



Newly Elected Officials Training Association of Indiana Counties

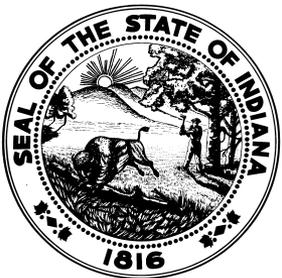
Wesley Bennett, Commissioner

December 12, 2018

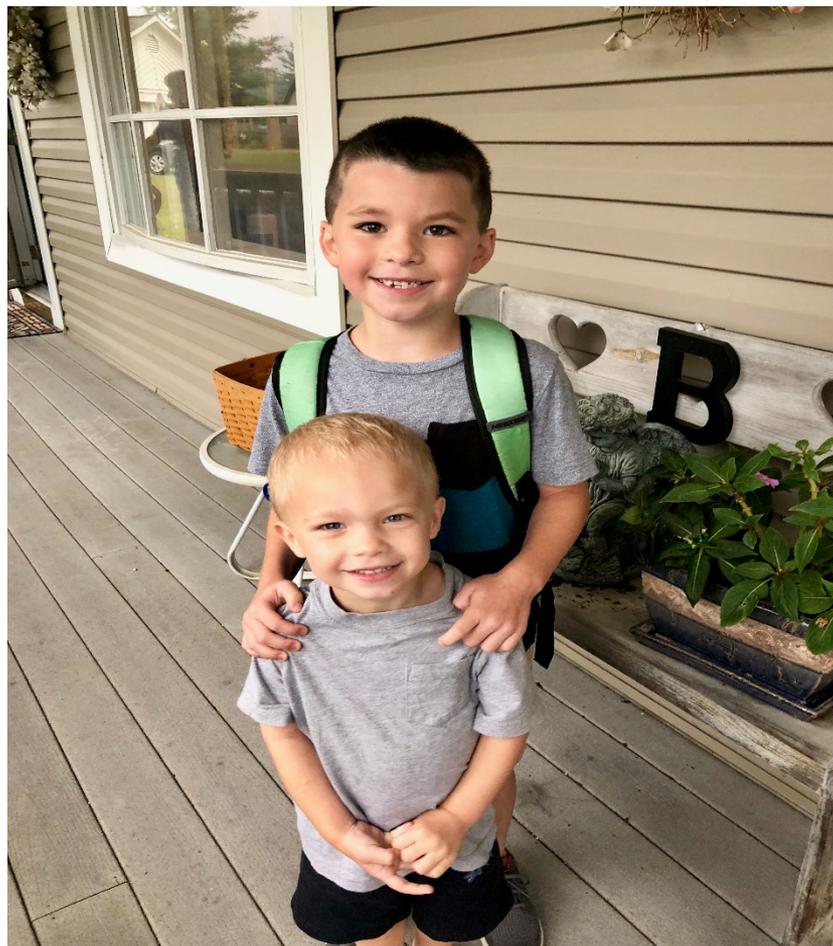


Presentation Overview

- Office of Management & Budget – OMB
- Mission & values of DLGF
- Expectations
- A few initiatives
- Budgets – 101

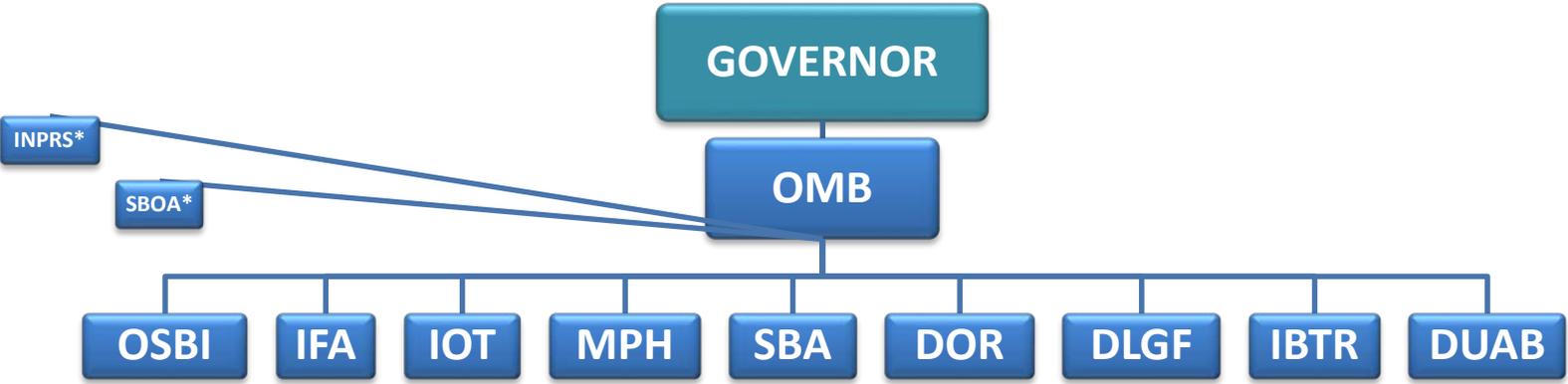


Jaxson & Parker Bennett





Indiana Office of Management & Budget



*independent but collaborate with OMB



Indiana Office of Management & Budget

OMB Goals

- Accurate & Efficient
 - modernize systems and processes
 - leverage data
 - measure performance
 - maximize assets (Toll Road, Next Level Fund)
- Competitive
 - strong financial position (AAA rating, balanced budgets, healthy reserves)
 - neutral & stable tax base
 - predictable & transparent tax system
- Taxpayer Focused
 - communicate with stakeholders
 - seek excellent customer service
 - make decisions and policy with eye toward taxpayer



Mission & Values - DLGF

The mission of the Department is to ensure a fair and equitable property tax system for Indiana taxpayers.

- Put Taxpayers First.
- Respect Local Control.
- Excellence in all we do.



Expectations

- On-time: I.C. has specific deadlines for each of the following.
 - Ratio Studies
 - Cyclical Assessments
 - CNAV's
 - Budgets
 - Tax Billing
- Everyone is expected to meet or exceed these requirements.



Expectations

- **Accurate**: It is incumbent upon everyone to be accurate.
 - Assessments of Real & PP
 - Reporting
 - Guidance and Instructions
 - Policy & Code



Expectations

- **Professional Service**: The Department has high expectations of itself, and for those it partners with, to provide the best and highest level of customer service possible.



Expectations

- **CE & Training**: The Department and its employees are required to enhance their knowledge and to continuously train in their respective discipline. Its in the best interests of taxpayers for local units to do the same.



Initiatives

- Budget Certification by 12/31.
- On-line Personal Property Filing Project – Governor’s Initiative.
- Cyclical Reassessment.
- Update to Sales Disclosure Form – SDF.



Initiatives

- Updates to:
 - Website
 - Software & Databases
 - Assessment Rule-making
- Ag Base Rate
- 2019 Session



Update to SDF

- This initiative is a result of discussions originating with county assessors and other stakeholders.
- Current form is dated.
- Cumbersome.
- Too much paper.
- Needs to be electronic.



Cyclical Reassessment

- The second four year cycle is underway.
- 25% of the parcels are assessed each year.
- The Department oversees the process.
- The first four year cycle went very well.
- Parcel clean up benefited from this process.
- Enables local assessors to better plan & manage their time.



2019 Legislative Session

- HB 1104-2018
 - Residential Property in TIF Areas
 - Application of Deduction & Exemptions
 - Technical Corrections:
 - Form 22 Submissions
 - GIS Coordinator
 - Tax Adjustment Board
 - Budget Rulemaking



Other Initiatives

- Gateway Abstract
 - In partnership w/AOS
- Ag Base Rate
 - Move date to allow better work flow at county level.
- On-line Survey
 - <https://www.surveymonkey.com/r/R7362TR>
- Listserv
 - <http://www.in.gov/dlhf/7063.htm?WT.ac=newsandnotices>



Budget Certification by 12/31

- **This is a big lift for the department**
- Six weeks earlier than usual.
- No change to the budget calendar for taxing units.
- New funds and rules for schools.
- Changing the mindset of thousands of elected and appointed officials.



Budg*et; according to...

- **Webster:**
- An estimate of income and expenditure for a set period of time. Synonyms: financial plan, forecast.

- **Businessdictionary.com:**
- An estimate of costs, revenues, and resources over a specified period, reflecting a reading of future financial conditions and goals.



Budg*et; according to...

- One of the most important administrative tools; a budget serves as a (1) plan of action for achieving quantified objectives, (2) standard for measuring performance, and (3) device for coping with foreseeable adverse situations.



The Key Players

- County departments
- County auditor
- County treasurer
- County commissioners
- County council



The Key Players

- County departments: the constitutional offices.
 - Auditor, clerk, prosecutor, recorder, treasurer, surveyor, sheriff, circuit court judge
- All others were established by state statute or ordinance of the county commissioners – assessor, coroner, park, highway, animal shelter/control, 911, health, county council.



County Auditor – CFO

Chief Fiscal Officer

- Payroll, W-2's, & 1099's.
- Calculate rebates.
- TIF calculations.
- Work w/AOS to report tax distributions.
- Process tax bill corrections.
- Publishing tax rates.
- Responsible for real property cards.
 - Records exemptions & deductions.



Assessor's Office

- The office of county assessor is responsible for accurately and uniformly determining the market-value-in-use of every property in the county – real and personal.
- This is achieved by using three approaches to value: cost, income, and sales comparison.
- The state requires annual adjustments of assessments to reflect changes in the market.



County Commissioners

- Legislative body.
- Audits & authorizes claims.
- Receives & authorizes bids.
- Supervising construction / O&M of roads, bridges & buildings.
- Issuing debt – in cooperation and collaboration w/county council.



County Commissioners

- Board of finance (w/county treasurer).
- Establishing parks.
- Assisting community mental health centers.
- Maintaining courthouse, offices & jail.
- Appointing members to boards & commissions.
- Zoning & planning.



County Council

- Adopting annual budget.
- Fixing tax rate.
- Making appropriations.
- Imposing tax levy's.
 - LIT
 - Excise & wheel tax
- Fixing salaries of officials, officers, deputies, assistants, and employees.



Budget Considerations

Revenue

- Property taxes.
- Income taxes.
- Excise taxes.
- Food & beverage.
- Service fees, fines, and penalties.



Budget Considerations

Expenditures

- Jail; including inmate care & support.
- County home, courthouse & offices.
- Infrastructure: buildings, roads & bridges – construction and O&M.
- Board of health & health department.
- Debt payments; elections expenses.
- Legal: county attorney & pauper counsel.
- Wages & benefits: 70%-80%.



Budget Considerations

Expenditures

- Grants.
- Parks.
- Capital projects.
- Airport authority.
- PTABOA.
- Engineering.
- RDC, housing authority, RTA, drainage.
- Needs specific to your county.



Other Factors

- Public – private partnerships.
- Circuit breakers – tax caps.
- Outsourcing services.
- Contracting services.
- Expanding or diminishing assessed values.
- Economic development tools.
 - TIF
 - Abatements
 - Inter-local agreements / MOU's



The Budget Process

- Which one(s)?
 1. Line-item budgeting.
 2. Zero-based budgeting – ZBB.
 3. Target-based budgeting – TBB.
 4. Performance budgeting.
 5. Program budgeting.
 6. Management by objectives.
 7. Budgeting for outcomes (priorities).



Line-item Budgeting

- Used most often by local government.
- Detailed list of expenses.
- Easiest to learn.
- Chart of accounts corresponds to expenses.
- Simple but effective accounting process.
- Allows for good internal control.
- Wide range of management controls.



Zero-based Budgeting (ZBB)

- Adapted from the line-item budget process.
- Developed by private sector in 70's.
- Easy but time consuming.
- Detailed down to the vendor level.
- Setting priorities
 - Needs-based
 - Wants
 - Don't forget to PLAN for the future!



Target-based Budgeting (TBB)

- Attempts to simplify the budget process.
- Involves estimating dep't current & future service levels.
- Each dep't given a maximum \$ amount.
- \$ Based on revenue targets.
- Moves \$'s based on priorities set by policy makers.
- Designed to reduce conflict among department.



Performance Budgeting

- Moves process from accounting to broader financial focus set by management.
- Performance measures used to monitor how \$'s are used.
- Large focus on information on performance and outcomes.
- A great way to keep score.



Program Budgeting

- Attention focused on outcomes only.
- Little to no focus on whether program is necessary.
- No help in allocating limited resources.
- Good method for grants & minor non-reverting funds.
- Autonomous from the accounting and executive management level of supervision.



Budgeting for Outcomes

- Otherwise called, “priority-based budgeting.”
- Adapted from multiple budgeting processes.
- Council & commissioners articulate community-wide priorities.
- All budget requests are tied to those priorities.
- Establishes better procedures to increase accountability.



Budgeting in the 21st Century

- Blending of multiple processes
 - The best of each...what makes sense for your county?
- Blending of:
 - Philosophy.
 - Performance measures.
 - Enhancement packages.
 - New spending initiatives.
 - Targeted spending levels.
 - Don't forget revenue.



The Budget Process

1. Carried out over several months time.
2. It starts early and involves multiple steps.
3. It's an art and a science.
4. It's never exact; but it is precise.
5. It's ever changing.



Budget Best Practices

- Set a calendar (timeline) and stick to it
- Clearly define your goals & objectives – collectively & individually.
- Budget requests should reflect these goals & objectives.
- This should be a collaborative process.
- You should be “working” three budget cycles at a time. Budgeting is a never-ending process.
- Budget virtually all funds...including grants, debt, TIF's, minor & non-reverting funds, etc.



Challenges to Effective Budgeting

- Lack of engagement.
- Lack of comprehensive and on-going training.
- Unclear goals & objectives – short, medium & long-term planning.
- Excessive use of additional appropriations.
 - Through November 31.
 - 1,593 requests.
 - \$1,512,221,717.



Benefits to Adopting Best Practices

- Reduction in errors.
- Ownership and accountability.
- Control over the process.
- Faster and more reliable reviews.
- More accurate revenue & expense projections.



Benefits to Adopting Best Practices

- Better and more efficient communication.
- Increased satisfaction from all stakeholders.
- Positive financial outcomes.
- Better detailed and advanced analysis.
- Financial strategy aligns with departments and county as a whole.
- More transparent to the taxpayer.



Resources

- User Guides 
- Information Icons 
-  Training Videos
 - www.youtube.com/user/DLGFgateway
- DLGF Memos (Budget Calendar and more!)
 - www.in.gov/dlgf/2444
- AIC and their **Institute for Excellence**
- ICMA – *A Budgeting Guide for Local Government* ~Third Edition



Contact the Department

- Gateway Support: gateway@dlgf.in.gov
- Telephone: (317) 232-3777
- Toll Free: (888) 739-9826
- Additional Appropriation email:
 - AdditionalAppropriationRequests@dlgf.in.gov
- Website: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm
- Budget Field Representative Map:
[http://www.in.gov/dlgf/files/Field_Rep_Map -
_Budget.pdf](http://www.in.gov/dlgf/files/Field_Rep_Map_-_Budget.pdf)



**Congratulations on Your Election
and everyone at the DLGF wishes
you well in your new role.**

Thank You for Your Service!