget? Mr. Farmer replied it will be tracking and whatever it cost the Town will be passing along to the customers. The increase is only on purchased water.

Scott Oldham summarized they're asking for approximately a \$75,000 increase in personnel alone. The person they want to add will cost \$52,000 and will be split between Water and Wastewater with approximately \$25,000 for benefits. Mike Farmer noted this cost was included in the cost of the bond. Mr. Farris confirmed the bond is paying for the new employees. Mike Farmer answered theoretically yes. The new employees may actually work on the secondary and day-to-day operations and the prime employees may work on the waterline. Mr. Farmer said when they did the rate study they included an additional employee to fill a vacancy. Mr. Farris asked when the bond money is spent is there still money available for the employee. Mr. Farmer answered it is still in the Operation and Maintenance budget. Ms. Hash asked when they work on the waterline will they track the hours worked on the waterline on the time sheets so employees can be paid out of the bond money for those hours. Mr. Farmer replied yes, it would dramatically affect their budget in a positive way. The cash reserve will increase and they will be able to use it for infrastructure that needs replaced in the future. Mike Farmer added they have a 10-year plan for this that amounts to approximately \$100,000 per year in expenditures and has been approved by the Indiana Utilities Regulatory Commission and Town Council.

Wastewater - Budget:

Jeff Farmer, Ellettsville Utilities, explained the salaries are the same as the Water budget. Materials and supplies were increased because they spent more money on sewer rehab and the lift station. The \$700,000 yearly bond payment for WWTP is removed from the 2017 budget. The projected revenue is decreased because they're not receiving \$30,000 per month from Eastern Richland Sewer Corporation ("ERSC"). They're in the middle of doing a rate study for WWTP because they have had one rate increase in 20 years. Ellettsville people should be paying less and wholesale customers should be paying more if ERSC is not going to pay \$30,000 a month. They have a balance of \$857,000 they can work with. They want a new building in the future. The cash balances are almost identical to what they were 20 years ago with limited rate increases. Mr. Oldham asked how close they are to having to expand the sewer plant. Mr. Farmer answered not close at all. Ms. Hash asked if inflow problems have improved. Mr. Farmer replied no, because they can't manage it. They only manage 50% of the area serviced.

Previously, when they discussed consolidating Utilities and Street Departments, Brian Miller and Tom Cornman lost out. The plan was for Danny Stalcup, Kip Headdy, Brian Miller and Tom Cornman to be at the same pay rate. Brian Miller is an important employee to the Town. He wants to increase their pay rate to the same as Stalcup and Headdy. Ms. Bastin explained this was discussed when they were promoted at a meeting and they never had a chance to look at those figures. Mr. Oldham doesn't want to commit to anything at this meeting and if

they could look at this in a broader scope as soon as they're done hearing the requests of the other departments then they will revisit this before finalizing the budget. Fair is fair.

The meeting was recessed for a break.

Street Department - Budget:

Jim Davis explained the Street Department budget includes raises for the Street Department and Stormwater. MVH, Local Roads and Streets and CCI have no increases. Mr. Oldham asked if Mr. Stalcup has any capital needs. Mr. Stalcup answered he does but not in the 2017 budget. He has a budget line but the way the finances are he isn't asking for any increases. Mr. Davis added the payment line is to make payments on trucks. Mr. Oldham asked if he needs a dump truck. Mr. Stalcup replied yes, they are getting ready to send for bids. It will cost approximately \$130,000. They will be transferring funds from Gas and Oil to the Part-Time Employee line. Mr. Mobley asked if they have one laborer paid from Stormwater. Mr. Stalcup answered yes.

Fire Department – Budget:

Jim Davis explained the Fire Department budget has increases for raises, workers' compensation which is \$987 and \$1,000 for EMS.

Fire Chief Mike Cornman presented the Fire Department budget with a 2% salary increase and a 4% raise, or .44¢, for part-time staff. EMS is requesting an increase under operating supplies because they now have to purchase supplies. The agreement with the hospital ambulance service provides that any time a fire department use a supply, as long as it is reusable and identical, they can switch it out but gloves are not included. Last year almost \$900 was spent on gloves. If they use automatic defibrillator pads, the ambulance service will exchange them but when they expire, they have to purchase them. Last year \$1,300 was spent on EMS supplies which they took from Firefighting but that resulted in a shortfall for that appropriation. They did apply, on behalf of Richland Township, for \$318,000 to the Income Tax Council for the public safety LOIT. This request includes one full time firefighter and one part-time firefighter, or hours per shift, per fire station. Richland Township is experiencing a cash flow problem including a shortfall in the Fire Protection Contract of \$100,000. The Township came up with the funds for this year to meet the contract. Due to this deficit, they may have to cut \$100,000 and the easiest way to do this is with personnel, which would mean laying off three part-time firefighters at the Curry Pike Fire Station. This would result in a savings of \$96,000. The Township Trustee is reviewing the possibility of doing an emergency loan, which is permitted for township government. If the Trustee does not pursue this then they will have to reduce the Fire Department contract by \$100,000, which effects their budget. To replace the part-time firefighters would cost \$11.05 an hour or \$44,454 excluding benefits. Volunteerism is at an all-time low.

Scott Oldham asked if they were to close the Curry Pike station what does that do to response time. Chief Cornman answered under the FDA they have to maintain a response time of four minutes 90% of the time. Under the automatic aid agreements with Van Buren Township they clearly meet that. Under a Mutual Aid Agreement they have Bloomington fire stations on Franklin Road and West Third Street who could get there within four minutes. There is no national standard for EMS calls. A majority of Curry Pike and Highland Village's calls are two minutes or less from dispatch to arrival. If they had to close Curry Pike he thinks they could do so and it wouldn't be a great impact. The Highland Village area is the best-protected area in Monroe County. Mr. Oldham asked what would be the impact to move it from a 24 hour to 12-hour station. Chief Cornman thinks that could be the case. His thought was to close the station, as far as paid staff, and would operate with staff available from the few volunteers they have. They would still keep a truck and a few apparatuses there. They have critical infrastructure for communications and a generator at Curry Pike for the county. The cost of the building would slightly decrease. The contract with the Township would have to be amended. They run EMS out of the Curry Station so that contract would have to be amended and the EMS brought to Ellettsville. He has discussed this with the Van Buren Trustee and she does not have any issues with it. The Van Buren calls coming

into Richland Township would hardly increase because they come along on all structure type calls. There would have to be an open meeting for west side residents to know they're still going to receive fire protection. Mr. Oldham asked how many calls they make to Ivy Tech, who does not pay into the tax base because they're a state owned agency. Chief Cornman answered he doesn't have the exact number but it is like a small town and they do have calls. Ivy Tech has assisted with the purchase of equipment but they can't assist with personnel. Chief Cornman will research what other fire departments are doing with state owned agencies. Mr. Oldham asked how soon are they looking at the closure of Curry station. Chief Cornman answered they won't know anything about the Township's emergency loan until September or October. If the money isn't there they would close it on January 1, 2017.

Dianna Bastin asked if the money for EMS is an exception. Are they staying with 2016's budget? Mr. Davis answered he left the EMS request alone. Chief Cornman thinks they may have money leftover in the Part-Time, Fuel, Natural Gas and Electric lines and will know more about this after September. They've had more expenditures than usual in Building Maintenance because they had to replace an air conditioning unit.

Parks and Recreation Board – Budget:

Jimmie Durnil advised the Park Board budget didn't change much. Some money was moved around to have funds available to pay electric bills at the old Town Hall. He and Mike Farmer have been discussing moving the inside of the old Town Hall around. Main Street has a long list of things to do. He is seeking permission to encourage Main Street to have funding and labor available for their to do list. He doesn't think they can continue to ask the Street Department to move things around the Heritage Trail. Mr. Oldham asked if this is for projects the Park Board has approved. Mr. Durnil answered no. Mr. Oldham thinks all of their requests should fall under the authority of the Parks Board to mandate. The Heritage Trail has been turned over to the Parks Board to determine its future viability. He doesn't think they need to encourage outside entities to be doing anything without the permission of the Parks Board.

Police Department – Budget:

Jim Davis, Town Manager, advised the Police Department has a \$66,000 increase and \$38,000 is for the new Chief Deputy position. The raise request is \$15,000 and Vehicle Maintenance, Radio Repairs, Building Maintenance, Other Supplies, Radar and Cleaning were reduced to the 2016 budget.

Town Marshal Jimmie Durnil explained \$8,500 in the Law Enforcement Continuing Education Fund for training is one-third of what they need and they want to increase it. Ms. Hash explained the income for this is from gun permits, vehicle inspections; case reports and so on and is a self-sustaining fund. Marshal Durnil asked if this could go to \$10,000 if they have the money coming in. Ms. Hash replied it would be possible if the cash is available to support it. They have an extra \$9,300 in the fund. Mr. Oldham noted this is a non-reverting fund that must be used for training or equipment. Ms. Hash added it is a non-advertised fund and is not reviewed by the state. It is an internal budget for tracking.

The CCD fund shows a balance of \$57,075 used for building maintenance, body armor, computer software, cameras, upgrading car equipment and new vehicles. They aren't going to purchase a second vehicle in 2016 but hope to purchase two cars in 2017. Ms. Hash asked if soundproofing is still needed in the 2017 budget. Marshal Durnil said yes, they still have work to be completed in 2017. They will also have to replace an air conditioning unit.

He understands raises have been removed from the budgets. The Part-Time Deputy line was decreased to \$25,000, and the Longevity and Fuel lines were reduced to move Leah Fiegle to a full time position. The amount needed for Ms. Fiegle's full time wage is \$30,169.15. There is an increase in PERF due to the position added to the Police Department last year.

Kevin Farris asked about \$8,000 for Gas and Oil. Marshal Durnil thinks it will work. They will be in good shape for gas money at the end of this year. Mr. Farris asked if \$10,000 for

Building Maintenance is for the air conditioner. Mr. Davis explained he needs an air conditioner this year. In Building Maintenance, there was a \$2,000 increase. He recommends that remain at \$10,000. Marshal Durnil wants to raise the cleaning budget. Mr. Davis explained that department increases were all reduced to 2016 budgets. Marshal Durnil remarked they have spent to date 46.76% of their budget. They're over 50% on the Overtime and PERF. If he has to buy an air conditioner, he can transfer from Gas and Oil to Building Maintenance.

Clerk-Treasurer – Budget:

Sandra Hash, Clerk-Treasurer, had requested part-time help for one day a week. She hasn't had any increases in her personnel since she took office in 2000 and the work load has changed tremendously. The Town Manager removed that from her budget and then approved the other increases. Mr. Davis noted those increases are to pay the light bill and gas bill at new Town Hall. Mr. Mobley asked how much the increase would be to add one person. Ms. Hash answered \$6,240.

Sandra Hash, Clerk-Treasurer, advised Mark White with CATS TV was present and they are requesting an increase. She has not heard back from Animal Control so she left the amount the same as the 2016 budget.

Michael White, CATS TV, explained they are requesting a 3.8% increase from all government partners and this is based on the Assessed Value Growth Quotient. The increase amounts to \$565 for 2017. Franchise fees are up 7.8%. The increase will be well spent. Currently, CATS has a 1995 television network and had to purchase new servers. They have set up a podcast studio and will be building a set and they're changing to HD video.

Sandra Hash, Clerk-Treasurer, clarified that the add-ons to her budget are for the electric, natural gas and cleaning service for the new Town Hall. They hope to share those costs with Utilities. The standard split is one-third to the General Fund, one-third to Water and one-third to Wastewater and this is how she budgeted for it.

Jim Davis, Town Manager, thinks the next meeting scheduled for July 20, 2016, should be postponed until Ms. Hash has the rest of her figures and more information. Mr. Oldham asked the requested raise amount for 2016. Ms. Hash answered 2%.

Meeting was adjourned.

Scott Oldham, President

Dianna S. Bastin, Vice-President

Scott Thomas

Kevin Farris

Brian Mobley

Sandra C. Hash, Clerk-Treasurer, IAMC, MMC