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TRANSCRIPT OF MAYOR GREG BALLARD’S 2011 PROPOSED BUDGET ADDRESS
TO THE CITY-COUNTY COUNCIL

Members of the Indianapolis Marion County City County Council:

Good evening. I am pleased to introduce to you tonight a balanced 2011 budget for the City of Indianapolis.

We believe that Indianapolis can excel as a city while remaining affordable for taxpayers. This budget, though not revenue neutral, is my administration’s third balanced budget in a row and reinforces our philosophy that affordability and livability can go hand in hand.

Work on this budget didn’t begin last month, or even last year. It began January 1, 2008, when we initiated our efforts to improve service, cut costs, and protect taxpayer dollars at every turn.

My administration took office in the midst of a national financial crisis that persists today. We have faced and continue to face fiscal challenges that carry with them the need to make tough decisions. But we know the economic conditions that made this budget and previous budgets difficult to balance for government are the same conditions that make it difficult for hardworking families to balance their own budgets.

Money is tight for everyone right now. Rainy day funds are being used because the fact of the matter is – it’s raining. Despite difficult economic times, we must continue to seek better ways to provide essential services at a lower cost to residents, and to create a climate in which our citizens can afford to live and live well. I am proud to say that this budget accomplishes both. And it does so without turning to massive layoffs, diminished service levels or massive debt as solutions. Strong fiscal leadership during the last two and a half years means we have a rainy day fund and because of this we won’t have to make the drastic cuts other governments are making this year. Instead, we have continued to apply the same high standard of fiscal responsibility to our budget process that has worked in Indianapolis for the past three years and will continue to pay dividends for the next 50 years.

Our team, led by City of Indianapolis Controller David Reynolds – has worked in close coordination with every city and county agency to develop a balanced budget, focused on investing in the future and improving the quality of life for every Indianapolis resident. Our open and transparent approach to creating this budget
should make it easy to see that even for a lean budget, resources are strategically aligned to improve public safety; attract and grow quality jobs and invest in innovative ways to provide opportunities for our youth.

In 2010, we felt the full effect of property tax caps, creating what was one of our toughest budget years to date. We championed this much-needed relief in the legislature, because the people who live here deserve a consistent, predictable tax structure. It was the right thing to do, and it continues to be a positive measure for our city. Today, Marion County residents are paying on average 33% less in property taxes than they were three years ago.

And in addition to paying less, they are experiencing improved service from their city government. In 2010, we implemented RequestIndy, a fully automated website that allows citizens to initiate service requests to the Mayor’s Action Center, improving service options to citizens. We saved over $20 million through a complete overhaul of the city’s employee health benefits including an audit of the dependent eligibility. Further savings to the city were realized by consolidating multiple separate HR departments to remove duplication. In the Department of Code Enforcement, we created a one-stop shop for business licensing, which saved money and improved efficiency for the consumer. In the Department of Metropolitan Development, we continue to allocate operational funding toward grant sources and away from local tax supported funding. Last year, less than 5% of DMD’s funding was derived from property tax dollars.

In addition to these often-hidden cost savings and process improvements, we had some big wins too. In the last two years we have completed 92 economic development projects, accounting for 20,932 new and retained job commitments and $749M in capital investment. Unlocked more than four hundred million dollars for investment in roads, bridges, sidewalks, abandoned homes, and other improvements by transferring the water and wastewater systems to the non-profit public charitable trust known as Citizens Energy Group.

We found innovative ways to rebound from the decreased revenue last year, and this year will be no different.

This year, due to the national recession, a decrease in income tax revenue felt by the state over the last two years is impacting our allocation from the state and we will experience a $50 million shortfall in 2011. Facing this dramatic reduction to our revenue structure, we began this budget process with nearly double our anticipated deficit. As in years past, we have approached this hardship, not by passing along the financial burden to citizens, but by taking a close look at programs and services to determine which are essential, which amount to an overreach in the core functions of municipal government, and which could be improved to produce greater cost savings.

Taking a disciplined approach to departmental budgeting, we have once again worked closely with all departments and agencies throughout city-county government to develop a plan that operates below our 2010 appropriations. We removed $25 million from the agency base; adjusted expenditures are only 1.2% above 2008 spending and are 2% less than projected 2010 spending. We have also set a $10 million management reserve target for 2011 that we will meet through a strategic hiring and wage freeze, offering an early retirement option with controlled refilling of positions, a reduction of the administrative vehicle fleet, continued process improvement, and consolidation of operations in remaining decentralized human resource departments. Our new integrated financial management system will also be ready to facilitate the consolidation and centralization of accounting and financial operations.

We are living within our means and investing wisely in the future, and we are holding strong to our commitment to create efficiencies, reduce wasteful spending, and invest in public/private partnerships.

Public safety has been, is now, and will remain job one. We have invested greatly in ensuring our law enforcement and emergency responders have the resources they need to keep our citizens safe, and that is
why we have worked to fund the same number of sworn officers in IMPD, IFD, and the Sheriff’s Department in the 2011 budget. We have also included provisions for air-cards for IMPD officers to permit direct access rather than forcing officers to drive around, searching for a wireless hotspot.

Also in this budget, you will see the consolidation of city Accounts Payable and Payroll into the Marion County Auditor’s Office as required by state statute; consolidation of the Sheriff’s and Metropolitan Emergency Communication Agency’s IT Department into ISA, the city’s Centralized IT Department; completed consolidation of Franklin Township Fire Dept into IFD; consolidation of the Indy Parks Maintenance Department personnel and contracts into DPW, and additional one-time funding to the County Assessor to process property tax appeals and to begin the 2012 property reassessment.

Making fiscally responsible decisions now will help put Indianapolis on better footing for years to come. We have seen this through our innovative RebuildIndy program, which is already working to rehabilitate our crumbling infrastructure. Investing in our city streets, sidewalks, alleyways and bridges now will not only improve the quality of life in our neighborhoods, but will put us in a better position to attract new business, grow our tourism industry and allow us to solve our problems now without resting those burdens on the backs of future taxpayers.

We are without question in the midst of tough economic times. Most of us have been personally affected by the down economy in one way or another. But during these difficult times, when cities and counties throughout the country are stopping essential services, laying off public safety personnel hundreds at a time and non-public safety employees by the thousands, I remain extremely proud that our Controller’s office joined by every department and agency have demonstrated their determination to continue providing excellent service for our citizens.

My proposed budget sets forth a plan by which we can continue serving all citizens of Marion County by making Indianapolis a safe, livable city now and for future generations. I appreciate your bipartisan support of our budget process for the last two years and once again welcome your thorough review of this budget, and I look forward to many positive discussions in the coming weeks.

Thank you.

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