ADMINISTRATION AND FINANCE COMMITTEE

DATE: August 30, 2005

CALLED TO ORDER: 5:10 p.m.

ADJOURNED: 6:35 p.m.

ATTENDANCE

Attending Members	Absent Members
Joanne Sanders, Chair	
Vernon Brown	
Lance Langsford	
Lynn McWhirter	
Mary Moriarty Adams	
Jackie Nytes	
Lincoln Plowman	

AGENDA

PROPOSAL NO. 435, 2005 - approves the Mayor's appointment of Earl S. Morgan, Sr. as the Director of the Department of Administration and Equal Opportunity
"Do Pass" Vote: 6-0

BUDGET HEARING

Information Services Agency/CIO's Office
County Assessor
Center Township Assessor
Decatur Township Assessor
Franklin Township Assessor
Lawrence Township Assessor
Perry Township Assessor
Pike Township Assessor
Warren Township Assessor
Washington Township Assessor
Wayne Township Assessor

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, August 30, 2005. Chair Joanne Sanders called the meeting to order at 5:10 p.m. with the following members present: Lance Langsford, Lynn McWhirter, Mary Moriarty Adams, Jackie Nytes, and Lincoln Plowman. Vernon Brown arrived shortly thereafter.

PROPOSAL NO. 435, 2005 - approves the Mayor's appointment of Earl S. Morgan, Sr. as the Director of the Department of Administration and Equal Opportunity

Mr. Morgan said he has spent a lot of time in the military and the public sector. He worked with the Indiana Department of Transportation, the Indiana Department of Administration, Homeland Security, and as Deputy City Controller. He said he believes the different responsibilities he has experienced will allow him to do some wonderful things as it relates to the Department of Administration and Equal Opportunity.

Councillor Nytes moved, seconded by Councillor Langsford, to send Proposal No. 435, 2005 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

[Clerk's note: Councillor Brown arrived at 5:15 p.m.]

BUDGET HEARING

Information Services Agency (ISA)/Chief Information Officer's (CIO) Office

Donald Banning, Chief Information Officer, gave a presentation on the 2006 proposed budget (Exhibit A, on file in the Council office). The key points are as follows:

- ISA's responsibility includes delivery of computers, telephone services, and the support of technology deployment across City, County, and township customers.

- The agency is administered through a nine member board, which meets monthly.

- ISA's organizational structure is as follows: Office of the CIO, Administration and Finance, Operations Management, Program Management, and Application Development.

- ISA serves over 7,000 customers and has over 126 locations connected to its network.

- ISA's proposed budget is $28.4 million, which increased by 1.7% or $476,000. Increases are the result of contractual change, equipment needed for the JUSTIS.net project, and additional agencies' maintenance agreements.

- Decrease in Character 01 is due to a reduction of one Full-Time Equivalent (FTE).

- Decreases in Character 02 are due to a reduction of $10,000 in expenses.

- Increases in Character 03 are due to variations in contracts and maintenance agreements.

- Decreases in Character 04 are due to the decrease in purchased equipment.

- Total projected revenue from the City is $15,111,862 and $12,864,190 from the County.

Councillor Nytes asked for clarification of the JUSTIS.net project. Shital Patel, Deputy Director/Chief Financial Officer (CFO), said the $1.4 million is for software and maintenance costs and is financed through the Indianapolis Bond Bank. Bob Clifford, City Controller, said the Courts are working with the County Clerk, County Sheriff, and Indianapolis Police Department (IPD) to maintain the software (JUSTIS) for an additional five years. He said they are working to migrate JUSTIS from a mainframe application to a dot net capability. He said the project should be completed by February of 2006. Councillor Nytes asked if the JUSTIS.net project was on the recommendation list from the Criminal Justice Planning Council (CJPC). Mr. Clifford replied in the negative and said the project is being funded outside the County Option Income Tax (COIT) at this time.

Councillor Sanders asked if an increase in health insurance was allotted in the budget. Mr. Clifford replied in the negative. Counicllor Sanders made note that a 12% increase in health insurance is anticipated and advised the Controller's office to prepare for such an increase in the ISA's budget. Mr. Clifford said they will be working on this issue.

Bart Brown, Council CFO, asked if ISA has ten positions that are not occupied. Mr. Banning said there are four positions that are not occupied. Mr. Brown asked what items are purchased out of Line Item 299 (Miscellaneous Supplies). Ms. Patel said telephone supplies for customers are purchased out of this line item.

County Assessor

Mr. Clifford distributed handouts that reflect lateral cuts made to the County Assessor's and Township Assessor's budget (Exhibit B and C, attached). He said the Controller's office is working with the County agencies to make sure the cuts proposed will not disable their governmental function. He said the proposed budget will cut ten percent out of the County and Township Assessor's budget. He said the Assessors will have to come before the Council in early 2006 for appropriations in several Characters to fully fund their budgets.

Paul Ricketts, Lawrence Township Assessor, said the Township Assessors adhered to the constraints of the general side of the budget, but the reassessment side of the budget has to be worked on.

Kim Diller, CFO for Office of Corporation Counsel, said the changes that are made in Exhibit C will be in the reassessment fund where the Assessors made revised requests in salaries. She said in the other Characters the Controller's office cut to allow them not to go over the advertised amount. She said this is the reason behind the need of additional appropriation in January 2006.

Mr. Brown said he believes the Council can increase the appropriation but cannot go over the advertised levy, and can therefore take care of needed appropriations this year.

Councillor McWhirter asked if all Assessors are comfortable with their budget. Mr. Ricketts replied in the affirmative and said they have had numerous meetings with the Controller's office. Councillor McWhirter asked how the new property system will affect the amount of money in the reassessment fund. Mr. Ricketts said it will present a challenge and they are not sure of the best and final offer at this time.

Joan Romeril, County Assessor, said the County Assessor's office is divided into the appeals, non-for-profit exemptions, and inherited tax divisions. She said the appeal division makes up most of the activity within the office. She distributed a statistical sheet that lists statistics for each segment of the office (Exhibit D, on file in the Council office). She said trending will begin in 2006, which will be annual adjustments until the next reassessment in 2009. She said 2006 is also a filing year for not-for-profit exemptions and they are anticipating 4,000 filings, which have to be entered into the computer before being processed. Ms. Romeril stated the inherence tax division has a staff of three and they calculate the inherence tax for the probate court. She said they historically bring in between $24 and $38 million a year; 92% of the revenue goes to the State's general fund, and 8% goes to the City's general fund.

Councillor Langsford asked where a majority of the not-for-profit exemptions are located. Mr. Romeril stated most of the exemptions are in Center Township.

Councillor Nytes asked if the fifteen FTEs are reflected in the County Assessor's budget. Mr. Ricketts said the general reassessment budget figures are based on the current employees. He said the County Assessor is authorized for fifteen FTEs but only has the money to fund fourteen. Ms. Romeril said one problem is that funding to hire a hearing officer has been slowly taken away. Mr. Ricketts said in the last two years the Assessors were asked by the Auditor's office to make a five percent cut across the board, and where other Assessors could not make the cut the County Assessor was able to cut within her budget.

Councillor Brown asked for an update on the revenue produced by business property assessments. Mr. Ricketts said they are in the process of deciding how to distribute the

money, by taxing unit or township. He said they have netted several million dollars that have been put into the coffers at this time. He said they anticipate between $15 million and $18 million after money is distributed for fees and to schools in the township where the money was found. Councillor Brown asked what involvement the State Auditor has. Mr. Ricketts said the State Auditor's involvement is to set the rules on rather the money comes out by taxing district or by a special fund.

Township Assessors

Mr. Ricketts said this year the Township Assessors have to send out letters to every rental unit in their township to give them the option of either staying with the assessment they already have or reevaluating their assessment. He said they will also be faced with trending next year and conversion of the new property system. He stated they are not increasing any employees' salaries nor are they increasing the number of employees that they have at this time.

Chair Sanders asked when the new property system will be completed. Mr. Ricketts said they decided to visit some sites where the property system is already implemented to see how user-friendly it is. He said it has been narrowed down to three different property systems and the challenge is to find the one that helps everyone. He said he hopes that in October of 2005 the conversion will be made. Chair Sanders asked what the total amount is for the new property system. Mr. Ricketts said he cannot legally say, but the bid is within their estimated amount.

Councillor Nytes asked if an appropriation will be needed for the purchase of the new property system. Mr. Ricketts said the Information Technology (IT) Board is supposed to approve the purchase of the property system and the Council will have to appropriate the endorsement fund, disclosure fund, and reassessment. Mr. Clifford said he would like to see some buy-in from the State and a cost benefit analysis on the system.

CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 6:35 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Administration and Finance Committee

JS/as