

BUDGET WORK SESSION, COMMON COUNCIL, AUGUST 22, 2016

Be it Remembered that the Common Council of the City of Plymouth, Indiana, met in a Budget Work Session on August 22, 2016. The meeting was held in the Council Chambers of the City Building, 124 N. Michigan Street, Plymouth, Indiana, immediately following the regular session meeting held at 6:30. The meeting was called to order at 7:17 p.m.

Mayor Senter presided for Council Members Cook, Culp, Delp, Ecker, Fonseca, Grobe and Houin. City Attorney Surrisi and Clerk-Treasurer Xaver were also present.

Clerk-Treasurer Xaver began by explaining the budget workbook and noting that the 2017 budget is currently \$2,000,000 over spent when comparing expenses to revenue from taxes. She explained that the state sets the tax levy and this applies to all taxing units in the state. The rate increase for 2017 is 3.8%.

Anticipated fire department losses were discussed. Based on 2015, 2016 and projected income and expenses for 2017, the total loss is estimated to be \$326,000. There are several areas contributing to this, including losses when the city is called to provide Advanced Life Support Services by other providers outside the city limits. In these instances, the “transporting” provider is the only one allowed to bill Medicare, so the City of Plymouth depends on payment from the entity seeking paramedic assistance. The current agreement is that the City will be paid half of what is received by the other provider. But if the other provider is not paid (either because the patient doesn’t pay or because the provider does not bill), then the City does not get paid anything; and experiences losses for wages and supplies.

Clerk-Treasurer Xaver recommended that the council consider amending the agreements to make sure we recover our expenses. She also recommended that the council amend ambulance rates, since they have been the same for several years.

The proposed 2017 budget was discussed.

**City of Plymouth
Budget
Comparisons**

	2015	2016	2017	
General Fund				
Financial Board & CT	980,744	905,894	987,052	8.96%
Mayor & Council	211,503	199,245	212,579	6.69%
Law Department	81,193	87,236	91,548	4.94%
Engineering Department	64,408	63,664	62,050	-2.54%
City Garage & Warehouse	433,406	449,194	458,648	2.10%
City Properties & Maintenance	328,000	294,000	448,000	52.38%
Building Commissioner	133,622	142,487	151,859	6.58%
Fire Department	1,656,261	1,773,824	1,796,787	1.29%
Police Department	2,494,552	2,675,817	2,806,450	4.88%
Storm Sewer	177,000	177,000	177,000	0.00%
Sanitation Department	562,748	582,793	583,493	0.12%
City Lights & Power	256,000	256,000	331,000	29.30%
Animal Welfare	30,000	30,000	30,000	0.00%
TOTAL	7,409,437	7,637,154	8,186,466	7.19%

Pension Trust Funds

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Fire Pension	68,368	68,368	69,870	2.20%
Police Pension	276,991	265,057	268,502	1.30%
TOTAL	345,359	333,425	338,372	1.48%
Special Revenue Funds				
Local Road & Streets	45,000	45,000	45,000	0.00%
MVH	1,913,476	2,275,683	2,701,039	18.69%
Law Enforcement/Cont Ed	15,000	15,000	15,000	0.00%
Park & Recreation	806,697	1,067,151	1,005,741	-5.75%
Aviation	288,552	261,500	274,502	4.97%
Cemetery	406,695	438,786	441,106	0.53%
Cum Capital Improvement	25,000	25,000	25,000	0.00%
Cum Capital Development	118,000	195,000	410,000	110.26%
Aviation Rotary	180,385	158,310	158,310	0.00%
Riverboat Wagering Tax	63,600	97,500	0	-100.00%
TOTAL	3,862,405	4,578,930	5,075,698	10.85%
TOTAL FUNDS	11,617,201	12,549,509	13,600,536	8.38%

Figures on table do not include Projected Property Tax Cap Losses

Clerk-Treasurer Xaver requested \$34,000 in machinery and equipment in order to purchase a new server in the city office. The current technology is from 2004 and needs updating as it houses all the city office's software and daily functioning ability. Xaver explained that there is a decrease in the telephone line item city-wide due to the new Metronet system. Contractual services increased because the city office's new utility, general ledger and payroll software systems pay schedule is different from the previous software carrier.

There was a 15% increase across the departments for health insurance. The current health insurance provider is dissolving and will no longer be the provider effective January 1, 2017. With unknowns in the future regarding the change in coverage, Gibson Insurance advised this increase.

City properties and maintenance has budgeted \$200,000 for the roof repair of city hall and \$40,000 for tuck point and painting the exterior of city hall. There is also \$60,000 in this fund for phase III of the city signs.

The fire department has a new line item, 911 proposed contract with Marshall County. That is currently budgeted at \$12,487. There was also an increase in the wages for the EMS Clerk in the City Office because this clerk is now spending 90% of her time on EMS-related billing collections.

Police Chief Bacon noted personnel changes as dispatch is no longer through this department with the exception of one employee. There are additional services and charges for the proposed contract with Marshall County for central dispatch, as well as an increase in the budget for four new squad cars.

Superintendent Marquardt requested an increase of \$75,000 in the City Power and Lights budget to begin replacing outdated traffic signals and controllers. This line item is under contractual services since the work will be outsourced.

Superintendent Marquardt requested a \$10,000 increase in building improvements and a \$10,000 increase in sidewalk improvement projects for the Street Department. There is a need to pave the parking

lot and back driveway at this location. The Street Department has also requested to replace a skid steer loader and one ton dump truck with plow and spreader, totaling \$156,000 for these two pieces of equipment.

Park Superintendent Hite requested funding under personal services for an additional maintenance/laborer staff member. He also requested funding for improvements under capital outlays for amphitheater updates, paving park streets, moving salvaged street lights from the tennis court area to Freedom Park and the appropriation for the LARE Grant bank stabilization and canoe launch which is reimbursable for \$50,000 by the Department of Natural Resources. Equipment requests include the purchase of a used dump trailer, new gator and new zero turn mower.

Cemetery Superintendent Ousnamer requested \$50,000 for improvements to the existing streets at Oakhill Cemetery.

For the Cumulative Capital Development Fund, Fire Chief Miller requested \$175,000 to purchase a new chassis on which to mount the box from an existing ambulance. He is applying for a grant through IPEP, the city's workers compensation provider, that would reimburse this fund \$30,000 for equipment for the ambulance. Miller stated that he is projecting to request a new fire truck in 2018 for \$600,000. Clerk-Treasurer Xaver stated that this fund currently has \$206,000 allocated for the fire department. \$175,000 is being asked for the refurbished ambulance in 2017. She anticipates the 2017 year end balance to be approximately \$70,000.

Xaver went on to explain that the Council appropriated \$750,000 towards the tennis courts in 2015, which reduced the city's portion of the Cumulative Capital Development Fund from \$527,953.19 to \$174,778.41, after income. This year's additional transfer of \$165,000 dropped it to \$9,778.41. The CCD Fund received just over \$72,000 as a June draw; split three ways, it provides just over \$24,000 twice a year for general use by the city. At the new rate, she estimates it will take fourteen years to replace the donation to the tennis courts of out the CCD Fund alone.

Xaver stated that the only fund with unrestricted money left in it is the Rainy Day Fund. The Boys and Girls Club was told by the mayor that money for their project would not come from this fund. The city taxpayers, through the Promotion of the City Fund, currently donate \$35,000 to the Boys and Girls Club annually. As noted by Superintendent Davidson, the City is donating \$175,853 to the Boys and Girls Club in in-kind services to relocate the sewer line under their building. The Marshall County Wellness Project has already indicated that they will ask the city to enter into a cooperative lease for \$144,000/year for ten years. This money cannot come from TIF funds because they are operating expenses.

Xaver noted that with each donation, the funds that are available for city projects are depleted. The city is limited as to the amount of taxes it can raise. The state puts a cap on that every year and the city comes as close as it can to that cap through the budgeting process. Budgets are made with contingencies built in for unforeseeable expenses and are not created for 100% of the allocated money to be spent. When 100% of the budget is spent, the city is losing operating money for the following year. The departments should only be spending 80% of their budget. When the city does an additional

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appropriation, it is asking permission from the state to spend out of the city's reserve cash. The state is not distributing more funds for the city to spend, it is simply allowing the city to spend down the cash that it already has. This also limits what is available to spend following year.

Xaver referred to concerns she has outlined in the 2017 proposed budget book regarding the following funds which have proposed budgets in excess of their anticipated income. Those include the General Fund at just over \$2,000,000; MVH at \$33,000, Park at \$18,000, Aviation at \$46,000 and Cemetery at \$34,000. She asked that the Council cut \$2,000,000 from this budget so the city it not overspending.

There being no further business to discuss, Council Members Ecker and Fonseca moved and seconded to adjourn the meeting. The motion carried.

The meeting was declared adjourned at 9:11 p.m.

S/Jeanine M. Xaver
Clerk-Treasurer

APPROVED

S/Mark Senter, Mayor