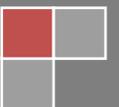


2012

City of Beech Grove The First 60 Days

Submitted by; Clerk Treasurer Dan McMillan



March 5th, 2012 Financial Report

Below is some information I wanted to share with the citizens of Beech Grove and the City Councilors. The first part is regarding the city finances, and the second part is some changes we have made and are in the process of making.

- The city's budget is \$10,111,000.00 for the year 2012 and we expect to stay within our budget. This is less than 2011.
- The total city debt is approximately 9.6 million dollars and this does include the short term TAW of approximately 2.395 million and the 2 Redevelopment Commission TIF loans that total approximately 4.6 million. The 4.6 million does not include interest. The Mayor and I are going to reevaluate these loans to determine if we could save money by refinancing and transfer those savings into repaving of local streets.
- We completed a Capital Assets Inventory of the city. The previous Capital Assets Value was approximately \$337,000. After completing our inventory of streets, sewers, sidewalks, bridges, land, buildings and vehicles our Capital Assets are approximately \$129,000,000. We also completed an inventory of desk, copiers, and smaller equipment in each department. This inventory was approximately \$2,000,000. I can't thank the City Department Heads enough for their assistance with this major undertaking. To my knowledge this is the first time in the city's history such an inventory has been completed. Paper files are available in the Clerk Treasurer's Office.
- I have implemented some new accounting procedures in the Clerk Treasurer's Office. The simplest being purchasing two adding machines with tape for checks and balances. Hand held calculators were being used before. I also have made changes with the procedure used in completing pay vouchers and many other accounting practices. I spend a multitude of time reviewing city finances and making changes where appropriate. Jeff Peter's is used minimally, and was used more for creating the year end which took almost 2 months to complete. His assistance will be kept minimal going forward.

- My office completed the Gateway. The Gateway is a website sponsored by the State of Indiana that includes financial information, debt information and Capital Assets information to the public. Many man hours were put into this project and we are proud that Beech Grove completed it and submitted it on time. To date only 96% have submitted the annual report and 56% have submitted the Debt Management report. Beech Grove was in the top 32% to submit the Debt Management Report. The Debt Management Report consisted of information regarding each bond and loan the city has. The city does not have in its possession any original bond or loan documentation. We have no original paperwork on any of our debt. After referencing two past Clerk treasurers, the Indiana Bond Bank, the Melon Bank of New York, The State Revolving Fund Account, Regions Bank, Jeff Peter's, and Cusip records on line the only documentation I was able to find was on the 2002 bond. It had a bond offering statement that was constructed by Ice/Miller, and Jane Regensberg was Clerk Treasurer at the time. No other Cusip Numbers or loan documentation can be found.

- Perhaps the biggest accomplishment for this administration has been the city website. The website was created by some volunteer citizens and me. It was created through weebly.com. The website itself was free. There was a charge of \$71.00 to upgrade to Pro (which was donated by a local business owner) and a charge to have an IT person launch the website. Going forward the only fees associated with it will be \$71.00 every 2 years. I have citizens that have volunteered to assist with keeping it updated. It is updated daily, sometimes more than once. I know the previous administration had one in the works. We chose not to use it. Primarily because of the cost associated with it. They had contracted someone to create a new website. Twenty five hundred dollars had been paid and there was still an additional balance owed of twenty five hundred dollars. While I hated to lose twenty five hundred dollars, I felt it was best for the city to cut its losses now, and move forward. That website still would have had website administration fees attached to it that would have cost the city thousands of dollars per year. The only fee associated with our current website is \$71.00 every 2 years. I am the administrator on it, and between the volunteer citizens and me, we do fine keeping it up to date. Since its introduction on January 8th it has received more than 60,000 hits. The response from the citizens and their comments has been tremendous. The top page seems to be the Mayor's Action Center that was created under the instruction of Mayor Buckley. It hosts a variety of forms you can fill out from potholes to trash pick-up. It also has his 24 hour hotline telephone number. Another favorite page seems to be the City News page and the slide show on the home page has been quite popular too. Department Head Reports are read quite often too and I want to thank the Mayor and the Department Heads for their timely submissions to the website.

- Coming in mid-March will be the new Google email system for the city. Our current Email system is Linux and is being operated on a server that is 8 years old. In order to keep it, we needed to purchase a new server for it that would have been approximately \$ 8,000 and continue with the fees associated with it that included over \$6,500.00 for Network Solutions bi yearly, \$2,900.00 yearly for a spam filter, and IT cost associated with keeping the system running. We also needed to upgrade the City's Microsoft Works Program from a 2003 to 2010. This would have been at a cost of over \$10,000.00. With the Google application all this is accomplished at a cost of \$8,300.00 for 14 months. Comparing cost and service the decision was simple. An added feature will be that Department Heads will be able to work from home on their documents, because they will be stored in the cloud. It also will make us compliant with state guidelines regarding archiving. Our current system only archives for 6 months. Google will archive for 10 years.

- In closing, I would like to say I am pleased with the progress my office is making. When the SBOA performs our audit this year, I will have many questions to ask them for guidance on. One will be why the fund balances don't match the bank accounts and haven't for years. I don't believe this is because of any criminal behavior but rather uncorrected accounting errors throughout the years. I also want to address the fact that very little records can be located regarding the RDC. RDC member John Morgan has spent a multitude of time trying to resurrect the RDC history. While very few files exist in my office, many have been found in the closet at the Community Center and in a trash bag in a dumpster. Record keeping like this is unacceptable. I will continue to make notations for our audit and after it is completed, I will share the findings with you. Thank you.