

Lawrence Township Board Meeting
Tuesday October 27, 2009 at 6:00p.m.
Major General Ronald Brooks
Lawrence Government Center
Public Assembly Room
9001 E 59th Street
Indianapolis, Indiana 46216

Republican Caucus at 5:30 pm
Democrat Caucus at 5:30pm

AGENDA:

1. Approval of the minutes from September 15, 2009 of The Lawrence Twp Board
2. **Resolution 2009-15** authorizing the Fire Dept to bill for Fire Services.
3. Resolutions **2009-16** Military Leave
4. Ratification of execution of contractor agreements for Station 332
5. Approval of the 2010 Township Budget

LAWRENCE TOWNSHIP BOARD MINUTES

Tuesday, October 27, 2009

Time Called to Order: 6:12 P.M.

Time Adjourned: 8:44 P.M.

MEMBERS PRESENT: Michael Healy
Emmajean Hines
Dino Batalis
Tony Widgery
Fred Freeman
Steven Rose

ABSENT: Christie Wilmoth

TRUSTEE: Russell Brown

Mr. Healy called the Lawrence Township Board meeting to order on October 27, 2009, at 6:12 P.M. He stated that there was a quorum present and asked Mr. Batalis to lead in the Pledge of Allegiance. Mr. Healy welcomed the new Lawrence Township Trustee Russell Brown.

I. APPROVAL OF THE MINUTES FROM THE SEPTEMBER 15, 2009, MEETING OF THE LAWRENCE TOWNSHIP BOARD.

Ms. Hines made a motion to approve the minutes from the September 15, 2009, Lawrence Township Board meeting. Mr. Freeman seconded. Motion agreed to 6-0.

II. RESOLUTION 2009-15 AUTHORIZING THE FIRE DEPARTMENT TO BILL FOR FIRE SERVICES.

Trustee Brown presented Resolution 2009-15 authorizing the fire department to bill for fire services. He stated that this resolution authorizes the Lawrence Township Fire Department to bill for fire services, which is a practice that has been place prior to his becoming Trustee. He stated that upon research it is necessary that the board pass a resolution to allow them to continue billing for fire services.

Trustee Brown stated that they will hire a company called ESBC and authorize them to bill for responses to emergency situations and false alarms. They will bill insurance companies and can go back as far as three years. This would hopefully bring in revenue to the fire department and give them an opportunity to pursue reimbursement for some of the services they provide.

Trustee Brown stated that it could bring in as much as \$100,000 for the fire department and the rates are set by the State Fire Marshal. Ms. Hines made a motion to approve Resolution 2009-15. Mr. Freeman seconded. Motion agreed to 6-0.

III. RESOLUTION 2009-16 REGARDING MILITARY LEAVE.

Trustee Brown presented Resolution 2009-16 regarding active military leave benefits. He stated that this resolution comes from a situation where a firefighter currently employed by the Lawrence Township Fire Department has been called to active duty. He stated that their goal is to make sure that any firefighter that is called to serve our county is not harmed financially.

Trustee Brown requested that the board authorize him to pay the difference in what the military pays and their salary. He stated this would cover the individual, their family, and their insurance plan that is not covered by the military. He stated that they want to make sure that the firefighter and their family are not harmed by their service to our country. He stated he would also like it to be included in the contract negotiations for 2010 between the fire department and the Trustee.

Ms. Hines made a motion to approve Resolution 2009-16. Mr. Freeman seconded. Motion agreed to 6-0.

IV. RATIFICATION OF EXECUTION OF CONTRACTOR AGREEMENTS FOR STATION 332.

Trustee Brown stated that this request comes from the fact that prior to him becoming Trustee his primary employment was as an attorney, and he wanted to fully disclose to the board that in the past he has done work for the Sullivan Corporation who is the general contractor on the Station 332 project.

Trustee Brown stated that neither he or his firm had a role in negotiating the contract with Lawrence Township Fire Department, and he requested board approval for the ratification of execution of the contractor agreements for Station 332.

Mr. Batalis made a motion to approve the ratification of execution of contractor agreements for Station 332. Mr. Widgery seconded. Motion agreed to 6-0.

V. APPROVAL OF THE 2010 LAWRENCE TOWNSHIP BUDGET.

Trustee Brown presented the 2010 Lawrence Township budget. He stated that the rate of increase in township expenditures has exceeded the rate of increase in revenues for the last decade. The 2009 operating budget was \$14.0 million dollars and the operating budget introduced was \$15.5 million dollars. The revised 2010 operating budget that he is asking the board to approve is approximately \$12.4 million dollars.

Trustee Brown stated that there have been changes in the emergency loan process and the property tax system. He explained the remonstrance process and stated that they need to make short term and long term changes to the fire department budget. He looked at every expenditure that the fire department has and new sources of revenue. His goal is to bring the emergency loan amount below \$2 million dollars.

Trustee Brown stated that there will be decreases in every township department, increased healthcare premiums will be for all township employees, the township will no longer cover the employee contribution for pension obligations for any township employee, and they will roll back any and all benefits that are tied to what the firefighters receive. No township employee will receive a pay increase and no one will be laid off.

Trustee Brown stated that all fire department employees will receive a 10.5% pay decrease, there will be increases in the employees contribution to PERF, and there will be health insurance program changes. He stated that they are continuing to reduce supplies and maintenance budgets for a savings of approximately \$100,000. The Chief's office has reduced the office staff by eliminating four administrative positions for a savings of approximately \$80,000 in salaries. There will be a decrease or elimination of some fringe benefits, and they are going to implement a hiring freeze for any fire department vacancies.

Trustee Brown stated that the negative impacts on the fire department budget included approximately half a million dollar shortfall due to property tax caps of \$457,000 and expenses associated with short term borrowing. He stated that the positive impacts that they expect in the 2010 budget for the fire department is increased funding from Castleton Volunteer Fire Department, the adoption of a new fire service insurance billing program, and cash carried over from year to year.

Trustee Brown stated that in Township General and Emergency Assistance Funds they are taking a reduction in salary for the Deputy Trustee and the Director of Administration which is a 12% savings in salaries in the Township General Fund. They are also reducing the staff in Emergency Assistance by eliminating the highest paid position.

Trustee Brown stated that for future budgets, in 2011 they will see the full impact of property tax caps. They hope to see continued increases in local option income tax and county option income tax. They anticipate fire billing and retirements will have a positive impact on future budgets. Each retiree saves the township approximately \$100,000 in personnel costs.

In conclusion, Trustee Brown stated that this was not an easy process, but his goal was to make sustainable on-going reductions. He stated that he believes that this is necessary and it has resulted in the budget that he asked the board to consider for adoption.

Mr. Healy stated that there are elected officials present that are impacted by the budget and he would like to give them an opportunity to speak. He introduced Judge Joven from the Lawrence Township Small Claims Court. Judge Joven stated that there are some impacts that the budget cuts are making to the Small Claims Court. He pointed out that they are not taking any salary increases and are cutting one part time position as well as the PERF contributions.

Judge Joven stated since 2006 the court has given back \$60,000 in salary reductions by reducing past positions. He stated that in 2006 they were \$117,000 under budget, in 2007 they were \$27,000 under budget, and 2008 they were \$30,000 under budget. He stated that he feels the court has done their part in terms of fiscal responsibility.

Judge Joven stated that the number of new case filings has increased since 2006 which means additional revenues for the township. He stated that attorneys want to use his court because he has one of the best staff of clerks in the city who provide very good customer service. A discussion followed.

Mr. Healy asked for comments from the board members. Ms. Hines commented on the firefighters willingness to sacrifice on behalf of their brothers and sisters in the fire service. Mr. Batalis commented on the impact the budget would have on the firefighters and their families.

Trustee Brown stated that when he was elected he looked at the budget and said we can't do business this way. He met with the Chief and the Union and asked for the input. His parameters were that they are not laying off any firefighters, and they need to find between \$3 and \$4 million dollars in cuts to the budget. With the exception of laying off firefighters nothing was off the table. The Union and the Chief's office came back with two options. He stated that his choice is the proposal that the Board has before them.

Mr. Healy asked if a portion of the \$2.5 million dollars in the Cumulative Firefighting Fund could be set aside and at some point in the future be used to compensate the firefighters for their loss of salary. Ms. Gregory stated that the township can transfer money from any fund to the Rainy Day Fund and then from the Rainy Day Fund it can be used for any township purpose as approved by the Township Board.

Ms. Gregory stated that some of the Cumulative Firefighting Fund has been obligated to do various capital projects so they would have to determine how much is available in the Cumulative Firefighting Fund to make that transfer. Ms. Gregory stated that currently all of the Cumulative Firefighting Fund has been budgeted except \$226. Ms. Gregory stated that the township has also used it for cash flow purposes. A discussion followed.

Mr. Healy recognized former trustee John McNatt who thanked the firefighters who responded to the incident on I69 and I465. He stated that these are the people who are saving lives and asked that they look at other ways to cut the budget.

Mr. Healy asked for comments from the union. Mr. Wayne Smith, President of Local 416, commented on the situation that is going on in Lawrence Township. He stated that the decision was made by Lawrence Township firefighters and the Local 416 Executive Board did not have any input in the vote. They are hoping to see some of the funds recouped by the firefighters. Mr. Wallace stated that hopeful next month the board will be asked to pass a resolution for consolidation. A discussion followed.

Mr. Healy recognized the President of the Merit Commission Bob Wampler who commented on the pay cuts for the firefighters. He stated that the commission is there to see that the firefighters are treated fairly. A discussion followed.

Trustee Brown stated that they have interest and borrowing costs associated with short term loans of \$250,000. This year they lost approximately \$110,000 to the property tax circuit breaker and next year they will lose approximately \$450,000 to that account. In previous years they borrowed through tax anticipation loans approximately \$7 million dollars and received in revenue approximately \$8 million dollars. They had \$1 million dollars income in 2009 that they did not expect. They carried over \$500,000 in 2008 to 2009. He described the difference in the 2009 and 2010 budget that necessitates these type of budget cuts. A discussion followed.

Ms. Gregory clarified that Lawrence Township brings in approximately \$10 million dollars for fire service not including any loans. She stated that when the township presents a budget of \$14 million dollars and asks if they can fund that budget, they can if they borrow \$4 million dollars. Lawrence Township has had to do emergency borrowing for fire service for several years and the borrowing has increased steadily. The fire budget has not matched the revenues that have been brought in.

Ms. Gregory stated that the money from the Cumulative Firefighting Fund was not used, but it was put to good use. If the fire department had not used that money for cash flow purposes the tax anticipation warrant would have been much higher. They can have the debt service property tax rate outside their current maximum levy to repay the loan; however, the disadvantage is that it is an increase to the tax payers tax rate and it is an increase to the circuit breaker credits which also increases the loss of property tax dollars to the township. A discussion followed.

Mr. Healy asked if there is any amount of money that can be taken out of the Cumulative Firefighting Fund that can be used eventually for the firefighters. Trustee Brown stated that is not a consideration that they have contemplated at this time.

Trustee Brown stated that his hesitancy on using the Cumulative Firefighting Fund should merger negotiations go forward is they will have to help cover the operating budget deficit that they are handing off. He stated he will move forward with merger negotiations as soon as he can, but at the same time he wants to be careful what choices they make with the operating budget if consolidation is the end goal. A discussion followed.

Mr. Healy asked for comments from the firefighters. Mark Brickens, Jeff Muszar, Jim King, and Gary Ard commented on the budget and pay cuts for the firefighters. A discussion followed. Mr. Healy stated they would take a ten minutes recess.

The meeting reconvened and Ms. Hines made a motion to approve the 2010 Lawrence Township budget with the following recommendations. The proposal that they voted on for fire service insurance reimbursement will be held in a fund strictly for the firefighters. Any funds that they get over the \$100,000 will be directed to the firefighters to help

them with their insurance, PERF, and whatever else they need. She also stated that they would revisit this concern in June. Mr. Freeman seconded. A discussion followed.

Trustee Brown stated that they have budgeted \$100,000 as expected income from the fire service billing program and clarified Ms. Hines motion that any funds in addition to the \$100,000 would be given back to the firefighters in insurance premiums or bonuses.

Trustee Brown stated that if they did not approve the budget it would revert back to the 2009 budget and they would have to look at what that would mean for staffing costs. His biggest cost savings would be to initially lay off EMS and Paramedic personnel. He stated that if they continue down this path they would have an operating budget deficit in the range of \$4 million dollars. That is based on last years budget and their expected income for this year. A discussion followed.

Trustee Brown stated that any changes they have or increased savings that they have he will work to find a way to give that back to the firefighters directly as quickly as possible whether it be by covering insurance costs or some sort of bonus.

Mr. Healy called for a vote on the motion. The vote was three (3) in favor, one (1) opposed, and two (2) abstained. The 2010 Lawrence Township budget was passed with amendments made by Ms. Hines.

Trustee Brown stated that they need to set a date for the next meeting and at that time they would consider the introduction of a resolution regarding the merger, which is the first step in the merger process. The date for the next meeting was set for Tuesday, November 17, 2009, at 6:00 P.M.

There being no further business to discuss Ms. Hines made a motion to adjourn. Mr. Rose seconded. The meeting was adjourned at 8:44 P.M.

I hereby certify that the forgoing minutes are accurate and true to the best of my knowledge and have been approved by a majority of the Lawrence Township Board.



Christie Wilmoth
Christie Wilmoth, Board Secretary

These minutes are not intended to be verbatim. They are a summary of discussions held, with the exception of the motions. An audiotape is made which provides a detailed record.