

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010**

The Common Council of the City of Noblesville met in a special budget session on Monday, August 9, 2010. Mr. Johnson called the meeting to order pursuant to public notice with the following members present: Mary Sue Rowland, Brian Ayer, Mark Boice, Steve Wood, Greg O'Connor, Dale Snelling and Roy Johnson.

Also present were Mayor John Ditslear, Clerk-Treasurer Janet Jaros, City Attorney Michael Howard, Mike Hendricks, Department Directors, several employees and Mike Reuter.

Mayor Ditslear stated this is the first time they have met with all of the department heads concerning their budgets. They were asked to be present as a team and hear where we are and what we are all facing. He stated we appreciate all the time they are taking to be present this evening. Mr. Johnson said we are facing one of the biggest challenges we have ever had. It may not be the biggest we will ever face. Mr. Reuter stated the fiscal plan has been provided for them. It is a fluid plan that is constantly changing. Since they met the last time he has revised the plan to reflect the actual revenue through June of this year and the proposed budget for 2011. He has put in the forecast of revenue to the rest of this year and for next year. He stated he wanted to start with the assessed value. It is not a certified number at this time. It does have an impact on the tax rate and the COIT. They received news a week ago today that was not good news. It was a bit shocking and there were no indicators that it should have been that high. On page 40 of the plan is the information for the assessed value. At the top of the page it does say certified but that number is not certified and is still a projected number. He has built into the plan a .50% growth which is not much. The reason for that is it is difficult to project. There is such a large homestead deduction that comes off the top of each home. He has used the example before on a hundred thousand dollar home, you take off the standard \$45,000, the additional deductions, and you are only paying on \$32,000. It takes a large amount of those homes because you can not provide services of police, fire, and teachers on that. You need commercial to balance that out. What he has found is that when it shifted to business there were a lot of business owners filing appeals because they were paying more attention to their property taxes. He was notified by the county today that if it was certified today, the growth would be at 2%. The problem with that is they provide us with values in August but there are still opportunities to appeal. He will maintain that assumption of ½ percent. That is a problem in a community that has a lot of demand for services and not the growth in the tax rate to support that. What is in the assessed evaluation is what was constructed and completed from March 1, 2009 through March 1, 2010. We may start to see some recovery. This will impact the tax rate. Mr. O'Connor asked if it reflects the appeals. Mr. Reuter stated it does. Mr. O'Connor stated that would include the appeals from the Town Center. Mr. Reuter said that is a TIF area so they would not be reflected in this number. The biggest thing is the tax rate will affect the circuit breaker. This also assumes we will appeal the maximum levy as we have done in the past. When you look at the assessed valuation over the last 4 years, you constantly see increases of strong growth. Most recently in 2010 it only went up 2.18%. What we appeal is the six year non-farm growth for the State. On page 42, the reconciliation of the non-farm growth has decreased 1.69%. This is a Federally reported number and is a certified number. What we appeal for is the gap. When we appeal the amount is almost \$850,000. If your levy goes up faster than the assessed valuation, then you have a rate increase. Every time you have a rate increase you have more people hit the circuit breaker which means greater loss. He believes over time it will force more and more to adopt a LOIT. They have given us some tools to do that but it can't be adopted by ourselves. The State hasn't given us much confidence in the local income tax when you see what they continue to do with the COIT. The COIT story, the Federal Government reported that the State was down 1.6 % which is not a lot. He went to page 53 of the fiscal plan and reviewed the history of the collections. The last known year of collection is 2008, it was down 2.8%. What now has been reported is from July 1, 2009 to June 30, 2010. We were anticipating a decrease but not down 17.5% decrease. It was the fall of 2008 when they thought the bottom had fallen out. What doesn't seem reasonable is it being reduced by 17.5%. The unemployment for Hamilton County is around 7.5%. It

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE II**

reported in the IBJ today that there are some counties in worse shape than Hamilton County, if that makes you feel any better. Whitley County is projected to lose \$4 million which is down 37 percent. He doesn't know exactly what is going on. It might be a timing issue. It was just reported that the State collections were up 9% when you compared June of this year to June of last year. He is hopeful that is the problem. Mr. O'Connor asked if it was intentional. Mr. Reuter stated he is not sure and he doesn't want to point fingers. Mayor Ditslear asked if the lawsuit needs to be revived. Mr. Reuter stated they might need to consider that. He saw Mr. Howard walk in and they need to look into it. He said they have asked for the collection for the entire state and was given that information. They then asked for the information by county and were told they are not keeping it by county. They are keeping it by county on the calendar year but it is not being kept as it comes in the door. That was the intent of getting the forms changed to remit the information. They are frustrated with that information. It might be a timing issue, unemployment does not indicate it would be this high. He is not sure why it is this way. The good news is, if it is a timing issue, then we will get it after that is done. We have been getting special distributions in the past. If the amount collected is higher than the amount certified, then they do a special distribution. He went over a few of those examples as listed in the chart. He stated it is hard to project the COIT number. He stated he can come really close to the property tax number. We have to plan around this number for the 2011 budget because we will not get it resolved before the budget needs to be adopted. Mr. Howard stated we got some disaster relief, it is not unemployment but underemployment. Mr. Reuter stated he is hoping it is a timing problem. How can the State's revenue jump by 9%? The City's portion of this reduction is 3.5 million dollars. The good news is that the City is still in a good cash position. But the City will still need to react to it. He feels the smaller municipalities might fold and he really wonders if that is not the intent to force consolidation. Mr. Reuter then went to page 1 of the report. This is the General Fund. The reason the City is feeling so much pain is due to the loss in property tax because of the circuit breaker, on top of the loss of the COIT dollars. He has built in the negative number which reflects the loss to the circuit breaker. Each fund has it's own portion. The total loss is just shy of 3 million and then you add the 3.5 million makes it a five million loss at one time. The most important line is the excess spending over revenue. It tells you how much out of balance you are. This is based on using 100% of the COIT. They will talk more about that fund later because there are some items that have been relying on the COIT Fund for payment. There are some unfunded issued out there, the golf course bonds, some highway supplies and the NRO Fund. The Administration has done a great job in paring the budgets back. Even with the decrease and using 100% of the COIT, the General Fund will still be out of balance by about \$327,000. Going forward, why is it growing? This assumes there isn't going to be a bounce, this recession reflects a small bounce. If you approve the budget as presented, you would still be in a strong cash basis to support the next year's needs. Most units would kill for this type of cash. But as you look forward you can not continue to spend more than you are taking in. The next fund is the Fire Pension. A couple of years ago the State assumed this liability. He assumes they are going to continue to fund this but their revenues are down too. He has been putting the question mark out there to see if the State continues to support this. The State is structurally off by 2 billion dollars. They were off a billion dollars this year plus a billion of stimulus money. Without the stimulus they are off 2 billion dollars. That is a big gap to close. There are only two things you can do, increase revenue or decrease expenses. The legislature has a lot to do in this next session. It is a long session but they still have a lot to get done. The article that stated the State revenue was up 9% for July, the forecast was still 15% below their revised forecast. They are still missing the mark, they are not hitting their numbers. This might be an area they might try to pass back out to the communities. Putting these funds back on a property tax is not a good option for the City. The higher the property tax rate the greater the loss is to circuit breaker. We are getting ourselves into a catch 22. Mr. O'Connor asked to go back to the General Fund and look at the interest line. Mr. Reuter stated if the Council would like to have anything backed down from what he has in the plan, please let him know. He stated in the past we were able to invest and earn a good amount. Now it isn't too good. This assumption is that the interest rate would be higher

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE III**

in 2011. It looks like it won't. Mr. O'Connor stated the banks are not lending and have a lot of cash. He didn't feel the interest rates will be coming back as projected. They are going to back this number down to \$50,000. There is no model to apply to this recession, we are rewriting history. Going back to the pension funds, he wanted to wave the caution flag. Mrs. Jaros stated the City funds this up front and then the State reimburses the City. The next fund is LRS, the revenue continues to decline. This is a State based revenue fund. There seems to be a reoccurring theme here. The next fund is MVH fund. This fund looks like it is in balance. He drives enough revenue into this fund to support the budget. The budget was reduced by \$100,000 for next year. On page 10 is the Public Safety Fund. This will pay out in 2010. There is no benefit because we did not have a levy on this in 2010. The next several pages are debt funds. We are forced to run enough levy on these funds to make the debt payments. We could cut these back and use some of the cash in these funds to help with the tax rate. We have built enough cash in these funds to have an extra payment. That is helpful when there has been a late settlement. That is a nice benefit. In this particular case he is running enough into it to balance the budget. Keep that in mind when we get to the part of talking about the tax rate. On page 18 is the COIT Fund. In 2010 the city used 90% of the COIT for the budget. There are some fixed costs that this fund is used for. You would have some cash to use for the run out but you can not continue to do so because you will run out of cash. There is a golf course bond, MVH expenses for salt and the NRO Fund shortfall at the end of each year. This may need to be moved to the General Fund as a fixed cost. That is an option. He said he continues to see the trend of this going down. It is a big swing in this budget. On page 20, Cum Fire Fund, it is set by rate and is used for capital needs. He feels we may be able to control some of these capital costs. He stated the caution flag is out there. There isn't an option to raise this rate because it would draw from the General Fund. Chief Gilliam asked if we should go out for more years on the leases. Mr. Reuter stated we are not earning much on our balances so it would not really matter. Chief Gilliam stated he is talking about new leases. Mr. Reuter stated that would be reasonable he stated if there is new equipment they may want to hold off on those purchases if they can. Mr. Reuter also said they could consider a resolution to move the unspent cash to the rainy day fund which is the COIT Fund. You would not gain so much from the General Fund but some of the other funds would help preserve the future budgets. The funds he is talking about are the CCI and CCD funds. On page 21, CCI, it is built in to move \$100,000 to General Fund each year. There is still about a quarter of a million dollars that could be moved to General Fund and then transferred to Rainy Day Fund. The next fund is CCD Fund. There needs to be a caution flag here, spending more than what is coming in. If it isn't spent, it could be moved to the rainy day fund. On page 23 is the Park Fund. It is also like the MVH and shares a part of the maximum levy. This budget was reduced by \$50,000 from 2010, so they also did a nice job in reducing this budget. Park Non-reverting Operating Fund is supported by COIT. This has been an ongoing expense in the past years. He is not going to spend time on the TIF Funds. The 2% increase in the net assessed valuation reflects Logan Street coming back on, collecting all revenue there, Stony Creek TIF and Noblesville Business Park will be passing through some of the AV. Mr. Howard said it is the same amount but a different TIF district. Mr. Howard said he has built in the appeals for those funds. Mr. Reuter stated he now wants to talk about the tax rate. On page 39, at this time if they appeal for the \$857,000 dollars and the levies are what they need to balance them, there would be an 8.9% tax rate increase. What that means is more people would hit the circuit breaker and there would be a 9 cent increase on the tax rate. The only options he sees right now is not to go for the appeal and the second thing would be to use some of the cash in the debt funds to buy down the rate for 2011. DLGF would allow us to do that when we do the 1782 notice. Mr. Johnson asked if we would still go for the appeal. Mr. Reuter stated we would still go for the appeal. If we give it up, you can't go back and get it back. We are not that far out from not being able to qualify for the appeal. Another option would be to use some of the General Fund cash to make debt payments. These are not attractive options but just options. Mr. Howard asked what it would do if they stripped out all the cash. Mr. Reuter stated it is the appeal that is causing the rate to go up. Mrs. Jaros asked when it would be coming off. It will come off in 2013. Mayor Ditslear stated there isn't any guarantee that

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE IV**

we will get it. Mr. Reuter stated that is correct. We have gone down to the State and been grilled in the past but still were approved. Mrs. Jaros stated she didn't think we had to go down any longer. Mr. Reuter stated we don't but then we don't get to plead our case. He feels pretty confident they will approve it because we can only collect so much property tax. He stated he could take out all of the cash out of the debt funds and then use some of the COIT cash for the payment of the debt fund. Mr. Howard said when you look at the cash in the debt funds, we can short term the payment if we want to take the cash out. Mr. Reuter said that is correct, there are places we can borrow from. Mr. Reuter stated the tax settlements seem to be out on time now. Mr. Reuter and Mr. Howard had a discussion on the rate and how to buy it down. As the rate goes up, then more hit the circuit breaker. Mr. O'Connor asked if we don't have the cash in these funds, would it affect the bond rating. It will not, they look at the cash in the General Fund. He would like to have feedback from the Council for any of these issues. Mr. Reuter stated this is just a starting point and he hopes they are resetting themselves. Chief Gilliam asked if there was any way we could buy enough time to get a better number on the COIT. Mr. Reuter stated at this time that number is not negotiable. We would have to prove that their information is incorrect. When we filed the law suit against them, we wrestled with them for 3 years. Mr. Howard stated for budget purposes we have to use this number. If they are wrong we might see a greater special distribution and that is what we can hope for. Mr. Reuter stated there are options for that. Mrs. Rowland thanked Mr. Reuter for all of this information. If we took every area that gets a tax rate and shifted it up or down, would that be an advantage. Mr. Reuter stated there would be no advantage because the revenues would still be the same. You don't financially gain from that. Mr. Johnson stated he doesn't know if the Council has had time to look at the budget that was in their packets. If they have questions and would like to ask, the directors are here. Overall he feels it was a good idea for the directors to hear what was presented. Over the next couple of weeks they will have questions. Mr. Ayer asked if there would be a budget book available in the Council office. Mrs. Jaros stated a copy is in the office. Mr. O'Connor stated he feels they need to take the interest revenue down and then take the cash out of the debt funds. Mr. Reuter will go back and run the report without the cash. In order to have a zero rate increase, you will need to get 2 million out of the levy. The appeal is \$850,000 of that. He felt they should not give up the appeal. Mr. Howard stated they should leave COIT alone. They decided to take the interest income to \$50,000 and then \$100,000 for the next year. He will send the new fiscal plan to Mrs. Jaros so they can see what that does to the plan. Mr. Johnson thanked them all for coming this evening. Mayor Ditslear stated they could stay for the Human Society but they do not have to.

6:15pm Break.

6:30pm, The meeting resumed. Mr. Johnson stated the Humane Society is in to give an update on the operation and answer some questions the Council has concerning the contract that is currently in place. Director Rebecca Stevens introduced two of the Board members. Kim Ebert is the President and Candace Graham is the Treasurer. Mr. Johnson stated he is not sure what they have brought. Ms. Stevens stated she feels there are some misperceptions. They service all of Hamilton County and the County contracts through the other municipalities. They take their budget to the Commissioners, it is approved through the Council and then the County sends out the contracts. This has been the practice for the last 5 years or so. There has been a gap because not all of the information was sent on to the City. Some of the things that we may not know about the Humane Society is they have been Nationally recognized. They have received many awards for their efforts saving the lives of animals regardless of their age. They open the doors to everyone and it doesn't matter if they don't have the space. Their doors remain open. Their placement rate is over 90% and that is compared to a National rate of 35%. At most of the other shelters the animals are dying. They are way above the others and she hopes that the City supports that. Most of the communities support this effort. There are many animal lovers in Hamilton County and their data shows that 65% of the people have at least one pet. She hopes this is something the City supports and is proud of. Some of

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE V**

the services they provide that are not supported by tax payer money are, they take in wild life. It is a service they are providing. A child finds a bird and they bring it in. They take the bird where others do not. They work with rescue organizations to take the animal. They hold animals from victims of domestic violence. They work with Prevail. Many women won't leave their situation if they can't take their pet with them. This gives them a chance to get back on their feet and take their pet back. They do not charge them. They take pets for people that have house fires. They hold them until they get back into another home. People that are in car accidents. If the pet is injured, they get it taken care of. They take in the pets of elderly people when they go in the hospital. They may not have someone to take care of the pets while they are sick. They hold the animals at no charge. They offer free training for behavior problems. It helps them and the taxpayer. There are all kinds of educational programs that are done. They are invested in this community and they wanted the Council to know what all they are doing. Mr. Ebert stated they have many volunteers at the Humane Society and hundreds work with them to help advance the position of the Humane Society. They are constantly working to raise money. He showed a chart showing how the donations have increased since Ms. Stevens started working there about five years ago. A lot of the things Ms. Stevens has mentioned is due to these fund raising efforts. Ms. Stevens stated that every animal that leaves the shelter is spade or neutered. The City does not pay for this service, it comes out of the donor and adoption fees. Mr. Wood asked what the proposed budget was for 2011. It is about 1.5 million dollars and the cost to the City is about \$161,000.00. Mr. Snelling asked if our contribution was the highest in the County. It is. He asked why. Mr. Wood stated it is because it is located Noblesville. Mr. Snelling asked if that is why, are we paying more. Ms. Stevens said they track every animal and brought a report showing the number of animals relinquished from each unit. She knows that has been a concern. This report has been given to Chief Jowitt. They have a very sophisticated system that tracks who brought it in, name address and phone number. She stated it could be a product of the location. She doesn't see any indication it is from dumping because if it is left at the shelter, put over the fence, then that becomes a County animal. That fee would go to the County so it is not dumping. They looked at owner surrender versus stray and said the high numbers are from strays brought in by residents of Noblesville. Mr. Snelling asked if he brought in three pups and dropped them off, would it be free to him to do that. Ms. Steven said that is because of their contract with Hamilton County. Mayor Ditslear stated if they come from Noblesville, the City is paying that fee. Mr. Snelling said a lot of the Noblesville addresses are not in the city limits of Noblesville. Ms. Stevens said they have jurisdiction tracking data bases. They go in and look at the address to be sure they have the correct jurisdiction. After that is done, Tom Rogers, from the County, checks it again to be sure it is correct. Mr. Ayer said, that was on the address. That is correct. Mr. Snelling said if he puts three dogs over the fence, does the City or the County pay for that. The response was the County. Any thing dumped on the County property is charged to the County. Mr. Wood asked if he was to come and adopt a dog, what would the fees be. Ms. Stevens said it would depend on the animal. The fees range from \$45.00 to \$250.00. It is based on supply and demand. Mr. Wood asked if the animals that are adopted are from Noblesville would the City get a credit back from the adoption fee. No, because the City only pays for the first seven days. The Humane Society is paying for the spade and neuter. Mr. Wood asked who is paying for the spay/neuter service. Ms. Stevens said there is a whole network of vets that are doing it. They pay a flat rate on what it cost. If they gave back every adoption fee they would not be in business. As was mentioned, every municipality is only paying for the first seven days. On day eight, the animal becomes the property of the Humane Society. A lot of shelters say your two weeks are up and you are done. They do not do that. It is expensive, it costs approximately \$7.50 per day to keep the animal there and keep them alive. They get about \$470,000.00 from the County, the rest of that is from donations and fund raising. Mr. Ebert stated actually the amount of the percentage the County pays has gone down year after year. Mr. Ayer said that is because the City's has gone up, we are covering the difference. Mr. Ayer said they do a good job and he hates that they are getting drilled. They are faced with the same thing the City is faced with, budget constraints. We are trying to figure out what services we can afford to provide and at some point choose what services we can't continue to

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE VI**

provide. He has a concern with the way the contract is written. He knows a guy who took his cat to the vet to have it put to sleep. It was going to cost \$100.00 so he took his cat to your place and we paid \$157.00. Ms. Stevens said it is hard to police. Mr. Ayer said it is hard but if you get one cat and six kittens we are paying one thousand dollars. At some point we have to see how we can make it work for both of us and right now it is not working. He thinks that is why we are sitting here. The programs are there and are good. We have to decide what we are going to cut out, five fire fighters, three police officers and that is what they are looking at. Ms. Stevens said one thing she would caution them on is the County was looking at the numbers. Tom Rogers pulled a report that shows the numbers back to 2003 and the number of animals that have been brought in. She passed out the report and said you can see the growth. Mr. Ayer said part of the problem is Madison County doesn't have a no kill shelter and they are getting dumped at the county line. Ms. Graham stated the City is only paying for seven days. He said the people from Lapel are bringing them into the County. They said they can not bring them to the shelter. Mr. Ayer said they are dumping them. He has picked up litters of kittens before. Ms. Stevens said they can't prevent people from driving across the County line. Mr. Ayer said then why would we, with a population less than Fishers and Carmel, have so many more turned in. Ms. Stevens said there is a huge cat issue in Noblesville. That is one thing that was discussed with the Chief. People are finding a lot of stray cats. If you bring in a mother and litter of 10, that adds up quickly. There are some things that can be done, trap the cats, get them spade/neuterd. The people next door have a grant so they could be done for free. One of the reasons the cost has decreased in the County is Tom is a full time person. He returns them before they come to the shelter. He is able to access the information from his vehicle. Every officer has that ability. You look up the address, it is 123 Elm Street and you can take Fluffy home. You can see how many times Fluffy was out and then give a citation to the owner. Mr. Boice said they are doing the same thing now and they have returned around 179 so far this year. Chief Jowitt stated it is not that high. The number of police drop offs by the department are down. There has been an increase from citizens. The cost is the same. Police drop offs are down about 20%. Mrs. Rowland said she recalls that when they were before them before, they put a maximum on their income, based on the idea that we were going to stress that we would be returning Fluffy ourselves. She thought that amount was around \$132,000.00 per year. The conversation was that the number wasn't correct. It was at the same amount we had budgeted for 2009. Mrs. Rowland asked if we were sure. Mrs. Jaros said it wasn't a reduction in the dollars, but the contract was open ended without a cap. The Council set the cap on what we would pay up to. Mr. Wood stated it was not to exceed the amount budgeted. Mr. Wood said the problem he has is, every department in the City has cut their budgets for next year. He doesn't see that happening at the shelter and they are asking for more per animal for next year. Ms. Stevens said their actual cost is down. Mr. Wood said they are asking for more. Ms. Stevens said it is based on the animal count and that count is up. Mr. Wood said they are doing a good job but we are in tough times. There may be things we need to look at.

6:50 pm, Mrs. Rowland had to leave the meeting.

Ms. Stevens said it is very difficult and they won't know how problematic that will become if they stop at 500 animals. They may be turning them in at the police station. That happened before. They were from Anderson, they were not accepted at the shelter and she dumped it at the police station. She didn't get away with it but it happened. People will do crazy things. Mr. Wood said our numbers are high because it is in the City. It happened at the solid waste facility too. Ms. Stevens said there will be dumping from other counties as well, Marion into Fishers and Carmel and Boone county along the line as well. People don't want to go to the Indianapolis shelter. That can not be controlled. She said what we have to figure out is if there is going to be a budget cut to pay less than what they need to pay for those animals for the seven days as required, what are they going to do with them. They can shoot them but she doesn't know if they would want to do that. She doesn't know what will happen when Fox 59 shows up and you say it is due to budget cuts. She doesn't know what they will do. Mr. Wood said when Fox 59

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE VII**

shows up and says the people from the Humane Society called and told them what Noblesville is doing. She said no, when the public finds out that is what Noblesville is doing, it will be PR disaster. Mr. Wood said it could be a PR problem when we can't afford firemen, police officer, people at the Wastewater Treatment Plan or at the Street Department to plow snow. He is just looking at ways to cut money as they have just found out they have to cut more. Mr. Ayer said if they are worrying about PR disasters then they are not doing their job. They have to worry about the community. Mr. Wood said they have to worry about the citizens. Ms. Stevens said then what would they like for the citizens to hear if they want to turn in an animal and they have to say they can't because Noblesville isn't participating. Mr. Snelling said when you look over the figures from the last five years, on the average, Carmel, Fishers, we are twice if not three times the numbers. It is hard to believe. He lives in old town and he would be hard pressed to remember the last time he has seen a dog running loose. Someone said there are cats. He said cats don't count, they are running everywhere. Ms. Stevens said they count when they are brought in. Mrs. Graham said it goes back to the spay/neuter thing. They said they are checking everyone that comes in. But if someone dumps an animal, opens the door and lets it out, there is no way to prevent that and know where it comes from. If someone finds an animal it is based on their residence. The billing is based on the address of the person bringing it in. Mr. O'Connor said he is looking at the numbers. What percent of the budget is from municipalities versus fund raising? It is about a third of the budget. It is about \$472,000. He said he is looking at the numbers and it is hard to come to grips with it. You know that Carmel and Fishers are bigger than Noblesville is. Have they given any thought deterrent for the people bringing their pet in and don't want it. They should have to have to pay a fee. It was stated if there was a fee, they would go out to a field and dump the animal. There used to be a fee, they charged a surrender fee. The County made the decision to not have a fee because if they didn't pay the fee the animal was still let out and became a stray. The taxpayer was paying anyway. It helped clean it up. Mr. Hendricks asked if someone brings in their own dog and says it is a stray, do they scan those dogs. They scan every one and if they are bringing it, couldn't we take it back. She said that is were the City still has an opportunity. She really doesn't believe that as a taxpayer, there really isn't an option if they have a stray. In 2009 to 2010 there were 114 animals brought in by animal control and all but 8 of those were micro chipped. If you return those to the owners then there would be a \$9,000.00 savings. Mr. Hendricks said but we are doing that. She said we weren't, and Chief Jowitt said he is being told that they are scanning the animals. He stated unless he adopts his own quality control plan he really doesn't know. He does know that our numbers have dropped way down. He is certainly saying it may not be a perfect job but the numbers are down. She said Ron is the only one who is really doing it. Mr. Johnson asked how long have they been doing the scanning. It was since last fall. Mr. Johnson asked what happens to the adoption fee. She said it goes into the General Fund. A part goes to spay/neuter and the rest goes for daily support. It cost about \$7.50 per day for each animal. He asked if they had partnerships with any of the utility companies. She said they do have many corporate sponsorship. Duke is one that is given a price break of about \$500.00, in terms of getting a non-for profit discount. In the report that they supply to the county, it lists those people. Mr. Johnson said they get very little knowledge from the County. Mr. Snelling asked if we are under contract with the Humane Society at this time. We are until the end of the year. Mr. Ayer asked what if we had a contract that said a Noblesville resident would pay a fee, would that would come back to the City. Ms. Stevens said the adoption rate would go down. They are currently running adoption promotions each month. Mr. Ayer said if they can't cut the service then he needs to see how they can pay for it. She stated there are opportunities by being sure they don't come into the facility to begin with. Mr. Johnson said this may be a discussion for later. Mr. Ayer said they have to look at some options. Mr. Hendricks asked if there is a time limit on if the City gets charged a fee, say that dog belonged to Mr. O'Connor and he came in an hour later and picked up the animal. Did the City get charged for bringing in that dog? It is a flat fee and then he would be charged a return to owner fee of \$45.00. She said that amount gets backed out of the original fee. There was discussion on how this works. It is backed out so they are not double dipping. There would not be seen on the statement we get. Mr. Johnson said

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE VIII**

it would be nice to see that amount somehow. Ms. Stevens said that would be different from the way the contract is written. It was defined that this is really not a credit, it is for the Humane Society's budget purposes. There is a lot of things done in the first 24 hours the animal is in the shelter. The return to owner fee is benefited for the entire County. It was discussed if this was the last year the County will be doing the contract for everyone. Ms. Stevens said that is one of the things she wanted to inform them of. There is an auditor's report that they can get a copy of. It shows how many animals the City paid for and the ones the County picked up for the city. I wasn't until 2008 that the City began paying for all of their animals. Ms. Graham stated that might be one of the reasons the City is seeing their cost skyrocketing. The county is saying we are not going to pay for Noblesville's animals. They don't want to pay the difference. So they are saying they should go directly with each municipality. She said they may have to go to a rolling average. If that was done, the City would be paying more than they are now. Mrs. Jaros said if the City of Noblesville was negotiating a contract, then the City could say what they desire to put in, say that it isn't feasible to get the 90% adoption rate. They said we are only paying for the seven days. Mrs. Jaros stated she knows what they are saying but she hasn't seen real good proof of that from what they are saying. You can tell us anything. Mr. Hendricks said because some are only there one day or two. Ms. Stevens said an animal can not be adopted within the first seven days. Mrs. Jaros said they can be relinquished back to their owners. Mr. Johnson asked what happens when they have an owner pick up their pet over and over again. They said they tell the community officer and have them go out and have a chat with the owners. Mr. Johnson asked if they pay a fee each time. They pay \$45.00 each time to pick them up. Mrs. Jaros asked how the Board of Directors are appointed. Mrs. Graham said they are volunteers and are not appointed by anybody. Mr. Wood asked if the County has an appointment. They don't have one nor have they asked to. Mrs. Snyder is on the Board and she is on the Carmel Council but it is not an appointment of the Carmel Council. Mr. Ayer said they have given us a lot of information and they will have to look at our options. Mr. Snelling said they need to look at what our options are. They may evaluate it and see if they want to go in another direction and opt out of this service. They said we are paying the same amount as everyone else. Mrs. Jaros said that is true but the numbers are much greater than everyone else. Mayor Ditslear said he noticed that Arcadia and Atlanta are not on the list. What are they doing? Ms. Stevens said they do not accept animals from Arcadia and Atlanta because they are not participating. She said Cicero and Sheridan are charged per animal if one of their officers brings in the animal but they don't accept from the citizens. Mr. Johnson said this could be some of the problem. They could have one of our citizens bring it in. Ms. Stevens says it has been said that some think they can do it on their own and it will be cheaper. The cost to do their own, is about \$273.00 per animal. You would be managing the building, managing the employees, and if you had a new director that was only being paid \$20,000.00 per year versus the \$1100.00 you are paying for her. The cost in Indianapolis is close to two million and they are killing the animals. What they are doing as the Humane Society is the adoption piece. They find it a home and pay for medical care and the needs of people in the community. All of that is being done through the Humane Society piece. Mr. Ebert said they have the robust volunteers because of the philosophy of the shelter. The cost of labor is far less for them. They come in and clean up the dirty cages because they know when they come in the next day, their favorite dog will still be there. That isn't there in Indianapolis. To do it yourself there will be cost. Mr. Wood said he understands, the employees are not getting raises, the budgets have been cut, but their cost continue to go up. Ms. Graham said they have not given Ms. Stevens a raise in three years. Mr. Wood said he hasn't gotten one either. It is the same thing but each department is being asked to cut back further. They have to see what other options there might be out there besides the Humane Society. Our numbers keep going up and he feels that is because they are located in Noblesville. They do a good job but if those fees keep going up he is sure the Police Department could use more money, Fire could, the Mayor's office could. Mrs. Jaros stated what we are paying them is equal to one and half police officers. Ms. Stevens said the number they are budgeted for animals is the same as last year. Mr. Wood said the fee is going up. It was clarified that the amount per animal is not going up. Mr. Wood asked what the average department cut was.

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE IX**

Everyone has cut but you would have to do each department to get an average percentage. Mr. Hendricks said one of the things we are trying to do is more with less. He has personally donated to the facility. The people donating do not know what they are donating for. They think it is for the care of the animals. The State is taking our money every week reducing what we have that we use to provide services to the citizens. I don't believe if the City did a fund raiser we would get a lot of money. They want the services but they don't want to pay for them. Couldn't they divert some of that money to help keep the tax payer money down. Ms. Stevens said they do, they are paying two people to help divert animals out of the shelter because they have behavioral problems. Everyday, they are not being paid by the portion the City is paying. Mr. Ebert said their fundraising is paying for the micro chipping. Mr. Hendricks said he would be out helping with the fund raising if they could help our portion. We have to get money out of our budget. Mrs. Jaros stated for 2010, property tax caps reduced the revenue to the City by 2.9 million dollars. Now for 2011, the State has reduced the amount of COIT to the City by 3.5 million dollars. What are we going to do, we don't have the money. Ms. Stevens said they had proposed a license fee to the County and were turned down. She has been to conferences and has heard about the amount of money shelters are making from this license fee. They could charge the fee for the animal for the pet tags. They would have to take a portion of that fee because they would be doing the work. Mr. Johnson said he is actually ready to do away with the pet tag because it can not be enforced. Mr. Johnson said rumors are out there and one is that the Humane Society takes animals from other States. Mr. Wood asked about other counties. They have taken animals but they were special cases. No one is billed for that. They took in one that got National attention. It went directly into a foster home and then into an adopted home. Mr. Johnson said some would argue that there is a cost because it will be adopted and a local pet wasn't adopted. They said the adoption fee doesn't affect the City anyway. Mrs. Jaros asked if we participated in the animal going over east. Ms. Stevens said they didn't because they will only take the small puppies. Those are highly adoptable dogs and she is able to easily adopt those animals. Mr. Snelling said he sees the pictures in the paper of animals up for adoption. The thing he wonders is they see the same kinds of dogs all the time, the mutts. After a period of time, do they keep them forever? The longest they have had a dog or cat is a year and a half. That is hard for them to be in the shelter that long. They will put them out to foster homes and other places when they have been in a long time. Mr. Snelling said the City used to have a pound that was used. There was also a home for Friendless Animals. After a time we had to put them to sleep. The numbers he is seeing now is hard to believe. She said they are seeing a lot of animals coming in for financial hardships. Mr. Snelling said we are that way too. They may be having more of that in Noblesville than in Fishers or Carmel. Mrs. Jaros asked about the Pals for Paws organization that is setting up at Tractor Supply. They are bringing in animals to be adopted from Howard County. Ms. Stevens said she would like to see her gone. Mrs. Jaros stated that is not what she was told. She was told they have a great relationship. Ms. Stevens said she had helped her with a budget and other things. Mrs. Jaros said she had a big problem because they are in direct competition. Ms. Stevens stated she knows they are not doing the seven page adoption application, a back ground check to see if they own their own home wasn't done and all of the other things they do. If they get a behavior problem, then they will be coming to the Humane Society. They ask the Chief if there is anything they can do. He said they would have to change an ordinance. Everyone thanked the Humane Society for coming in. Ms. Stevens gave out her phone number and told them to call her if they hear anything that concerned them. Mr. Ayer said they have all heard what they do but they need to find a way to make the budget work. Mr. Wood asked Chief Jowitt to answer some of the concerns about the officers not doing the job. Chief Jowitt asked for a report of all the animals that were brought in that had a chip and they didn't find it. He will need it in order to address the problem with the officers. Chief Jowitt said the gross numbers are 20% under what they had taken in. Chief Jowitt said if we send someone over to cite the owner, Judge Caldwell can get the fee back. Mr. Johnson said all the costs should be part of the fine. Mr. Snelling said he feels if they don't know where to put them, they put them in Noblesville. We are getting taken. Mr. Boice stated he has one thing. He would like to do a RFP to see about

**COMMON COUNCIL, BUDGET MEETING, CITY OF NOBLESVILLE
AUGUST 9, 2010, PAGE X**

having someone take them for the seven days. After that, they can be euthanized. If it costs more, then we can continue with what we are doing. He said right now we don't have any negotiating powers. Mr. Wood said the amount of money we are paying could be used to help cut the budgets. He hates to give them that kind of money and can't give the employee a raise. They asked Chief Jowitt if he thought the numbers looked wrong. Chief Jowitt said he has never been able to see why they are higher than anyone else. Mr. Wood said this has happened at the solid waste facility. The people from Noblesville were much higher than any place else because it was convenient.

There being no further business before the Common Council this 9th day of August, 2010, the meeting adjourned at 7:20 PM.

JOHN DITSLEAR, MAYOR

ATTEST:

JANET S. JAROS, CLERK-TREASURER