

MUNICIPAL CORPORATIONS COMMITTEE

DATE: August 16, 2004

CALLED TO ORDER: 4:05 p.m.

ADJOURNED: 5:30 p.m.

ATTENDANCE

Attending Members

Ron Gibson, Chair
Greg Bowes
Lonnell Conley
Sherron Franklin
Scott Keller
Isaac Randolph
Earl Salisbury

Absent Members

2005 Budget Hearing

Health and Hospital Corporation
Capital Improvements Board
Airport Authority

MUNICIPAL CORPORATIONS COMMITTEE

The Municipal Corporations Committee of the City-County Council met on Monday, August 16, 2004. Chair Ron Gibson called the meeting to order at 4:05 p.m. with the following members present: Greg Bowes, Lonnell Conley, Sherron Franklin, Scott Keller, and Earl Salisbury. Arriving shortly thereafter was Isaac Randolph. Representing Council staff was Kent Burrow, Chief Financial Officer.

Health and Hospital Corporation

Matt Gutwein, Executive Director, Health and Hospital Corporation (H&H), introduced Dan Sellers, Treasurer and Chief Financial Officer; Dr. Virginia Caine, Director, Marion County Health Department (MCHD); and Dr. Lisa Harris, Chief Executive Officer and Medical Director at Wishard Hospital.

Mr. Gutwein explained that H&H's 2005 budget promises to expand services, not cut them. He said that H&H has made several changes to ensure this such as:

- Reducing the cost of care at Wishard
- Freezing and/or lowering the property tax rate and seeking alternatives for funding
- Reducing the budget deficit

Mr. Gutwein stated that H&H has expanded its services by:

- Increasing enrollment in the Wishard Advantage program
- Opening a new healthcare facility on the Northwest side
- Cutting down the time for Emergency Room diversion
- Investing in a new CT scanner and MRI
- Implementing the Wishard Hispanic Health Project
- Expanding mosquito control programs
- Expanding the Women, Infants, Children (WIC) program (including coupons for the Farmer's Market)
- Cleaning up properties
- Implementing the Indy in Motion program
- Improving hospital billing and collections

Mr. Gutwein noted that H&H heavily relies on grants and said that 25% of employees' positions at the MCHD are grant funded. Of particular note, something that has been an issue in the County for sometime, Mr. Gutwein stated that infant mortality rate is 50% lower. He also pointed out that the immunization rate for Marion County is at 95%, which is greater than the national average of 70%. There is also a much greater response for treating children with asthma by providing case management.

[Clerk's Note: At this time, Mr. Gutwein reminded the Committee that Wishard is a Level One Trauma Center and is nationally recognized for its Burn Care Unit. He showed a brief video documenting a patient's care in the Burn Unit.]

Chair Gibson asked if the levy rate is the same at 21 cents. Mr. Gutwein explained that it is up less than \$4 million because of the assessed value.

Chair Gibson complimented Mr. Gutwein and staff for all their hard work and pointed out how important Wishard Hospital is to the community.

Capital Improvements Board

Barney Levensgood, Executive Director, Capital Improvements Board (CIB), introduced himself and Dixie Gough, the CIB's Controller. He pointed out some budget estimates: Personal Services (Salaries, PERF, etc.) is \$18,034,800; Supplies (Office Supplies, Stationery and Printing, Computers, Uniforms) is \$1,860,100; Other Services & Charges (Legal, Accounting, and Consultant Services, Communication and Transportation, Utilities, Rentals, etc.) is \$42,327,300; and Capital Outlays (Buildings, Improvements, Machinery/Equipment) is \$5,369,500. Mr. Levensgood added that there are projected increases for Suite Licensing, Hotel-Motel Tax, and Food-Beverage Tax.

Chair Gibson asked if the CIB has approved the budget. Mr. Levensgood responded in the affirmative.

Councillor Keller asked if the user fees are equitable to other cities. Mr. Levensgood answered that the user fees in Indianapolis are equal to or better than other cities.

Councillor Salisbury asked how Indianapolis compares in size (conventions, etc.) to New York City, for example. Mr. Levensgood responded that it is more realistic for Indianapolis to compare itself to cities such as San Antonio, St. Louis, Baltimore, etc.

Councillor Conley asked, because of so many convention and show bookings, if it will be necessary sometime in the near future to expand the Convention Center. Mr. Levensgood replied that things are going well, but the CIB did lose one booking (PRI Racing) due to lack of space. He said that PRI Racing chose Orlando, Florida, but would like to return to Indianapolis, possibly in 2010. He feels it would be worthwhile for the Convention Center to strongly consider expanding.

Councillor Bowes referred to the various revenues. He asked if Marion County residents carry a particular burden. He also asked how much of the revenue comes from Marion County residents. Mr. Levensgood replied that it would be nearly impossible to calculate this figure.

Councillor Bowes asked how much of the budget plan involves dollars that have been squirreled away. Mr. Levensgood answered that those dollars are not a part of the budget plan.

Chair Gibson thanked Mr. Levensgood and Ms. Gough for their time and presentation.

Airport Authority

Patrick Dooley, Executive Director, Indianapolis Airport Authority, distributed some detailed information.

[Clerk's Note: This information is on file in the Council Office with the original set of minutes.]

He briefly discussed some highlights, which include:

- Landed weights account for approximately 45% cargo and 55% passenger
- Indianapolis is the 20th largest cargo airport in the world; 8th largest in the U.S.
- In 2003, the Airport accommodated 7.4 million total passengers and approximately 1 million tons of cargo
- Economic Impact Studies show that the Airport contributes approximately \$2.6 billion annually to the local economy
- 2.3 million passengers flew out of the Airport through July 2004
- There is a growth significantly driven by leisure market; return of business travel will be driven by economic recovery

Marsha Stone, Chief Financial Officer, outlined budget highlights. She discussed the Operating Revenue. Airline Revenue for 2005 is projected at \$37,941,000. Non-Airline revenue is projected at \$51,588,000. Other Revenue (PFC financing, Lease Rentals, sale of assets, etc.) is \$47,838,000.

Exhibit A (attached) illustrates 2005 Airline Rates & Charges. Exhibit B illustrates Non-Airline Revenue. Exhibit C illustrates the 2005 Expense Overview. Exhibit D illustrates the System Fund Expenses. Exhibit E illustrates the 2005 Capital Budget. Exhibit F illustrates 2005 Capital Funding.

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John Kish, Midfield Project Director, distributed six pages that illustrate slides of the Airport in past, present, and future form.

[Clerk's Note: This is on file in the Council Office with the original set of minutes.]

Councillor Franklin asked what it takes to become a HUB airport. Mr. Kish answered that it would take a major carrier to declare the Airport a HUB. Then they would feed smaller aircraft into the Airport and load larger aircraft to go out. He said the current trend in the industry is to reduce the number of HUBS, mainly because it raises the cost of airfare tremendously.

Chair Gibson asked when construction is expected to be completed. Mr. Kish responded that construction should be complete by mid-to-late 2008.

Councillor Salisbury explained that the district he serves is just north of the Airport. He has a concern with local taxes. He said that Wayne Township has lost so many homes, businesses, and millions of dollars in revenue for the community because of the FAR-150 Noise Study. He noted that on south High School Road there are several neighborhoods that are now parking lots. He wondered if these businesses could have money go into those communities rather than back to the Airport. Mr. Kish said that this parking is for airport-related use. Mr. Salisbury asked if there is anything that is not airport-related. Mr. Kish said there is some commercial development that is not airport-related. He noted that the Airport does provide services in these communities, including fire, police, etc. Mr. Salisbury feels the Airport needs to act as a good neighbor and turn the parking in the neighborhoods back over to Wayne Township so they can have the tax dollars.

Councillor Conley asked how the fees are regulated with taxis and limousines at the Airport. Mr. Kish answered that they each pay a quarterly permit fee to operate. They also have a per drop-off (pick-up) fee.

Chair Gibson thanked Mr. Dooley, Ms. Stone, and Mr. Kish for their time and presentation.

With no further business pending, and upon motion duly made, the Municipal Corporations Committee of the City-County Council was adjourned at 5:30 p.m.

Respectfully submitted,

Ron Gibson, Chair
Municipal Corporations Committee

RG/hfs