# CITY OF FORT WAYNE BUDGET IN BRIEF 2013



# City of Fort Wayne Quadrant Contact Information January 2013

SOUTHEAST

Deputy Chief Garry Hamilton 427-1319 SEAP President, William Crowley h-447-2859 Capt. William Corn 427-1319 5910 Radcliffe Dr. w-461-2859

Community Liaison, Palermo Galindo 427-6214 Fort Wayne, IN 46816

Meeting Information: 2nd Wed. 6:30 p.m.

Christian Fellowship Church

4700 South Anthony (Corner of Anthony & Capitol)

NORTHEAST

Deputy Chief James Feasel 427-1260 NEAP Co-Chair, David Kohli h-485-8652 Capt. Tim Bogenschutz 427-1436 6428 Ashbrook Dr. w-422-3537

Community Liaison, Palermo Galindo 427-6214 Fort Wayne, IN 46835

NEAP Co-Chair, Ellen Fox Hotline 496-2080

819 Delaware

Fort Wayne, IN 46805

Meeting Information: 2nd Thurs. 6:30 p.m.

Good Shepherd United Methodist Church

4700 Vance Ave.

SOUTHWEST

Deputy Chief Steve Reed 427-1331 SWAP Co-Chair, Carolyn De Voe 437-9427

Capt. Steve Haffner 427-4141 707 Leesburg Road Community Liaison, Palermo Galindo 427-6214 Fort Wayne, IN 46808

SWAP Vice Chair, Debra Dambra 747-9746

4028 Indian Hills Dr.

Meeting Information: 3rd Wed. 7:00 p.m. Fort Wayne, Indiana 46809

Fort Wayne Sports Club 3102 Ardmore Ave 46809

NORTHWEST

Deputy Chief Marty Bender 427-1206 NWAP Co-Chair, Denny McCoy d.mccoy@frontier.com

Capt. P.J. Smith 427-1421

Community Liaison, Palermo Galindo 427-6214 Fort Wayne, IN

NWAP Co-Chair, Rosie O'Grady 490-7327

8714 Stand Ridge Run

Fort Wayne, IN 46825

Meeting Information: 3rd Thurs. 6:30 p.m. 24 Hour Line 466-4687

North Ridge Baptist Church 1300 E. Cook Rd., 46825



December 17, 2012

#### Dear Fellow Citizen:

The City of Fort Wayne is proud once again to have a balanced budget while maintaining a healthy cash reserve that enables City government to deliver high-quality, cost-effective services every day to our residents, businesses and taxpayers. Spending has been held flat and we've come in under budget for the fourth year in a row. The ingenuity and hard work of the City's employees and elected officials ensures that your City government is a responsible steward of public dollars entrusted to us to provide the core services of municipal government.

For more than a decade, the City of Fort Wayne has worked to do more with less as the City serves more residents with fewer tax dollars. As Indiana's second largest city, Fort Wayne has kept the headcount of city employees steady. We have found smarter ways to do the public's business - from implementing technology and reducing our paper useage to realizing significant cost savings through process improvements.

I remain committed to keeping the public informed about the City's budget and finances, and to making this information accessible. In keeping with our pledge to make all government business more accessible, the city encourages the public to make use of the SmartGov section of our website, available at <a href="https://www.cityoffortwayne.org/smartgov.html">www.cityoffortwayne.org/smartgov.html</a>. There you can find copies of city contracts, budget information and even the City's check register. You have a right to know how your city is spending your money. This website makes that information available 24 hours a day, 7 days a week.

The immediate and long-term financial health of City government allows us to focus on providing key services to you and your neighborhood, including public safety, parks and other essential services, such as streets and lighting. The City of Fort Wayne will continue to work hard to maintain a safe environment that fosters good jobs, vibrant neighborhoods, and grows and attracts businesses and retains 21<sup>st</sup> century talent.

Sincerely yours,

Thomas C. Henry

Mayor

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#### **About This Report**

The purpose of this report is to provide a brief description about how City government is organized in Fort Wayne and to describe the City budget process. This report will give the reader an overview of the financial operations and structure of City government.

Each year, the City of Fort Wayne prepares the Operating Budget book that contains the detailed budgetary information relating to each department of the City. Because the budget book is long and detailed, we will highlight and summarize it in this report.

Comments and suggestions about this report are welcomed by the City Controller. Individuals and organizations can best express concerns about City government by contacting people directly responsible for your area of interest. A list of the City departments is detailed in this report.

#### **Form of Government**

Fort Wayne is governed under a Mayor-Council form of government where the elected Mayor serves as head of the executive branch. The Mayor may serve unlimited four-year terms and is the chief executive officer for the City. The legislative oversight body for the City Is the Common Council of the City of Fort Wayne. The council is composed of nine elected Council members who serve four-year terms. A council member represents each of the six councilmanic districts and three are elected at-large. The City Clerk's office provides City Council staff support, if needed, under the direction of the City Clerk. The City Clerk is elected by the citizens of Fort Wayne every four years and can serve unlimited terms.

The City of Fort Wayne's 2013 elected officials include:

#### **MAYOR**

Thomas C. Henry

#### **CITY CLERK**

Sandra E. Kennedy

#### **CITY COUNCIL MEMBERS**

District 1	Thomas Smith
District 2	Russell Jehl
District 3	Thomas Didier
District 4	Mitch Harper
District 5	Geoff Paddock
District 6	Glynn Hines
At-Large	Marty Bender
At-Large	John Crawford
At-Large	John Shoaff

#### **DIVISIONS OF THE CITY GOVERNMENT**

#### Office of the Mayor

The Mayor oversees the implementation of policies and the efficient flow of ongoing services through wide appointive powers. This includes the capability to appoint the heads of seven major administrative divisions of the city and many board and commission members. Specific departments under the Office of the Mayor include the Public Information Office, the 311 Citizen Service Center, the Community Liaison's Office, the Law Department, the Internal Audit Department, the Human Resources Department, and Benefits.

#### City Clerk

The office of the City Clerk is crucial as a liaison between the citizens of Fort Wayne and the Common Council. The City Clerk also acts as a liaison between the Administration and the Common Council. The office includes a number of Indiana Statutory responsibilities and also serves as the administrator of the City of Fort Wayne Violations Bureau.

#### **Finance & Administration**

The mission of the Finance & Administration Division is to ensure fiscal responsibility and effective administrative services for the City of Fort Wayne. The departments within the division are the Controller's Office, Risk Management, Payroll, Purchasing, Property Management, Cable, and Information Systems.

#### **Public Safety**

The Division provides safety, maintains order and protects the rights of the Citizens of Fort Wayne. The Fire Chief and Chief of Police retain the responsibility for major policy decisions, budgeting, long-range planning and the day-to-day coordination of six departments: Police, Fire, Animal Control, Weights and Measures, Police Merit Commission, and Communications.

#### **Community Development**

The overall purpose of the Division is to improve Fort Wayne's physical and economic environment. The Division includes the following departments: Administration, Redevelopment, Community Development Corporation, Neighborhood Code, Planning & Policy, and the Office of Housing and Neighborhood Services.

The mission of the Division is to develop and implement creative community-based strategies to enhance economic opportunity, build strong neighborhoods, and ensure a dynamic framework for quality growth and development. Economic development, urban revitalization, housing and comprehensive planning continue to be high priorities of the City of Fort Wayne. Growth in the city's assessed value is essential to holding its property tax rate flat and ensuring that the cost of city services is shared by those who use the services.

The city's Community Development Division is primarily responsible for these efforts, both through its various departments' activities and those of contractors. The city contracts with the Fort Wayne-Allen County Economic Development Alliance ("The Alliance") to coordinate economic development marketing services and project management.

#### **City Utilities**

The City Utilities Division produces 12 billion gallons of drinking water, treats 18 billion gallons of wastewater, provides stormwater services for over 100,000 customers (predominately citizens of the City of Fort Wayne) and maintains, in addition to its water and wastewater plants, over 3,000 miles of underground pipe and tens of thousands of appurtenances thereto. City Utilities has four business segments as follows: **Capital Asset Management** – Departments – Water Filtration Plant, Water Pollution Control Plant, Water Maintenance and Service, Water Pollution Control Maintenance and Stormwater Maintenance; **Policy and Planning** – Departments – Development Services, Policy and Planning; **Business Services** – Departments – Customer Service, Data Control, Financial Services, and Geographical Information Services and; **Engineering Services** – Departments – Planning and Design, and Engineering and Support Services.

City Utilities has won national recognition for the high quality of its drinking water.

#### Public Works

The Division of Public Works provides essential services that are an important part of our citizens' daily lives along with providing vital support to neighborhoods, businesses, and economic development projects.

The Public Works departments maintain and improve the city's systems for transportation, street and traffic lighting, leaf collection, street sweeping, snow and ice control, flood fighting and control, greenway trails, solid waste and recycling, and the city's fleet.

The division encompasses the Office of the Director, Board of Public Works, Barrett Law, Energy and Environmental Services, Traffic Engineering, Transportation Administration & Support, Street Light Engineering, Street Department, Street Project Management, Flood Control, and City Garage. Together, we strive to provide exceptional services to our community.

#### Fort Wayne Parks and Recreation

The Parks and Recreation Division maintains more than 2,800 acres of public park lands and provides numerous recreation facilities, programs and services for the Fort Wayne community Created in 1905, the Parks and Recreation Department is administered by a four member bipartisan Board of Park Commissioners. Authorized by state statute, the Board of Park Commissioners reviews and approves the annual budget, expenditures and contracts. In addition, they oversee 86 parks, including the Children's Zoo, Headwaters Park, the Botanical Conservatory, and four community centers. The Division maintains the Urban Forestry for the City and Parks which includes 80,000 street and park trees.

The Parks and Recreation Division is accredited under the Commission for Accreditation of Parks and Recreation Agencies and is designated a "Playful City USA" that recognizes outstanding dedication to play. The Fort Wayne Children's Zoo and Headwater's Park are operated through cooperative agreements with the Parks and Recreation Division. These agreements strengthen the organizational effectiveness of all the parties involved and provide outside funding resources to offset a burden to the Park General Fund.

#### THE BUDGET PROCESS

The Civil City budget process begins with individual departments preparing draft budgets each June for the next calendar/fiscal year. The division of Finance and Administration provides the departments with a set of assumptions. These budget requests are then subjected to internal review and modification. The Common Council actively participates in the examination of the budgets. With the Mayor's approval, a budget ordinance is then prepared for introduction to the Common Council in late September. In addition to the public and televised Common Council sessions, there is a legal public hearing held as part of the budget process at which citizens may provide the administration and Common Council with their comments concerning the budget. According to state law, the Common Council must pass the budget on or before November 1<sup>st</sup> each year. The Common Council has the power to decrease any major category proposed by the Administration, but may not increase any major category in the budget.

The next step is the budget hearing held either in November or December by the Department of Local Government Finance. This is the time for estimates to be verified and a final property tax rate set. The final step is for the Indiana Department of Local Government Finance to certify the rate by February 15th.

The 2013 budget was prepared on a monthly basis. All departments distributed their yearly estimated expenditures into the months they expected each to occur. During 2013, actual expenditures will be compared to the budget each month.

Throughout the year, the City may find that the budget needs to be amended to account for new funds that have become available, or to provide for a revision of objectives. Such revisions are accomplished through quarterly fiscal ordinances in a process that is similar to the one described above. At every appropriate point in the process, the public is notified of the anticipated amounts of the budget revisions.

The schedule of major budget events is as follows:

May Budget instructions issued by the City Controller

June Budget requests submitted - Revenue estimates prepared

July / August Internal reviews and modification of budget submissions

September / October Budget submitted to Common Council, hearings and adoption

December Department of Local Government Finance review and approval

January Budget implementation

The City Utilities internal budget process is similar to the Civil City; however, the Board of Public Works approves the City Utilities budget.

#### **Budget by Classification**

The budgets of all governmental units in Indiana are prepared according to a form prescribed by the Indiana State Board of Accounts. The legal level of budgetary control is by object classifications. Objects are called expense accounts or line items by the private sector. Major classifications of expenditures are as follows:

**Personnel Services** – Expenditures for salaries, wages, and related employee benefits. A 2% salary increase has been approved for non-union employees for 2013.

**Supplies** – Office supplies, operating supplies, repair and maintenance supplies. The 2013 budget for this classification remains flat.

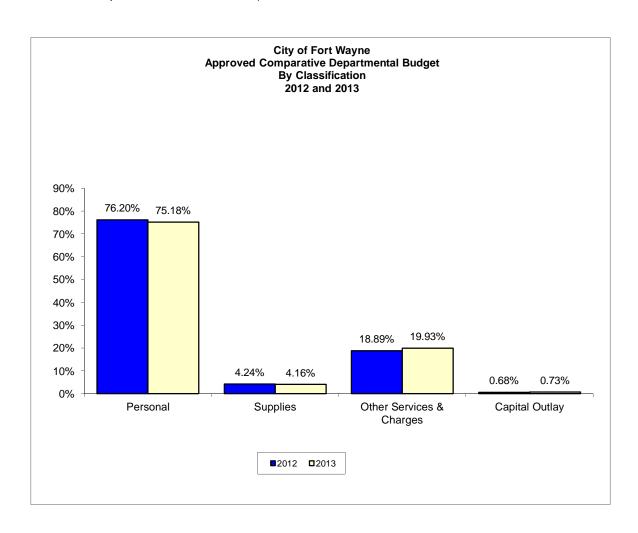
Other Services and Charges – Professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, rental, and debt service. The cost of professional services, contract services, lease, loan and bond payments, primarily related to infrastructure projects, can vary significantly from year to year. The 2013 budget shows a 6.89% increase for Other Services and Charges.

**Capital Outlay** – All lands, buildings, improvements, machinery and equipment purchases that are not financed through leases or bond issues. This classification increased 9.71% from 2012 to 2013.

# City of Fort Wayne Budget by Classification

	2012 (1) (2) Approved Budget		 2013 (2) Approved Budget	 % Change	
Personal Services Supplies Other Services & Charges Capital Outlay	\$	129,642,803 7,206,423 32,136,780 1,152,200	\$ 130,253,158 7,209,667 34,535,540 1,264,035	 0.47% 0.05% 7.46% 9.71%	
Total Departmental Budget	\$	170,138,206	\$ 173,262,400	1.84%	
CEDIT		19,636,960	 19,636,392	 0.00%	
Total Budget	\$	189,775,166	\$ 192,898,792	 1.65%	

- (1) Final approved budget w/cuts, does not include budget adjustments throughout year.
- (2) 2013 approved budget does not include Solid Waste expenses. 2012 approved budget amounts have been adjusted to remove Solid Waste expenses.



## City of Fort Wayne Budget by Department

			2012 Approved Budget		2013 Approved Budget	% <u>Change</u>
Mayor's Office  * Mayor (1) (4)  * Internal Audit  * Law		\$	2,079,526 265,841 521,300	\$	2,233,853 74,972 527,711	7.4% -71.8% 1.2%
	Total	\$	2,866,667	\$	2,836,536	-1.1%
City Clerk City Clerk/Parking Administration City Council City Clerk		\$	560,111 467,357 537,671	\$	607,701 478,904 535,456	8.5% 2.5% -0.4%
	Total	\$	1,565,139	\$	1,622,061	3.6%
Finance & Administration  Cable Television  * Finance & Administration (2) (4)			1,155,000 8,304,449		1,114,000 8,204,221	-3.5% -1.2%
	Total	\$	9,459,449	\$	9,318,221	-1.5%
* Redevelopment Commission * Community Development		\$	588,727 4,328,443	\$	596,893 4,270,104	1.4% -1.3%
	Total	\$	4,917,170	\$	4,866,997	-1.0%
Pepartment of Public Works (5)  * Board of Works (3)  Street Project Management/MVH  Street Department/MVH  Traffic Engineering/LRS	Tatal	\$	9,107,249 1,005,848 11,841,318 3,347,660	\$	6,395,223 1,044,073 12,066,897 3,222,376	-29.8% 3.8% 1.9% -3.7%
Public Safety - Police	Total	Ф	25,302,075	\$	22,728,569	-10.2%
Police     Police     Police Merit     Domestic Violence     Communications     Animal Control     Law Enforcement Training	Total	\$	52,818,239 5,000 5,288 3,195,130 2,602,680 206,800 58,833,137	\$ 	54,904,317 22,700 7,300 3,650,000 2,654,957 184,800 <b>61,424,074</b>	3.9% 354.0% 38.0% 14.2% 2.0% -10.6%
Public Safety - Fire	Total	Ψ	30,033,137	Ψ	01,424,074	4.4 /0
* Fire * Weights & Measures		\$	35,352,240 223,250	\$	39,852,650 251,509	12.7% 12.7%
	Total	\$	35,575,490	\$	40,104,159	12.7%
Pensions Police Pension Fire Pension * Sanitary Officers Pension		\$	9,082,632 7,807,978 462,882	\$	8,373,889 7,259,978 471,568	-7.8% -7.0% 1.9%
Davis & Dagraction		\$	17,353,492	\$	16,105,435	-7.2%
Parks & Recreation  *	Total	\$	12,924,464	\$	12,956,492	0.2%
Metro Human Relations Commission *	Total	\$	661,123	\$	649,856	-1.7%
<b>Cumulative Capital Improvement</b>		\$	680,000	\$	650,000	-4.4%
	Total Departmental Budget	\$	170,138,206	\$	173,262,400	1.8%
CEDIT Income Tax Fund		\$	19,636,960	\$	19,636,392	0.0%
	Total Budget	\$	189,775,166	\$	192,898,792	1.6%

<sup>\*</sup> Property Tax Supported Funds

<sup>(1)</sup> Mayor includes: 311 Citizen Service Center and Human Resources

<sup>(2)</sup> Finance & Administration includes: Controller's Office, Property Mgmt, Payroll, Purchasing, and Information Services.

<sup>(3)</sup> Board of Works includes: Board of Works, Flood Control, Street Light Engineering and Transportation Administration & Support.

<sup>(4)</sup> Human Resources was transferred from Finance & Administration to Mayor's in 2013. 2012 approved budget numbers have been adjusted to reflect this change.

<sup>(5) 2013</sup> approved budget does not include Solid Waste expenses. 2012 approved budget amounts have been adjusted to remove Solid Waste expenses from Department of Public Works.

#### **City Government Revenues**

As shown in the Revenues by Source schedule, the City has many sources of revenue to pay for the cost of operations and services. The majority of City revenues are generated from taxes. The three largest tax revenue sources are Property Tax, County Option Income Tax (COIT), and County Economic Development Income Tax (CEDIT).

State statutes and/or local ordinances define how each type of revenue may be used. Below is a brief explanation of the use of the City's larger revenue streams.

#### **Taxes**

Property Tax, Commercial Vehicle Excise Tax (CVET), Financial Institution Tax, COIT (.6%), and Auto/Aircraft (license) Excise Tax are used exclusively to fund operations of certain City departments. These departments perform executive/finance, public safety, parks, and community development work, and include administrative/engineering departments in the Public Works Division. Most of these funds go into the City's property tax supported funds.

CEDIT (.4%) – In July 2005, SEA (Senate Enrolled Act) 100 was passed which provides that a county, city, or town may use county economic development income tax revenue for any lawful purpose.

The Excise Surtax and Wheel Tax revenue is derived from Allen County vehicle owners who pay annual motor license excise tax. A distribution to the county, and cities and towns within the county is based on the same formula as used for Local Road & Street fund distributions. These funds must be used to construct, reconstruct, repair and maintain streets and roads. These funds are used in the City's Motor Vehicle Highway fund.

The Gas Tax revenue is generated from the sale of gasoline and other fuels. A distribution to the county, and cities and towns within the county is based on the same formula as used for Motor Vehicle Highway fund distributions. These funds are used to support the Motor Vehicle Highway and Local Roads & Street funds.

#### **Licenses & Permits**

The largest revenue in the Licenses & Permits category is the Cable Franchise Fees. These fees are added to cable subscriber bills. Forty percent of this revenue is used to pay for the operation of the government access channel with the remainder going into the City's General Fund for operating costs. All other fees listed go into the general fund.

#### **Intergovernmental Revenues**

Governmental revenues are primarily provided by the State to pay the annual costs of the Pre '77 'pay-as-you-go" public safety pension plans (\$16.7M), and to pay for the Street Department operating costs and projects (\$6.95M) and the Traffic Engineering operating costs and projects (\$2.7M).

## City of Fort Wayne Revenues by Source

		2012 Budget			2013 Budget		% Change
Miscellaneous Taxes:		_			_	-	
Financial Institution Tax		711,040	*		655,364		-7.8%
Auto/Aircraft Excise		6,269,432	*		6,773,833		8.0%
Wheel Tax/Surtax		4,104,798	*		4,244,825		3.4%
COIT		10,828,844	*		14,171,040		30.9%
CEDIT		17,535,408	*		21,586,815		23.1%
CVET	•	614,144	^	•	585,155		-4.7%
Total Taxes	\$	40,063,666		\$	48,017,032		19.9%
Licenses & Permits:							
Cable Franchise Fees	\$	2,870,000		\$	2,668,000		-7.0%
Zoning Fees		1,600			-		-100.0%
Pet, Building & Right of Way Permits		387,780			395,090		1.9%
Tax Abatement Filing Fees		10,000			11,000		0.0%
Miscellaneous Fees, Licenses & Permits		139,620			111,125		-20.4%
Total Licenses & Permits	\$	3,409,000		\$	3,185,215		-6.6%
Intergovernmental Revenue:							
State		28,745,107			29,307,604		2.0%
Local		7,046,702			7,363,436		4.5%
Total Intergovernmental Revenue	\$	35,791,809		\$	36,671,040		2.5%
Charges for Services & Fees:							
Services	\$	3,112,793		\$	3,390,200		8.9%
Fees	Ψ	2,502,106	(2)	Ψ	2,137,878	(2)	-14.6%
Total Services & Fees	\$	5,614,899	( )	\$	5,528,078	( )	-1.5%
Fines & Forfeitures:							
Traffic/Parking Fines	\$	379,000		\$	594,000		56.7%
Court Settlements	Ψ	24,000		Ψ	120,000		400.0%
Misc. Violations		162,300			79,300		-51.1%
Total Fines & Forfeitures	\$	565,300		\$	793,300		40.3%
	Ψ	303,300		Ψ	193,300		40.576
Miscellaneous Revenue:							
Interest	\$	66,800		\$	49,746		-25.5%
Contributions & Donations		66,000			68,000		3.0%
Rental Income		355,016			434,080		22.3%
Sale of Material/Unclaimed Property		63,000			-		-100.0%
Other Tatal Miss all annual Parameter	_	316,289		Φ.	269,521		-14.8%
Total Miscellaneous Revenue	\$	867,105		\$	821,347		-5.3%
Other Financing Sources:							
Sale of Land	\$	_		\$	_		0.0%
date of Land	Ψ	_		Ψ	_		0.070
Transfers From Other Funds	\$	1,791,040		\$	1,383,040		-22.8%
Total Demontres and Services	<b>.</b>	00 400 040		¢	06 200 050		0.407
Total Departmental Revenue	\$	88,102,819		\$	96,399,052		9.4%
Property Taxes	\$	106,017,165	*	\$	106,017,165	(1)	0.0%
						` '	
Total Revenues	\$	194,119,984		\$	202,416,217		4.3%

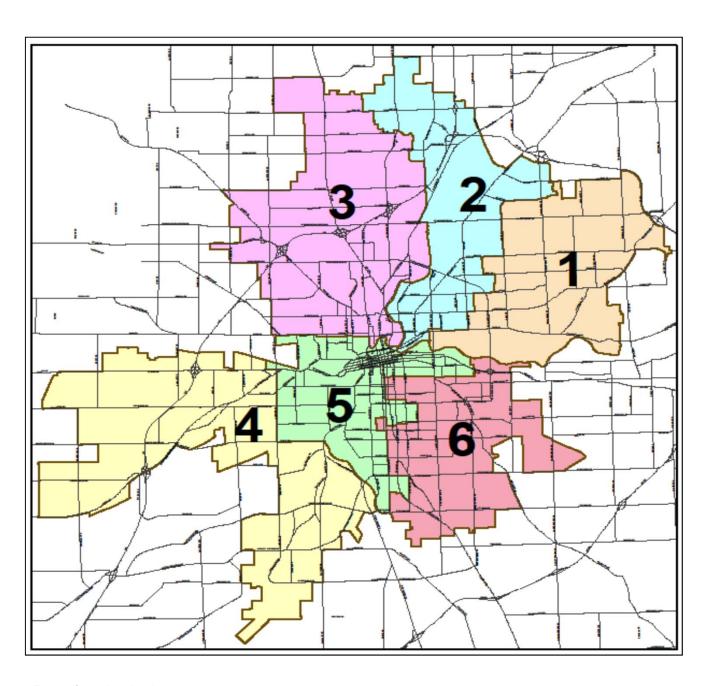
<sup>\*</sup> Certified by State of Indiana, Department of Local Government Finance (may be different than what was submitted in budget book)

<sup>(1)</sup> Frozen by City Council

<sup>(2) 2013</sup> approved budget does not include Solid Waste revenues. 2012 approved budget amounts have been adjusted to remove Solid Waste revenues from "Charges for Services and Fees".



### **FORT WAYNE CITY COUNCIL DISTRICTS**



#### Councilmanic Districts

<b>Thomas Smith</b>	1st	<b>Thomas Didier</b>	3rd	Geoff Paddock	5th
Russell Jehl	2nd	Mitch Harper	4th	Glynn Hines	6th

#### Council-At-Large

Marty Bender John Crawford John Shoaff