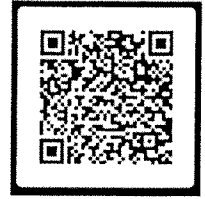


MINUTES
SPECIAL MEETING
MUNCIE COMMON COUNCIL
300 NORTH HIGH STREET
MUNCIE, INDIANA 47305



OCTOBER 23, 2024

SPECIAL MEETING: 6:00 P.M., 1ST FLOOR CITY HALL AUDITORIUM.

PLEDGE OF ALLEGIANCE: Led by Councilperson Powell

INVOCATION: Moment of Silence.

ROLL CALL:	PRESENT	ABSENT
Dale Basham (At-Large 1)	X	
Ro Selvey (At-Large 2)	X	
William McIntosh (At-Large 3)	X	
Jeff Green (District #1)	X	
Nora Powell (District #2)	X	
Brandon Garrett (District #3)	X	
Sara Gullion (District #4)	X	
Jerry Dishman (District #5)	X	
Harold Mason (District #6)	X	
Dan Gibson (Legal Counsel)	X	

ORDINANCES PREVIOUSLY INTRODUCED:

ORD. 25-24 AN ORDINANCE OF THE CITY OF MUNCIE ANNEXING CERTAIN UNIMPROVED REAL PROPERTY TO THE CITY OF MUNCIE PURSUANT TO THE PETITION OF THE OWNERS OF THE REAL PROPERTY.

A motion was made by Powell and seconded by Selvey to Adopt.

Kathy Vannice, Ashton Land Surveyors, is here to have the second reading for the annexation of two (2) different parcels of property on the northwest side of Bethel and Morrison Road. Part of the property is already annexed and the east 218 feet is now trying to be taken to the boundary line so the property can be redivided in a different direction. Right now, with it being considered a split-zone it cannot be divided the other direction. Questions called. A vote by acclamation showed 9 yeas.

ADOPTED.

ORD. 21-24 AN ORDINANCE FOR APPROPRIATIONS AND TAX RATES (PROPOSED 2025 MUNCIE PUBLIC TRANSPORTATION BUDGET)

A motion was made by Powell and seconded by Mason to Adopt.

Amanda Price-Clark, General Manager at MITS, is here to answer any questions. Councilperson Selvey requests she describe any increases in the 2025 MITS budget and to compare last year to this year in a short summary. Price-Clark expressed increases in Management Fees, the audit costs, prof and tech

(as more technology can brings prices higher and higher), security (because of the transfer station) and capital. It is 4% higher than last year. Councilperson Garrett confirms the increases are average increases they would expect from year-to-year. Price-Clark replies that is correct. Questions called. A vote by acclamation showed 9 yeas. ADOPTED.

ORD. 22-24 AN ORDINANCE FOR APPROPRIATIONS AND TAX RATES (PROPOSED 2025 MUNCIE SANITARY DISTRICT BUDGET)

A motion was made by Powell and seconded by McIntosh to Adopt.

Deanna Cox, Financial Manager for the Muncie Sanitary District, is here to answer any questions. Councilperson Selvey asks the same previous question; are the overall percent increase from last year. Cox responds it went up \$1,000,000 basically for health insurances, vehicles and salaries. Questions called. A vote by acclamation showed 9 yeas. ADOPTED.

ORD. 23-24 AN ORDINANCE FOR APPROPRIATIONS AND TAX RATES FOR THE YEAR 2025 (PROPOSED 2025 MUNCIE CIVIL BUDGET)

A motion was made by Gullion and seconded by Selvey to Adopt. A motion was made by Powell and seconded by McIntosh to amend to include Form 1 (pages 21-36), Form 2 in its entirety and Form 4B. These are just forms that were filed late so need to be added for consideration. A roll call vote showed 8 yeas and 1 nay (Green). AMENDED.

A motion was made by Powell and seconded by McIntosh to amend with the recommendations of the Finance Committee (after having met with the Department Heads and further conversation with Controller Craig Wright) as follows: (Council Attorney advised that reading line item description and new total would suffice) Health Insurance \$13,098; PERF Expense for MFD \$1,179,370. General Fund: Deputy Controller new total \$59,026; Controller new total \$65,726; Payroll Clerks new total \$42,150; Accounts Payable new total \$87,694; Investment Clerk new total \$44,551 (totaling \$14,031 from Controller's Office) City Clerk new total \$59,327; Chief Deputy Clerk new total \$43,290; Deputy Clerks new total \$161,103; Mayor new total \$87,255; HR Director new total \$62,912; HR Specialist new total \$47,074; HR Secretary new total \$36,457; Judge new total \$155,400; Court Secretary new total \$78,729; Court Reporter new total \$42,109; Building Commissioner new total \$59,056; Secretary 1 new total \$38,269; Secretary 2 new total \$37,856; HVAC Inspector new total \$48,263; Electrical Inspector new total \$49,233; Zoning Inspector new total \$101,548; Unsafe Building Co. new total \$47,368; Code Enforcement new total \$43,120; Property Preservation Foreman new total \$36,813; Human Rights Director new total \$54,715; EEOC Investigator new total \$49,135; Fire Chiefs new total \$169,901; Police Chief new total \$270,840; Patrol Officers new total \$6,859,800; Social Worker new total \$58,300; Animal Control Superintendent new total \$55,610; Animal Shelter Control new total \$102,524; Cat/Dog Tech new total \$91,844; Office Manager new total \$33,959; Driver 1 new total \$48,790; Channel 60 new total \$45,288 (totaling \$164,736 from the General Fund). Fund 104: EMS Chief new total \$67,932; Paramedics new total \$778,648; EMS Office Manager new total \$43,290; Firefighters new total \$673,659. MVH: MVH Salaries new total \$754,899. Parks: PCR Foreman new total \$54,496; Secretary 1 new total \$38,151; Superintendent new total \$58,033; Program Director new total \$40,989; Urban Forester new total \$44,178; Mechanic A new total \$46,419; Heavy Equipment B new total \$43,945; Groundskeepers new total \$214,605; Asst. Urban Forester new total \$43,945. Beech Grove Cemetery: Heavy Equipment B new total \$44,333; Groundskeeper new total \$43,266; Superintendent new total \$57,489; Mechanic A new total \$45,547; Office Manager new total \$39,918. (General Fund \$1,618,654; Fund 104 \$116,961; MVH \$151,501; Parks \$1,574; Beech Grove \$3,288 = \$1,891,097 total reductions).

Powell explains that of those reductions she just read off, the Health Insurance out of BOW line item #101-19-413025 was an overage mistake from the Administration. The Muncie Fire Department voluntarily surrendered some money out of their PERF line item as well. All the monies reduced from salaries were just overage of the 1% increase that happened for this year. The Council has been communicating with Controller Craig Wright who said at one of the previous Finance Committee Meetings to calculate the appropriate total for the 2025 budget is to take the 2023 adopted budget and add 11% to come to the right total. Most of those reductions were minor (for example \$102) but were determined after a slight recalculation and were sent to the Controller's Office for verification of accuracy.

Selvey requests Controller Craig Wright to come up for questions. She asks his thoughts on the amendments the Council just put forth. Is it doable? She just wants to make sure people get paid and are paid the correct amount. Wright expresses the Administration felt like the budget should be accepted in the form of its submission but are aware Council has the authority and right to reduce it. The Administration will move forward. Selvey asks if he thinks this will affect services and ensures that the City can manage with the proposed budget. Wright claims there were reductions in salaries in Police, Fire and Motor Vehicle Highway but they will accept the budget.

Powell asks the Controller why he didn't voice those objections when the emails were being exchanged back and forth. She sent those totals yesterday asking for verification that being the appropriate 11% over the 2023 budget and he came back with just one (1) salary that needed to be corrected. Wright insists that is correct, the way it was figured out was 11% from 2023 but there were some reductions in some of the lines. Powell claims those reductions were to make sure the salaries were accurate. Wright responds okay.

Green would like to know how many different councilmembers were contacted and had an input on these reductions. He received an email with these figures at 7:24 AM this morning and is aware Powell worked on it as it was discussed in the email exactly how she did that. He just wonders how many others had an input on where to reduce the budget in these areas. Powell claims in the emails she sent back and forth that he was more than welcome to verify. She included the 2023 adopted budget and the councilmembers knew a week ago that they were going to be very accurate with the 1% because as the Deputy Controller said, this budget is razor thin. Green responds absolutely. Powell goes on to recall at the final Finance Committee meeting they left with the understanding that they were going to go forth with the Health Insurance reduction that was overbudgeted in error, the Fire Department had graciously offered to reduce their PERF funding and that all the salaries were accurate with the 10% plus 1%. Those calculations and how to calculate that came from Mr. Wright. Wright responds that Police and Fire do their own budgets because they have additional items they budget for and the Administration accepts their calculations. Powell notes that information wasn't explained in the email while, again, they have been exchanging emails for months now. Green has another question and asks how all the different departments and employees will be affected by the reduction of almost \$2 million out of the budget. Will there be a reduction in staff? Will there be anything in harm's way as far as safety for the citizens of Muncie? Wright cannot answer as far as staff reductions as that would be up to the individual Department Heads and is not going to speak for a Police and Fire. Green knows the layout on this is opinion on how each line item should go and each department should work within their budget so he was just wondering if they had any idea what to do with that large of a reduction (almost 3% across the board). Wright assures that most of that was in the Health Insurance line item #101-19-413025. Powell refers to the reductions that were made in Police and Fire, again, coming out of the General Fund. In one of the emails to Mr. Wright, they discussed a shortfall in Police and Fire so he was able to relay that information (subtle

nuances in the Police and Fire budgets) to the Council. Again, she asked for verification and even said in her email today that since none other were mentioned that these were accurate totals. Mr. Wright did not respond at that time saying they were not accurate totals, that Police and Fire do their own budget, there was just no information from Mr. Wright. Green refers to the budget and how it currently stands and notes that it doesn't include any money not spent until the end of the year now does it count for fall taxes coming in. Powell states, again, if the City has that money then it can be appropriated into these line items by the filing of an ordinance. However, the Council has to make sure the budget is balanced. There is currently a beginning operating balance of \$191,000 to finance three (3) different contracts that we have no idea what they're going to be. With the lack of information that came from the Administration, she feels being conservative is fiscally responsible in this situation.

Gullion reminds everyone that \$1.3 million came from the Health Insurance reduction that the Administration brought to the Council so it isn't like the Council decided to take \$2 million out of this budget.

Selvey just doesn't feel comfortable cutting any salaries. The City employees do a great job and she just would not be in any sort of favor of cutting salaries from employees.

Powell wishes to clarify that as the City further negotiates contracts with Fire Fighters #1348, Fraternal Order of Police, and AFSCME (American Federation of State, County and Municipal Employees) and any salary increases are put forth if the Controller will come to Council with additional appropriation ordinances to increase that salary. Wright responds if that is what needs to happen then certainly. Powell directs her comment to Selvey informing her that those salaries will be adjusted if needed to ensure those employees are paid correctly.

Jason Chafin, Local #1348, wishes to reiterate what has already been said. When the Fire Fighters Union come to an agreement with the City for the 2025 budget the Council will then get an ordinance for the salaries. Today's salaries are the projections from this year to next but the real salaries will be dictated by the salary ordinances. Hopefully, those are coming before Council in the next month or two. Powell wants to make sure he is comfortable that the money deducted from Fire was out of the #104 Fund but isn't going to go anywhere. It will go right back to where it is. If it is discovered there is an issue then the Council can just appropriate it right back into that line item. She explains they were just trying to be fair with the people that are funded out of the General Fund to keep it across the board. Chafin understands absolutely.

Kristopher Bilbrey urges the Council to keep in mind as they are about to vote and in talking about negotiations that there is still one-third of City Government that the "negotiations" have not been going on for and that they're still being, in his opinion, screwed over. So, act accordingly. It's been said here at the podium during the last several meetings by various different people that the Council could send a clear message and vote the budget down and say this is what is expected. It is expected to go in good faith and negotiate with all three. Negotiate as hard with AFSCME and as in good faith with AFSCME as with Police and Fire. Do what is expected for these employees that are sitting here. Checks and balances. It is hardball and politics is not always fun. He knows that it could be hard but feels like the citizens of Muncie would stand behind the Council if the Council were standing behind the employees. Powell responds that would not be fiscally responsible because if they vote the budget down then they not only revert back to the 2024 totals but forfeit any increases in property tax or miscellaneous revenue over the previous year. That isn't an option. Questions called. A roll call vote showed 7 yeas and 2 nays (Selvey, Green) on the amendment. AMENDED.

A motion was made by Mason and seconded by McIntosh to amend with the following reductions: Deputy Controller line item #101-04-411013 new total \$0; Deputy Mayor line item #101-01-41102 new

total \$0; Channel 60 Director line item #101-22-411162 new total \$0; for a total reduction of \$178,273 in the General Fund. Questions called. A roll call vote showed 6 yeas and 3 nays (Basham, Green, Selvey) on another amendment. AMENDED II.

A motion was made by Powell and seconded by McIntosh to Adopt as Amended. Questions called. A roll call vote showed 6 yeas and 3 nays (Selvey, Green, Basham). ADOPTED AS AMENDED.

Powell states the budget is the most important ordinance the Council will address the entire year. It pays the employees and funds the services in which the City provides to its residents. It is the most important piece of legislation they will consider. She is frustrated with the manner in which this budget process has unfolded. In May, Council began asking that the Administration deliver the budget, even in draft form, to the Council as early as possible due to the four (4) new members. The amount of property tax revenue Muncie will receive is determined in June. The Administration meets with the DLGF (Department of Local Government Finance) in July to finalize the miscellaneous revenue totals. There is no reason the budget couldn't have been ready by the end of July but certainly meet the August 5 deadline as requested. Instead, the budget was delivered in pieces and parts, electronically, and after 4:00 PM on the very last filing day. Several items were filed after the deadline and had to be amended into the budget this evening. The budget was submitted \$1,789,000 over the General Fund's maximum levy. A maximum levy is a total amount of revenue the City will receive into any specific fund for that year. The budget contained \$1.7 million dollars in errors which *did* close the gap in the shortfall that left a balance of only \$218,811. When calculating the total of the 2025 beginning operating balance, which is the budget surplus (cash on hand at the beginning of the year), Council discovered it was \$250,000 in the red. Those amounts were confirmed by the DLGF field representative. This meant the surplus of \$218,811 now became a deficit of \$31,189. For comparison, the beginning operating balance on January 1, 2020 was \$2,905,590. The Administration has spent down the budget surplus into deficit. Since the Police voluntarily returned \$223,000 to the General Fund earlier this month, the beginning operating balance should be in the neighborhood of \$191,811. The Administration has placed the Council in a position where they have had to adopt the budget, which the Deputy Controller himself called "razor thin" while all three Unions are still actively negotiating. The Administration has given Council no information regarding what these contracts will cost the City or where that money will come from. Adopting a budget without having accurate totals of the City's expenses factored heavily into the choices of the Finance Committee. In order to balance the provision of services and still be responsible with taxpayer money, it only made sense for the Finance Committee to be conservative in their decisions. She is glad to put this budget ordinance behind them. It is her hope that the 2026 budget process operates more smoothly and members of the Council are allowed to attend meetings with the DLGF when they request to do so and that the budget is provided with all forms included in a more-timely manner to allow appropriate time to review. She appreciates the members of the Finance Committee for being actively engaged throughout this process as well as the City Department Heads and other members of the Administration who made themselves available to Council.

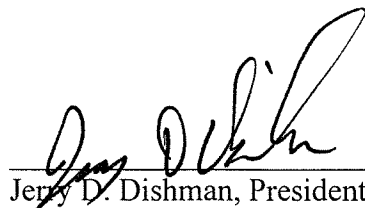
Dishman states as Council President he voted for this budget only because he doesn't want to leave the employees without their 1% salary increase or disrupt services to residents. He wants to talk about the relationship and lack of a contract with the Union representation for the City workers. It is time to get this issue resolved. City employees deserve better and this has gone on long enough. This Council has repeatedly encouraged the Mayor to resolve the contract issue, going far as unanimously adopting a resolution engaging it to get solved but it still has not been finalized. He is asking the two sides to go back to the negotiating bargaining table and work this out because he believes this Council has run out of patience.

McIntosh wants to piggyback on the statements made by President Dishman. As someone that has been in negotiations, unions, and strikes, it is ridiculous on how this has been handled to this point. He wants all the Unions to know that for this Administration to move forward financially, they're going to have to make AFSCME whole for the year of 2024.

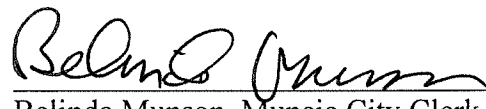
Garrett assures the Council loves and respects our Public Safety Departments. Those men and women put their lives on the line every day on every call. However, the employees of Prairie Creek will still be out there come two months from now when the water is frozen over, temperatures below 0°, taking a chainsaw to the ice to get the piers out for the season. Those employees are out there in below 0° weather plowing our streets and making sure our sidewalks are safe. They are public safety workers themselves and deserve every bit of what they can get. He remembers being one of the ones out there at the reservoir taking the piers out and putting them back in every spring. It is not fun.

ADJOURNED:

A motion was made by Powell and seconded by McIntosh to Adjourn. A vote by acclamation showed 9 yeas, 0 nays. ADJOURNED.



Jerry D. Dishman, President of the
Muncie Common Council



Belinda Munson, Muncie City Clerk
of the Muncie Common Council