

APPROPRIATION ORDINANCE NO. A-1-13

AN ORDINANCE appropriating monies into certain accounts for the 2013 Budgets of various funds and departments of the City of Fort Wayne, reducing the unappropriated and unobligated balance of the particular fund involved as required to meet obligations for the remainder of 2013.

WHEREAS, the budget adjustment policy of the City of Fort Wayne stipulates that all Departments operating on a tax supported and/or City Council approved budget shall submit requests to the Controller for appropriation of additional monies to the 2013 budgets to provide sufficient operating funds for the remainder of 2013;

WHEREAS, adequate funds exist in the unappropriated and unobligated balance of the funds specified and in the appropriations of certain departments as specified,

WHEREAS, such appropriations have been recommended by the City Controller

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1 That there is hereby appropriated to the 2013 budget accounts of the various departments listed below, the following amounts, respectively, to-wit:

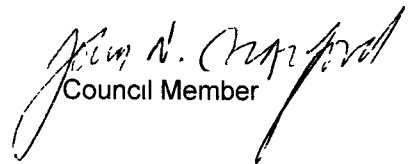
FUND:	DEPARTMENT:	TO:	LINE:	AMOUNT: Increase
General	Internal Audit	5111	Salaries & Wages	\$ 140,514
		5131	PERF-Employers Share	14,051
		5132	FICA	10,749
		5134	Life Medical & Health Insurance	26,550
		5136	Unemployment Compensation	140
		5137	Workers Comp	149
		513A	PERF-Employees Share	4,216
	5314	Consultant Services	1,630	
	Public Works	5274	Salt	150,000
	TOTAL GENERAL			

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CEDIT

Concrete	5431	Ground & Surface Construction	\$ 415,842
District 1	5431	Ground & Surface Construction	12,672
District 4	5431	Ground & Surface Construction	29,793
District 5	5369	Contracted Services	3,138
TOTAL CEDIT			\$ 461,445
TOTAL APPROPRIATIONS			\$ 809,414

SECTION 2. That this Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.


Council Member

APPROVED AS TO FORM AND LEGALITY


Carol Helton, City Attorney

Public Hearing Date, if applicable

3-26-13

Read the first time in full and on motion by Councilman *John Crawford*
Read the second time by title and referred to the *Finance Committee*
Committee. Read the third time in full and on motion by Councilman *Crawford*, placed on passage by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	5	3		1
BENDER		✓		
CRAWFORD		✓		
DIDIER		✓		
HARPER	✓			
HINES	✓			
JEHL				✓
PADDOCK	✓			
SHOAFF	✓			
SMITH	✓			

DATED:

3-26-13

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) ORDINANCE (RESOLUTION) NO. *A-1-13* on the *26th* day of *March*, 2013

Sandra E. Kennedy
SANDRA E. KENNEDY,
CITY CLERK

Thomas F. Didier
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the *29th* day of *March*, 2013, at the hour of *10:00* o'clock *A.M.* E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this *29th* day of *MARCH* 2013, at the hour of *3:30* o'clock *P.M.* E.S.T.

Thomas C. Henry
THOMAS C. HENRY, MAYOR

BILL NO. R-13-02-30

REPORT OF THE COMMITTEE ON FINANCE

March 26, 2013

JOHN CRAWFORD – CHAIR
TOM SMITH – CO-CHAIR
ALL COUNCIL MEMBERS

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED AN ORDINANCE appropriating monies into certain accounts for the 2013 Budgets of various funds and departments of the City of Fort Wayne, reducing the unappropriated and unobligated balance of the particular fund involved as required to meet obligations for the remainder of 2013. COMMITTEE OF FINANCE HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE

DO PASS

DO NOT PASS

ABSTAIN


NO REC

John Crawford
Tom Smith
Martin A.B.

John Crawford
Martin A.B.

John Crawford
Tom Smith
Martin A.B.


SANDRA E. KENNEDY
CITY CLERK



City of Fort Wayne

*Fiscal Policy Group
Final Briefing*

March 26, 2013



Purpose of tonight's presentation

- To discuss:
 - ✓ The last of the framework of ideas
 - ✓ What Council decisions in the past have affected today's financial picture
 - ✓ How the City has responded to those decisions
 - ✓ Why past practice and property tax caps require a change in the way the City does business
 - ✓ Why it is important for taxing units to work together

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Commitment from the Legacy Fund



- A \$1 million contribution annually for five years beginning in 2013 through 2017
- Source of cash will come from investment earnings from the Trust
- Funds will be used for streets and roads

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Annexation Strategy 2013



Areas around airport

- Assuming a fire station is **not** needed:
 - April 2013 - Legal issues regarding the City's fire responsibilities in SWAC Fire District
 - May-July 2013 - Draft annexation fiscal plan(s) for areas that meet State Statute requirements
 - August 2013-January 2014 - Adoption of fiscal plan, public hearings and ordinance approval
 - February 2014 - Annexation become effective
- Assuming a fire station is needed:
 - This annexation may not be financially viable

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Annexation Strategy 2013 (continued)



Also under evaluation:

- Buckner Park area
- Areas north and northeast

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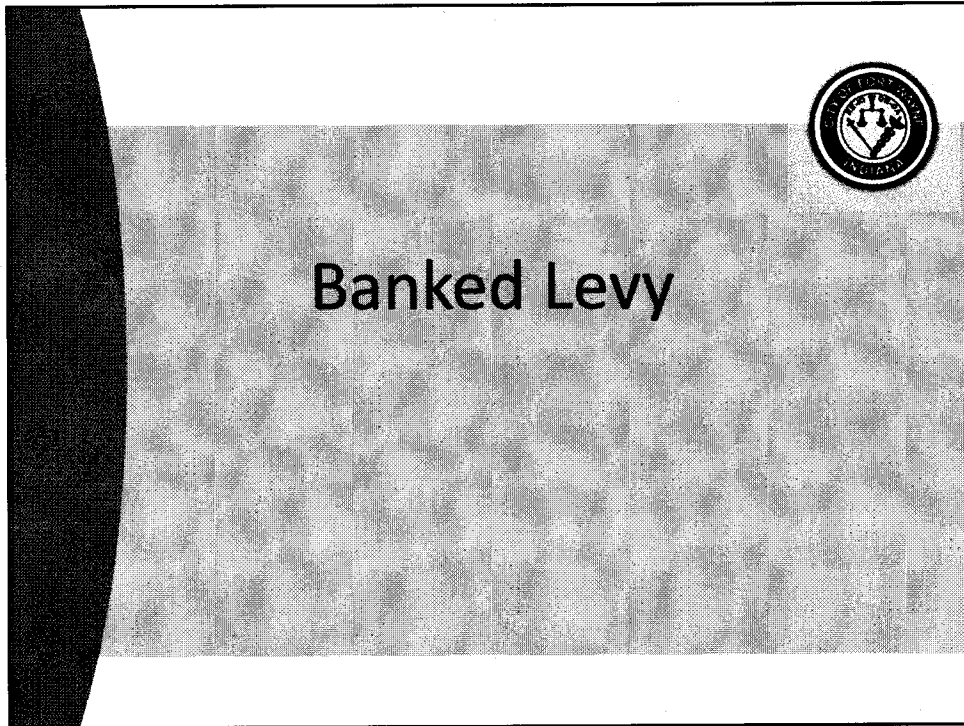
Adoption of the Municipal Cumulative Capital Development Fund




- Revenue generated by levying a property tax
- May be used for any purpose for which property taxes may be imposed
- The maximum property tax rate that may be imposed:

0 years	\$0.0167
1 year	\$0.0333
2 or more years	\$0.0500
- Most cities and counties in Indiana, including Allen County, have adopted this fund
- The policy decision in the 1990's was to not adopt this fund
- This City believes this is the time to adopt this fund

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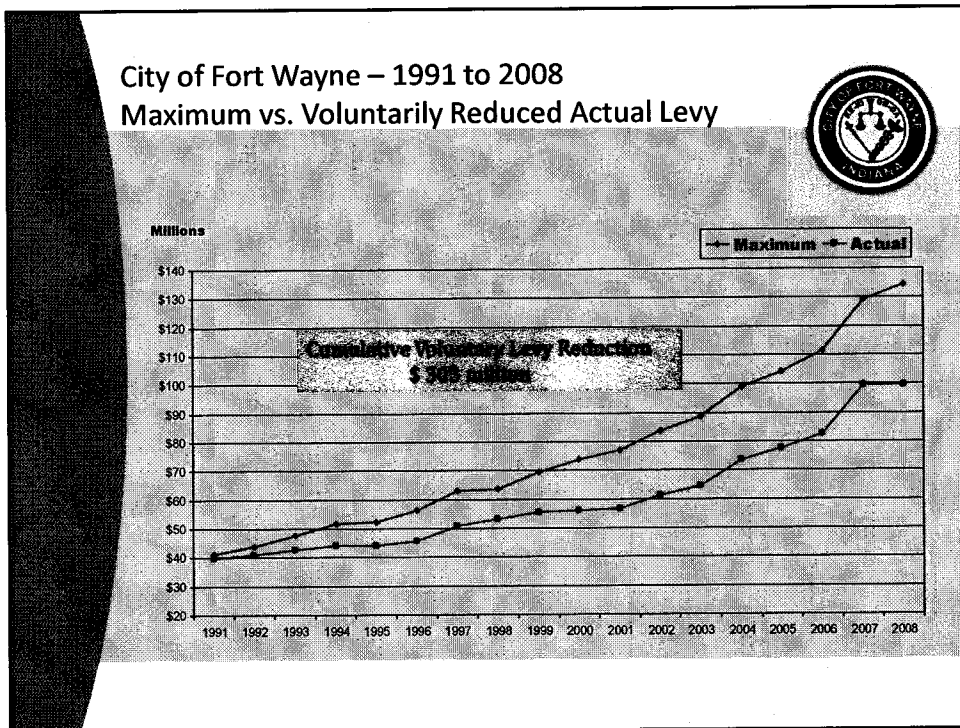
Prior to 2008 Property Tax Legislation
Creation of the voluntary "banked levy"



- The term "levy" is the amount of property taxes to be collected from taxpayers
- "Banked Levy" is created when taxing unit chooses not to take the legally allowable "levy"
- In early 1990's, unlike most other taxing units, the City of Fort Wayne's elected officials made the policy decision to offset income taxes with a reduction of levy

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The slide features a dark curved shape on the left side and a light gray background. The City of Fort Wayne logo is positioned to the right of the title. A small number '8' is located in the bottom right corner of the slide content area.



- ### Voluntary reduction of revenue prior to 2008 Property Tax Legislation
- In 2008 alone, the City's maximum levy could have been **\$135 million**
 - The City's actual levy was **\$99.4 million**
 - Unlike most other taxing units, the City of Fort Wayne's elected officials have **voluntarily reduced revenues** for over 20 years to ensure the City expenses are reduced

Voluntary reduction of revenue prior to 2008 Property Tax Legislation (continued)



- By voluntary reduction of revenue, the City reduced expenses by \$35 million as the City has grown by 37% in both geography and population with 10% reduction in personnel (excluding public safety)
- The downside to this strategy, the City's capital expenditures were not being maintained at the level desired by neighborhoods

Without voluntary revenue reductions by the City of Fort Wayne, what would the change in cash be for other taxing units just in 2014? (in thousands)



<u>Taxing Unit</u>	<u>Estimated Cash Increase / (Decrease)</u>
Allen County	\$ (4,987)
City of Fort Wayne	\$ 20,384
New Haven	\$ (22)
SW Allen Co Schools	\$ (1,280)
NW Allen Co Schools	\$ (454)
FW Community Schools	\$ (6,115)
East Allen Co Schools	\$ (278)
Allen Co Public Library	\$ (1,915)
Other	\$ (1,462)
TOTAL	\$ 3,871

2008 Property Tax Legislation



- On October 23, 2007, then Governor Daniels announced:

“We can lower the average Hoosier property tax bill by more than a third”

- Unlike most other taxing units, due to responsible City elected officials, the City residents were already enjoying a 35% reduction of their property tax bill
- Allen County homestead taxes in 2011 were still 30.8% lower than they were in 2007, before the property tax reforms

2008 Property Tax Legislation (continued)



Additional property tax relief for the 65,937 homeowners

- \$1.6 billion of supplemental standard deduction reducing the Gross Assessed Valuation
 - Additional supplemental standard deduction average per household \$ 24,000
- \$53 million of property tax relief due to circuit breaker
 - Average property tax cap relief per household \$ 800

City taxpayers received greater property tax relief than even the Governor predicted and our City elected officials are responsible for that

Restoration of voluntary "banked levy"



- Although the legislature removed any banked levy a taxing unit accumulated in 2003, the legislature restored this ability in 2010
- With the voluntary cut of the levy in 2012 and 2013 by the City elected officials, the City has accumulated \$6.5 million in banked levy
- With the adoption of property tax caps, most cuts in the levy do not go to the taxpayer, but to other taxing units

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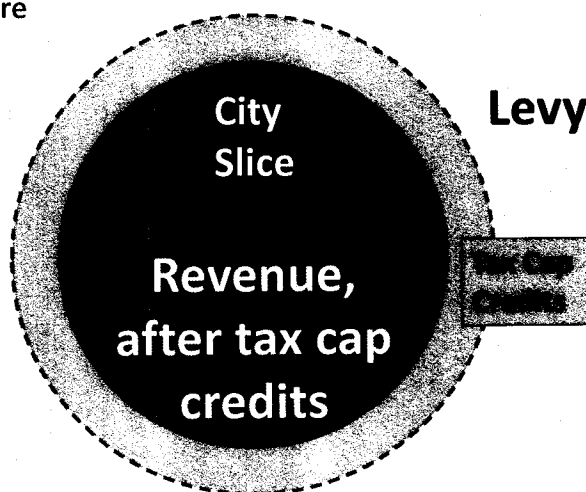
The Fixed Tax Pie

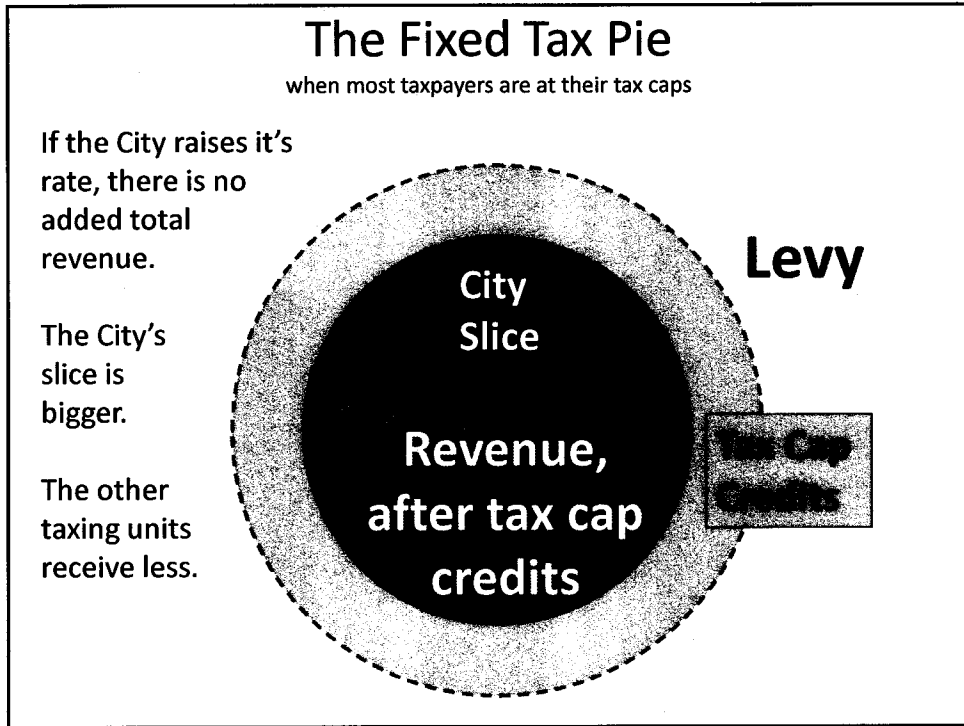
when most taxpayers are at their tax caps

A lower City rate is a smaller share of total district rate.

The City slice is smaller.

The other taxing units receive more.






What options are available to the City?

Without a change in fiscal policy, the City will continue to be in a position:

- Streets and roads will continue to be underfunded
- Police and Fire will not be staffed at the appropriate levels
- Services will have to be significantly reduced
- The City will be limited in adequate cash for unforeseen emergency



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What options are available to the City?

(continued)



With proposed framework of ideas:

- Streets and roads funded on a pay as you go basis
- Police and Fire can increase staff
- Services maintained at current levels
- The City will have adequate cash for unforeseen emergency

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Summary



- ✓ The City's past fiscal policies have saved City taxpayers hundreds of millions of dollars
- ✓ The City, while growing by more than 37%, has saved millions of dollars in expenses
- ✓ 68% of citizens think the City is on the right track
 - Citizens like the services they are receiving
 - Citizens do not want to see services reduced
- ✓ As elected officials made difficult decisions for the past 20 years, today's elected officials must determine the financial future of the City of Fort Wayne

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Questions?



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The image shows a slide with a white background. On the left side, there is a dark, curved vertical bar. The word "Questions?" is written in a large, black, sans-serif font in the upper left quadrant. In the upper right quadrant, there is a circular seal of the State of Texas, featuring a five-pointed star in the center, surrounded by the words "THE STATE OF TEXAS" and "1845". The bottom right corner of the slide contains the number "21".

Memo

To: Members of Common Council
From: Al Moll – Director of Parks and Recreation
CC: Carol Helton- City Attorney- Tracy Neumeier- Director of Internal Audit
Date: March 22, 2013
Re: Internal Audit Department Support

While I rarely weigh in on issues like this, I am writing as a Division Director in support of retaining the City Internal Auditing Department in its current state. As a former Chief Financial Officer of a publicly traded company, business owner, member of numerous Boards in the Community and City Controller, I believe I bring a perspective of the value of internal auditing that few can. In my 40 years of dealing with either outside public accounting firms, internal audit staffs, regulatory audit agencies at both the State and Federal level, I have never seen an instance where it was suggested the elimination of the audit function was a sound strategy for the future. **In response to the proposed budget cuts, the City formed an Assessment Committee that concluded the Internal Audit department is staffed correctly and provides value. I am in total support of their findings and believe the internal audit function is a key element to any diverse operation, especially one as diverse and complex as the City of Fort Wayne.**

Anyone can debate the ultimate financial value of the internal audit process, but that can be said for any staff function that does not deal directly with customers, citizens or shareholders. **The value of the internal audit department is not only related to what they review, but also to what they do not review. The internal audit process helps establish a culture that all practices could be reviewed, and drives a self-discipline management environment that is a value to any organization, public or private.**

Whether as CFO and dealing directly with a Board of Directors and Shareholders, a business owner relying on audited financial statements to secure financing from Banks or a City Executive managing departments, I have always embraced the audit process. The City Audit process does not try to imply during the audit that as an external arm it has a better handle on your operation than you, it merely is confirming sound operations and relating observations for improvement. Frankly, no one enjoys the audit process, and we have not always agreed with the findings, but in reality it has been helpful and beneficial for the Department to be reviewed by an independent resource.

When I joined the City in early January, 2003, the internal audit department was in the middle of a special audit that had been requested by all parties. As some of you may remember, one of my initial assignments was to engage an outside firm to conduct a forensic audit. There were a variety of charges or concerns relating to existing practices. While we all knew they

were unfounded, it was the work of the internal auditor (who currently holds the position) and the outside forensic audit that brought everything to solid solution. The audit process brought complete credibility, internal and external to the review and eliminated any suspicion.

As more of my career has been in the private sector verses the public sector, I have always considered the City Council as the Board of Directors of the City Business. **We would hope that City Council (Board of Directors), as well as our taxpayers, would find comfort (as we do) in the oversight that the audit department brings to the table and encourage its independence with the continuation of this essential function. I appreciate your consideration of this request.**

**A RESOLUTION APPROVING THE DISTRIBUTION OF FUNDS FROM THE FORT WAYNE
COMMUNITY TRUST FUND.**

Whereas, the City of Fort Wayne has created the City of Fort Wayne Community Trust to invest in projects that will have positive long-term community impacts and the long term best interest of the community, and;

Whereas, the Community Trust came from a Public Work Utility and infrastructure is a Public Work, and;

Whereas, strong infrastructure is paramount to the City of Fort Wayne Comprehensive Plan, and;

Whereas, strong infrastructure maintains or increases property values, and;

Whereas, strong infrastructure builds up neighborhoods and dilapidating infrastructure weakens neighborhoods, and;

Whereas, strong neighborhoods are the foundation of a great City, and;

Whereas, catalytic and transformative change cannot be achieved without public infrastructure;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. The City of Fort Wayne Common Council hereby authorizes the Board of Trustees of the City of Fort Wayne Community Trust to distribute funds accordingly:

Infrastructure Appropriations: Public Works- \$2,123,333 upon receipt of the 2013 annuity.

This will provide funds for needed neighborhood street repairs and replacements, helping build a stronger community, preserving the attractiveness of Fort Wayne as a wonderful place to live, and provide needed infrastructure.

SECTION 2. This Resolution shall be in full force and effect from and after its passage any and all necessary approval by the Mayor.

Council Member

Council Member

Council Member

APPROVED AS TO FORM AND LEGALITY.

Sandra Kennedy

From: Russ Jehl [RJehl@naihardingdahm.com]
Sent: Friday, December 14, 2012 11:36 AM
To: Joe Bonahoom; Sandra Kennedy
Cc: John Crawford; Mitch Harper
Subject: RE: Legacy Funds- Neighborhood Street Repair Proposal

The resolution is co-sponsored by John Crawford, Mitch Harper, and me. It should be summarized as "a resolution to invest in neighborhood improvements."

I can be reached with any questions.

NAI Harding Dahm

Commercial Real Estate Services, Worldwide.

Russell W. Jehl
Associate Broker

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Consider the environment – please think before you print!

✘ Right-click here to download pictures. To help protect your privacy, Outlook prevented automatic download of this picture from the Internet.

From: Joe Bonahoom [mailto:joeb@bonahoom.com]
Sent: Friday, December 14, 2012 11:03 AM
To: 'Sandra Kennedy'
Cc: Russ Jehl
Subject: FW: Legacy Funds- Neighborhood Street Repair Proposal
Importance: High

Sandy see the attached which needs to be introduced on Tuesday. Call me ASAP

12/14/2012

Joseph (Joe) G. Bonahoom
Bonahoom & Bonahoom, LLP
Bonahoom Sports Management, LLC
260-420- 4055 (office) 260- 615-8788 (cell)

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From: Russ Jehl [mailto:RJehl@naihardingdahm.com]
Sent: Friday, December 14, 2012 10:49 AM
To: Joe Bonahoom
Cc: John Crawford
Subject: FW: Legacy Funds- Neighborhood Street Repair Proposal

Joe:

I know yesterday is the only time you've asked Council to not add any work to your load, but John Crawford and I would like to introduce the attached Legacy resolution this Tuesday before Council breaks for a couple weeks. Is that possible?

NAI Harding Dahm

Commercial Real Estate Services, Worldwide.

Russell W. Jehl
Associate Broker

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12/14/2012