



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Ash Kulak, Deputy Council Administrator/Attorney

Date: November 27, 2024

Re: Appropriation Ordinance 2024-09 - To Specially Appropriate from the General Fund, Economic Development LIT Fund, Parks and Recreation General Fund, Public Safety LIT Fund, ARPA Local Fiscal Recovery Fund and Alternative Transportation Fund Expenditures Not Otherwise Appropriated (Appropriating Various Transfers of Funds within the General Fund, Economic Development LIT Fund, Parks & Recreation General Fund, Public Safety LIT Fund, ARPA Local Fiscal Recovery Fund, and Alternative Transportation Fund)

Synopsis

This ordinance appropriates various transfers of funds within the General Fund, Economic Development LIT Fund, Parks and Recreation General Fund, Public Safety LIT Fund, ARPA Local Fiscal Recovery Fund and Alternative Transportation Fund.

Relevant Materials

- Appropriation Ordinance 2024-09
- Staff Memo City Controller McClellan

Summary

Appropriation Ordinance 2024-09 would authorize transfers between major budget classifications for most of the city's departments across six different funds. Because all of the appropriations are transfers between Departments with no money to be additionally appropriated, the net impact on the budget from this ordinance is \$0.

This is a proposal often referred to as the end-of-year appropriation ordinance. For several years, the Council has considered appropriation requests during at least three occasions in a given year. The first occasion has generally been a "reversion" appropriation ordinance, where some of the funds reverted at the end of the previous year are appropriated for departmental and city-wide purposes for the current year.

The second occasion includes the "budget" ordinances, which estimate the tax rates and revenues and propose expenditures for the following year. There were three budget appropriation ordinances proposed and adopted by the Council earlier this year. The last occasion has been the "end-of-year" appropriation ordinance, which shifts, increases, or decreases appropriations to address budgetary needs for the latter part of the current year.

In the past, end-of-year appropriation ordinances have proposed transfers: 1) within departments who wish to move monies between major budget classifications, and 2) from departments with an anticipated budget surplus to those departments that anticipate shortages. Please consult the supporting memorandum from City Controller McClellan for details on the nature and rationale of each transfer or additional appropriation.



[Indiana Code 36-4-7-8](#) provides that the legislative body may, on the recommendation of the city executive, make further or additional appropriations by ordinance, as long as the result does not increase the City’s tax levy that was set as part of the annual budgeting process. The additional appropriations requested by [Appropriation Ordinance 2024-09](#) should not result in such an increase to the City’s tax levy.

Indiana Code 36-4-7-8 also permits the legislative body, by ordinance, to decrease any appropriation. Recall that currently, within certain bounds, departments may transfer monies within a classification without Council authorization (see [BMC 2.26.210](#), in which intra-category transfers of over \$100,000 need Council approval), but any transfer between classifications requires Council authorization. Budget Classifications are as follows: 1 (Personnel Services), 2 (Supplies), 3 (Services and Charges), and 4 (Capital).

[Indiana Code 6-1.1-17-3](#) requires a public hearing to be held before additional appropriations can be made, with a notice to taxpayers sent out at least ten (10) days before the public hearing. The public hearing for this appropriation ordinance is set for the Regular Session on December 11, 2024.

In order to provide historical context, the table below lists end-of-year appropriation ordinances from previous years along with the grand total additional appropriations out of the General Fund and out of all funds combined. Note that unlike previous years, this year the grand total for both the General Fund and all other Funds will be \$0. Therefore, this year the ordinance will have a zero net fiscal impact to the City.

Year & Appropriation Ordinance	General Fund Grand Total Additional Appropriation	All Funds Grand Total Additional Appropriation
2023 - App Ord 23-08	\$0	\$460,000
2022 - App Ord 22-05	\$0	\$828,000
2021 - App Ord 21-05	\$281,940	\$2,241,274
2020 - App Ord 20-07	\$871,400	\$1,630,400
2019 - App Ord 19-08	\$0	\$430,000
2018 - App Ord 18-06	\$0	\$497,030
2017 - App Ord 17-06	\$0	\$750,800
2016 - App Ord 16-07	\$40,600	\$525,600
2015 - App Ord 15-06	\$0	\$632,640
2014 - App Ord 14-06	\$0	\$282,551
2013 - App Ord 13-04	\$0	\$264,813

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