

MUNICIPAL CORPORATIONS COMMITTEE

DATE: August 30, 2004

CALLED TO ORDER: 4:05 p.m.

ADJOURNED: 5:16 p.m.

ATTENDANCE

Attending Members

Ron Gibson, Chair
Greg Bowes
Lonnell Conley
Scott Keller
Isaac Randolph
Earl Salisbury

Absent Members

Sherron Franklin

2005 Budget Hearing

Indianapolis Marion County Public Library Board
Indianapolis Public Transportation Corporation

MUNICIPAL CORPORATIONS COMMITTEE

The Municipal Corporations Committee of the City-County Council met on Monday, August 30, 2004. Chair Ron Gibson called the meeting to order at 4:05 p.m. with the following members present: Greg Bowes, Lonnell Conley, Scott Keller, Isaac Randolph, and Earl Salisbury. Absent was Sherron Franklin. Representing Council staff were Aaron Haith, General Counsel, and Kent Burrow, Chief Financial Officer.

Indianapolis Marion County Public Library Board

Louis Mahern, Indianapolis Marion County Public Library Board (IMCPL) member, introduced the new permanent Chief Executive Officer (CEO), Linda Mielke.

Mr. Mahern summarized that the IMCPL Board recognizes that these are stressful times for City and County budget makers, and thus has been mindful of its duty to the taxpayers as well as to providing the best possible service at the most affordable price. He said that for libraries of comparable size, IMCPL has a per capita operating expense near the lowest in the country. He added that although Indianapolis is the twelfth largest city in the country, in terms of actual circulation, Indianapolis has been ranked as the ninth busiest library. Between 1990 and 2000, Indianapolis grew in population by 12.6%. The library circulation grew by 92%. He noted that IMCPL has taken advantage of the new voice-over Internet protocol to provide voice communication needs, which has resulted in substantial savings. IMCPL has also realized savings by re-bidding the data communications contract. He said IMCPL continues to remain on the lookout for proven technologies that can enhance patron experience and save taxpayer dollars.

Mr. Mahern said that IMCPL has taken a closer look at which functions make most sense for IMCPL to carry out and which make more sense for others to perform. He said there are some functions that IMCPL found that they could handle more efficiently by bringing in-house. He noted that the new security services contract will allow IMCPL to add four new guards at an additional cost less than the cost of one under the old contract. He said that IMCPL feels it has struck a balance between efficiency and service by reviewing contracting, technology, and internal procedures. Through new technologies and procedures, IMCPL has been able to accommodate the explosive increase in demand with only a modest increase in expenses.

[Clerk's Note: Laura Johnson, Interim CEO, showed a PowerPoint presentation, which is attached as Exhibit A.]

Chair Gibson asked for the 2005 net assessed valuation and the 2004 billed net assessed valuation. Jerry Lockett, Chief Financial Officer, IMCPL, answered that for 2005 the total is \$37,510,136,838. Mr. Mahern answered that for 2004, IMCPL was instructed by the State to reduce the 2004 total assessment by 2%.

Councillor Salisbury said that he is trying to quantify \$55 per year per taxpayer, and he is concerned about taxpayers in his district who are on the cusp of already losing their homes. Mr. Mahern added that the "lion's share" of this increase is for bond services.

Councillor Gibson asked if the new Central Library construction has affected the 2005 budget. Mr. Mahern answered in the negative. He added that given the current construction circumstances, one of the reasons IMCPL filed suit against some of the contractors is because of technical reasons and so that the taxpayers do not bear the burden of the cost.

[Clerk's Note: Councillor Gibson asked for public testimony at this time 4:49 p.m.]

Those speaking in support of IMCPL included:

- Erik Beetle, Vice-Chair, Indianapolis Library Foundation
- Cindy Monier, Director of Business Research and Information Center at the Indiana Chamber of Commerce

Mr. Mahern summarized that the other municipal corporations have a number of different sources of funds that can be tapped. IMCPL is very dependent on property taxes, and IMCPL is the only public library system in the state that does not receive County Option Income Tax (COIT).

Chair Gibson thanked IMCPL for their presentation.

Indianapolis Public Transportation Corporation

Gilbert Holmes, Executive Director, IndyGo, introduced Wayne Otteham, CFO, and Greg Fehribach, Chair, Indianapolis Public Transportation Corporation (IPTC) Board.

Chair Gibson clarified that IndyGo has some technical amendments to make, but this will be done at the next committee meeting. He clarified that IndyGo is proposing an increase of \$3.7 million in the Operating Fund and \$3.7 million in the Cumulative Fund, which is actually the Special Transit Fund. Mr. Holmes concurred.

[Clerk's Note: Mr. Holmes reviewed a brief PowerPoint Presentation. Highlights are included as Exhibit B.]

Chair Gibson noted that he was a previous member of the Transit Task Force so he knows that there has been a significant amount of due diligence in terms of what IndyGo's needs are. He said that he supports any recommendations that have been made.

Councillor Randolph asked who at IndyGo has mass transit background experience. Mr. Holmes answered that his Chief Operating Officer and Senior Vice President, Bruce Minke, has extensive lifelong mass transit experience. He also noted that Fred Armstrong, Controller at IndyGo, has 35 years of experience at IndyGo.

Councillor Keller stated he was also a previous Transit Task Force member, and he supports IndyGo's request.

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Councillor Salisbury asked about the \$2 million loan to IndyGo from the City and what the rate for repayment is. Mr. Holmes said that it is to be repaid by the end of 2007, and the rate is current market rate with interest. Councillor Salisbury asked if the Task Force ever considered privatization of IndyGo. Chair Gibson responded in the negative.

Chair Gibson thanked IndyGo for their presentation.

With no further business pending, and upon motion duly made, the Municipal Corporations Committee of the City-County Council was adjourned at 5:16 p.m.

Respectfully submitted,

Ron Gibson, Chair
Municipal Corporations Committee

RG/hfs