

Date: August 18, 2016

To: Members of the Bloomington Township Board

From: Lillian Henegar, Bloomington Township Trustee

RE: Considerations for the 2017 Budget

We accompany this memo with the draft proposed 2017 Budgets for the Township and Township Assistance Funds, and the Northern Monroe County Fire Protection Territory Operating and Equipment Replacement Funds. We are providing you with the Territory budget report and attachments reviewed by the NMCFT Executive Committee, which cover the considerations taken in drafting the proposed 2017 fire territory budget. This report will focus on the Township General and Township Assistance Funds.

### **Overview of the Estimated Revenue, Assessed Valuations, and Other Variables**

The State Budget Agency has calculated the Assessed Valued Growth Quotient for Budget Year 2017 at 3.8%. The Indiana Department of Local Government Finance calculated the Estimated Maximum Levy for Budget Year 2017 as \$373,464 (Bloomington Township Civil). In addition, the Budget Agency calculated the County Non Farm Personal Income Growth Quotient, 2008 to 2014, at 2.2%.

On June 16, the Township received its 2016 "June Settlement" in the amount of \$794,392.25. This year included \$740,595.04 from property taxes and \$53,797.21 from license excise taxes. At that time, \$120,000 was transferred from the Fire Fund to Rainy Day Fund to pay back the "loan." Each year in the first quarter, we borrow \$100,000 to \$120,000 from the Rainy Day Fund to ensure we can make payroll through June 30, or the time we receive the township's property tax revenue for the first half of the year. We usually have to put it into the Fire Fund since monthly payroll for the fire department is approximately \$70,000 to \$80,000 a month.

The Township enjoyed an unexpected windfall this year. Legislation passed last winter directed the State to distribute local government taxing entities local income tax revenue that the state had collected over the years and held back. The law also decreased the percentage of local income tax the state is allowed to hold in reserve. For Bloomington Township, they returned \$130,115.65, directing the County to deposit it into the Township's Rainy Day Fund, which is where it remains. At this point in time, we recommend retaining it there. One of the recommendations our fiscal intern gave us was to build up our cash reserves and the Rainy Day Fund.

### **Township General and Township Assistance**

We have to budget for a storm water fee for the cemeteries, increasing line 3109 (Other utility service). The law changed regarding bonds (line 3201) so that we must purchase a bond each year, instead of a bond good for 4 years. We are also required to cover the deputy trustee and the clerk. This coming year, we are increasing legal, other professional services, and cemetery equipment due to the need to undertake a stake survey of Dearmin Cemetery and to erect a fence around it. We have increased the training and certification budget (line 3720) to allow for additional training for new staff brought on when Carilyn retires at the end of 2016.

It is not easy to predict needs for assistance in 2017; however, based on the past couple years, we are increasing the lines for rental and utility assistance. This year’s dramatic upturn in dental assistance and indigent burial requests has caught our attention. HIP Plus, the state’s Medicare program, does not fully cover the dental care needs of a group of people who are frequently receiving dental care for the first time in their lives. As for indigent burial requests, we are projecting that as the baby boomer generation ages, sickens and dies, these requests will continue to increase.

**Health, Property and Liability Insurance, and Other Coverage**

As you know, the Township offers health insurance for all full time employees, carries property and liability insurance as well as workers’ compensation. Of course, we can anticipate increases in 2017 and the proposed budget includes these increases. The documents are attached outlining the coverages, their renewal dates, the 2016 amount, and the 2017 estimate.

In 2016, we increased the employee share of their health insurance premiums. We increased the amounts that staff contribute per pay period toward their premiums: employee only is \$20.00; employee plus spouse is \$40.00; and, employee plus family is \$60.00. These amounts represent 6% of the cost to the Township for their coverage. The average Hoosier employee pays 19% to 27% (depending on the number of family members covered) of the cost for her/his health coverage.

We also suspended the stipend in 2016. We are considering a longevity bonus, which would reward and retain staff. It would be paid out \$100 per year of service and capped at \$2,000. If we adopt a longevity bonus, the Trustee should not be eligible to receive it.

**Salaries – Township General and Township Assistance**

The Township Board requested percent increases for Township Office staff salaries be calculated for 2%, 2.5%, and 3%. This calculation is attached. In preparing the draft proposed budgets for the Township General and Township Assistance Funds and calculating the impacts on the maximum tax levy and the tax rate, we start with a calculation based on the 3%. The Civil levy limit we calculate is \$373,089 and the maximum civil levy that DLGF set is \$373,464. An across the board 3% increase in staff salaries results in a civil levy of \$373,510. This tax levy would result in a combined “published” tax rate of 0.0298; the 2016 published rate was 0.0296 and the 2016 certified or approved rate is .0243. Every year, the Township develops and publishes the budget, levy, and tax rate at the high level.

**Demographic and Salary Comparisons – Monroe County Townships**

Township	Population	2016 Certified AV	2015 Twp Asst Reqts/Recipients	2016 Certified TA Budgets	2016 Certified Tax Rate
Perry	50,673	2,776,348,687	2,359/2,197	\$1,044,820	.0205
Richland	14,343	664,572,147	197/370	\$527,178	.0218
Van Buren	11,981	655,056,732	203/438	\$472,590	.0548
Bloomington	44,167	1,474,309,764	3,295/1,993	\$548,085	.0243

<b>Perry Township</b>	<b>Position</b>	<b>2015</b>	<b>2016</b>	
Dan Combs	Trustee	\$32,639	\$33,552	
Pat Combs	Office Manager	\$49,831	\$51,226	
Sharon Yoder	Bookkeeper/Accounting	\$59,254	\$60,913	25 hrs.
<b>Van Buren Township</b>				
Rita Barrow	Trustee	\$47,000.00	NA	
Combined two staff	Clerks	\$30,000.00	NA	PT
	Fiscal Consultant	\$18,000.00	NA	
<b>Richland Township</b>				
Marty Stephens	Trustee	\$32,999.00	NA	
	Office Manager	\$31,548.00	NA	
Sharon Yoder	Administrator/Controller	\$18,023.00	NA	PT

**Salary Comparisons – Bureau of Labor Statistics 2015**

<b>Position</b>	<b>Blgtn Metro Area Median Hourly</b>	<b>Indiana Median Hourly</b>
All Occupations	\$15.17	\$15.82
Management Occupations	\$37.08	\$38.33
General & Operating Managers	\$35.13	\$39.16
Administrative Services Managers	\$27.26	\$33.34
Financial Managers	\$45.07	\$45.20
Human Resources Managers	\$45.20	\$45.20
Social & Community Services Managers	\$24.92	\$23.44
Managers, All Other	\$27.72	\$28.87
Community & Social Service Occupations	\$20.83	\$18.12
Community & Social Service Specialists, All Other	\$15.54	\$17.42
Office & Administrative Support Occupations, All	\$14.95	\$14.75
Bookkeeping & Accounting Clerks	\$16.65	\$16.61
Receptionists & Information Clerks	\$14.01	\$12.49
Office & Administrative Support Workers, All Other	\$16.04	\$14.45

**Salary Recommendations**

In addition to the Township Salary Calculations of 2%, 2.5%, & 3%, a Township Salary Calculation with my recommended 2017 salaries is attached along with a revised budget and Budget Form 4-B.

I recommend that the Trustee salary not be increased at all this year. The caseworker and administrative staff salaries receive a cost of living increase of 2% across the board, which would be in line with the Township Board desire to match the City of Bloomington’s salary increases. The Township shares the cost of the IT specialist hourly wages with the Territory, which shows a 107% increase to the

temporary hourly worker pay line (1140) over 2016. For 2017, we've budgeted for 8.5 hours per week at the Township Office.

Further, I recommend that the Deputy Trustee/Office Manager position be increased by at least 3.88% to \$48,876, or \$23.50 hourly rate at 40 hours. I am changing the job title to Administrative Operations Director or Administrative Operations Manager to better fit the scope and responsibilities of this position. It does not appear that by providing a 3.88% salary increase for this position that the tax rate will be adversely effected.

### **Administrative Operations Manager: New Title, Continuing Key Role**

As you know, the primary responsibility of the Township is to steward the Township's resources and ensure that its statutory obligations are met. The Trustee should bring managerial experience and oversight, however elected positions are transitory by nature and each trustee brings different gifts and skills. Bloomington Township has long had a position that sees to the day-to-day administration of the Township. However, as time has gone by, budgets and staff have increased, rules and regulations have proliferated, and the responsibilities for fire and emergency medical services have changed. The position and its role has outgrown the title it carries, and the compensation.

The Administrative Operations Manager plays a key role in the administration of the Township and the Fire Department. (In another organization, this position would be the Director of Operations or of Administration.) With the right person, this position provides essential constancy and consistency as elected trustees come and go.

Currently, this person manages a budget of \$2.37 million. In 2017, it becomes a \$3.58 million budget. Our manager acts as the human resources director for 35 full and part time employees, as the purchasing agent, and the facilities manager. In order for the Township to meet its obligations to the citizens and the state, this person must understand and keep up-to-date on the rules, regulations, and requirements placed upon townships. Positive and reciprocal relationships with key personnel in other local governmental units throughout the County is critical.

Lisa Myers brings a unique blend of talents, skills, and dedication to the administration of the township and fire department. Not only does she share our dedication to serving all residents of Bloomington Township, and now Washington Township as well, she has the ability to both grasp the big picture and to attend to the minutest detail. She not only handles the diverse responsibilities of the Office (and those at the Fire Station that overlap) with apparent ease, she also seems to relish the diversity. In addition, she writes well. For local government, her scrupulousness is invaluable. Over the past couple years, she has instituted a number of measures to ensure that diverse "eyes" are on the Township's funds – revenue and expenditures – so that there's no room for wrong-doing. She ensures that the paperwork for every expenditure of funds is complete and retained. At the last audit, the state auditor gave the Township a clean audit, commenting on Lisa's outstanding work.

We have had a multi-year plan for bringing this position's salary up to be comparable with others in the area's public and private sectors. But, things happen. I recognize the members of the Township Board may decide that salary increases in 2017 should reflect their awareness of the multiple tax increases that have had to be implemented by various entities this year. At the same time, it is important to outline the reasoning for increasing the deputy trustee's salary by 3.88% this year.

**Materials Accompanying This Memo**

1. Draft Proposed 2017 Budget for Bloomington Township General and Township Assistance Funds
  - Includes Draft Proposed 2017 Budget for NMFT, updated per NMFT Exec Cmte recommendations
2. Property and Liability Insurance Coverage – Chart
3. Township and Township Assistance Benefits – Chart
4. Firefighter Benefits – Chart (included in NMFT Exec Cmte Packet re 2017 Budget)
5. Township Salary Calculation 26 Pay Periods: 2%, 2.5%, 3% - Chart
6. Township Salary Calculation 26 Pay Periods: Trustee Proposal – Chart
7. Budget Form 4B Spreadsheet as of August 17 – updated per NMFT Exec Cmte recommendations
8. Firefighter Salary Calculation – New Structure

NMFT Executive Cmte August 15 Meeting Packet Re 2017 Budget – Packet of Materials