



Indiana Association of
Cities and Towns



2012 Annual Budget Workshop

May 31 – Hilton Indianapolis North

June 12 – Huntingburg Event Center

June 19 – Fort Wayne Holiday Inn at IPFW

June 20 – Munster Centennial Park Clubhouse



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Budget Tools



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Appropriations and Salary Ordinances

Presented by: Charlie Pride, Supervisor, State Board of Accounts



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Appropriation



- Permission (authority) to spend available funds
- Authorization by council ordinance to make disbursements or incur obligations for specific purposes
- No expenditure may be made without an appropriation unless specifically authorized by statute



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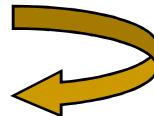
Appropriation Transfers



Transfers Between Departments

General Fund (departmentalized):

Police



Fire

Administration

Transfers Between Classifications

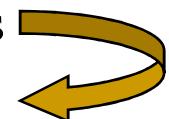
(within same fund or department):

Personal Services

Supplies

Other Services & Charges

Capital Outlays



- Requires Council approval at a public meeting.
- DLGF approval not required.



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Insurance Appropriations



■ IC 6-1.1-18-7

Fiscal officer **may appropriate** insurance funds under following conditions:

- (1) the funds are received as a result of damage to property of the political subdivision; and
- (2) the funds are appropriated for the purpose of repairing or replacing the damaged property. However, this section applies only if the funds are in fact expended to repair or replace the property within the twelve (12) month period after they are received.



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Grant Appropriations



Appropriation of state and federal grant funds (IC 6-1.1-18-7.5)

- Sec. 7.5. Notwithstanding any other law, the appropriating body of a political subdivision may appropriate any funds received as a grant from the state or the federal government without using the additional appropriation procedures under section 5 of this chapter, if the funds are provided or designated by the state or the federal government as a reimbursement of an expenditure made by the political subdivision.



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Federal Disaster Money

National security emergency or disaster emergency (IC 10-14-3-17 (j5))

- A political subdivision may waive procedures and formalities otherwise required by law pertaining to:
 - (A) the performance of public work;
 - (B) the entering into of contracts;
 - (C) the incurring of obligations;
 - (D) the employment of permanent and temporary workers;
 - (E) the use of volunteer workers;
 - (F) the rental of equipment;
 - (G) the purchase and distribution of supplies, materials, and facilities; and
 - (H) the appropriation and expenditure of public funds.



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Salary Ordinances

Elected City Officials (IC 36-4-7-2)

- City Council must pass ordinance by **December 31**
- No publication requirement
- Salaries cannot be changed in the year for which they are fixed
- Salaries cannot be lowered beyond the amount set in the previous year

ORDINANCE NO 21-2012

AN ORDINANCE FIXING SALARIES FOR THE MAYOR, CLERK-TREASURER AND ELECTED OFFICIALS OF THE CITY OF _____, INDIANA, FOR THE YEAR 2013

WHEREAS, the Common Council of the City of _____, Indiana has previously determined that the salaries of the elected officials of the City for the year 2013 should now be fixed by the Common Council of the City of _____.

BE IT ESTABLISHED AND ORDAINED by the Common Council of the City of _____, Indiana, that:

Section 1. The salaries of the said elected officials of the City of _____, Indiana, for the year 2013 payable from the general tax funds of the City shall be as follows:

Mayor	\$63,184
Clerk-Treasurer	\$50,650
City Council	\$29,946 (\$4,278 each)

ADOPTED BY THE COMMON COUNCIL of the City of _____, Indiana on the 24th day of September, 2012.



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Salary Ordinances

Appointed Officers and Employees (IC 36-4-7-3)

- City Council must pass ordinance no later than **November 1**
- Legislative body may reduce but not increase compensation fixed by the Mayor
- Salaries **can** be increased or decreased by the Mayor during the budget year for which it is fixed
- May be written as annual or bi-weekly salary
- No publication requirement



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Sample Salary Ordinance



<u>Current Annual Salary</u>	<u>% Increase</u>	<u>2013 Bi-Weekly Salary</u>	<u>2013 Hourly Rate</u>	<u>2013 Annual Salary</u>
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Department of Finance and Purchasing

City Controller	54,765.98	1.5	2,137.98	55,587.47
Deputy Controller	37,492.00	1.5	1,463.63	38,054.63
Accounting Supervisor	31,064.80	1.5	1,212.72	31,530.72

Department of Parks and Recreation

Park Superintendent	55,932.56	1.5	2,183.52	56,771.55
Senior Services Coordinator	29,135.98	1.5	1,137.42	29,573.02
Special Facilities Laborer	23,387.86	1.5	913.03	23,738.68
Head Mechanic	31,171.92	1.5	1,216.90	31,639.50
Assistant Mechanic	28,185.99	1.5	1,100.34	28,608.78



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Salary Ordinances

Police and Fire Department Members (IC 36-8-3-3)

- City Council must pass ordinance no later than **November 1**
- No publication requirements
- If council fails to adopt ordinance, the board of works/safety may fix their compensation
- Salaries can change within budget year
- May grade members of departments by rank and length of service



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Salary Ordinances

Towns (IC 36-5-3-2)

- Town legislative body adopts ordinance by **December 31**
- No publication requirements
- May not be changed in the year for which it is fixed
- May not be reduced below the amount fixed in previous year



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Salary Ordinances

Other items to include



Fringe Benefits

Include vacation, sick leave, other paid leave in the salary ordinance if it hasn't been done otherwise or refer to the personnel policy guidelines.

Other Compensation - Temporary and/or Part Time

In addition to the positions set forth above, the Mayor and the City Department Heads may, as needed, hire and compensate part-time or temporary employees as permitted by their respective budgets.



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Salary Ordinances



Other Compensation (cont.)

Additional Compensation

In addition to the salaries set forth above, all of the employees, excluding members of the Board of Works, the Aviation Board, and the Park and Recreation Board, shall be entitled to additional compensation, such as, overtime, compensation time, etc., and those same fringe benefits as set forth within the **Personnel Policy** or as stated in negotiated contracts.



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Rainy Day Fund, Cumulative Funds and Property Tax Levy Appeals

Presented by: Paige Sansone, CPA, Principal, Umbaugh



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Rainy Day Fund



- May be established by adoption of an ordinance
- Ordinance must specify:
 - Sources of funding
 - Purpose of fund
- Ordinance must be amended to change funding source and/or purpose



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Rainy Day Fund



- Transfers may be made from:
 - Funds raised by a general or special tax levy
 - Supplemental distributions made by Indiana Dept. of Revenue (CAGIT, COIT, EDIT)
 - Dormant funds (use of fund/levy has been fulfilled)
- May transfer unused (unencumbered) balances from other funds to the Rainy Day Fund in an amount not to exceed 10% of the budget of all DLGF approved funds combined
- Transfers may be made at any time during the year



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Rainy Day Fund

- Subject to the same appropriation process as other funds that receive tax money
- Requires Dept. of Local Government Finance approval
- May budget the fund during the normal budget process (for monies on hand)
- Can appropriate through the additional appropriation process
- Permanent transfers are allowed from Rainy Day to any appropriated fund
- No limit to the amount than can be retained in the fund
- DLGF may not reduce the taxing unit's maximum levy limitation based on the balance of the fund



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Cumulative Funds



- Property tax levy outside the maximum levy (Cumulative Capital Development)
- Allows for the accumulation of funds for future capital expenditures
- May eliminate or reduce the need to borrow for capital expenditures – reduce interest costs
- May alleviate burden on operating fund



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Cumulative Funds



- Most Cumulative Funds are not exempt from maximum levy limitations; however, municipalities may get an adjustment to the maximum levy for a Cumulative Capital Development Fund
- The tax rate on cumulative funds is adjusted for trending and reassessment of real property to keep the levy neutral
- Rate may be “reestablished” to the maximum rate



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Common Cumulative Funds



- Cumulative Capital Development (Ind. Code § 36-9-15.5)
- Cumulative Capital Improvement
 - Funded by Cigarette Tax (Ind. Code § 6-7-1-31.1) – monies may be appropriated directly from this fund for any legal purpose.
 - Funded by Tax Rate (Ind. Code § 36-9-16-3)
- Cumulative Fire (Ind. Code § 36-8-14)
- Cumulative Transportation (Ind. Code § 36-9-4)
- General Improvement (Ind. Code § 36-9-17)
- Cumulative Park Building (Ind. Code § 36-10-3)

Cumulative Funds

Process to Establish or Increase Rate

- **Step 1**
 - Publish a notice to taxpayers 2 times at least 7 days apart
 - 1st publication at least 10 days prior to public hearing
 - 2nd publication at least 3 days prior to public hearing
- **Step 2**
 - Council conducts public hearing and adopts ordinance
- **Step 3**
 - Submission to DLGF no later than August 1st
 - Procedure checklist, ordinance and proofs of publication
- **Step 4**
 - DLGF reviews proposal

Cumulative Funds

Process to Establish or Increase Rate

- Step 5
 - DLGF prepares Notice of Submission to be published by taxing unit
 - Note: Beginning on July 1, taxing units will be responsible for preparing a notice of adoption to be published after the public hearing. The publication will start the appeal window (30 days for CCD funds)
- Step 6
 - After remonstrance period has expired, proofs of publication of Notice of Submission (or Notice of Adoption) and Auditor's Certification of No Remonstrance are forwarded to the DLGF
 - If objection petition is filed, DLGF will hold a hearing in the County where the taxing unit is located

Cumulative Funds

Process to Establish or Increase Rate

- Step 7
 - The DLGF will issue an official order certifying approval, disapproval or modification of the Cumulative Fund
- Cumulative Fund Budget
 - Must be advertised and adopted along with the other funds during the budget process
 - Appropriations may be included in the annual budget or may be established by additional appropriation



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Property Tax Levy Appeal



- Request to increase the maximum permissible levy limitation
- Can be a permanent or temporary (1-year) increase depending on the type of appeal requested



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Types of Levy Appeals



- **Annexation, Consolidation, Extension of Services**
 - Need additional levy to cover operating costs of newly annexed area
- **Shortfall of Property Taxes**
 - A.V. errors and taxpayer refunds
- **Correction of Error**
 - Mathematical/advertising errors
- **Three-Year Growth Appeal**
 - Average A.V. growth over 3 years exceeds statewide growth factor by 2%
- **Emergency Appeal (natural disaster)**
 - Inadequate funds to carry out governmental functions due to a natural disaster, an accident, or other unanticipated emergency



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Levy Appeal Process



- Determine eligibility
- Prepare appeal documents
- Submit appeal petition, application, and supporting documentation to the DLGF:
 - On or before October 19 for all appeals except shortfall
 - On or before December 31 for shortfall appeals
- DLGF Commissioner reviews appeal and issues final determination



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Appeal Must be Advertised

- Appeal amount must be advertised in Column 4 of Budget Form 3
- The amount must also be included in Column 3 (maximum estimated funds to be raised)

1 Fund Name	2 Budget Estimate	3 Maximum Estimated Funds to Be Raised (including appeals and levies exempt from maximum levy limitations)	4 Excessive Levy Appeals (included in Column 3)	5 Current Tax Levy
GENERAL	\$ 500,000	\$ 650,000	\$ 200,000	\$ 400,000
LRS	100,000	-	-	-
MVH	200,000	300,000		200,000
PARK	350,000	400,000		300,000



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Municipal Budgeting

*Presented by: Daniel Hedden, CPA, Partner, Umbaugh
Paige Sansone, CPA, Principal, Umbaugh*



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Agenda



- Budgeting Theory
- Vocabulary
- Foundational Knowledge
- Budget Process and Calendar
- Best Practices



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Budgeting Theory



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What is a Budget?

A budget is a spending plan, a tax levy
and a tax rate.



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Why Budget?



- Required by law
- Duty to taxpayers
- Fiscal accountability
- Operational accountability
- Transparency



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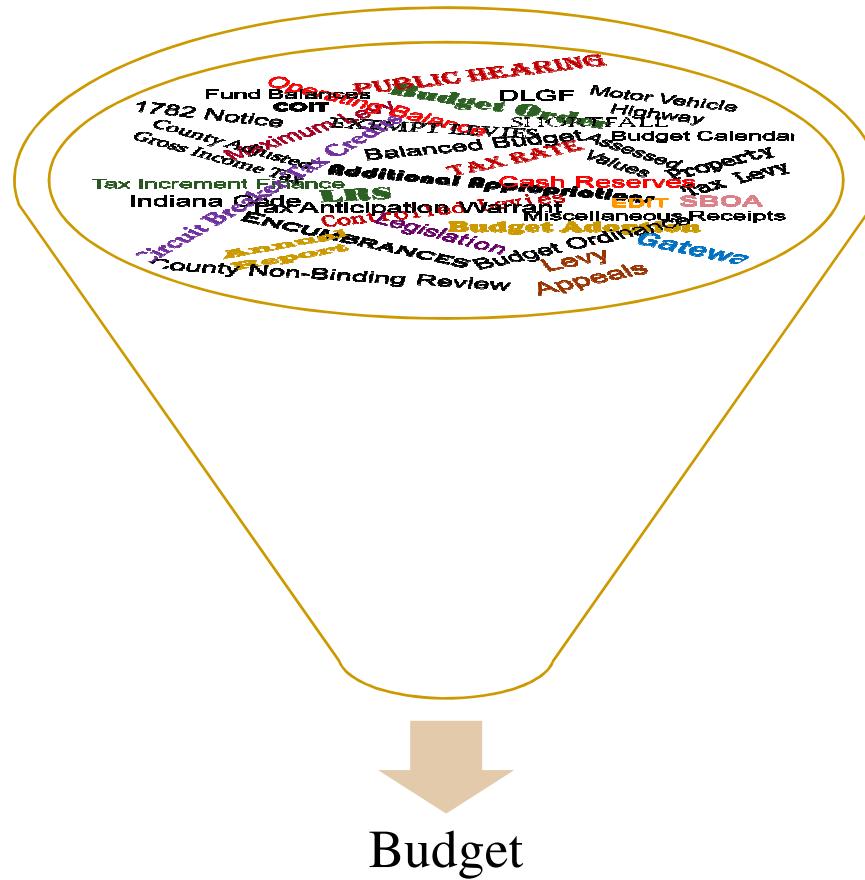


PUBLIC HEARING
Budget Order
Operating Budget
Operating Balance
Maximum Tax Credits
Circuit Breaker Tax
Annual Report
County Non-Binding Review
BRANCES
ENCUMBRANCES
Controlled Legislation
LRS
Tax Anticipation Warrant
County Adjusted Gross Income Tax
1782 Notice
COIT
Fund Balances
EXEMPT LEVIES
BALANCED BUDGET
BALANCED BUDGET
Additional TAX RATE
Cash Reserves
Appropriations
Controlled Levies
Budget Adoption
Ordinance
Gateway
Levy
Appeals
DLGF
SHOREFALL
Assessed Values
Budget Calendar
Motor Vehicle Highway
Property Tax Levy
SBOA
EDIT
LEVIES
LEVIES
Assessed Values
Property Tax
Proprietary Tax
Miscellaneous Receipts



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Town of Anyville



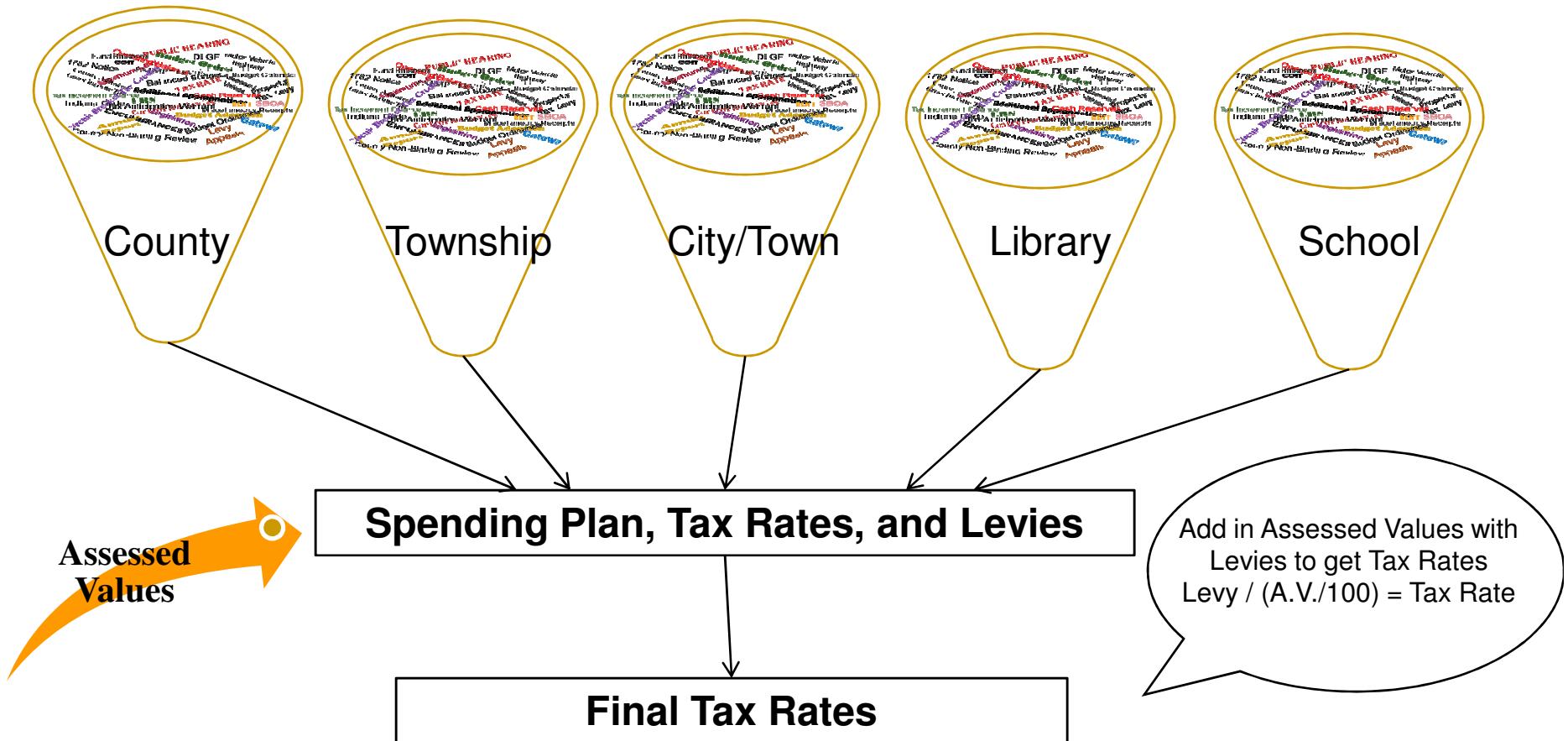
(Spending Plan, Tax Levy, Proposed Tax Rate)



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Taxing District





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DLGF Certifies Tax Rates



County uses certified tax rates to prepare property tax bills and send to taxpayers



Taxpayers pay tax bill to County Treasurer



County distributes property tax to local government



Property tax is used by local government to help fund services



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Vocabulary



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Vocabulary

- **Assessed Value (“AV”)**
 - Market value of real and personal property
- **Property Tax Levy**
 - Funds generated by applying the tax rate to each \$100 of AV
- **Property Tax Rate**
 - Property tax levy divided by each \$100 of AV
- **Maximum Property Tax Levy**
 - Max amount of tax levy that can be raised by a taxing unit – certified by DLGF



Vocabulary

■ Controlled Levy

- Tax levy chargeable against (within) the maximum levy
- Example: General Fund levy

■ Exempt Levy

- Tax levy outside the maximum levy (however, may not be exempt from Circuit Breaker caps)
- Example: Debt Service Levy

■ Levy Appeal

- Petition to DLGF to increase maximum levy

■ Appropriation

- Permission (authority) to spend available funds



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Vocabulary

■ Additional Appropriation

- Permission to spend in excess of certified budget

■ Encumbrance

- An appropriation from the prior year carried over due to an obligation incurred in the form of a purchase order (obligation incurred in prior year but not paid until current year)

■ Operating Balance

- Ending cash balance (reserves) – suggested minimum is 15% of budget

■ Circuit Breaker Tax Credit

- Credit applied to tax bill if calculated tax liability exceeds caps



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Vocabulary

■ Local Option Income Tax

- Tax levied against adjusted gross income (based on the County in which you live)
- “Legacy LOIT’s”
 - **CAGIT** – County Adjusted Income Tax (cannot be adopted with COIT)
 - **COIT** – County Option Income Tax (cannot be adopted with CAGIT)
 - **CEDIT** – County Economic Development Income Tax (can be adopted with either CAGIT or COIT)
- “New LOIT’s”
 - **Levy Freeze LOIT** - used to fund future levy growth (levy replacement)
 - **Property Tax Relief LOIT** – provides targeted relief through property tax replacement and homestead credits
 - **Public Safety LOIT** – generates new revenue for a wide range of public safety purposes Must be enacted with either Levy Freeze or Property Tax Relief LOIT.



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Foundational Knowledge



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Spending Authority



- No expenditure may be made without an appropriation unless specifically authorized by statute
- Appropriation = spending authority
- Authority given by:
 - Local Fiscal Body (Council)
 - DLGF (for funds that receive property tax, MVH, LRS, and Rainy Day)



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Cash Reserves ("Operating Balance")



- Monies remaining at the end of a budget year after all revenues have been received and all expenditures have been disbursed
- May help to manage cash flow shortages without the need for external short-term borrowing
- Demonstrates:
 - fiscal accountability
 - financial stability
- Provides a funding source to respond to unforeseen events, emergencies or opportunities
- Suggested minimum reserve depends upon the need and circumstances (15% to 20%)



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Cash Transfers

(Interfund Borrowing)



- Permanent cash transfers between funds are not allowed unless specifically authorized by statute
- Cash transfers between funds are allowed for temporary borrowing
 - Must be repaid by December 31
 - Loan repayment may be extended by 6 months (to June 30) with emergency resolution by Council
- Exception:
 - Towns w/ pop. of less than 500 may transfer cash from any town fund to another town fund by resolution
- All transfers require adoption at a public meeting and a resolution authorizing the transfer



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Cash Transfers

(Rainy Day and EDIT Funds)



- A municipality may transfer money from its EDIT Fund or Rainy Day Fund to its General Fund or any appropriated funds of the municipality
- The fiscal body (Council) is required to approve the transfer by adopting a resolution



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Shortfall and Levy Excess



■ Shortfall

- Property tax received is less than property tax certified
- Possible causes are delinquencies, errors in A.V., circuit breaker credits

■ Levy Excess

- Property tax received is greater than property tax certified
- Possible causes are paid delinquencies from previous years and errors in A.V.

Shortfall:

Actual Property Tax Distribution	\$ 3,800,000
Certified Levy	<u>4,100,000</u>
Total Shortfall	\$ (300,000)

Levy Excess:

Actual Property Tax Distribution	\$ 4,200,000
Certified Levy	<u>4,100,000</u>
Total Levy Excess	\$ 100,000



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Circuit Breaker Tax Credits

How do they affect your budget?



- Direct reduction of a taxing unit's property tax receipts
- Affect actual property tax distributions and have no affect on "certified" levies ← **Very important**
- Actual losses due to circuit breaker credits may not be determined until tax bills are calculated
- Tax rate increases may cause increases in circuit breaker credits



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Match Spending Plan with Annual Receipts



Example: Unfunded Budget

Est. beginning cash (01/01/13)	\$200,000
Plus receipts (net of C.B. Credits)	<u>700,000</u>
Funds available	900,000
Minus disbursements	<u>(950,000)</u>
Est. ending cash (12/31/13)	<u>\$ (50,000)</u>

- Recommended min. cash reserve = \$142,500 (15%*\$950,000)



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Match Spending Plan with Annual Receipts



Example: Budget Funded But Not Balanced

Est. beginning cash (01/01/13)	\$200,000
Plus receipts (net of C.B. credits)	<u>700,000</u>
Funds available	900,000
Minus disbursements	<u>(900,000)</u>
Est. ending cash (12/31/13)	<u>\$ 0</u>

- Recommended min. cash reserve = \$135,000 (15% * \$900,000)



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Match Spending Plan with Annual Receipts



Example: Balanced Budget

Est. beginning cash (01/01/13)	\$200,000
Plus receipts (net of C.B. credits)	<u>700,000</u>
Funds available	900,000
Minus disbursements	<u>(700,000)</u>
Est. ending cash (12/31/13)	<u>\$200,000</u>

- Recommended min. cash reserve = \$105,000 (15%*\$700,000)



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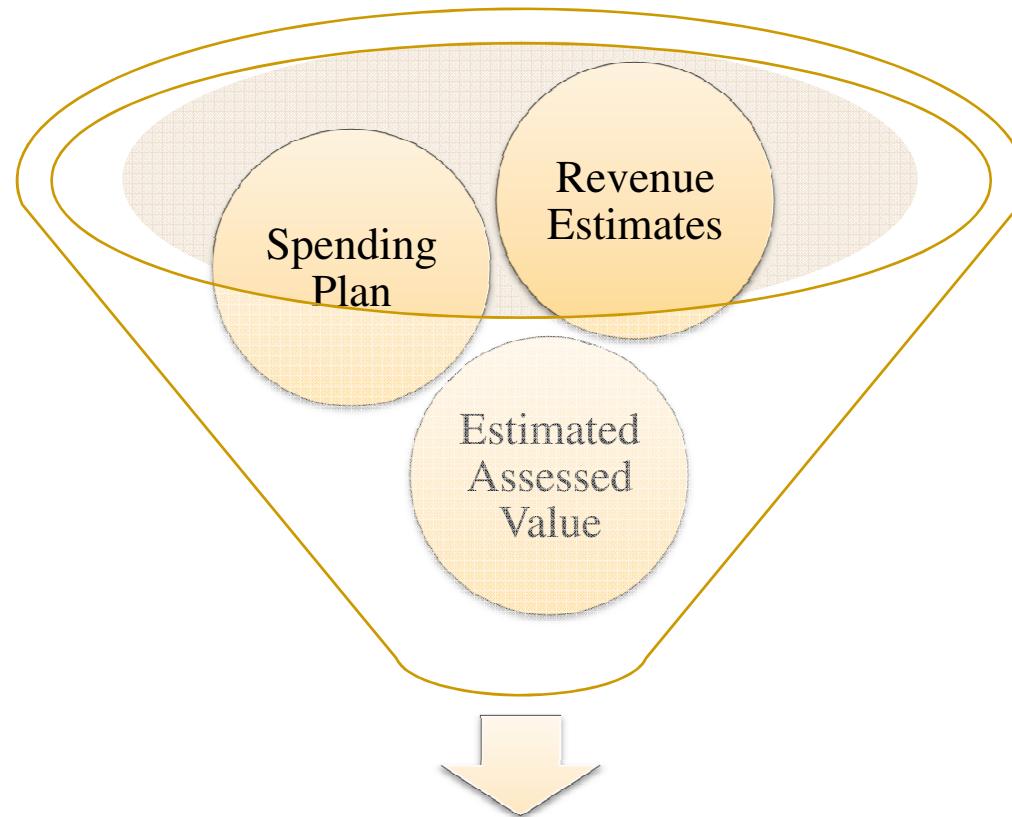
Budget Process And Calendar



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Local Budget Process

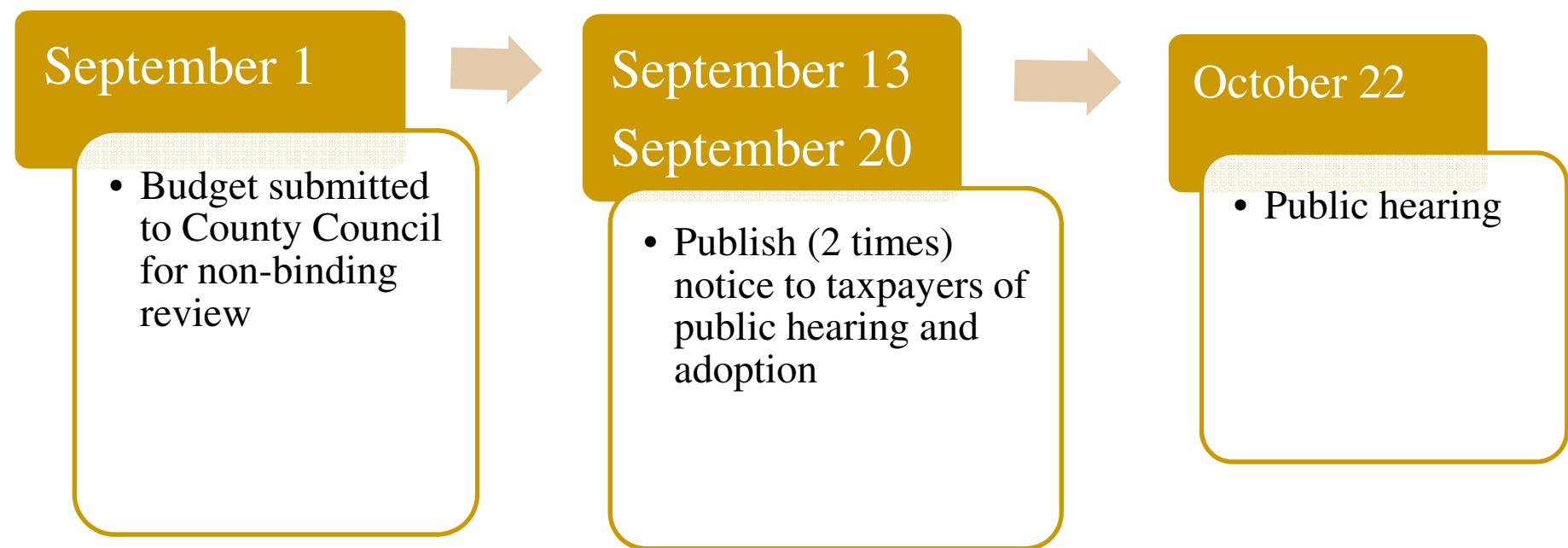


Input into Gateway (State Budget Program)



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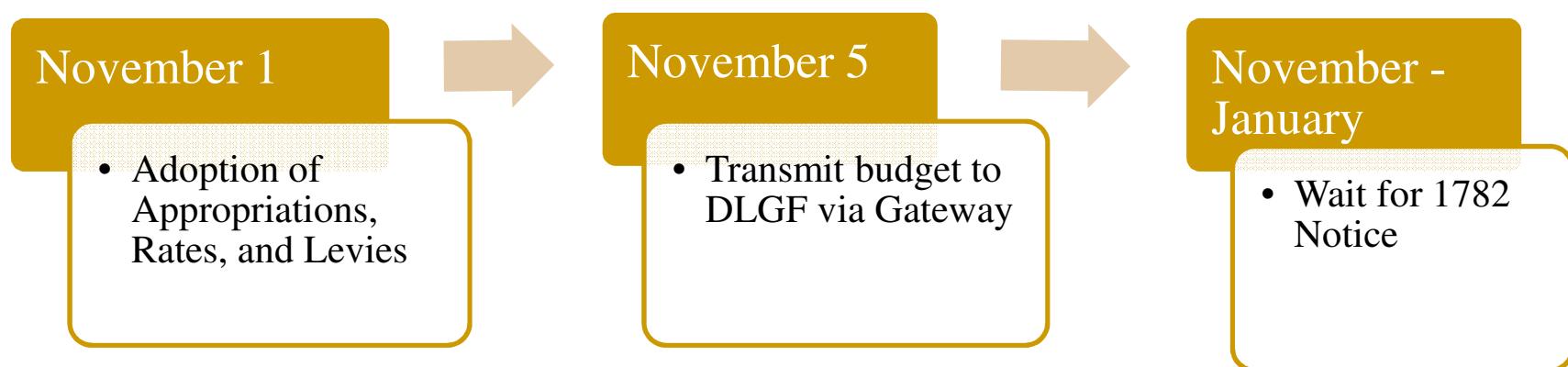
Local Budget Process (cont.)





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Local Budget Process (cont.)





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State Budget Process



November -
December

- DLGF holds a public hearing in each county

November -
January

- DLGF reviews budgets for statutory compliance
- DLGF issues 1782 Notice (preliminary budget) – taxing units have 10 days to respond

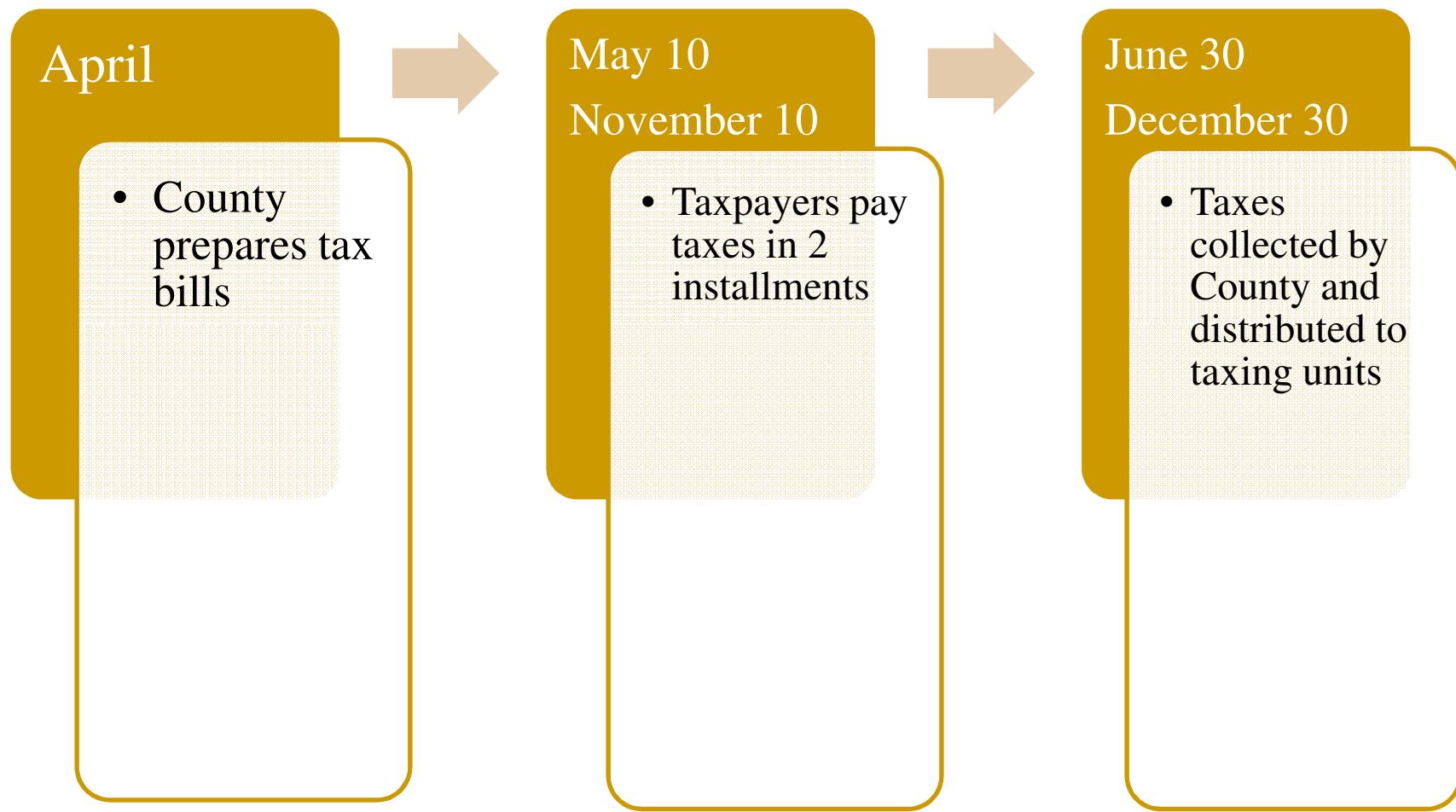
February 15

- DLGF issues final budget order
- DLGF issues certified tax rates to County



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County Budget Process





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Budget Calendar

Deadline	Action Item
January – June	Prepare estimates of receipts and disbursements for the ensuing year
July - August	Develop spending plans and begin entering data into Gateway Budget Program
August 1	Deadline for County Auditor to certify assessed values to the DLGF
September 1	Deadline to submit <u>proposed</u> budget to County Council for non-binding review
September 13	Deadline for first publication of notice to taxpayers (at least 10 days prior to the public hearing)
September 20	Deadline for second publication of notice to taxpayers (at least 3 days prior to the public hearing and 7 days after 1 st publication)



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Budget Calendar (cont.)

Deadline	Action Item
October 1	Deadline for County Council to complete review and issue non-binding recommendation to taxing units
October 19	Deadline to file levy appeal with the DLGF (all appeals except shortfall)
October 22	Deadline to hold public hearing on the budget (at least 10 days prior to budget adoption)
October 28	Deadline for 10 or more taxpayers to object to the budget (no later than 7 days after the public hearing)
November 1	Deadline to adopt budgets, rates, and levies
November 1	Deadline for second and third class cities to adopt salary ordinances

Budget Calendar (cont.)

Deadline	Action Item
November 5	Deadline to electronically file adopted budgets through the Gateway Budget Program (no later than 2 days after adoption)
December 14	Deadline for DLGF to accept additional appropriation requests
December 31	Deadline to file shortfall levy appeal with the DLGF
December 31	Deadline for Towns to adopt salary ordinance for ensuing year
February 15	Deadline for DLGF to certify budgets, rates, and levies
March 1	Deadline to file annual report with State Board of Accounts



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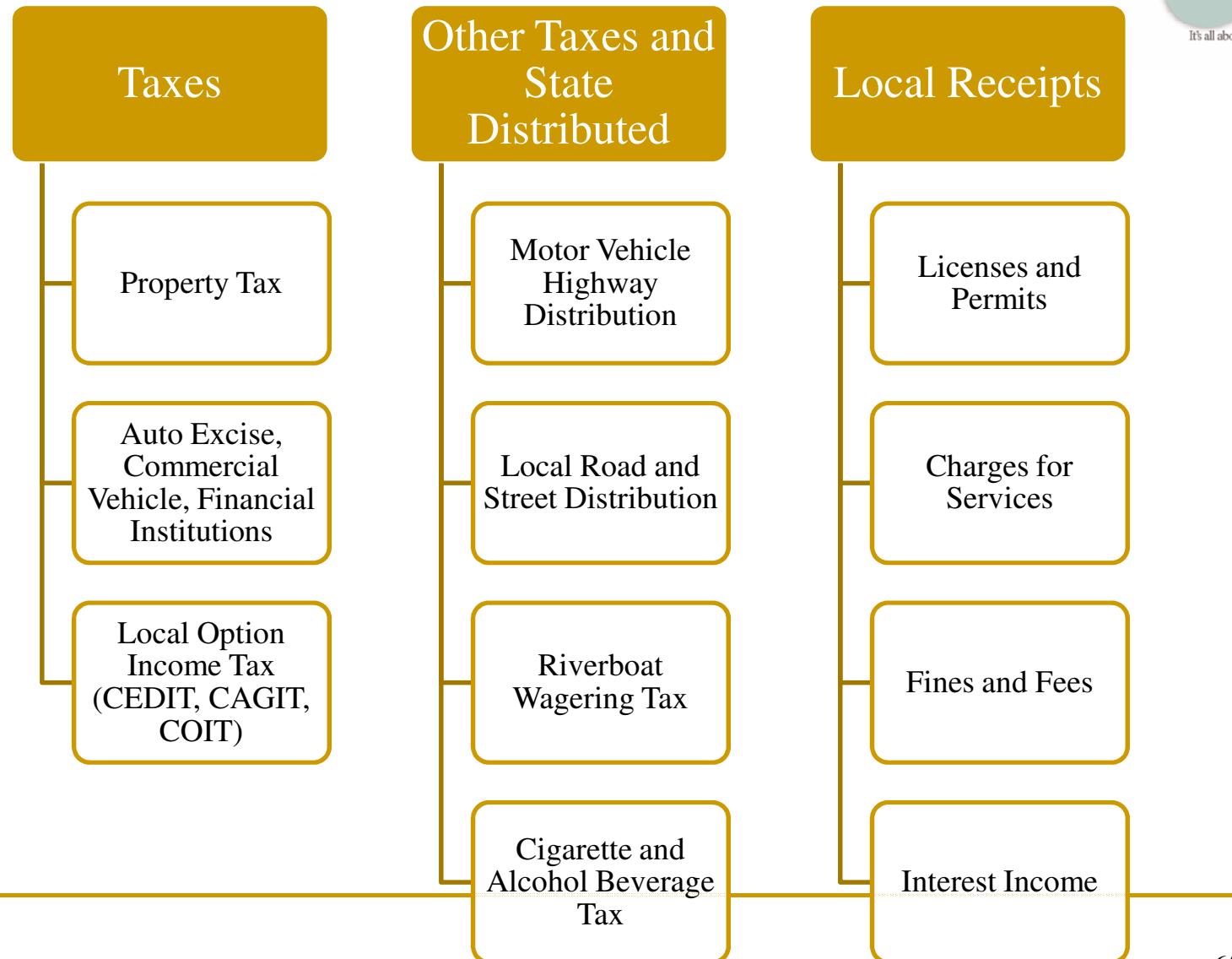
BEST PRACTICES



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Estimating Receipts





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Estimating Receipts



- Property Tax – Controlled Funds
 - Apply state-wide growth factor to current maximum levy (2.4% estimated for 2013)
- Property Tax – Cumulative Funds (rate controlled)
 - Current tax rate multiplied by estimated 2013 AV (per \$100)
- Property Tax - Debt Service Funds
 - Three debt payments minus annual misc revenues (can use 2012 revenue as estimate)



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Estimating Receipts (cont.)



- State Distributed Receipts
 - Formula sheet from Auditor of State
 - DLGF Certification (local income taxes)
 - Look at historical (actual) receipts to determine trend
- Local Receipts
 - Examples include contractual payments, fines and fees, interest on investments
 - Look at historical (actual) receipts to determine trend



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Example of formula sheet for several types of State distributed receipts

AUDITOR OF STATE

Tim Berry



TOLL FREE (317) 232-3300
FACSIMILE (317) 233-2791
<http://www.in.gov/auditor>



June 3, 2011
Prepared by Dan Bastin, Settlement Director
Phone: (317) 232-3309
Email: dbastin@auditor.in.gov

2012 Budget Revenue Estimates

The following estimates apply to Cities and Towns only

Cigarette Tax - General Fund

December 2011 = .40/Capita-2000 Census	
2012 = .73/Capita-2010 Census	

Cigarette Tax - CCIF

December 2011 = 1.48/Capita-2000 Census	
2012 = 2.71/Capita-2010 Census	

ABC Gallonage Tax

Last half of 2011 = 1.13/Capita-2000 Census	
First half 2012 = 1.00/Capita-2000 Census	
Second half 2012 = .96/Capita-2010 Census	

MVH

Last half of 2011 = 10.84/Capita-2000 Census	
First half 2012 = 13.55/Capita-2000 Census	
Second half 2012 = 10.34/Capita-2010 Census	

MVH #2

Last half of 2011 = 1.34/Capita-2000 Census	
2012 = 1.28/Capita-2010 Census	

The following estimates apply to Counties only

MVH

Last half of 2011 =	=	102% of the last half of 2010
2012 =	=	100% of the first half of 2011 plus 102% of the last half of 2010

MVH#2

Last half of 2011 =	=	August and September 2010
2012 =	=	August and September 2010

The following estimates apply to Counties, and Cities and Towns

LRS

Last half of 2011 =	=	100% of the last half of 2010
2012 =	=	100% of the first half of 2011 plus 100% of the last half of 2010

MVH#1

Last half of 2011 =	=	August and September 2010
2012 =	=	August and September 2010

Commercial Vehicle Excise Tax (CVET) Dec 2011 = May 2011; 2012 = May 2011 times 2

200 W. WASHINGTON STREET STATE HOUSE ROOM 240 INDIANAPOLIS, IN 46204-2793



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Estimating Disbursements



- Determine the maximum amount of disbursements that can be budgeted based on the estimated receipts
- Review most recent year of actual disbursements (not budget) and determine what items need to be increased/decreased
- Develop a budget that results in an appropriate ending cash balance (reserve)
- Prepare a balanced budget whereby disbursements do not exceed estimated receipts for the same time period



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Communicate the Budget



- Internal Communication
 - Management involvement
 - Working group meetings
 - Distribute copies of “final” budget
- External Communication
 - Notice to Taxpayers
 - Public Hearing
 - Adoption



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Best Practices



- Maximize property tax levy
 - Use conservative AV (80% of current?)
- **Advertise and adopt carefully!**
 - Gateway (DLGF) budget – inflated tax rates and levies
 - Working budget – includes estimated circuit breaker losses and realistic estimates of levies and other receipts
- Prepare a fully-funded budget
 - Disbursements not to exceed annual estimated receipts
 - Sufficient cash reserves (minimum recommended is 15% of budget)



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Best Practices (cont.)



- Develop a plan to manage funding shortfalls
 - Permanent shortfalls (like those caused by circuit breaker credits)
 - Temporary shortfalls – timing issues
- Interim meetings during the year
 - Propose course corrections if necessary



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Best Practices (cont.)



- Prepare historical cash flows (3 years back)
 - To identify trends in receipts and disbursements
 - To help develop projections
- Prepare cash flow projections (3 years forward)
 - To identify potential funding shortfalls
 - To develop possible funding solutions
- Prepare a comprehensive long-term fiscal plan (include capital)
 - Provides a financial roadmap to accomplish priorities and preserve a standard of fiscal and operational accountability
- Execute and monitor your plan



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Common Myths



- The budget (appropriations) need to be overstated to get the full maximum levy
- The DLGF will cut our budget if the fund's operating balance exceeds 50%
- The DLGF cut our budget this year because we under-spent our budget last year
- We can afford to spend 100% of our budget because that is what the DLGF certified
- We do not have any control over our budgets – the DLGF decides how much money we can get and how much we can spend
- If we do not spend it we will lose it.