



City Of Gary
Department of Finance

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RUDOLPH CLAY

Mayor

M. CELITA GREEN

Director of Finance

GERALDINE B. TOUSANT

Deputy Mayor

MICHELE ROBY

Chief Accountant

MEMORANDUM

TO: Honorable Mayor Clay
Ronier Scott, City Council President
Mary Brown, City Council Finance Chair
City Council Members

FROM: Celita Green, Controller

DATE: October 18, 2010

RE: 2011 Civil City Budget and Non-Binding Recommendation from County

Attached is the 2011 Civil City Revised Operating Budget. We are requesting that you take the following actions:

- A. **Please state for the record that the City has received the non-binding recommendation from the County. (see attached recommendation)**

- B. Please amend by substitution the Park Department Budget. Please substitute the budget approved by the Park Board for the budget that was passed by the Council on first and second reading. The budget approved by the Park Board increases the salary line item by \$4,800.00 to include a stipend for the Park Commissioners and increases line items 431 (other building improvements) and 441 (machinery and equipment) by \$125,000.00 each.

The following revisions were made to the Operating Budget:

C. 2011 GENERAL FUND BUDGET REVISIONS

- Reduce workmen's comp and unemployment from the increased amount of 4.50% to 4.25%
- Adjust any full-time salaries below \$20,000 to the legislative approved limit of \$20,000
- Adjust all other salaries to the 2010 amounts which include furlough days and 5% reduction for anyone earning \$50,000 or more.
- Reduce the City Court Budget from \$1,438,960 to \$1,379,785 (-59,175)
- Reduce the City Clerk Budget from \$1,203,424 to \$1,114,526 (-88,898)
- Reduce Law Dept. Judgments from \$1,025,000 - \$925,000 (-100,000)
- Reduce Professional Services in Public Works Dept. from \$40,000 to 25,000
- Reduce Facility Maintenance Dept-Contract Maintenance from \$485,000 to \$395,000

- Eliminated Lead Coordinator position from Health Department –
- Reduce Police Dept budget by \$553,503, which included Overtime, Other Compensation, and Perf
- Increased Supportive Services budget by \$266,015 to add back 911 Dispatchers eliminated in original budget, and increased Contract Maintenance Agreement and Professional Services to partially cover expenses estimated to convert to new 911 regional system
- For Fire Department, we added back 8 firemen positions, plus fringes, (+438,459) with revenues projected from the Airport and Casinos funding.
- Net increase of \$34,410 for MIS Dept-Microsoft licensing agreement) contract not included in original budget.
- Consolidated Operation Dept. net decrease of \$155,000
- **TOTAL GEN FUND REDUCED FROM \$52,144,635 TO \$50,568.917 (\$1,575,718)**

****Most of the above mentioned revisions were discussed during the Finance Meeting. A few could not be confirmed at the time, because we did not have all information needed from other parties.**

- D. **MVH BUDGET reduced from \$3,036,640 to \$2,989,360.** This includes adding back **the** Traffic Dept. budget after Bids received were deemed unacceptable. Bid revealed an amount over \$1M that would be too costly to operate. PFM report recommends \$604,000.
- E. **PARKS DEPT.** submitted Budget at \$1,425,636 and the city administration recommends a budget at \$1,169,737. The change would require a reduction in the full time salary line item of \$4,800, a reduction in line item 431 of \$125,000 and a reduction in line item 441 of \$125,000.

F. OTHER PERTINENT INFORMATION

- a. Budget advertised at near maximum levy, as advised by DUAB and DLGF due to the way circuit breaker caps must be applied
- b. Certified Levy received from DLGF after the advertisement (see attached). Property Tax Assessed Value is certified at \$2.1Billion for 2010. City used **\$1.7B of the \$2.1B** to calculate the 2011 Budget, which is approximately 80% of the certified assessed value. We were informed by the County that TIF assessed value is not included, nor is the assessed value related to the USX 2002 settlement included.
- c. The budget is also calculated using an **84%** collection rate for the balance of the 2010 property tax revenue due.

Please contact me if you have questions.

Thank you.

Copy:

Deputy Mayor Tousant
Arlene Colvin, Chief of Staff