Est

Martin

County

THE MARTIN COUNTY COUNCIL

SPECIAL SESSION

SEPTEMBER 6, 2023

MINUTES

The Martin County Council convened in a special session on Wednesday, September 6, 2023, in the Commissioners’ Room at the Courthouse located at 129 Main Street, Shoals, Indiana. Councilmen attending: Jordan Dant via Zoom, Adam Greene via Zoom, Warren Albright, Keith Gibson, Monty Gregory, Jim Hamby, and Andrew Beaver. Also attending were Auditor Michelle Norris and Greg Guerrettaz and Charlie Joyce from Financial Solutions Group both via Zoom.

Auditor Michelle Norris called the meeting to order with the Pledge to the Flag at 5:30 pm.

Charlie Joyce with Financial Solutions Group started with the general fund revenues. Mr. Joyce stated since the last meeting, good news was received regarding income taxes. Local income tax for 2023 was $1,172,000 but for 2024 the State certified an amount for the County of 1,305,000. That is a big increase especially since last year at this time when the Council was talking about a negative trust balance at the State. At the State level it takes a little bit of time for those revenues to make it through the State and back out to the counties. Mr. Greg Guerrettaz stated he calculates the LIT increase to be a $133,000, and from 2022 to 2023 there was only a $10,000 increase. Mr. Joyce stated the increase is about 11% for 2024.

Mr. Joyce pointed out the sheriff housing of inmates has historically been $300,000-$400,000. Mr. Joyce stated that number could go lower because the County does not have control over that from the standpoint of other counties could stop sending their inmates to Martin County and that revenue could be lost. After discussions with the Sheriff, the Sheriff has signed off on a revenue of $300,000. That revenue has been kept in the budget each year so that has been a major positive impact on the County.

Mr. Joyce stated he would also like to highlight the interest on investments. In 2022 only $44,000 in interest was received. Interest is higher this year and there is more interest to be made in the future. The Council has asked the Treasurer to look at some other investments to make sure the earnings to the County are maximized. Safety is number one, the County does not want to lose any money, but if some money could be put into a CD or different options with the State. The revenue for interest has been increased to $150,000 for 2024 and could even be more if some better investments are made.

The County is only going to get 4% on property taxes for 2024, the State has capped that amount for all counties. Mr. Guerrettaz stated he has calculated that increase to be $78,000. Mr. Joyce stated there is a nice growth trend going with less than $3.9 million in 2022 and we are projected to be over $4 million in 2023 and in 2024 the County will be close to $4.3 million. Mr. Guerrettaz stated regarding the expenses the County has budgeted $4,220,000 which is just slightly below the projection of $4,253,000 so we are right where we need to be on the general fund and does not leave a lot room for additional appropriations. Mr. Joyce stated there is more than a balanced budget and the County will bring in more than it expects to spend. Mr. Guerrettaz asked the Council to keep in mind in 2023 the County is in the same position depending on where additional appropriations are at the end of 2023. Mr. Guerrettaz stated the general fund is holding its own. Mr. Joyce stated the 2024 budget does include the raises which were discussed at the last meeting and it is a positive for the County to get those salaries up and getting closer to market conditions. Mr. Guerrettaz stated in 2025, 2026, and 2027 the Council will need to be very, very careful.

The EDIT fund was the next fund to be discussed. Mr. Joyce stated the EDIT fund will also see an increase like the general fund due to the local income tax. There will be about an 11% increase in the EDIT fund based on the growth in income tax. That is almost $300,000 in additional revenue which is very strong and is better than the last couple of years in income tax. In the expenses the County still has all of the personnel costs of the ambulance in the EDIT fund. The other big items in the EDIT fund are health insurance at $575,000 for 2024 and other County insurance costs are also in this fund.

The EMS fund, 4002, was the next fund to be discussed. Mr. Joyce stated this fund is the critical fund in matching revenues and expenses. Estimates were made in regards to the revenue. For 2023 there was an estimate made of a total revenue of $483,000 and was about half patient revenue from Medicare and patient revenue from other insurance. As of June 30th, about half of that revenue has been collected. President Dant pointed out that number is not a true half a year’s revenue because some of the collections were from runs from October through December of last year. Councilman Albright stated the ambulance has also just become a full-service ambulance. Mr. Joyce stated for 2024 the total revenue to be $792,000. Mr. Joyce asked the Council and Ambulance Director Jeramey Osborn if that amount of revenue was realistic. Director Osborn stated as of today they have collected $243,000 in revenue. Director Osborn stated $792,000 is high for 2024. Director Osborn stated they will be adding transfers in the very near future, but without seeing those numbers it is hard for him to say yes to that number. President Dant stated he agreed with Director Osborn, that number feels too high for an annual. Director Osborn stated with just 911 runs they are close to $500,000; with transfers he does not know what that number looks like. President Dant stated we need to error on the side of caution because at this point, we do not even know what the market is. Mr. Guerrettaz recommended the Council put in a revenue of $550,000 because the budget is $484,000. Mr. Joyce stated $484,000 is the target revenue that must be brought in, hoping that if more revenue were brought in than the budget that at some point some of the personnel costs could be moved out of EDIT, but for 2024 that is probably not on the table at this point. But that may be able to be done in the future depending on the revenue brought in.

The expenses of the ambulance fund were examined by the Council. Mr. Joyce stated the fringe benefits of the personnel were being paid out of this fund, such as PERF, FICA, health insurance, EMS supplies, fuel, uniforms, and all other services and charges. These expenses are pretty much everything except salaries and wages.

Mr. Joyce asked if the Council had specific funds they wanted to review. Mr. Joyce stated overall as they look at the funds, the outlook is very positive with the increases in revenue which make the County financially look stronger compared to where it was at. Councilman Hamby asked at what percent the local income tax was estimated at in the first model. Mr. Guerrettaz responded it was estimated at 7% but it came in at 11%. Mr. Joyce stated the reason why it changed so much was because the County increased the cumulative capital development property tax rate for 2023 which increased the levy and that is who the State distributes those income taxes, a year later you get credit for the higher levy which gives a higher proportion of income taxes.

Mr. Joyce reviewed cumulative bridge fund with the Council. Mr. Joyce stated this was a hard fund to estimate because there are projects one year that will not be happening the next year so there is an ebb and flow to this fund. This fund is built to be a worst-case scenario, to spend more than is brought in, but that is not expected to really happen. There is a budget for 2024 of just under $300,000. If all that budget is spent, the balance will be spent down a little bit in cum bridge.

The Council and FSG reviewed the cumulative capital fund. The property tax rate was increased for 2023 so the fund went from bringing in $75,000 per year to $183,000. There is an opportunity in this fund to spend a little more if the County needed to buy an ambulance, a computer system, or something capital is normally what would be paid out of this fund. For 2024 there is only $129,000 budget so if there is a big project the Council or Commissioners want to see, this is the place to put it. Auditor Norris stated a new server is needed for the County. There are currently five different servers within the County and all are nearing the end of support life from Dell. The Council decided to change computer replacement from $20,000 to $120,000 to cover a new server.

The Council and FSG reviewed the health department funds. Mr. Joyce stated these funds are straightforward, they can only spend what is received in these funds. There is a new State funding mechanism for health and Martin County opted into that funding. In addition to fund 1159 there is also the money that is coming in from the State, which at maximum will be $175,000 for 2024.

The Council and FSG reviewed local road and street fund. Mr. Joyce stated this fund is similar to the cumulative capital fund where more money is brought in than is being spent. Mr. Joyce asked if there were any road projects that need to be addressed that have not been budgeted for so far. Mr. Joyce stated revenue is expected to be $213,000 for 2024 and there is a budget of $182,000. The cash balance has built up for the last few years because money has been saved for possible bigger projects or to keep saving. Mr. Joyce asked Auditor Norris is equipment is being purchased from this fund. Auditor Norris stated a grader is planned to be purchased in November. The Highway Department is looking to purchase another piece of equipment to replace a Gradall but that has not been budgeted for.

The Council and FSG reviewed the public safety fund. This is another fund which has been positively impacted by the income tax. In 2023 revenues of $390,000 will be received in this fund but in 2024 revenues are expected to be $450,000. In 2024 the expenses budgeted are $280,000. In this fund there are issues with the patrol vehicles ordered in the Summer of 2022 but not yet received. Mr. Joyce stated if those trucks are not received and paid for by the end of the year an encumbrance might need to be done to take that budgeted amount from 2023 to 2024.

The Council and FSG reviewed Motor Vehicle Highway restricted fund. Mr. Joyce stated the restricted fund is where the State requires 50% of the MVH revenue to be placed. This fund can only be spent on construction, reconstruction, and preservation of roads and bridges. This fund should be spent first before the unrestricted if it qualifies. In 2023 and 2024 the Council is spending a little more than what is being brought in and that is because that fund balance has been built up.

The Council and FSG reviewed the Motor Vehicle Highway unrestricted fund. This fund is used to pay for highway department salaries. The revenue comes in primarily from the State from MVH distributions. A little more is being spent in the budget that what is being received but historically the whole budget is not spent at the end of the year. The fund balance has grown and if the whole budget were to be spent, we would eventually go negative but that has not been the case for this fund. Mr. Joyce stated the expenses in this fund are salaries and fuel. There is $150,000 budgeted for fuel for 2024. Auditor Norris stated there is $150,000 budgeted for 2024 because there is no fuel budgeted in the restricted fund, it is all being spent out of the unrestricted fund next year.

The E911 fund was reviewed by the Council and FSG. Mr. Joyce stated the County will be spending more in this fund than will be received in revenue and the fund balance will be spent down. Mr. Joyce recommended the Council keep an eye on this fund because it will run into a problem if the trend continues. Mr. Joyce stated this fund will start to run out of money and some of the costs may need to be shifted into the EDIT fund. Mr. Joyce stated more revenue can not be brought into this fund, it is limited by the State. Mr. Joyce stated the budget is $307,000 but the revenue is only just over $200,000. This fund will continue to be monitored by FSG and the Council.

The reassessment fund was reviewed by the Council and FSG. Mr. Joyce stated a little more has been budgeted that what will be brought in but normally the full budget has not been spent. Overall, this fund is in good shape.

The TIF fund was the next fund to be reviewed by the Council and FSG. Mr. Joyce stated he believes the County is ready to spend money from this fund on projects to spur some additional development. Mr. Guerrettaz asked if the redevelopment commission had an improvement plan. Auditor Norris stated the commission is working on it, but does not yet have a plan in place. Councilman Albright is on the commission and stated they are still working on a plan. Mr. Guerrettaz stated next year a formal budget must be filed with the State.

The Council and FSG reviewed the riverboat fund. Mr. Joyce stated the revenue comes directly from the State so that revenue is a constant number. There is about $55,000 in revenue received each year with a budget in 2024 of only $21,000. This is another fund where there is an opportunity if there are some needs that can’t be addressed in another fund this is a chance to put something in the budget in this fund. Mr. Joyce asked the Council if there was anything that has not been talked about that is a urgent or priority need for the County. Councilman Albright stated riverboat has been looked at as the rainy-day fund when something surprising comes along. Mr. Guerrettaz suggested budgeting some money in this fund for part of the server so not to deplete the CCD fund. Mr. Guerrettaz stated if that additional money is not needed it is kept in this fund. The Council decided to budget $25,000 in the riverboat fund for computer equipment.

The Council and FSG reviewed the ARPA fund. Mr. Joyce stated it is expected that all the funds will be spent out by the end of 2023, but at the latest it has to be obligated by the end of 2024. Auditor Norris stated there is about $48,000 left in the fund. Councilman Albright stated if it is all spent out this calendar year than it will keep the County from having a federal audit the next year.

Councilman Albright stated to have added an ambulance service and to be in this condition is a good thing. Mr. Guerrettaz stated the County is surviving and moving ahead a lot better than he thought the County would. He recommends the Council be cautious and careful. Mr. Joyce stated overall the assessed value for the County for 2024 is up just over 1%. Mr. Joyce stated the County can grow 4% on the property tax levies so there will be a little bit of a tax rate increase for 2024. Last year the AV increased by 20% so the tax rate went down from $.52 to $.47. FSG is thinking for 2024 the rate will go up to $.48 or $.49 so everyone is not surprised by that. Since the AV only went up by 1% the tax rate will have to go up for 2024.

Councilman Hamby asked Ambulance Director Osborn if another ambulance would need to be added to do transfers and if there was an ambulance in the shop right now. Director Osborn stated he should be getting the ambulance back from the shop soon and provided nothing happens to an ambulance they should be good. Councilman Hamby stated his thought is if they were doing transfers which would take an ambulance out of the County. There would be two left for in county service. Director Osborn stated if an ambulance went down there would be no back up ambulance and they could temporarily not do transfers. Councilman Albright stated we need to prove that what we are doing is working before another ambulance can be purchased. Director Osborn stated he would like to see money set aside for capital equipment, possibly next year. Director Osborn stated he would like to make a lot more money before he asks for something like that. Mr. Joyce stated one place to put a capital expense for an ambulance would be the public safety income tax. The Council decided to see if the transports make money and to reassess in six months.

With no further business, the meeting was adjourned at 6:07 pm. The next regular Council meeting and budget hearing will be held Monday, September 18, 2023, at 6:00 pm.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Jordan Dant Adam Greene

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Warren D. Albright J. Keith Gibson

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Andrew Beaver Jim Hamby

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Monty Gregory

ATTEST: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Michelle Norris, Martin County Auditor