

MUNICIPAL CORPORATIONS COMMITTEE

DATE: September 16, 2009
CALLED TO ORDER: 5:30 p.m.
ADJOURNED: 6:06 p.m.

ATTENDANCE

ATTENDING MEMBERS

Michael McQuillen, Chairman
Jeff Cardwell
Maggie Lewis
Robert Lutz
Dane Mahern
Jackie Nytes
Christine Scales

ABSENT MEMBERS

AGENDA

PROPOSAL NO. 336, 2009 - authorizes an excessive levy appeal for the Indianapolis Public Transportation Corporation
"Stricken" Vote: 6-1

PROPOSAL NO. 337, 2009 - approves the issuance of general obligation refunding bonds for the Indianapolis-Marion County Public Library in an amount not to exceed \$48,000,000
"Do Pass" Vote: 7-0

BUDGET HEARING

Review and Analysis

PROPOSAL NO. 313, 2009 - adopts the annual budget for the Indianapolis Airport Authority for 2010
"Do Pass" Vote: 6-1

PROPOSAL NO. 314, 2009 - adopts the annual budget for the Capital Improvement Board of Managers for 2010
"Do Pass" Vote: 4-3

PROPOSAL NO. 315, 2009 - adopts the annual budget for the Health and Hospital Corporation for 2010
"Do Pass" Vote: 7-0

PROPOSAL NO. 316, 2009 - adopts the annual budget for the Indianapolis Public Transportation Corporation (IndyGo) for 2010
"Do Pass" Vote: 6-1

PROPOSAL NO. 317, 2009 - adopts the annual budget for the Indianapolis-Marion County Public Library for 2010
"Do Pass" Vote: 7-0

MUNICIPAL CORPORATIONS COMMITTEE

The Municipal Corporations Committee of the City-County Council met on Wednesday, September 16, 2009. Chairman Michael McQuillen called the meeting to order at 5:30 p.m. with the following members present: Jeff Cardwell, Maggie Lewis, Robert Lutz, Dane Mahern, Jackie Nytes and Christine Scales. Also in attendance was Council President Bob Cockrum, Jim Steele, Chief Financial Officer (CFO), and General Counsel, Bob Elrod.

PROPOSAL NO. 336, 2009 - authorizes an excessive levy appeal for the Indianapolis Public Transportation Corporation

Mike Terry, President and Chief Executive Officer (CEO), stated that IndyGo understands the concern regarding the excess levy. He said that the board is in agreement with withdrawing the shortfall appeal that was part of their budget. Mr. Terry stated that there is a lot of discussion about how to grow a transit system. He said that he is very excited about the future. He said that the concern he has is keeping IndyGo alive. He said that they need to make sure IndyGo is at least breathing enough that it will be kept here when we have a mass transit solution. There are shortfalls that are accruing already from the Public Mass Transit Fund at the state level and they have already received notification that they will probably receive about \$300,000 less in revenue from that fund. Mr. Terry stated that the transit fund has about \$1 million less than what was projected. He said that they do not know what is happening on the federal side as of yet. They are hoping to come up with some type of continuation funding for that. Mr. Terry stated that IndyGo understands the Council's concern and are withdrawing the shortfall appeal. He said that they may reengage the Council at a later date when they know more about their funding.

Councillor Lutz moved, seconded by Councillor Cardwell, to "Strike" Proposal No. 336, 2009. The motion carried by a vote of 6-1 with Councillor Nytes casting the negative vote.

Councillor Nytes stated that she did not understand who lead Mr. Terry to believe that the Council wants them to withdraw their excess levy appeal, since the Council has not voted on anything. It may be that the majority party of the Council is not interested in seeing this particular proposal move forward. Councillor Nytes stated that nothing Mr. Terry has said would lead her to believe that removing this proposal is a good idea. She asked if there was a ballpark estimate of how much this would bring in. Mr. Terry stated that they have a shortfall appeal that was part of their budget last year, which they are moving forward with. He said that was a little over \$1 million and that is at the State Tax Board waiting for final approval. Mr. Terry said that for 2008, they put \$1.5 million in the budget as a possibility, using it for public notification. They will not know the amount until the 2008 taxes are reconciled and knowing what the impact would be to their budget. Mr. Terry said that if they did not publicize it they would not be able to move forward with the appeal.

Councillor Nytes stated that in her district, constituents have stated that the cross-town bus route is not available on Saturdays. She stated that she is very disappointed to hear that IndyGo is withdrawing their appeal, and thought that would be enough to restore the bus route on Saturdays. Councillor Nytes stated that she is very worried that a year from now that the city will announce an awesome new mass transit system but no one will be able to get to the stop where you get on the train because in the mean time, IndyGo withered away and died. Mr. Terry stated that from IndyGo's perspective, they are withdrawing it from their budget and they are not asking the Council to take any action. He said that until they know what the numbers are, they will reserve the right to come back to the Council.

Councillor Nytes asked if the process actually allows them to do this at any other time other than now. Mr. Elrod stated that it can be passed at any time during the calendar year and the Council could authorize them to do an appeal. Councillor Nytes asked that if IndyGo withdraws the appeal, it does not foreclose the possibility of them filing an excess levy appeal with the state. Mr. Elrod stated that they have to come back to the Council to ask permission to file.

PROPOSAL NO. 337, 2009 - approves the issuance of general obligation refunding bonds for the Indianapolis-Marion County Public Library in an amount not to exceed \$48,000,000

Councillor Lutz asked if this was a refinance of current bonds and saving taxpayers money. Becky Dixon, Chief Financial Officer (CFO) answered in the affirmative. Councillor Lutz asked if there was new debt and will it be a fixed rate. Ms. Dixon answered in the affirmative. Councillor Nytes asked if there was an estimate of potential savings. Ms. Dixon stated that the potential savings present value dollar amount is \$2.5 million. She said that it is a structured series refunding program. The first series will be done this year and those savings will be an estimated \$630,000.

Councillor Lutz moved, seconded by Councillor Nytes, to send Proposal No. 337, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

Review and Analysis

PROPOSAL NO. 313, 2009 - adopts the annual budget for the Indianapolis Airport Authority for 2010

Councillor Cardwell moved, seconded by Councillor Scales, to send Proposal No. 313, 2009 to the full Council with a "Do Pass" recommendation.

Councillor Lutz stated that until he sees some action taken to improve the appearance of the airport, particularly on the eastside, to market those properties and relieve the

property tax burden on the taxpayers of Wayne and Decatur Township, he will be voting against the Airport's budget.

The motion carried by a vote of 6-1, with Councillor Lutz casting the negative vote.

PROPOSAL NO. 314, 2009 - adopts the annual budget for the Capital Improvement Board of Managers for 2010

Councillor Lutz moved, seconded by Councillor Cardwell, to "Amend" Proposal No. 314, 2009, per Exhibit A. The motion carried by a vote of 7-0.

Councillor Lutz moved, seconded by Councillor Nytes, to send Proposal No. 314, 2009 to the full Council with a "Do Pass as Amended" recommendation.

Councillor Nytes stated that this has been the most difficult budget that the committee has had to deal with. She stated that she intends to vote for the proposal as controversial as it may seem, because the Council has recognized the fact that many things have changed in the community and in the Capital Improvements Board's (CIB) business. She said that as a Council, they need to be more involved in trying to help figure out a new future game plan.

The motion carried by a vote of 4-3, with Councillors Lewis, Lutz and Mahern casting the negative votes.

Councillor Lutz stated that he has yet to vote for a CIB budget. He said that the people that are on the CIB board are working for nothing. He said that they were not there when all of the issues started and they have done a great job. Councillor Lutz stated that he feels that there is not enough money and they have put together the best budget they had and it is really up to the Council to find the funds to transfer around to put more money into marketing and take a more active role in what the Municipal Corporations does and recreate the way the Convention Facilities are marketed. He stated that is the reason he is not voting for the CIB.

PROPOSAL NO. 315, 2009 - adopts the annual budget for the Health and Hospital Corporation for 2010

Councillor Lutz moved, seconded by Councillor Lewis, to send Proposal No. 315, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

Councillor Mahern stated that he appreciates the hard work that Health and Hospital has done.

PROPOSAL NO. 316, 2009 - adopts the annual budget for the Indianapolis Public Transportation Corporation (IndyGo) for 2010

{Clerk's Note: Chair McQuillen passed the gavel to Councillor Lutz.}

Councillor McQuillen moved, seconded by Councillor Mahern to "Amend" Proposal No. 316, 2009, per Exhibit B.

Councillor Mahern stated that he will be voting for the budget. He said that transportation is key issue and if we let it not be an issue, we are being very short sided. Councillor Mahern stated that there needs to be a way to make sure that the Council continues to look for more money for IndyGo and not less.

Councillor Nytes asked if the amendment is a \$745,000 reduction in the appropriations. Mr. Steele answered in the affirmative, stating that this amendment makes the ordinance match what IndyGo's board adopted. He said that these were amendments made by their board after the ordinance was introduced. Councillor Nytes asked if this reflects not only the loss of the excess levy appeal but some other change, or is the excess levy appeal potentially this much money. Mr. Steele answered in the negative, stating that the excess levy appeal amendment will follow this amendment. He said that this barely changes the budget that was adopted by their board.

Acting Chair Lutz stated that he was under the impression that the changes to the amendment are a result of the excess levy appeal. Councillor Nytes stated that this amendment is not a reflection of not doing an excess levy appeal. Mr. Steele answered in the affirmative. Councillor Nytes stated that this is a \$745,000 reduction in IndyGo's budget. Councillor Nytes asked for an explanation for the reduction. Wayne Oteham, Chief Financial Officer (CFO), IndyGo, stated that when they produced their budget this year, management put together a costs analysis on what it would cost to run IndyGo and did revenue projections. He said that in doing that, it was projected to be \$2 million and that what was introduced to their board on July 23, 2009. Mr. Oteham stated that they worked with the board to reexamine their costs and revenue streams and relied on them with policy decisions to bring their budget back in balance. He said that some revenues became available when the federal stimulus grant came and they reexamined some of their estimates for fuel costs and fare box revenues for 2010. Mr. Oteham stated that as a result, the second column of their budget book was filled out and what was approved by their board on August 13, 2009, and those are the changes that are before the committee as an amendment. Mr. Oteham stated that since then, they have chosen to withdraw the excess levy appeal and that will be presented as a separate amendment. Councillor Nytes asked if the committee wanted to understand how those figures shows up in front of them how they would go about it. Mr. Terry stated that there are various line items changes that were made from the July 23, 2009 proposed budget to the introduced budget. He stated that there is nothing different than what was presented to the committee on August 25, 2009.

Councillor Lewis asked what the total amount of the reduction is. Councillor Cardwell stated that it is \$745,669.00.

The motion carried by a vote of 6-1, with Councillor Nytes casting the negative vote.

{Clerk's Note: Acting Chair Lutz returned the gavel to Councillor McQuillen.}

Mr. Steele stated that based upon the withdrawal of the levy shortfall appeal; the budget will now need to be amended as per Exhibit C.

Councillor Lutz moved, seconded by Councillor Mahern, to "Amend" Proposal No. 316, 2009, as per Exhibit C. The motion carried by a vote of 6-1.

Councillor Nytes asked Mr. Steele if the taxpayers, as far as IndyGo is concerned would actually have a lowered tax rate for the incoming year than they do in the current year. Mr. Steele stated that the Transportation General Fund would go down slightly. He said that it is based upon the assessed evaluation of a slight increase and the levy is the same. Councillor Nytes asked if the individual taxpayer is not going to feel this and IndyGo is going to lose a lot of money. Mr. Steele stated that the maximum amount that the appeal could have been was \$223,000. He said when you compare the appeal for the year 2007 pay 2008, the levy that was approved by the Department of Local Government Finance (DLGF) versus the actual taxes collected; the shortfall is \$223,000, not \$1.5 million. Mr. Steele stated that the appeal would have been substantially less that if it was to proceed and approved. He said that is the total shortfall and are only allowed to appeal the shortfall attributable to Auditor's corrections and refunds.

Councillor Lutz moved, seconded by Councillor Cardwell, to send Proposal No. 316, 2009 to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a vote of 6-1.

PROPOSAL NO. 317, 2009 - adopts the annual budget for the Indianapolis-Marion County Public Library for 2010

Councillor Lutz moved, seconded by Councillor Cardwell, to send Proposal No. 317, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

There being no further business, and upon motion duly made, the meeting was adjourned at 6:06 p.m.

Respectfully Submitted,

MM/lw

Michael McQuillen, Chairman

Proposal No. 314, 2009

MOTION TO AMEND

Mr. Chairman:

I respectfully move to amend Proposal No. 314, 2009, as introduced and before this committee, by the revisions to Section 2, Character 03, Other Services and Charges, from \$33,516,000 to \$34,766,000 and in Character 04, Capital Outlay, from \$3,095,000 to \$1,845,000.



Councilor

COMMITTEE MOTION
Proposal No. 316, 2009

Mr. Chairman

I move that City-County Council Proposal No. 316, 2009, Sections 2, 4 and 5 be amended by deleting the stricken-through text and adding the underlined text to read as follows:

 Councillor

SECTION 2. For said fiscal year there is hereby appropriated out of the "General Fund" of said Transportation Corporation the sums as hereinafter appear in this section for the purposes herein named.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION GENERAL FUND		
	ORIGINAL PUBLISHED BUDGET APPROPRIATION	BUDGET APPROVED BY CITY-COUNTY COUNCIL
ADMINISTRATIVE SERVICES		
1. Personal Services	9,947,692	
2. Supplies	242,000	
3. Other Services and Charges	3,684,679 <u>3,779,679</u>	
4. Capital Outlay	0	
TOTAL	13,874,371 <u>13,969,371</u>	
MAINTENANCE AND FACILITY MANAGEMENT DEPARTMENT		
1. Personal Services	3,542,813	
2. Supplies	7,850,250 <u>7,091,120</u>	
3. Other Services and Charges	1,550,500	
4. Capital Outlay	0	
TOTAL	12,943,563 <u>12,184,433</u>	
FLEXIBLE SERVICES DEPARTMENT		
1. Personal Services	266,434	
2. Supplies	4,000	
3. Other Services and Charges	8,123,989 <u>8,042,450</u>	
4. Capital Outlay	0	
TOTAL	8,394,423 <u>8,312,884</u>	
GRAND TOTAL	54,720,144 <u>53,974,475</u>	

SECTION 4. That foregoing budget shall be carried out without any revenues from property taxation provided from the several tax levies as modified and fixed in City-County Fiscal Ordinance No. ____, 2009, with the use of portions of current balances in said funds and the receipts of miscellaneous revenues from all other sources, the means of financing thereof be computed in accordance with the following schedule:

CONSOLIDATED CITY OF INDIANAPOLIS AND MARION COUNTY ESTIMATE OF MISCELLANEOUS REVENUE FROM SOURCES OTHER THAN GENERAL PROPERTY TAXES INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION GENERAL FUND FOR THE PERIOD ENDING DECEMBER 31, 2009 and DECEMBER 31, 2010			
ESTIMATED AMOUNTS TO BE RECEIVED	July 01, 2009 Through Dec. 31, 2009	Jan. 01, 2010 through Dec. 31, 2010	
SPECIAL TAXES			
Financial Institution Tax	94,418	80,434	
License Excise Tax	1,026,308	1,026,308	
Commercial Vehicle Excise Tax	86,011	86,011	
County loit Income Tax	597,621		
2010 Circuit Breaker		-1,237,833	
ALL OTHER REVENUE			
Federal Matching Funds P.M.	5,768,846 <u>8,768,846</u>	12,003,294	
Transportation Receipts	4,672,356	9,345,960	<i>9,855,740</i>
Route Guarantees	744,253	1,205,480	
State PMTF	5,815,872	11,400,000	
Interest of Investments and (Miscellaneous)	31,289	100,000	
Advertising	150,000	300,000	
Transfer from Note	2,074,614 <u>0</u>	2,254,889 <u>0</u>	
TOTAL	21,061,588 21,986,974	36,564,543 34,818,874	

ESTIMATE OF FUNDS TO BE RAISED AND PROPOSED TAX RATES INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION GENERAL FUND		
2010 NET ASSESSED VALUATION	35,900,354,420	
2009 BILLED NET ASSESSED VALUATION	34,000,000,000	
	PUBLISHED BUDGET	CITY-COUNTY COUNCIL
FUNDS REQUIRED FOR REMAINDER OF FISCAL YEAR 2009		
1. June 30 actual cash balance of present year	4,481,992	
2. Necessary expenditures, July 1 to December 31 of present year, to be made from appropriation unexpended	28,192,677	
3. Additional appropriations necessary to be made July 1 to December 31 of present year	629,471 <u>554,857</u>	
4. Outstanding temporary loans to be paid and not included in lines 2 or 3	13,637,474	
5. Total expenditures for current year (add lines 2-4)	42,459,622 <u>42,385,008</u>	
6. Remaining property taxes to be collected present year	19,116,042	
7. Miscellaneous revenue to be received July 1 through Dec. 31 of present year	21,061,588 <u>21,986,974</u>	
8. Estimated revenue to be received July 1 to December 31 (add lines 6-7)	40,177,630 <u>41,103,016</u>	
9. Estimated December 31 cash balance, present year (add lines 1, 8 and subtract line 5)	2,200,000 <u>3,200,000</u>	
10. Total budget estimate for January 1 to December 31 of incoming year	54,720,144 <u>53,974,475</u>	
11. Miscellaneous revenue for January 1 to December 31 of incoming year	36,564,543 <u>34,818,874</u>	
12. Property tax to be raised from January 1 to December 31 of incoming year	15,858,674 <u>18,155,601</u>	
13. Operating balance (not in excess of expenses January 1 to June 30, miscellaneous revenue for same period)	2,200,000	
14. Estimated December 31 cash balance, of incoming year (add Lines 1, 8 and subtract line 5)	2,200,000	
Net tax rate on each one hundred dollars of taxable property		
Current year tax rate	0.0502	
Proposed tax rate for incoming year	0.0442 <u>0.0484</u>	

ESTIMATE OF FUNDS TO BE RAISED AND PROPOSED TAX RATES INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION - CUMULATIVE TRANSIT TRANSPORTATION FUND		
2010 NET ASSESSED VALUATION	35,900,354,420	
2009 BILLED NET ASSESSED VALUATION	34,000,000,000	
	PUBLISHED BUDGET	CITY-COUNTY COUNCIL
FUNDS REQUIRED FOR REMAINDER OF FISCAL YEAR 2009		
1. June 30 actual cash balance of present year	10,920,827	
2. Necessary expenditures, July 1 to December 31 of present year, to be made from appropriation unexpended	3,400,000	
3. Additional appropriations necessary to be made July 1 to December 31 of present year	0	
4. Outstanding temporary loans to be paid and not included in lines 2 or 3	0	
5. Total expenditures for current year (add lines 2-4)	3,400,000	
6. Remaining property taxes to be collected present year	7,520,929	
7. Miscellaneous revenue to be received July 1 through Dec. 31 of present year	334,259	
8. Estimated revenue to be received July 1 to December 31 (add lines 6-7)	7,855,188	
9. Estimated December 31 cash balance, present year (add lines 1, 8 and subtract line 5)	-12,115,523 <u>12,115,523</u>	
10. Total budget estimate for January 1 to December 31 of incoming year	3,592,608	
11. Miscellaneous revenue for January 1 to December 31 of incoming year	332,116	
12. Property tax to be raised from January 1 to December 31 of incoming year	3,590,035	
13. Operating balance (not in excess of expenses January 1 to June 30, miscellaneous revenue for same period)	15,705,558	
14. Estimated December 31 cash balance, of incoming year	15,705,035	
Net tax rate on each one hundred dollars of taxable property		
Current year tax rate	0.0100	
Proposed tax rate for incoming year	0.0100	

SECTION 5.

SUMMARIES OF APPROPRIATIONS, MISCELLANEOUS REVENUE, TAX LEVIES, NET ASSESSED VALUE AND TAX RATE					
Fund	Appropriation	Miscellaneous Revenue	Tax Levy	Net Assessed Value	Tax Rate
Indianapolis Public Trans. Corp. General	54,720,144 <u>53,974,475</u>	36,564,543 <u>34,818,874</u>	15,858,671 <u>17,358,671</u>	35,900,354,420	0.0490 <u>0.0484</u>
Indianapolis Public Trans. Corp. Bond	1,780,504	132,076	1,687,317	35,900,354,420	0.0047
Indianapolis Public Trans. Corp. Capital Grants Projects	16,320,078	16,320,078	0	35,900,354,420	0
Cumulative Transit Transportation Fund	3,592,608	332,116	3,590,035	35,900,354,420	0.0100
Total	76,413,334 <u>75,667,665</u>	38,660,813 <u>51,603,144</u>	21,136,023 <u>22,636,023</u>	35,900,354,420	0.0637 <u>0.0631</u>

AMEND PROPOSAL NO 316, 2009

SECTION 4

GENERAL FUND

INSERT

LINE 12A.

PROPERTY TAX TO BE RAISED NET
OF LOIT TAX OF 2,296,930

15,858,671

PROPOSED TAX RATE INCOMMING YEAR

.0442

SECTIONS

TAX LEVY

TAX RATE

15,858,671

.0442

TOTAL

21,136,023

.0631