

Date: August 30, 2017

To: Members of the Northern Monroe Fire Territory Executive Committee

From: Lillian Henegar, Bloomington Township Trustee

RE: **Updated** Considerations for the 2018 Budget

This report contains updates to the information provided in the July 5, 2017 memo, Considerations for the 2018 Budget. The updated or new information is in **boldface**.

### **Materials Accompanying This Memo**

Draft Proposed 2018 Budget for NMFT Operating and Equipment Replacement Funds **UPDATED**

Fire Department Salary Calculations for 26 Pay Periods Chart

Firefighter Benefits Chart

Property and Liability Insurance Coverage Chart

2015 Salary & Benefits Survey

2016 Certified Salaries - Indiana

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

#### **2018 Growth Quotients, Projected Revenues, and Tax Rates**

On June 30, 2017, the State Budget Agency issued the Assessed Valued Growth Quotient for Budget Year 2018. The growth quotient for CY2018 (or our budget year) is 4.00%.

**The Indiana Department of Local Government Finance (DLGF) distributed its Estimated Miscellaneous Revenues, Property Tax Cap Impacts, and Taxing District Rates for Budget Year 2018. The estimated tax cap impact for Fire Territory General Fund is \$40,000. For all of Monroe County, they estimated high this year to correct underestimating in previous years. The 2018 tax rates they estimated are: unincorporated Bloomington Township, 0.8606 and Washington Township, 0.8105.**

#### **Update on 2017 June Settlement**

On June 14, the Township received its 2017 "June Settlement" in the amount of \$1,915,582.65. This amount includes the general property tax, license excise tax, financial institution tax (FIT), and the CVET revenues for the first half of 2017. At that time, \$220,000 was transferred from the Fire Fund to Rainy Day Fund to pay back the "loan." Each year in the first quarter, we borrow from the Rainy Day Fund to ensure we can make payroll through June 30, or the time we receive the June Settlement. This loan covers monthly payroll for the fire department, which is now approximately \$110,000 a month. As you may recall last year, we received a one-time windfall in local income tax revenue that the state returned to local government. The windfall has been retained in the Rainy Day Fund to build up our cash reserves.

#### **Other Revenues**

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We have not negotiated a final contract amount for 2018 FEMS with Benton Township. At its June meeting, the Bloomington Township Board approved beginning negotiations at \$300,000. **We met with Benton Township Trustee Michelle Bright and have discussed an amount and contract terms. In the interim, we are utilizing the ballpark estimate of \$200,000 in the 4B Form.** We will keep the Executive Committee updated as we move forward.

The Northern Monroe Fire Territory has applied to the Public Safety Committee of the Monroe County Local Income Tax Council for funds to help with three capital projects: fire prevention trailer, SCBA replacement, and construction and outfitting of the new station 15 in Washington Township. **The PS Committee of the Monroe County LIT Council met August 10 to determine and vote on a recommendation to send to the LIT Council for approval. At that meeting, they approved a recommendation not to fund any of the county fire departments' requests. We will not know the final decision until later this year. It is best not to rely on any share of the Public Safety LIT.**

#### **2018 Projected Revenues and Tax Rates**

**On August 22, we received notification that the Township's certified Local Income Tax distribution for 2018, \$975,325.00: 76% of this amount has been dedicated to the Territory General Fund and is reflected in the 2018 Budget 4B Form Spreadsheet.**

#### **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. We are anticipating increases in 2018, which we've included in the proposed budget. The documents are attached outlining the coverages, their renewal dates, the 2017 amount, and the 2018 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 instituted a longevity bonus to reward and retain staff. The Trustee is not eligible to receive it. It would be paid out \$100 per year of service and capped at \$2,000. The first payout will be in December 2017.

#### **Salaries – Northern Monroe Fire Territory**

The Fire Department Salary Calculation provides the current 2017 salary for each position as well as each personnel. We have calculated salaries for 2018 at 1%, 2%, and 3%. Our total budget calculations and projections start with the 3% increase. **We have reduced the proposed 2018 Budget by recalculating with a 2% salary increase for all positions.**

A couple documents prepared for last year's budget deliberations are provided. The 2016 Certified Salaries and the Brief Survey Report provide a context for firefighter salaries in central Indiana.

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**The following is a chart showing the salary increases planned for other Monroe County entities in 2018.**

<b>Monroe County Comparisons Regarding 2018 Salary Increases</b>	
City of Bloomington	2% for non-union employees.
Consumer Price Index (CPI)	1.6% (June 2017). Social Security COLA is 0.3%.
Indiana University	2%. Plus, supplemental pay of \$600 for lower wage earners over the next few years to raise wage to \$15 per hour.
Monroe County	The County alternates between a % increase one year, and a flat \$ amount the next year. For 2018, it will be a flat \$ amount. That amount hasn't yet been determined.
Perry Township	3.5% (1% cost of living and 2.5% merit)
Richland Township	4%
Van Buren Township	No percentages. Usually, it's a set amount for each department. In past years trustee raised each individual on Fire & EMS \$2,000.00, excluding recently hired. Case worker is based on average in other townships and longevity.