

MINUTES
MUNCIE COMMON COUNCIL
FINANCE COMMITTEE
300 NORTH HIGH STREET
MUNCIE, INDIANA 47305

TUESDAY, AUGUST 13, 2019

FINANCE COMMITTEE MEETING: 5:30 P.M., 1ST FLOOR CITY HALL AUDITORIUM.

PLEDGE OF ALLEGIANCE: Led by Councilperson Powell.

ROLL CALL:	PRESENT	ABSENT
Nora Powell	X	
Denise Moore	X	
Brad Polk	X	

Powell explains the reason for this meeting is to receive information from the department heads in regards to the purposed 2020 budgets. Today, discussion will be held between the Police Department, Mayor's office, Board of Works, City Controller's office and Data Processing (IT).

MUNCIE POLICE DEPARTMENT

Chief Joe Winkle addresses the committee. Powell begins with the increases in Administrative Assistant 101-20-411048, Records Clerks 101-20-411085 and Code Enforcement 101-20-411085 that all reflect the 2% contractual raises. Winkle confirms. Powell states the Administrative Assistant actually went up a great deal more than the 2%, \$6,718 and asks if that is reflective of what the council did during this year. Winkle states that is correct, he came before council to get that raised based on the duties they were performing. Powell states the line item for Sergeants & Investigator 101-20-411129 actually went down by about \$98,000 and questions if that transferred into the LOIT. Winkle confirms this is under the General Fund, not the LOIT and Powell agrees. Winkle explains they are down to (he believes) 15-line sergeants compared at one time where they were at 20. No one really lost their rank, they just did not promote. There is actually maybe one or two available but they do not have a current list. That may change a little bit in 2020. Powell confirms that most the department would budget for, at one time, is \$18,000. Winkle confirms. Powell moves on to Social Security 101-20-413011, Medicare 101-20-413015 going down. Nemyer states that he imagined that is due to some being civilian pay. Powell continues with the increase of City's Share PERF 101-20-413017 of \$290,000 and that being because council decided to move the LOIT into play last year. It was moved out of the General Fund over to LOIT. Powell questions if that is what was put back into the General Fund

this year. Winkle confirms. Powell states the same can be said for Health Insurance 101-20-413025, with an increase of \$700,000, reflective of putting that expense into LOIT Fund #106. Winkle confirms and states for the 2020 budget, they increased two positions through the contract. Powell believes all the other line items stayed the same, other than Investigations 101-20-439027 being reduced by \$2,000. Winkles states that is correct. Powell refers to Holiday Pay 101-20-411152 with the mid-year usage at 22% and asks if that is something that is paid every paycheck. Winkle states yes, it goes along with their Clothing Allowance so there will be another installment in December. Powell states she is looking at the income statement now and is going line by line to see different expenditures. Powell asks if there has been any expenses out of Unemployment 101-20-413065 as of yet. Winkle states hopefully not until January. Powell moves on and explains as of June, there were no expenses out of the Veterinary Dog 101-20-431012 line item. Winkle states there has not been a need for that, fortunately. The K-9's are pretty young, other than one, so they have been very fortunate they have not had to use that so far this year. It could obviously change, depending on what happens during the course of the rest of this year, so far, they have not had to spend anything. Powell states the Radio Equipment Lease 101-20-437033 has only had 11% spent at mid-year and questions if that is overbudgeted. Winkle explains there are some orders placed but they have not yet been invoiced. He does not know that exact number right now. They also occasionally use that if they have to move it over to Other Services if they are short. It depends year to year. Powell states Investigations 101-20-439027 has been spent at 99% mid-year. Winkle states they purchased a couple pieces of equipment, one was the equipment that was used for both criminal investigations and also traffic. A lot of that money was used for that. On top of that, they have a phone system that they pay a yearly amount on, now that they had an installment and the first charge that came out. They have pretty much tapped that line item out for the year. Powell asks if those are one-time expenses. Winkle explains there is a recurring expense on the phone system that will come out of that but they should not be in the situation next year because there will not be anything major to buy out. Powell asks about Subscriptions & Dues 101-20-439092. Winkle states there are different people who are past or current members of the International Association of Chiefs of Police and they try to keep it updated for them, as far as training. When it comes to subscriptions, Winkle is unsure if they really utilize anything like they used to, because you can read almost anything online now. Powell states that is a very good point. Powell asks Councilperson Moore and Councilperson Polk if they have any questions over the General Fund portion.

Polk notices the Lieutenants 101-20-411120 pay went up \$67,446. Winkle explains they added a Lieutenant and went to 12-hour squads, therefore, needed a Lieutenant to run each of the four squads. Previously before that, they operated with three. Polk confirms they have four now. Winkle agrees. Polk continues Patrol Officers 101-20-411130 went up \$226,000 and if that was because of the increase. Winkle confirms in addition to the two additional officers. Polk then states Crossing Guards 101-20-411135 went down \$11,000. Winkle explains by looking at the income statement, they have only spent about 30% but school did just start back up so they anticipate spending the majority of that line before the first of the year. Polk makes the

comment about the reduced number of schools, that obviously makes a difference. Winkle agrees and states there is a lot of turnover in that position as well, so there is some training they have to go through to get people acclimated in what they are supposed to do. He believes they will be able to cut back on that, eventually. Moore states Polk asked the same question she was planning to, regarding the Crossing Guards, other than that, she has no further questions. Powell moves on to the LOIT Fund and refers to the position of Chief 106-20-411111, Deputy Chief 106-20-411112, which she makes no additional comment. Powell then states there was an increase in Patrol Officer 106-20-411130 (also in LOIT) and asks if that is reflective of the 2% increases. Powell continues to make comments amongst herself. She then states the LOIT line items, other than the contractual 2%, stayed the same. Winkle confirms. Powell concludes the Muncie Police Department budget with the increase to City's Share PERF 101-20-413017 and Health Insurance 101-20-413025 by \$1,061,189. If they have any further questions, the committee will get in touch with Chief Winkle.

MAYOR

City Controller, Kevin Nemyer will answer questions regarding the Mayor's purposed 2020 budget. Powell begins with the salaries of Mayor 101-01-411011 and Executive Secretary 101-01-411041 going up reflecting the 2% increase. Nemyer confirms. Powell states that would mean Social Security 101-01-413011, Medicare 101-01-413015 and PERF 101-01-413017 went up because of those increases. Nemyer confirms. Powell states Unemployment 101-01-413065 was added. Nemyer states yes. Powell thinks that is the only addition. However, she did have a question regarding Training Travel & Fees with zero spent as of mid-year. She assumes they are going to be keeping that in there because of the reflection of the new administration. Powell continues stating Postage 101-01-432011 has only been spent at 5%, along with Other Insurance 101-01-434011 having spent 6% of at mid-year. Powell asks Nemyer what Other Insurance covers. Nemyer answers they put that line item in a lot of budgets and it is for mostly liability insurance, a lot of it being legal fees sometimes. Powell continues stating Promotion of Business 101-01-439015 had zero expended at the beginning of June. Powell asks Moore and Polk if they have any questions.

Polk refers to the Unemployment not being on the 2019 budget. To the best of his belief, there is only two salaries, the Mayor and the Mayor Secretary. Polk assumes the new administration would have a Secretary. Nemyer states yes there would be two people eating that and \$10,400 was the maximum amount. Polk also questions the usage of about 7% of the Part Time budget as of August 8th and asks if they will be using that further. Nemyer answers yes because they just recently hired a person for that Part Time position. Powell recalls Sarah Beach, the Personnel Director, had stated at her budget hearing the previous day that they had just recently hired someone to fill those two positions, one in her office and one in the Mayor's office. Powell asks Polk and Moore if there are any further questions, in which they do not.

BOARD OF WORKS

Powell begins by referring to Health Insurance 101-19-413025 and Other Insurance 101-19-434011 and continues to comment to herself. She does have a question about the Communications Center 101-19-432041 stating \$1,164,000 was what was budgeted and to her knowledge, that agreement is being terminated in December of 2019. Nemyer states if that comes to pass, the city would not pay that and that would be zero. He does not know what other cost might be incurred with whatever path chosen to take. Powell also asks about Bond Payments 101-19-439073 of \$420,000. Nemyer explains there is a bond that has not been funded in many years. They usually have to scramble to get the funds to cover it, therefore, it would be better if they actually budgeted for it. Nemyer will get Powell the line item at a later time. Powell asks what that bond covers. Nemyer does not know other than it has been ongoing for quite a few years but hasn't been funded for in the last few. Powell states the Refunds & Awards 101-19-439011 hardly ever gets expended and would like to know if Nemyer can explain that line item. Nemyer states he cannot. Traditionally, the amount is just what has been put in there and he does not believe it gets used very often, if at all. Nemyer states that may be something that can be done away with or reduced. Powell moves on to Victim Advocate Witness 101-19-439065 and asks what that is, exactly. Nemyer believes, and he does not know why it is in this budget but it is, it is for expenses that are incurred when there are witnesses for any cases involving a Victim Advocate representative. Nemyer mentions Chief Winkle most likely has a lot better of an explanation than he does, again he does not know why it is in this budget. Powell goes on to Other Services & Charges 101-19-439071 which Nemyer states are mostly legal fees. Powell asks if Polk or Moore have any questions regarding the Board of Works budget.

Polk does not, other than the Communications Center. Obviously, the city completed the letter and gave the notice in December of 2018. Whether there will be additional expenses or a delay, they do not know what the plans are. Powell mentions getting in touch with the Mayor's office to see what expenses are expecting in regards to that transition and they could adjust the budget as needed. Moore questions the decrease of Repairs to Buildings 101-19-436025 by \$60,000 and asks how much was used mid-year. Polk states 92% has been spent as of August 8th. Moore states the department wants to cut this line item back but after some close examination, Moore reiterates she was looking at the wrong document and to please disregard her comment. Moore has no further questions. Polk goes back to the Communications Center stating that on the income statement, as of August 8th, 114% spent, budgeted at \$1.164 million and is currently at \$1.327. Polk makes some comments amongst himself. Powell states that must reflect the most recent payment. Nemyer confirms. Powell asks if the city has the agreement to see how much that should be, as there should be a maximum amount. Nemyer states the city pays 50%, whatever bill is received that states the total cost, the city pays 50%.

CITY CONTROLLER

Powell begins with the increases in salaries and asks if those reflect the 2% contractual raises. Nemyer confirms, however, they do not include the increase asked for at the August City Council meeting because he does not know if it would pass. If it does, he will change the salaries. Powell states those will need to be changed before the ordinance is filed. If at that meeting, they pass, then they need to be prepared to amend it. Nemyer states he thought this would be the second reading of that ordinance at the September 9th meeting, it will also be the introduction of this. That will work out well and he will have almost a month to make those changes. Powell explains they just need to make sure they have a good timeline because once the budget is filed, they cannot add, only reduce. Therefore, they need to make sure before it is filed. Nemyer confirms. Powell does not want to get into a situation where they are unable to correct that because of statutory limitations. Nemyer states he could not submit it to DLGF until it is passed and signed anyways which will not be until October. Powell will check with the rest of the council to make sure they are proceeding appropriately. Powell states Social Security 101-04-413011, Medicare 101-04-413015 went up to reflect of the increase in pay. Unemployment 101-04-413065 was added and Nemyer states that figure could be cut to \$10,400. Powell states Training & Travel 101-04-413085 actually went down by about \$1,000. Nemyer confirms and states there is not much of that used and could potentially be able to be lowed a little bit, as well. Powell states the other line items stayed relatively the same and none of the other items were increased. Nemyer believes there was one he took to zero, that had to deal with office furniture but he does not recall which one it was. They had about \$3,350 last year. Powell does not see it in either the 2019 or 2020 budget. Powell refers to the income statement and states there was 0% used of Training & Travel as of mid-year. Office Supplies 101-04-421011 is down at 24% at mid-year, 38% as of August 8th. That makes a grand total of \$3,000 spent last year. Powell moves on to Other Services & Charges 104-04-439071 and asks if that is insurance and legal fees. Nemyer states that amount is just \$60, therefore, miscellaneous and he does not know if it is ever used. Powell asks Polk and Moore if they have any questions in regards to the City Controller budget, in which they do not.

DATA PROCESSING

Nemyer states when it comes to the Data Processing (IT) department, they only have six line items which are identical to the 2019 budget. Powell states the income statements show that some of those line items are minimally used at this point. From what she recalls last year, those were all contracts for software and those are paid at certain points in time throughout the year. Nemyer recalls they pay in December for the following year. Powell states those contracts have not increased nor decreased. Nemyer confirms. Polk refers to the income statement from August 8th, showing Office Supplies 101-06-421015 at 6%. He is unaware if they make a bulk purchase at the end of the year or if it is pretty much not used. Nemyer will ask IT but he thinks most of their supplies would be used at the first of the year due to printing the W2's and 1099's along with paychecks every week. Nemyer is not sure what would be purchased at the end of the year but he will ask Adam Williams. Polk mentions it is the same thing with the Data

Processing Forms 101-06-421015. It was at 23% on August 8th with a budget of \$4,500. Those are the two he had questions about.

Powell asks Nemyer to give an estimate of what the Property Tax Cap Impact will be for 2020. Nemyer answers yes. Powell asks if DLGF has provided that information. Nemyer confirms. Nemyer states the actual figure is \$19,765,186.00. Nemyer believes they were at \$16.7 and Powell believes they were at \$17.7 for 2019. Nemyer has the figures upstairs in his office because he met with DLGF just today and they gave him the last five years figures. Powell states they can expect an estimating \$19,765,340 as the Property Tax Cap Impact. Nemyer wants Powell to remember that DLGF is extremely conservative so this is probably a very inflated figure.

ADJOURNMENT:

A motion is made by Moore and seconded by Polk to Adjourn.

A roll call vote showed 3 yeas and 0 nays. ADJOURNED.



Vice-President Nora Powell
Finance Chair



Melissa Peckinpaugh,
Clerk of the Common Council