

MUNICIPAL CORPORATIONS COMMITTEE

DATE: August 20, 2007

CALLED TO ORDER: 4:33 p.m.

ADJOURNED: 5:34 p.m.

ATTENDANCE

ATTENDING MEMBERS

Ron Gibson, Chair
Lonnell Conley
Vernon Brown
Sherron Franklin
Scott Keller
Robert Lutz

ABSENT MEMBERS

Isaac Randolph

AGENDA

PROPOSAL NO. 331, 2007- appoints Michael Fitzgerald to the Beech Grove Public Library Board
"Do Pass" Vote 6-0

BUDGET HEARING

Indianapolis Public Transportation Corporation (IndyGo)

MUNICIPAL CORPORATIONS COMMITTEE

The Municipal Corporations Committee of the City-County Council met on Monday, August 20, 2007. Chairman Ron Gibson called the meeting to order at 4:33 p.m. with the following members present: Lonnell Conley, Scott Keller, and Robert Lutz. Vernon Brown and Sherron Franklin arrived shortly thereafter. Isaac Randolph was absent. Also present was Chief Financial Officer for the Council, Bart Brown.

PROPOSAL NO. 331, 2007- appoints Michael Fitzgerald to the Beech Grove Public Library Board.

Chair Gibson introduced Mr. Fitzgerald and asked him to describe himself to the committee. Mr. Fitzgerald stated he was a retired firefighter and is currently self-employed. Mr. Fitzgerald stated he has been a patron of Marion County and Beech Grove Libraries and would like to see library operations from the other side.

Chair Gibson asked Mr. Fitzgerald to share his vision of what the Beech Grove Library needs to do to serve the needs of the citizens of Beech Grove. Mr. Fitzgerald stated that he did not want to make any recommendations for the library since he is not too familiar with the operations. Mr. Fitzgerald did state that would be actively involved in library programs.

Councillor Lutz moved, seconded by Councillor Conley that Proposal No. 331, 2007 be sent to the full Council with a "Do Pass" recommendation. The motion passed by a vote of 6-0.

Indianapolis Public Transportation Corporation (IndyGo)

The IndyGo budget presentation is attached. Below are the highlights from the presentation.

- President Holmes described the revenue income for IndyGo
- Updates to the fleet, computers, security and fire systems, and fixed fuel prices have brought down the cost to operate the system, while increasing the service provided
- IndyGo has become "green" by introducing two hybrid electric buses, ultra low sulfur diesel fuel with 10% ethanol blend, new bus furnace system for heat, recycled water for bus wash system
- Indianapolis has 120 buses that run daily, significantly less than other large cities in the United States. IndyGo has not had an increase in fleet numbers for the past five years
- The IndyGo fleet is about half the size of the fleet in the mid 1980's
- Indianapolis uses property taxes to fund public transportation, many other large cities use a dedicated source such as an income tax or local sales tax.
- IndyGo assists in emergencies as a first responder
- Property tax levy for 2008 reduces revenue to IndyGo by \$395,000.

Councillor Franklin inquired about the fuel contract and with what company the contract is held. Mr. Holmes stated the contract is with a company named Port's Petro, Mr. Holmes also stated there is a bid process that must take place if the city is to contract such services.

Councillor Lutz inquired as to the population size of the cities being compared (on slide 8 of the attached presentation). Mr. Holmes stated that those numbers can be obtained, but Indianapolis is larger than many of the cities listed.

Councillor Franklin inquired if the University of Louisville and other colleges in other cities subsidize the bus systems. Mr. Holmes stated that colleges who receive transportation services do subsidize city transit systems. Mr. Holmes stated that IndyGo has been in talks with Indiana University-Purdue University-Indianapolis (IUPUI), Indianapolis Public Schools, and Ivy Tech for transportation discussions.

Councillor Brown asked how Charlotte, North Carolina can have such a large budget, compared to Indianapolis, and have an operating expense per vehicle mile lower than that of Indianapolis (as illustrated on slides 9 and 10). Mr. Holmes stated that he is not sure how this is possible, but suggested Charlotte transit employees may have lower salaries than IndyGo employees.

Councillor Brown inquired that any changes made to funding sources would have to come from the state legislature. Mr. Holmes and Bart Brown confirmed Councillor Brown's statements. Bart Brown stated that property taxes are the only mechanism the state has given local governments in funding public transportation. Councillor Brown inquired if IndyGo lobbies at the State House for a change in public transportation funding. Mr. Holmes stated that it is illegal for IndyGo to lobby at the State House, but Mr. Holmes stated that he does lobby with the Indiana Transit Association. Mr. Holmes stated that the state legislature has expressed interest in public transportation for the first time.

Councillor Lutz inquired as to why there is a spike in ridership in August (referenced on slide 16). Mr. Holmes stated this was due in part to fairs, summer break for children, concerts, and other special events.

Councillor Brown inquired about relations between IndyGo Administration and the Union that represents the employees. Mr. Holmes stated that there have been major improvements that have led to a good relationship.

Councillor Lutz commended IndyGo's achievement in increasing the budget while simultaneously reducing the revenues from property taxes. Chair Gibson reiterated Councillor Lutz's statements by mentioning that IndyGo is doing more with less. Councillor Lutz clarified that \$2.1 million would come from federal grants and not from local sources, Mr. Holmes confirmed Councillor Lutz's statement.

Councillor Conley stated that the federal money granted to IndyGo could only be used for operations and not moved into another fund, Mr. Holmes confirmed the Councillor's statement.

Chair Gibson asked for the entire amount of the IndyGo budget. Wayne Oteham, Vice President and Chief Financial Officer, stated the budget is \$58.9 million. Chair Gibson inquired about total amount for 2007. Mr. Oteham stated it was about \$52 million. Chair Gibson asked for the advertised amount of the 2008 budget, Mr. Oteham stated \$59,807,648.

Councillor Franklin asked if IndyGo had advertised a levy appeal. Mr. Oteham stated that there was an appeal advertised for \$344,000 shortfall. Bart Brown stated that a levy appeal is a request for property taxes above the maximum levy. Chair Gibson asked for IndyGo to keep the committee informed and asked Mr. Holmes to update the Committee when more information becomes available.

Chair Gibson entertained public testimony. Ms. Joanne Hamilton, spoke to commend the current management for IndyGo. Ms. Hamilton also commended the Council for their great attitude in supporting IndyGo. Ms. Hamilton also stated that the city should come up with dedicated sources of funding and to abandon property taxes for funding. Ms. Hamilton suggested raising prices on downtown parking and using that extra revenue to fund public transportation.

With no further business pending, and upon motion duly made, the Municipal Corporations Committee of the City-County Council was adjourned at 5:34 p.m.

Respectfully submitted,

Ron Gibson, Chair
Municipal Corporations Committee

RG/brs