

Highland Municipal Government



BUDGET 101 for EVERYONE

Prepared and Presented by the Office of the
Clerk-Treasurer • Town of Highland

Highland Municipal Government

- The Town of Highland is a **municipal corporation** or a municipal government with several executive departments.
 - ✓ Fire
 - ✓ Parks and Recreation
 - ✓ Redevelopment
 - ✓ Metropolitan Police
 - ✓ Building and Inspection

Highland Municipal Government

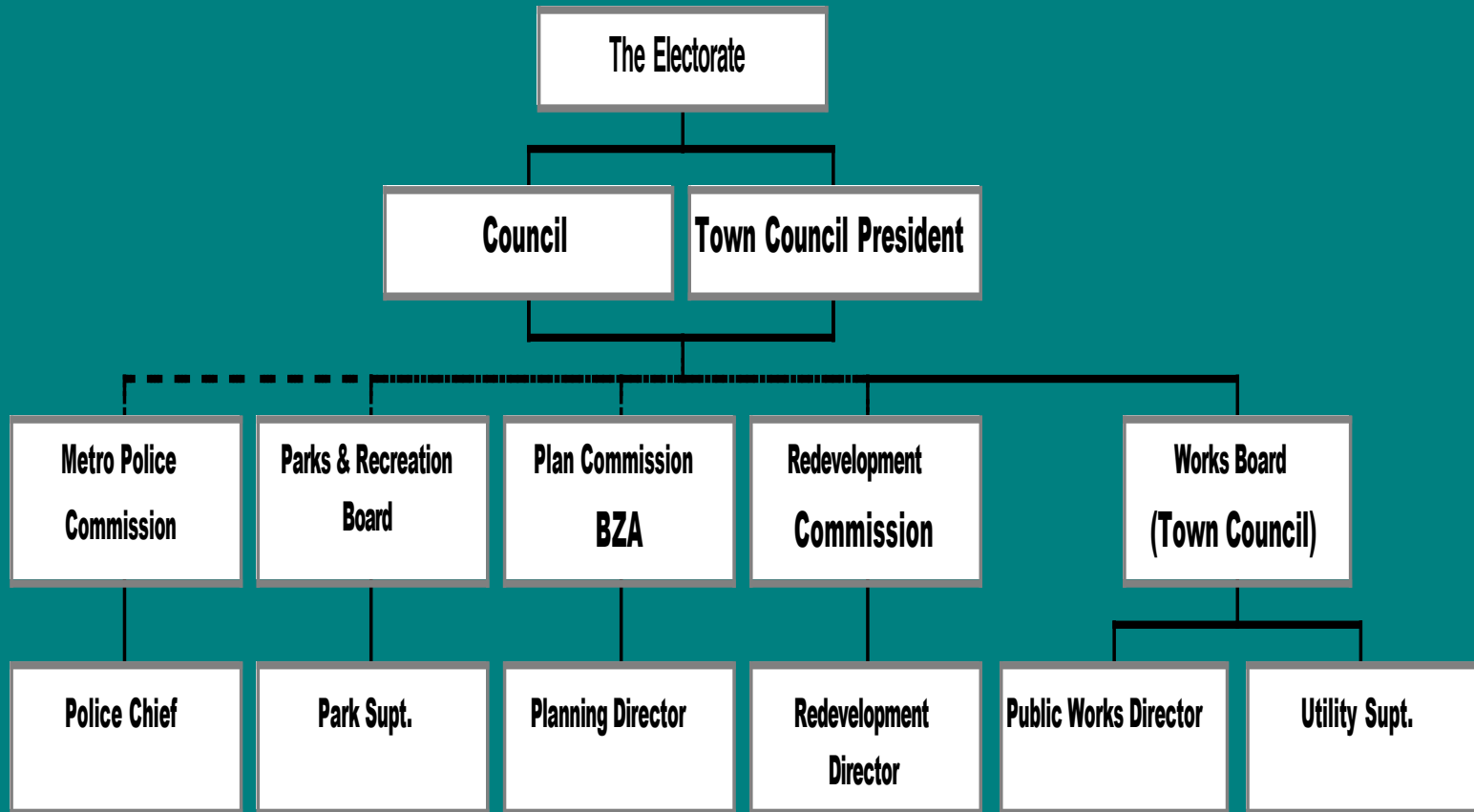
- The Town of Highland is a **municipal corporation** or a municipal government with several executive departments.
 - ✓ Public Works (Agency) not really established
 - ✓ Public Sanitation and Sanitary District (IC 36-9-25)
 - ✓ Waterworks (IC 8-1.5-4)

There are also functions or assignments that are organized under this rubric such as maintenance, facilities and streets.

(See resources slides at end of presentation)

Highland Municipal Government

Indiana's Weak Mayor Structure



Highland Municipal Government

- Financially, there are two broad activities that the local government experiences:

Governmental Activities

Business (enterprise) Activities

Resources for governmental activities are usually spent only after they are appropriated. This is not usually true for business or enterprise activities.

The Finance Vocabulary

- The Governmental Activities of Functions are typically:

General Government

Public Safety

Culture and Recreation

Highway and Streets

Sanitation*

Urban Redevelopment

Economic Development

Interest on long term debt

The Finance Vocabulary

- The Business Type Activities are typically:

Potable (drinkable) water

Wastewater management

Storm water management

Sanitation/Solid Waste Management

In other words, these are our Utilities.

The Budget Process: Vocabulary

Levy: *The property taxes that are imposed for each fund and the total overall.*

Fund: *The basic accounting entity for government, used to segregate resources related to specific activity. Each is budgeted separately. There are 23 funds that are annually budgeted by Highland.*

Appropriation: *This means permission to spend. It is required for government funds before money may be pledged or expended and then disbursed. IT DOES NOT APPLY TO UTILITY or ENTERPRISE FUNDS.*

The Budget Process: Vocabulary

Appropriation (continued):

If you have a fund with \$100 of cash and no appropriation, you cannot spend or obligate anything.

If you have a fund with \$0 of cash and \$100 appropriation, you cannot spend or obligate anything.

If you have a fund with \$100 of cash and \$100 appropriation, you can spend or obligate up to \$100.

Generally, appropriations lapse (expire) at year end.

The Budget Process: Vocabulary

Appropriation (continued):

Generally, appropriations lapse or revert (expire) at year end.

(IC 36-1-8-6) There are exceptions:

- Capital Funds supported by bond proceeds remain in full force without re-appropriation until the purpose has been accomplished or abandoned. (IC 5-1-2-1)
- Certain advance grant funds. (*Ask what a reimbursement grant is*)
- Gaming Revenue Sharing Fund (HMC Section 3.45.100(E)(2))
- Hazardous Materials Response Fund (HMC Section 9.75.040(G)(2))
- Innkeeper Tax Fund (HMC Section 3.45.090(E)(2))
- All agency funds

The Budget Process: Vocabulary of Tax controls

Maximum Levy

A concept that the Indiana legislature used since 1973 -- the modern period of property tax controls.

Basically, the maximum levy is the total amount of property taxes that a municipality may impose for operating funds. In Highland's case, it is the sum of levies for General, Park, Police Pension, and Redevelopment General Funds.

It is a control on levy growth. The annual growth quotient is the average of 6 years the annual non farm personal income of Indiana. It cannot exceed 6%.

The Budget Process: Vocabulary of Tax Controls

Maximum Levy

In Highland it means the total property taxes levied for the following funds:.

General Fund (11 departments).

Parks and Recreation Fund

Police Pension Fund

Redevelopment General Fund

Redevelopment Capital Fund*

** Presently has no tax levy and none proposed in FY 2020.*

The Budget Process: Vocabulary of Tax controls

Maximum Levy

In Highland it means the total property taxes levied for ALL those funds cannot exceed \$ 6,886,456.

(This doesn't guarantee the collection will equal that.)

In Highland in 2020 it will be \$7,127,482.

This is a **3.5%** growth quotient

The Budget Process: Vocabulary of Tax controls

Maximum Levy calculation for 2020

Maximum Levy Worksheet 2019 for FY 2020

Town of Highland	Normal 2019 Max Levy	<u>\$6,886,456</u>	Loaned to County	\$ 225,650
2019 Maximum Levy	\$6,886,456		includes FIT Allowance	
2018 Maximum Levy	\$6,660,015		includes FIT Allowance	
2017 Maximum Levy	\$6,392,900		includes FIT Allowance	
2016 Maximum Levy	\$6,169,423		includes FIT Allowance	

Greater of Max or Adjusted \$6,886,456 Sum of Norm Max + county loaned amount

Non-Farm personal income *		
2013	<u>254,238</u>	1.001
2012	<u>254,024</u>	
2014	<u>266,626</u>	1.049
2013	<u>254,238</u>	
2015	<u>278,506</u>	1.045
2014	<u>266,626</u>	
2016	<u>287,541</u>	1.032
2015	<u>278,506</u>	
2017	<u>300,139</u>	1.044
2016	<u>287,541</u>	
2018	<u>310,952</u>	1.036
2017	<u>300,139</u>	

Six Year Growth	6.207	
Average Growth Factor (sum 6yrs divided by 6)	1.035	1.035
State Factor	1.060	
Lesser of the two Factors above	<u>1.035</u>	
Two Times State Factor -1	1.120	Prior Yr G.Q.
Lesser of the two above	<u>1.035</u>	1.034
		3.50%
Apparent Growth Factor	3.450%	STATE ALLOWED
Normal Maximum 2020 Levy:	\$7,127,482	\$ 7,127,482
Likely 2020 Max Tax Levy:	\$7,124,039	

DLGF used June 27 data from BEA

The Budget Process: Vocabulary of Tax controls

Maximum Levy

In Highland Sanitary District it means the total property taxes levied for the Sanitary District Special Operating Fund: \$212,963.

In 2020 it will be \$220,417.

This is 3.5% growth quotient.

The Budget Process: Vocabulary

In the public sector, the convention is to use fund balance accounting.

FUND A separate fiscal and accounting entity used by governments to segregate resources related to specific activities.

Highland has 68 different funds that are in force and or have cash.

Highland budgets 19 of these during the annual budget process.

Highland budgets 3 for its sanitary district and 1 for its waterworks district.

By law, the town budgets at the fund level, so there are really 23 different budgets. In 2020, this will be down to 22 funds because the debt service funds in the sanitary district will be combined again.

The Budget Process: Vocabulary

In the public sector, the convention is to use fund balance accounting.

FUND A tool accountants use to segregate resources used by governments to segregate resources related to specific activities.

There are three (3) broad categories of funds:

- *GOVERNMENTAL FUNDS – used to account for activities supported by taxes, grants and similar resources.*
- *PROPRIETARY or BUSINESS TYPE FUNDS – used to account for and report business type activities such as utilities.*
- *FIDUCIARY FUNDS – used to account for resources that are not available to support a government's own program because these resources are held as an agent or trustee.*

Within each of these broad categories are fund types.

The Budget Process: Vocabulary

In the public sector, the convention is to use fund balance accounting.

FUND A tool accountants use to segregate resources used by governments to segregate resources related to specific activities.

- *GOVERNMENTAL FUNDS – used to account for activities supported by taxes, grants and similar resources. Classified into five (5) fund types:*

GENERAL FUND – the chief or primary operating fund

SPECIAL REVENUE FUNDS – legally restricted to a specific use

DEBT SERVICE FUNDS – paying long term debt

CAPITAL PROJECT FUNDS paying for longer useful lived assets

PERMANENT FUNDS – this would include endowments.

The Budget Process: Vocabulary

In the public sector, the convention is to use fund balance accounting.

FUND A tool accountants use to segregate resources used by governments to segregate resources related to specific activities.

- *PROPRIETARY or BUSINESS TYPE FUNDS – used to account for and report business type activities such as utilities. Classified into two (2) fund types:*

ENTERPRISE FUNDS– accounts for services provided on a total or partial basis to parties outside the government, such as water, sewer, storm and trash.

INTERNAL SERVICE FUNDS– are used to account for services cost allocated within the government itself.

The Budget Process: Vocabulary

In the public sector, the convention is to use fund balance accounting.

FUND A tool accountants use to segregate resources used by governments to segregate resources related to specific activities.

- *FIDUCIARY FUNDS – used to account for resources that are not available to support a government’s own program because these resources are held as an agent or trustee. Classified into four (4) fund types:*

Private purpose trust funds – accounts for escheated / transferred/ bequeathed property.

Pension and Employee Benefit Trust Funds – are used to account for resources to support a future earned benefit.

Investment Trust Funds – such as intergovernmental investment pools.

Agency Funds – accounts for resources held in a temporary and essentially custodial capacity.

The Budget Process: Funds

GOVERNMENTAL FUND:

Corporation General Fund (departmentalized)

- *Office of Town Council*
- *Office of Clerk-Treasurer*
- *Plan Commission Department*
- *Advisory Board of Zoning Appeals Department*
- *Building and Inspection Department*
- *Town Hall & Monument Department*
- *Works Board Department*
- *Police Department*
- *Fire Department*
- *Volunteers in Police Services (VIPS) Department*

The Budget Process: Departmentalized Funds

GENERAL FUND DEPARTMENTS	
Clerk-Treasurer	\$ 258,276
Town Council	\$ 239,501
Subtotal	\$ 497,777
Planning and Development	
Plan Commission	\$ 71,413
Advisory BZA	\$ 22,719
Building & Inspection	\$ 356,648
Subtotal	\$ 450,780
General Government	
Town Hall & Monuments	\$ 30,125
Board of Works	\$ 778,458
Subtotal	\$ 808,583
Public Safety	
Police Department	\$ 5,457,992
Fire Department	\$ 404,630
VIPS Department	\$ 19,900
Subtotal	\$ 5,882,522
General Fund Total	\$ 7,639,662

<i>General Fund Revenues</i>	
Property Tax	\$ 5,424,583
Other revenues	\$ 2,459,559
Revenues Total	\$ 7,884,142
Circuit Breaker & Collection	\$ (597,029.62)

The Budget Process: Departmentalized Funds

SANITARY DISTRICT DEPARTMENTS		
Administration	\$	162,912
Sanitation & Solid Waste	\$	2,206,579
Total:	\$	2,369,491
Sanitary District Operating Revenues		
Property Tax	\$	212,652
Other revenues	\$	2,043,480
	\$	2,256,132
Circuit Breaker & Collection	\$	(116,532.00)

MOTOR VEHICLE HIGHWAY DEPARTMENTS		
Administration	\$	172,941
Construction Preservation	\$	1,053,624
Total:	\$	1,226,565
Motor Vehicle Highway Revenues		
Property Tax	\$	-
Other revenues	\$	978,027
	\$	978,027

The Budget Process: Vocabulary

Debt Service Funds

Corporation Bond & Interest Fund

Sanitary District Bond & Interest

Parks District Bond & Interest Fund

Water District Bond & Interest

Redevelopment Bond & Interest Fund

Cardinal Campus Allocation Fund

Special Revenue Funds

(This list is very long; here are some of them: See hand out list)

Parks and Recreation Fund

Motor Vehicle Highway Fund

Local Road and Streets Fund

Law Enforcement Continuing Education

Special Public Safety Fund

Forfeit and Seized Assets Fund(s)

The Budget Process: Vocabulary

Capital (Projects) Funds

Park Non Reverting Capital Fund

Sanitary District Extension Fund

Redevelopment Capital Fund

Cumulative Capital Development

Municipal Cumulative Street Fund

Corporation Capital Fund

Sewage Improvement Fund

Sanitary District Capital

Water District Capital Fund

Cumulative Capital Improvement

General Improvement Fund

Gaming Revenue Sharing Fund

Water Improvement Fund

The Budget Process: Vocabulary

Balanced Budget

A balanced budget means that the spending appropriated or approved for a fund in a given year is equal to or less than the revenue raised in the same year.

A Funded Budget

A funded budget means that the spending appropriated or approved for a fund in a given year is equal to or less than the revenue raised in the same year AND any funds that are on hand. A funded budget as described spends in deficit but is allowable and lawful under Indiana Law.

The Budget Process: Vocabulary

Proprietary or Business-Type Funds:

Enterprise

Water Utility

Sanitation Utility (*Wastewater, Stormwater, Solid Waste*)

Internal Service

Information Communications Technology Fund

Lincoln Community Center Building Corporation

Public Buildings Building Corporation

The Budget Process: Vocabulary

Balanced Budget Example

General Fund

Unobligated Cash on Hand 01.01: \$100,000.00

Revenues: \$2,000,000.00

Expenditures: \$2,000,000.00

Unobligated cash on hand 12.31: \$100,000.00

The Budget Process: Vocabulary

Funded Budget Example

General Fund

Unobligated Cash on Hand 01.01:	\$100,000.00
Revenues:	\$1,950,000.00
Expenditures:	\$2,000,000.00
Unobligated cash on hand 12.31:	\$ 50,000.00

Budget Fund Summaries: FY 2019

General Fund		Encumbrances	\$ 251,527.34
<u>Expenses/Appropriated</u>	\$ 7,639,662.00	<i>Incurred in FY 18</i>	
	\$ -	<i>To be Paid in FY 19</i>	
	\$ 7,639,662.00	Jan 1 Cash after Encum	\$ 5,343,929.00
		Dec 31 Cash Balance	\$ 5,588,679.00
<u>Income</u>			
prop tax	\$ 5,424,853.00	Adjusted collections	\$ 271,242.65
other income	\$ 2,459,559.00	Adjusted by Cir Bkr	\$ 324,787.00
	\$ 7,884,412.00	Real Ending Cash Balance	\$ 4,992,649.35
		Restricted Q3 Funds	\$ 24,000.00
<i>Net Income (deficit)</i>	\$ 244,750.00	Unreserved Fund Balance	\$ 4,968,649.35
Proposed Add'l/Approved Appropriations	\$ -	Change in balance before adjustments	\$ 244,750.00
<i>Rev Net Income/(deficit)</i>	\$ 244,750.00	Change in cash Balance	\$ (351,279.65)
Jan 1 2019 Cash Balance	\$ 5,595,456.34	Required Reserve Balance:	\$ 3,183,192.50

Budget Fund Summaries: FY 2019

Parks and Recreation Fund		FY 2019		
<u>Expenses/Appropriated</u>	\$	2,381,918.00	Encumbrances	\$ 67,371.34
Encumbered	\$	-	<i>Incurred in FY 18</i>	
	\$	<u>2,381,918.00</u>	<i>To be Paid in FY 19</i>	
 			Jan 1 Cash adjusted for Enc	\$ 1,107,240.67
<u>Income</u>			Dec 31 Cash Balance	\$ 1,213,360.67
prop tax	\$	1,185,253.00	Tax Caps	\$ 71,000.00
other income	\$	1,302,785.00	Collections	\$ 59,262.65
	\$	<u>2,488,038.00</u>	Net Ending Cash Balance	\$ 1,083,098.02
Net Income (deficit)	\$	106,120.00	Change in cash	
Proposed Add			Balance	\$ (91,513.99)
Appropriations	\$	-	Required	
Rev Net Income/(deficit)	\$	106,120.00	Reserve Balance:	\$ 992,465.83
Jan 1 Cash Balance	\$	1,174,612.01		

Budget Fund Summaries: FY 2019

Redevelopment General Fund

Expenses/Appropriated	\$	256,483.00
Encumbered	\$	-
	\$	<u>256,483.00</u>

Income

prop tax	\$	273,089.00
other income	\$	33,108.00
	\$	<u>306,197.00</u>

Net Income (deficit) \$ 49,714.00

Proposed Approved Add'L
Appropriations \$ 7,080.00

Rev Net Income/(deficit) \$ 42,634.00

Jan 1 Cash Balance \$ 303,477.95

Encumbrances \$ **9,137.14**

Incurring in FY 18

To be Paid in FY 19

Jan 1 Cash after Encum \$ 294,340.81

Dec 31 Cash Balance \$ 336,974.81

Adjusted by Collections \$ 8,192.67

Adjusted by Tax Cap \$ 32,968.00

Ending Cash Balance \$ 295,814.14

Change in cash
Balance \$ **1,473.33**

Reserve Balance: \$ 85,494.33

Budget Fund Summaries: FY 2019

Motor Vehicle Highway Fund

<u>Expenses/Appropriated</u>	\$	1,226,565.00
	\$	-
	\$	<u>1,226,565.00</u>

<u>Income</u>		
prop tax	\$	-
other income	\$	978,027.00
	\$	<u>978,027.00</u>

Net Income (deficit) \$ (248,538.00)

Proposed Add Appropriations \$ -

Rev Net Income/(deficit) \$ (248,538.00)

Jan 1 Cash Balance \$ 501,749.87

Encumbrances \$ 23,221.86

Incurring in FY 18

To be Paid in FY 19

Adjusted Jan 1 balance \$ **478,528.01**

Dec 31 Cash Balance \$ **229,990.01**

(Estimated)

Ending Cash Balance **\$ 229,990.01**

Tax caps or collection rates

Change in cash

Balance \$ (271,759.86)

Budget Fund Summaries: FY 2019

Local Roads and Street Fund		Jan 1 Cash Balance	\$	187,582.07
<u>Expenses/Appropriated</u>	\$	411,724.00		
	\$	-		
	\$	<u>411,724.00</u>		
				<u>Encumbrances</u>
				\$
				1,690.82
				<i>Incurring in FY 18</i>
				<i>To be Paid in FY 19</i>
				<u>Jan 1 Cash adjusted</u>
			\$	185,891.25
<u>Income</u>				<u>Dec 31 Cash Balance</u>
prop tax	\$	-		\$
other income	\$	387,870.00		162,037.25
	\$	<u>387,870.00</u>		<i>(Estimated)</i>
				<u>Ending Cash Balance</u>
			\$	<u>162,037.25</u>
Net Income (deficit)	\$	(23,854.00)		Tax caps or collection rates
				Change in cash
Proposed Add				Balance
Appropriations	\$	-		\$
				<u>(25,544.82)</u>
Rev Net Income/(deficit)	\$	(23,854.00)		Suggested
				Reserve Balance:
			\$	171,551.67

Budget Fund Summaries: FY 2019

Sanitary District Special Operating Fund

Expenses/Appropriated	\$	2,369,491.00
Encumbered	\$	-
	\$	<u>2,369,491.00</u>

Income		
prop tax	\$	212,652.00
other income	\$	2,184,684.00
	\$	<u>2,397,336.00</u>

Net Income (deficit) \$ **27,845.00**

Proposed Add
Appropriations \$ -

Rev Net Income/(deficit) \$ **27,845.00**

Jan 1 Cash Balance Adj	\$	430,048.22
Dec 31 Cash Balance	\$	457,893.22

Collection Rate	\$	10,632.60
Circuit Breaker Adjustment	\$	105,900.00
Ending Cash Balance	\$	<u>341,360.62</u>
Tax caps or collection rates		

Change in cash
Balance \$ **(95,155.00)**

Budget Fund Summaries: FY 2019

Economic Development LIT

<u>Expenses/Appropriated</u>	\$	600,000.00
	\$	-
	\$	<u>600,000.00</u>
<u>Income</u>		
CEDIT	\$	600,329.00
other income	\$	-
	\$	<u>600,329.00</u>
Loan Receivables		
<i>Prelim Expenses Receivables</i>	\$	-
Net Income (deficit)	\$	329.00
Proposed Add Appropriations	\$	-
Rev Net Income/(deficit)	\$	329.00

Jan 1 Cash Balance	\$	1,288,917.73
<u>Encumbered</u>	\$	<u>46,690.47</u>
<i>Incurring in FY 18</i>		
<i>to be Paid in FY 19</i>		
Jan1 Cash Adjusted	\$	1,242,227.26
Dec 31 Cash Balance (Projected)	\$	1,242,556.26
Adjusted by Collections	\$	-
Adjusted by Tax Cap	\$	-
Ending Cash Balance	\$	<u>1,242,556.26</u>
Change in cash Balance	\$	(46,361.47)

Budget Fund Summaries: FY 2019

Public Safety LIT Fund

<u>Expenses/Appropriated</u>	\$ 476,950.00
	\$ -
	<u>\$ 476,950.00</u>
<u>Income</u>	
Public Safety Income Tax	\$ 521,029.00
other income	\$ -
	<u>\$ 521,029.00</u>
Loan Receivables	
<i>Prelim Expenses Receivables</i>	\$ -
Net Income (deficit)	\$ 44,079.00
Proposed or Actual Additional Appropriations	\$ 30,000.00
Rev Net Income/(deficit)	\$ 14,079.00

Jan 1 Cash Balance	\$ 803,744.25
<u>Encumbered</u>	<u>\$ -</u>
<i>Incurring in FY 18</i>	
<i>to be Paid in FY 19</i>	
Dec 31 Cash Balance (Projected)	\$ 817,823.25
Adjusted by Collections	\$ -
Adjusted by Tax Cap	\$ -
Ending Cash Balance	<u><u>\$ 817,823.25</u></u>
Change in cash Balance	<u><u>\$ 14,079.00</u></u>

The Budget Process: Allocating Pay CT

FY 2019	General CT	San Dist San	Water	Sewer	San Dist Oper	Biweekly	Annual
Payroll/Personel Clerk	\$753.81		\$460.66	\$460.66		\$1,675.14	\$43,553.54
(44% • 28% • 28%) Hours	36		22	22		80.00	
Deputy Clerk-Treasurer	\$ 776.17		\$ 689.93	\$ 689.93		\$2,156.02	\$56,056.52
pay periods	26		26	26		26	
Encumbering Officer	\$742.29		\$453.62	\$453.62		\$1,649.54	\$42,887.94
(44% • 28% • 28%) Hours	36		22	22		80.00	
Chamberlain Clerk (P-T)	\$363.38	\$127.18	\$254.37	\$127.18		\$872.12	\$22,675.16
(44% • 15% • 29% • 15)	20	7	14	7		48.00	
Chancery/Bursar Clerk	\$347.49	\$347.49	\$384.07	\$384.07		\$1,463.14	\$38,041.54
(24% • 24% • 26% • 26%) Hours	19	19	21	21		80.00	
Chancery/Bursar Clerk	\$345.21	\$345.21	\$381.55	\$381.55		\$1,453.54	\$37,791.94
(24% • 24% • 26% • 26%) Hours	19	19	21	21		80.00	
Utility Clerk		\$506.20	\$525.67	\$525.67		\$1,557.54	\$40,495.94
(32% • 34% • 34%) Hours		26	27	27		80.00	
Utility Clerk		\$478.12	\$496.51	\$496.51		\$1,471.14	\$38,249.54
(32% • 34% • 34%) Hours		26	27	27		80.00	
Sr. Chancery Bursar Clerk	\$356.41	\$356.41	\$412.69	\$375.17		\$1,500.68	\$39,017.68
(24% • 24% • 26% • 26%) Hours	19	19	22	20		80.00	
	29.0%		27.0%	27.0%	17.0%		
Clerk-Treasurer	\$905.18		\$842.76	\$842.76	\$530.62	\$3,121.32	\$81,154.26
Totals:	\$4,589.96	\$2,160.62	\$4,901.83	\$4,737.12	\$530.62	\$16,920.16	\$439,924.04
	\$119,338.88	\$56,176.22	\$127,447.48	\$123,165.24	\$13,796.22	\$439,924.04	\$439,924.04

ALLOCATION by FUNCTION

40.8%		28.0%		28.1%		
Billing & Collection		Clerical/Rec/Finance		Administrative		Total
Gen CT	\$0	Gen CT	\$75,624	Gen CT	\$43,715	\$119,338.88
Water	\$63,826	Water	\$23,771	Water	\$39,850	\$127,447.48
Sew	\$59,544	Sew	\$23,771	Sew	\$39,850	\$123,165.24
San Dist San	\$56,176	San Dist San	\$0.00	San Dist San	\$0	\$56,176.22
		San Dist Oper		San Dist Oper	\$13,796	\$13,796.22
	\$179,546.65		\$123,166.60		\$123,414.56	\$439,924.04

* Property Tax Funded in part

Annual		Allocation by Fund and Source		FICA
General CT*	\$119,338.88	Gov't & San Dist	43.0%	\$189,311.32
San Dist San*	\$56,176.22	Water Util	29.0%	\$127,447.48
Water	\$127,447.48	Sew Util	28.0%	\$123,165.24
Sew	\$123,165.24			\$439,924.04
San Dist Oper*	\$13,796.22			\$33,654.19
	\$439,924.04			\$49,271.49
				\$13,197.72
				Total: \$536,047.44

PERF 11.2%

Payroll/Personel Clerk	\$ 19.95	0.99	\$ 20.94
Deputy Clerk-Treasurer	\$ 2,045.42	\$ 110.60	\$ 2,156.02
Encumbering Officer	\$ 19.95	\$ 0.67	\$ 20.62
Chamberlain Clerk	\$ 14.68	\$ -	\$ 14.68
Chancery/Bursar Clerk	\$ 18.17	0.12	\$ 18.29
Chancery/Bursar Clerk	\$ 18.17	0	\$ 18.17
Lead Utility Clerk	\$ 19.20	0.27	\$ 19.47
Utility Clerk	\$ 18.17	0.22	\$ 18.39
Sr. Chancery/Bursar Clerk	\$ 18.49	\$ 0.27	\$ 18.76
Base rate		Longevity	Composite

The Budget Process: Business Activities

Water Utility when reported in GAAP is treated as one entity. In our book keeping, we keep the following segregated funds:

Water Operating and Maintenance Fund

Water Improvement Fund

Water Cash Reserve Fund

Water District Capital Fund

Water District Bond and Interest Fund

Water Consumer Deposit Fund

The Budget Process: Business Activities

Sewage Utility when reported in GAAP is treated as one entity. In our book keeping, we keep the following segregated funds:

Sewage Operating and Maintenance Fund

Sewage Improvement Fund

Sewage Cash Reserve Fund

Sanitary District Special Operating Fund

Sanitary District Capital Fund

Sanitary District Bond and Interest Fund

Sewer Extension and Improvement Fund

Utility Fund Summaries: Sanitary

	OPERATING COSTS 2018		
	Sewage Operating & Maintenance	Sanitary District Special Operating	Totals
Cash and investments - beginning	\$ 674,261	\$ 531,456	✓\$ 1,205,717
Receipts:			
Taxes		\$ 104,848	✓\$ 104,848
Licenses and permits			
Intergovernmental receipts		\$ 14,662	✓\$ 14,662
Charges for services			
Fines and forfeits			
Utility fees	\$ 3,296,449	\$ 2,000,798	✓\$ 5,297,247
Penalties	\$ 21,354	\$ 11,325	✓\$ 32,679
Other receipts	\$ 845,246	\$ 503,787	✓\$ 1,349,033
Total receipts	✓\$ 4,163,049	✓\$ 2,635,420	✓\$ 6,798,469
Disbursements:			
Personal services	\$ 620,603	\$ 413,542	✓\$ 1,034,145
Supplies			
Other services and charges	\$ 297,468	\$ 234,311	✓\$ 531,779
Debt service - principal and interest			
Capital outlay		\$ 12,000	✓\$ 12,000
Utility operating expenses	\$ 193,786	\$ 1,461,769	✓\$ 1,655,555
Other disbursements	\$ 3,022,422	\$ 491,501	✓\$ 3,513,923
Total disbursements	✓\$ 4,134,279	✓\$ 2,613,123	✓\$ 6,747,402
Excess (deficiency) of receipts over disbursements	\$ 28,770	\$ 22,297	✓\$ 51,067
Cash and investments - ending	\$ 703,031	\$ 553,753	✓\$ 1,256,784

Utility Fund Summaries: Sanitary

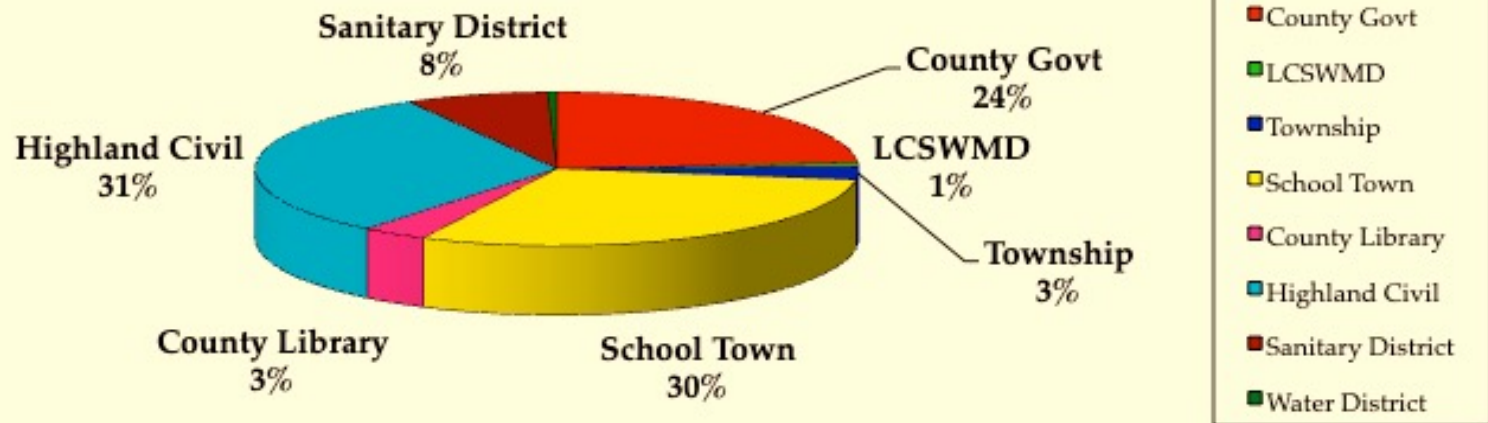
	CAPITAL COSTS 2018			
	Sewage Improvement	Sanitary District Capital	Totals	Sewage Cash Reserve
Cash and investments - beginning	\$ 727,144	\$ 3,932,927	✓\$ 4,660,071	\$ 602,703
Receipts:				
Taxes				
Licenses and permits				
Intergovernmental receipts				
Charges for services				
Fines and forfeits				
Utility fees	\$ 582,278		✓\$ 582,278 99.9%	\$ 276,782
Penalties	\$ -			
Other receipts	\$ -	\$ 543	✓\$ 543 0.1%	\$ -
Total receipts	✓\$ 582,278	✓\$ 543	✓\$ 582,821	✓\$ 276,782
Disbursements:				
Personal services	\$ -	\$ -		
Supplies				
Other services and charges	\$ 37,293	\$ -	✓\$ 37,293 2.1%	\$ -
Debt service - principal and interest				
Capital outlay	\$ 1,000,581	\$ 715,267	✓\$ 1,715,848 96.6%	\$ -
Utility operating expenses	\$ -	\$ -		
Other disbursements	\$ 13,163	\$ 10,421	✓\$ 23,584 1.3%	\$ 337,500
Total disbursements	✓\$ 1,051,037	✓\$ 725,688	✓\$ 1,776,725	✓\$ 337,500
Excess (deficiency) of receipts over disbursements	\$ (468,759)	\$ (725,145)	✓\$ (1,193,904)	\$ (60,718)
Cash and investments - ending	\$ 258,385	\$ 3,207,782	✓\$ 3,466,167	\$ 541,985

Utility Fund Summaries: Water

	OPERATING COSTS 2018		CAPITAL COSTS 2018			
	Waterworks Operating & Maintenance	Totals	Waterworks Improvement	Water District Capital	Totals	Water Cash Reserve
Cash and investments - beginning	\$ 670,780	✓\$ 670,780	\$ 751,507	\$ 38,505	✓\$ 790,012	\$ 690,514
Receipts:						
Taxes		✓\$ -				
Licenses and permits						
Intergovernmental receipts		✓\$ -				
Charges for services						
Fines and forfeits						
Utility fees	\$ 2,166,281	✓\$ 2,166,281	\$ 993,209		✓\$ 993,209	\$ 347,637
Penalties	\$ 158,514	✓\$ 158,514	\$ -			
Other receipts	\$ 964,421	✓\$ 964,421	\$ 1,949	\$ -	✓\$ 1,949	\$ 120,000
Total receipts	✓\$ 3,289,216	✓\$ 3,289,216	✓\$ 995,158	✓\$ -	✓\$ 995,158	✓\$ 467,637
Disbursements:						
Personal services	\$ 612,796	✓\$ 612,796	\$ -	\$ -		
Supplies						
Other services and charges	\$ 233,387	✓\$ 233,387	\$ -	\$ -	✓\$ -	\$ -
Debt service - principal and interest						
Capital outlay		✓\$ -	\$ 1,053,720	\$ -	✓\$ 1,053,720	\$ -
Utility operating expenses	\$ 437,399	✓\$ 437,399	\$ -	\$ -		
Other disbursements	\$ 1,976,412	✓\$ 1,976,412	\$ 32,200	\$ -	✓\$ 32,200	\$ 337,500
Total disbursements	✓\$ 3,259,994	✓\$ 3,259,994	✓\$ 1,085,920	✓\$ -	✓\$ 1,085,920	✓\$ 337,500
Excess (deficiency) of receipts over disbursements	\$ 29,222	✓\$ 29,222	\$ (90,762)	\$ -	✓\$ (90,762)	\$ 130,137
Cash and investments - ending	\$ 700,002	✓\$ 700,002	\$ 660,745	\$ 38,505	✓\$ 699,250	\$ 820,651

Receipts by Source Government Activities Property Taxes

Highland Property Tax Components 2019

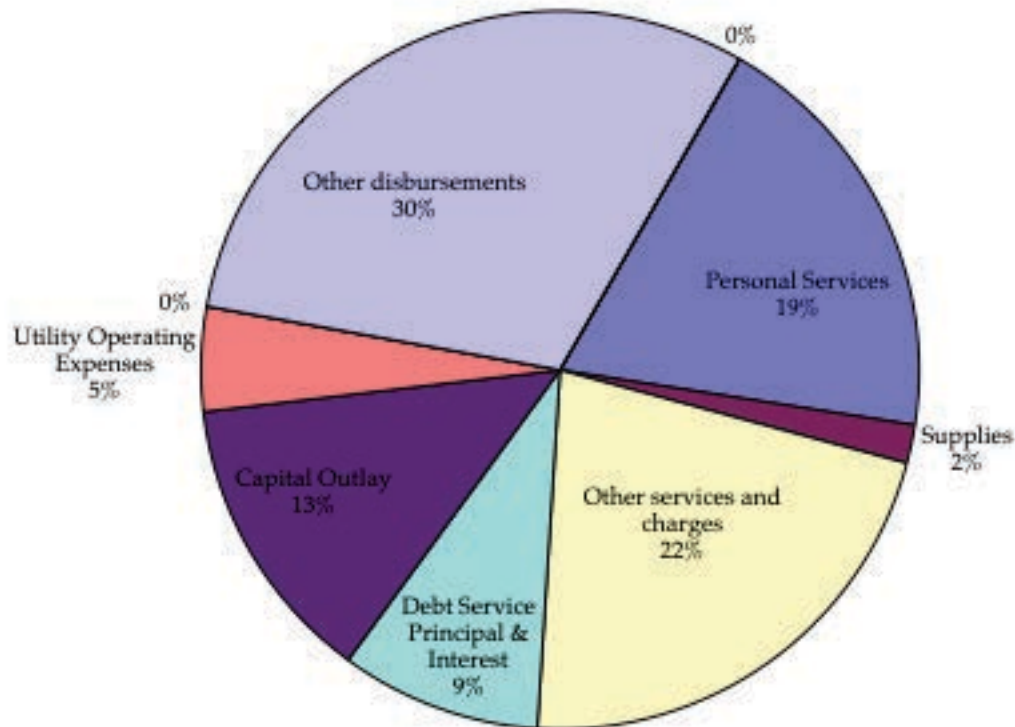


Revenues by Source Government Activities The Key to Budgeting

FISCAL YEAR 2019	CORPORATION GENERAL FUND	PARKS & RECREATION GENERAL FUND	1925 POLICE PENSION FUND	REDEVELOPMENT GENERAL FUND	
Appropriations	\$ 7,639,662	\$ 2,381,918	\$ 845,034	\$ 256,483	
TOTAL	\$ 7,639,662	\$ 2,381,918	\$ 845,034	\$ 256,483	
Income					TOTAL LEVIES
Property Tax	\$ 5,424,853	\$ 1,185,253	\$ 2,238	\$ 273,089	\$ 6,885,433
Other income	\$ 2,459,559	\$ 1,302,785	\$ 739,612	\$ 33,108	MAX LEVY
TOTAL	\$ 7,884,412	\$ 2,488,038	\$ 741,850	\$ 306,197	\$ 6,886,456
					DELTA
Auto Excise & others	\$ 383,654	\$ 83,823	\$ 158	\$ 19,313	\$ 1,023
Licenses & Permits	\$ 887,920	\$ -	\$ -	\$ -	
Intergovernmental	\$ 37,500	\$ -	\$ 738,954	\$ -	
Liquor Excise	\$ 14,700	\$ -	\$ -	\$ -	
ABC Gallonage	\$ 54,098	\$ -	\$ -	\$ -	
Cigarette Tax	\$ 13,287	\$ -	\$ -	\$ -	
Charges for Services	\$ 153,000	\$ -	\$ -	\$ -	
Fines	\$ 56,500	\$ -	\$ -	\$ -	
Interest Earned	\$ 21,000	\$ -	\$ 500	\$ 1,000	
Employee Insurance Prem.	\$ 54,000	\$ 6,000	\$ -	\$ 500	
Transfer Water Surplus	\$ 390,000	\$ -	\$ -	\$ -	
Transfer Sewage Surplus	\$ 390,000	\$ -	\$ -	\$ -	
Miscellaneous	\$ 3,900	\$ 17,300	\$ -	\$ 12,295	
Recreation & Fitness Fees		\$ 878,762	\$ -	\$ -	
Rentals & Leaseholds		\$ 273,000	\$ -	\$ -	
Vending Machine		\$ 2,700	\$ -	\$ -	
T-Mobile Licenses		\$ 41,200	\$ -	\$ -	

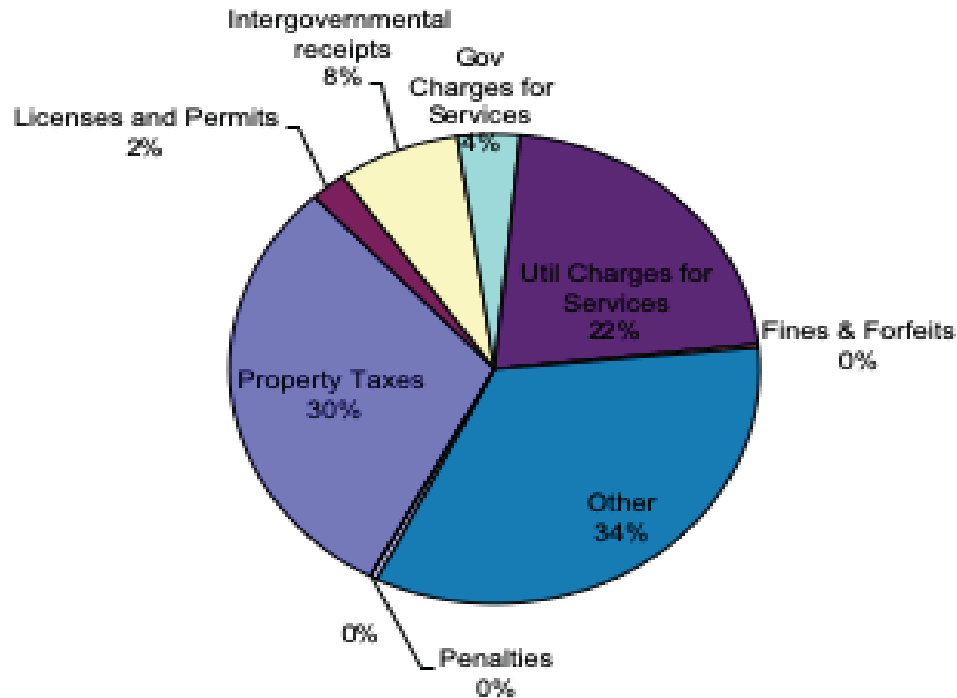
Government Wide Disbursements

Government-Wide Disbursements Highland FY 2018 by Function



Government Wide Receipts FY 2018

Government-Wide Receipts Town of Highland FY 2018



Resources

Civil Town Government

The Town of Highland as a civil town government was incorporated on April 4, 1910. The original plat of survey contained approximately five square miles. The Town was initially governed by a three member Board of Trustees, an elected Town Marshal, elected Town Clerk and elected Town Treasurer. The Town Marshal became an appointed position after 1915. The Board of Trustees was expanded to five members after 1925. The offices of Clerk and Treasurer were combined into a single Clerk-Treasurer elected office after 1935. In 1990, the Board of Trustees was renamed the Town Council. In 2005, the Town Council voted to convert to a council-manager form of local government. This form was abandoned in 2008 in favor of a weak executive form, whereby most administrative powers and responsibilities are retained by the Town Council or the governing board of jurisdiction.

Resources

Although the state of Indiana has provided enabling authority for municipal government home rule, a town may govern its own affairs and provide services only if a state statute has not pre-empted authority for a town to assume a responsibility, provide a service and levy taxes, assessments, fees or user charges to underwrite the expenditures.

The Town Council is the legislative and fiscal authority for the Town and among other things is responsible for selecting a Council President, passing ordinances, resolutions and adopting the annual budget. The entire five member Town Council is elected on a partisan basis from five wards every four years by the voters of the whole town. The council members serve for a term of four years.

A President of the Town Council is elected by members of the council from its membership to serve as the chief executive officer of the municipality. By tradition, the Council President serves for a term of one year. The President presides at meeting of the Council and appoints persons to boards, commissions and committees when law indicates that is a responsibility of the municipal executive.

Resources

The Clerk-Treasurer is the clerk of the Town Council (the legislative body), the custodian of the town seal and the chief fiscal officer of the civil town and its executive departments (including the Parks and Recreation Department, the Sanitary District and the Municipal Water Utility). The voters of the whole town elect the Clerk-Treasurer on a partisan basis every four years to a four year term of office.

Metropolitan Police Department

The Highland Police Department was organized as a Town Marshal system until 1955, when the Town adopted the Town Board of Metropolitan Police Commissioners system. It requires participation in a special law enforcement pension system and governance by a Board of Metropolitan Police Commissioners. The Commission is responsible for the management and administration of the Police Department. The Commission is the appointment authority for the Police Chief, sworn and civilian members of the Police Department. Once hired, decisions to promote demote or discipline employees in the Department are exclusively vested in the Commission. It promulgates rules, regulations, general and special orders for departmental operations through the Police Chief. The Police Chief is the executive head of the department. Appropriation and budgetary authority for departmental expenditures is retained by the Town Council.

Resources

Fire Department

The Highland Fire Department is made up of active firefighters, probationary firefighters, reserve members, a full-time Fire Chief and a part-time Secretary. A Personnel Committee prescribes “paid on call” firefighter standard operating procedures, personnel policies and rules. The Personnel Committee consists of three command officers and three representatives of the Firefighter’s Association elected on an annual basis. Once appointed, decisions to promote demote or discipline paid-on-call firefighters are exclusively vested in the Personnel Committee.

The Fire Chief is the executive head of the department. Subject to an employment agreement, the Fire Chief serves at the pleasure of the Town Council for an indefinite term of office. Appropriation and budgetary authority for departmental expenditures is retained by the Town Council.

Resources

Public Works Department (Agency)

The Public Works Department was established as the first executive department of the municipality really by custom and not by express enactment of law. The Public Works Director as an office, was established by ordinance. Both he and the “department” have the responsibility for trash and yard waste collection; construction, operation and **maintenance of streets, public ways**, water, sanitary sewer, storm sewer and drainage systems; vehicular fleet equipment maintenance, buildings and grounds. Labor and equipment are pooled for departmental functions and managed by the Public Works Director and departmental supervisors. That is why the department is really an agency, as it “superintends” the street, public sanitation and waterworks departments.

The Public Works Director is the executive head of the department. Subject to an employment agreement, the Public Works Director serves at the pleasure of the Town Council for an indefinite term of office. Except for water and sewer (storm and wastewater) operations, appropriation and budgetary authority for departmental expenditures is retained by the Town Council acting as the “Board of Works”.

Resources

Department of Public Sanitation and the Sanitary District

The municipal sanitary and storm sewer works was originally managed exclusively by the Town Board of Trustees as the Board of Works for the Town. This remained so until the establishment of the Highland Sanitary District and its Board of Sanitary Commissioners in 1970. The Board of Sanitary Commissioners consists of five members who serve staggered three-year terms of office. The Public Works Director is the executive head of the department acting as the Superintendent of the Sanitary District.

Wastewater collected in sanitary sewers is pumped to the City of Hammond for wastewater treatment. Storm water is collected in storm sewers and drainage ditches and discharged to the Little Calumet River. The Board of Sanitary Commissioners has authority for Sanitary District expenditures and, subject to statutory limits, the power to levy a property tax for operations and debt. The authority to alter sewer user charges requires action by the Board and approval by the Town Council.

Resources

Department of Waterworks

The Highland Water & Power Company provided potable water to the Town pursuant to a lease and service contract that began May 1, 1912. In 1932, the Town created a water department managed by a superintendent under a board which consisted of two members of the Board of Trustees and the Town Marshal. In 1966, an Executive Board for the Water Department was established consisting of the President of the Town Trustees, another member of the Town Trustees, the Clerk-Treasurer, the Town Attorney, the Town Engineer and the Water Works Superintendent. In 1968, the Town dissolved the Water Works Executive Board and placed the water department under the exclusive control of the Board of Trustees.

In 1972, the Town re-established the Department of Waterworks as an executive department and provided for its management by a Board of Waterworks, which consisted of two members of Town Board of Trustees, the Clerk-Treasurer, the Town Engineer and the Public Works Director.

Resources

Department of Waterworks (continued)

In March of 1983, the Town established the current organizational arrangement for the municipal water utility pursuant to enabling authority of a new state statute. Presently, there is a Department of Waterworks under the control of a five-member Waterworks Board of Directors. The Directors serve staggered three-year terms of office.

The department's executive is the Public Works Director, acting as the Superintendent of Waterworks. Potable water is purchased from the City of Hammond. The Waterworks Board of Directors has authority for departmental expenditures and, subject to statutory limits, the power to levy a property tax for debt. The authority to establish and alter water user charges is recommended by the Board of Directors and subject to approval by the Town Council, which can modify up or down any recommendation.

Resources

Building & Inspection Department

The Building and Inspection Department provides staffing for the Plan Commission, the Board of Zoning Appeals and for the administration/enforcement of the town's building, flood plain management, property maintenance, nuisance, zoning, sign and subdivision control ordinances.

There are seven members of the Plan Commission. Four are considered citizen members, who are appointed by the Town Council President. Three remaining are appointed by the Town council itself and those members must be either elected or appointed officials or employees of the municipal government. They serve at the pleasure of the Town Council until a successor is appointed and qualified. The Building Commissioner is the executive head of the department. Subject to an employment agreement, the Building Commissioner serves at the pleasure of the Town Council for an indefinite term of office. Appropriation and budgetary authority for departmental expenditures is retained by the Town Council.

Resources

Redevelopment Department & Economic Development

The Redevelopment Department, re-established in 1994 is Highland's newest executive department. It consists of the Redevelopment Commission and such persons the Commission may employ. The Redevelopment Commission consists of five members appointed to a one year term of office; the Council President appoints three members; the Town Council appoints two members.

A three member Economic Development Commission appointed by the Council President to three year staggered terms of office was created in 2007 to enhance the Town's ability to incur debt and offer tax abatement for projects that will retain and create jobs and eventually increase the assessed value of the Town. Subject to statutory limits, a property tax may be levied upon all territory within the corporate boundaries of the Town for redevelopment purposes. The Redevelopment Director is the executive head of the department. Subject to an employment agreement, the Redevelopment Director serves at the pleasure of the Redevelopment Commission for an indefinite term of office. Appropriation and budgetary authority for departmental expenditures is retained by the Town Council.

Treasury Talks

Questions?

I hope this readies you for the next presentation on **Wednesday, August 14, 2019 at 6:30 p.m. at the Lincoln Community Center.**

Topic: The Challenge of the Big Box Refund and Tax Caps in 2020 and beyond