

August 7, 2012

The Ellettsville, Indiana, Town Council met in a special session on Tuesday, August 7, 2012, at the Fire Department Training and Conference Room. The meeting started at 6:00 p.m. Town Council members present were Scott Oldham, President; Dan Swafford, Vice-President; Dianna S. Bastin, David Drake and Phill Smith. Supervisors present were Jim Ragle, Street Commissioner; Jim Davis, Fire Chief; Tony Bowlen, Town Marshal; Connie Griffin, Director of Planning; Jimmie Durnil, Park and Recreation Board President; and Utility Managers, Mike and Jeff Farmer. Sandra Hash, Clerk-Treasurer was also present.

Year 2013 Budgets

Tony Bowlen, Police Department: \$761,638.17; Budget reduction \$13,290. Cumulative Capital Development: \$90,500 and Law Enforcement Continuing Education: \$8,500.

The Council asked Tony Bowlen if he was okay with the reductions. Tony responded he was okay with the reductions with the exception of fuel. Scott stated the 2013 budget was still \$5,000 more than he has ever spent in the past. In comparison to past years it was determined there would be actually a \$10,000 cushion. Fuel expense and vehicle maintenance were discussed. It was agreed the Police Department budget would be reduced by \$13,290.

Connie Griffin, Director of Planning: \$112,331.73. Budget reduction \$1,932.50. The need for a new copier was discussed. Connie will have some estimates for review at the next budget meeting. Connie stated she is okay with the budget reductions other than the office equipment appropriation. The Planning Department needs a new copier to be shared with the Street Department. Jim Ragle said they will not contribute toward the purchase of the new copier, but they have an existing copier that will be traded in to help reduce the price. Connie presented a quote for the copier for a guideline on cost. She plans to get two or three more quotes and compare that to leasing the equipment.

Dan Swafford felt the Council should decide if the budget cuts were going to remain in the departmental budgets under a miscellaneous line or if they would all be moved to the Administrative budget to be held in reserve for an emergency. David Drake responded if we are cutting these items out of the budget then we are cutting them out of the budget. He is not for creating a super fund for things to be purchased throughout the year. He would prefer it be left in the departmental budgets to avoid future disagreements on how and to whom it should be disbursed. The reductions will get it closer to a balanced budget in 2013. Sandra Hash added the budgets can be reduced or the Council can pool the reductions into one department budget. If it is placed in one department it will require a legal notice and an ordinance with two readings to move the appropriation to another department.

Dianna Bastin stated she thought the money would be placed in a miscellaneous line for emergencies. If it needed to be used the supervisor would have to come to the Council to make their request. The public would understand the cost of doing business. She liked that situation. David agreed it would have to come to the Council before it is spent and we never know how the Council will react. Dianna added when transfers are done she has been questioned what they are for and she would like the public to be more informed when more money is needed.

Scott Oldham wanted the supervisors to take a better look at their budget. This exercise did reveal there was money budgeted in certain areas that were not needed. His idea was to set some money aside in case the fuel cost exceeded expectations or there was an unusually large amount of snow.

There was a discussion on the impact of the reductions, how it would affect the tax payers and the operating balance. Sandra reiterated budgets are estimates. The revenue and expense predictions are not 100% accurate. The hope is to bring in more

revenue than projected and spend less than budgeted. The result is an increase in the operating balance. The operating balance was zero in 2009 for both the General Fund and the Motor Vehicle Highway Fund. In 2010 the General Fund operating balance was \$95,342, 2011 it was 237,855 and 2012 should be 262,289. The town has not had a balanced budget in any of those years but the operating balance has bounced back to over a quarter of a million dollars.

David Drake asked if the budgets are reduced by \$40,000 can we take that \$40,000 and move it to the Rainey Day Fund. Sandra answered she would not know that until the end of 2013. If there is 10% left in unspent appropriations then it could be transferred to the Rainey Day Fund. David replied that is what gets so confusing about this. We have to figure out our budget before we know for sure how much revenue we will get. It is backwards.

Scott Oldham said assuming we budget for \$2,000,000 and we receive 2,300,000. What happens to that extra \$300,000? Sandra answered it stays in the cash balance and carries over to the next year. That is the operating balance.

David Drake questioned how much budget reduction would it take to get below the maximum levy. What would happen if we did reduce it below the maximum levy? Would the levy be lost or would it still be available next year? Sandra responded the tax rate can be set to capture the maximum levy. It would add to the operating balance.

Dianna Bastin asked if they were to create a miscellaneous budget item and it was unspent at the end of the year could it be transferred to the Rainy Day Fund. Sandra replied, yes.

Dan Swafford stated he liked Scott Oldham suggestion and showed how to increase the Rainy Day Fund.

Scott Oldham added he was looking for a way to build a reserve, to put the money back in case of an emergency. So it can either build the operating balance or increase the operating balance. The State has made so many changes which ultimately affect the Town's revenues. He is just trying to build in some protection for the Town's finances. Currently there is only a 3 month reserve.

David Drake said he is only in favor of reducing the budgets if the supervisors agree they can do without the appropriations then using the reductions to build the Rainy Day Fund.

Jim Davis said if you are going to make the budget cuts go ahead and make the cuts. Let it go back into the operating balance. If you need more money do an additional appropriation. That is what is normally done. There are funds available to borrow from in case there is an emergency which can be paid back. For the past thirty five years the Town has not had a lot of money in reserve, but we always seem to make it. The highest he has ever seen was just over \$500,000. Rather than putting it in the Rainy Day fund, if the goal is to have a balanced budget, leave it in the operating balances. Get to the point of having a balanced budget, putting a smile on everyone's faces, and then what ever is left over from the balanced budget put it in the Rainy Day Fund. That way you are going to increase your operating balance and add to the Rainy Day Fund. If a department needs more appropriations they would come back to the Council for an additional appropriation request.

Dan Swafford asked how much money was in reserve. Sandra answered the Rainy Day Fund has a balance of \$174,984

The Council then returned to the supervisors and the budget reductions.

The Planning Department budget will not be reduced. The \$1,932.50 will be added to line 402 Office Furniture and Equipment to purchase a new copy machine.

Jim Davis, Fire Department: \$1,080,010.70; Budget reduction \$9,500. Cumulative Building and Equipment: \$51,325.56. Jim stated he is fine with the reduction. He talked with the Richland Township Trustee and it will not affect their Fire Contract amount.

Jim Ragle, Street Department: Motor Vehicle Highway: \$447,938.26; Budget reduction \$5,480. Cumulative Capital Improvement: \$25,300; and Local Roads and Street: \$73,000. Jim stated he is okay with the reduction. Sandra added the MVH budget is a balanced budget so the budget reduction will increase the operating balance in that fund.

Park and Recreation, \$24,100 - Budget reduction \$2,410: Jimmie Durnil, President of the Park and Recreation, explained the increase in the Parks budget was to purchase 2 sets of covered tables with benches to be placed close to the large shelter in the Marcy Jane Lewis Park. The Street Department have agreed to install the tables and the Trustee will pay for concrete pads to put them on. They would also like to assist the Richland Bean Blossom Community School Corporation in installing an 18 hole Frisbee golf course. They are still working on the details. It will be in the open area next to the Wells Park. They can still make the purchases with the reduction.

Sandra Hash, Clerk-Treasurer, Administrative Budget: \$258,670.49. Budget reduction \$17,600. There was discussion on adding the Attorney cost for attending the Plan Commission meetings. The cost would be \$5,000. Sandra said the only two lines she has concerns with are the legal fees and engineering fees. After some discussion it was decided to add an appropriation for the Plan Commission legal fees in the amount of \$5,000 and add the \$1,000 back into the Miscellaneous Professional Services. That reduces the Clerk-Treasurer, Administrative Budget by \$14,600.

Jeff Farmer addressed the Council stating the loss of an employee in the Utility Office has created an opportunity to save some money in both the Utilities and the General Fund. The Utilities currently pay 40% of the Deputy Clerk's salary. They are proposing to increase the Utility portion to two thirds making it the same percentage they pay for the Clerk Treasurer and Council. Historically the Utilities have had difficulty keeping the books up to date. Sandra checked with the State Board of Accounts and they will not take exception to Amber Ragle-Wright taking over the Utility bookkeeping. They are proposing to change her title to bookkeeper and the Utilities would pay two thirds of her salary and benefits. This would allow the full time vacancy to be filled with a part time employee in the 25 hour per week range. Becky Wines, Office Manager, would have more time to devote to the utility billing procedures. This would save the General Fund about \$14,000 per year and the Utility about \$9,000 per year. The new part time person could also assist in the Clerk's office with data entry as needed. This would be funded with the \$14,000 in savings. Streamlining and helping each other out in the office will really benefit the Town as well as the office. He also informed the Council that the Utility Billing Office and the Clerk's office will be looking for new software to also streamline the process. Both Scott Oldham and Phillip Smith want to have the ability to pay bills on line. Dan Swafford wants to be involved in reviewing new software and making the decision. Jeff said the software update would be approximately \$75,000.

David Drake asked Sandra how she felt about the change. Sandra answered she is willing to do the employee sharing as a trial. She wants Amber to remain the Deputy Clerk and add Bookkeeper. Amber is confident she can take on the additional responsibilities if she can get help with the data entry. New software should also reduce the amount of data entry.

It was the consensus of the Council to proceed with the changes in employee duties and to start looking at new software.

Mike Farmer discussed the upcoming water restrictions that will be on the Town Council agenda on Monday, August 13, 2012. The City of Bloomington are putting the restrictions in place and since they furnish the water to Ellettsville we are following their guidelines

David Drake made a motion that we amend the budgets to reflect the amounts that we cut out this evening and that the amounts we cut out are allowed to contribute to the operating balance. Dan Swafford seconded. Roll Call Vote: Scott Oldham- yes; Dan Swafford- yes; Dianna Bastin-yes David Drake-yes Phillip Smith-yes. Motion carried

Sandra Hash will make all the changes to the budget, present them to the County Council for review and prepare updated pages for the Council and Supervisor binders. The pre adoption meeting will be September 5th and final adoption will be on October 8, 2012.

Dianna Bastin made a motion to adjourn, Dan Swafford seconded. Meeting adjourned at 7:21 p.m.

Scott Oldham, President

Dan Swafford, Vice-President

Dianna S. Bastin

David Drake

Phillip Smith

Sandra C. Hash, Clerk-Treasurer