



August 2014 Financial Report
Dan McMillan, Clerk Treasurer
City of Beech Grove

August 4, 2014

Dennis Buckley, Mayor
Beech Grove City Council
Craig Wiley, City Attorney

Dear Councilors,

Our State Board of Accounts audit began on Monday, July 28th and we welcome them to the City of Beech Grove. We always enjoy having them here and we always learn new things from them. They will also provide us with some tips to prepare us for next years Federal Audit and to improve our accounting procedures going forward.

Tonight, we have on the agenda an Additional Appropriation for the Local Law Enforcement Fund. The LLE Fund derives its revenues primarily from deferrals received from the city court. That LLE Fund has an approximate balance of \$42,500, but we only appropriated \$14,000 for the 2014 Budget Year, so even though the money is in the Fund, it cannot be spent without approval from the Department of Local Government and Finance, hence the Additional Appropriation request.

The month of July Bond & Lease payments included the RDC 2005 & 2007 TIF Bonds auto deduct payments; which combined was \$286,761.75, the 2012 Bond auto deduct payment; which was \$104,668.75 and the Fire & Police Vehicles auto deduct lease payments; which were \$27,011.55

We have been busy working on the budget and I have emailed Councilors and Department Heads my recommendation. As I stated in my email to the Council, City Department Heads can appropriate within their budgets, monies where they see fit, however salaries, insurance, taxes, PERF, personal services, utilities, and bond or lease payments cannot be modified from the amounts I have appropriated. The total amount of each budget cannot be increased, but you are welcome to cut, the exception being MVH; which after review will increase to \$834,767.00 from approx. \$829,000.00. Revenue projections support the increase, but Mayor Buckley has suggested keeping it at \$829,000.00, so I will wait for he and Brad's revised budget of MVH.

I also emailed to Councilors a letter which Mayor Buckley and I received in June from Jeff Peter's, Financial Advisor for the City of Beech Grove. Jeff cautioned us in that letter and also at a June Budget Meeting that the proposed 2015 Budget exhaust the majority of revenue forecasts for 2015. In attendance in that June Budget Meeting were, Mayor Buckley, Councilor Bell, Department Heads, Jeff Peter's and myself. I have had several people ask me "if the city is in great

financial shape, why can't we spend all the money?" The answer is simple "we want to keep the city in good financial shape and we cannot budget to spend more than the revenues will support." It is against State Statute, the law, and when the DLGF reviews the budget, they would not approve a budget that has more expenditures than revenue. If that were to happen, we would have to revert to the previous year's budget.

The budget needs to be advertised in 2 to 3 weeks and I will submit the non-binding review to the City County Council by August 26th, so please Council & Department Heads have your budgets to me by August 15th.

Council Members, I have emailed you several times, without any return reply, regarding invoices you have due, but you do not have enough money remaining in the appropriations to fund. In the 2014 Budget, there was an appropriation for Professional Services/Attorney Fees of \$10,000.00; which was split between the two. Out of your budget, you pay American Legal Publishing Company, to publish, on-line, your ordinances; which amounts to several thousand dollars each year. Then at a previous Council Meeting, this body, voted and approved to pay Professor Frank Nierzwicki approx. \$1,700.00 for your portion of his services. Year –to-date we have not appropriated any attorney invoices to your budget for City Attorney Craig Wiley, as we just received his invoice in July for services rendered from December 2013 through May 2014. You also have approx. \$10,000.00 in attorney fees from Ogletree for the investigation of the Clerk Treasurer's Office. I spoke to Charlie Pride, DLGF Representative and he suggested that an Additional Appropriation would be the answer for the Council Budget. I will estimate the amount needed for the remainder of the year and facilitate the preparation of the documentation if you are all in agreement of this. Also, if you anticipate additional unusual expenditures for this year, please provide a dollar amount to be included in the Additional Appropriation. I will not do this until I am instructed to do so at a Council Meeting. Keep in mind; I will not present APV's to the BOW for approval of payment of any of these invoices until Council has approved an Additional Appropriation that will fund their budget.

I also wish to let the Citizens of Beech Grove know this dirty political nonsense has in no way affected the Office of the Clerk Treasurer when it comes to performing its duties and fulfilling the city's obligations. Kudos to the women who work in the office. The City is in good financial shape and office hasn't skipped a beat in performing the duties set before it and completing the tasks at hand. We will continue to work in the best interest of the City of Beech Grove, the Citizens and Business owners.

The City website continues to be a success and is provided at no cost to the taxpayer. We continue to have wonderful volunteers that assist with updating and posting. Thank you website volunteers!

We have two Community related informational pages available. Please, if you have any community events that you would like posted, email those to me at dan.mcmillan@beechgrove.com, we try to get those posted the same day. You can check them out at the links listed below:

Community Event Page <http://www.beechgrove.com/community-events.html>

Community News Page <http://www.beechgrove.com/community-news.html>

Financial Reports, City Debt Schedules, Bank Statements and more are available on line at www.beechgrove.com.

The bank account balances as of July 31, 2014 are listed below.

Bank Account Name**Bank Account Balance**

City Corporation	\$2,553,586.04
City Utilities/Sewage/Wastewater	\$1,380,364.89
Main Street Redevelopment/Main Street Loans	\$255,880.60
City Court	\$82,226.98
Criminal Investigations (CIF)	\$182,066.28
Redevelopment Commission (RDC) General	\$876,278.15
Redevelopment Commission (RDC) Debt Service	\$584,842.97
BNY- Mellon 2004 SRF Balance	\$136,178.37

As always, my door is open if you have any questions. Thank you.

Respectfully Submitted,
Dan McMillan, Clerk Treasurer