

CITY OF BEECH GROVE 2010 BUDGET

Frequently Asked Questions

What is the City's 2009 budget?

\$8.5 million

What is the largest expense in the budget?

Employee costs make up 80% (\$6.8 million) of Beech Grove's 2009 budget.

What is House Bill 1001?

Legislation passed by the General Assembly in 2008 that provides relief for property taxpayers by imposing property tax caps. Owner-occupied residences' 2009 property tax cap is at 1.5%. The 2010 cap will be at 1%.

How was the \$1 million dollar revenue reduction arrived at?

Beech Grove projects to collect:

- \$5.2 million in property tax revenue for 2008
- \$4.8 million in property tax revenue for 2009
- \$4.2 million in property tax revenue in 2010

giving Beech Grove the \$1 million budget impact from 2008 to 2010.

Is the reduction permanent?

Yes.

Why is it now a \$1.7 million revenue reduction?

The 2010 budget was proposed assuming there was a \$1 million reduction in revenue. After the budget presentation on October 5, the State revised the number to be \$1.7 million reduction in revenue; therefore, another \$700,000 must be cut from the proposed budget.

Why can't the surplus be used to make up the reduction?

City's fiscal policy for the past five and half years has been not to use the surplus for deficit spending. That policy remains in effect.

Why not eliminate all the consultants?

There are two categories of professional services in the General Fund: legal and others. When the City Court is in full swing, it will pay for itself **in addition** to covering all legal services.

All other professional service fees have not changed in amounts since Mayor Wright took office as different professionals are being used for different purposes without additional expenses.

What is House Bill 1204?

Legislation passed by the General Assembly in 2008 that mandates that Public Safety Answering Points (PSAPs) – dispatch agencies -- be reduced to no more than two per county by 2014 with a plan for implementation by 2012. Marion County has five PSAPs:

- IMC/IFD managed by Sherriff's department
 - Call takers
 - Dispatchers
 - City of Beech Grove
 - City of Lawrence
 - Town of Speedway
 - Perry Township backup

Why deal with dispatch now when the deadline is 2014?

HB 1204 is a necessary part of the solution to the \$1 million revenue reduction the City faces in 2010. That said, the 2010 budget will fund eight dispatch positions until December 31, 2010. This transition allows employees time to seek other jobs and provides severance and benefits for those who stay until transitioned.

The transition is expected to be completed by mid-2010; may be sooner or later. Any of the eight dispatchers who remain employed when the transition occurs will receive the balance of his/her pay as of December 31, 2010 as severance, including health care benefits.

The Beech Grove Professional Firefighters Association Local 416, Fraternal Order of Police Lodge 86 and the Beech Grove Emergency Communications Employees Association publicly support this transition.