

FILED

MAY 22 2018

CITY CLERK

APPROPRIATION NO. 5, 2018

AN ORDINANCE TO APPROPRIATE AN ADDITIONAL SUM OF MONEY FOR EXPENSES INCURRED DURING THE YEAR 2018.

WHEREAS, it has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget; now, therefore:

BE IT ORDAINED by the Common Council of the City of Terre Haute, Vigo County, Indiana, that for the expenses of said municipal corporation the following sum of money is hereby appropriated and ordered set apart out of the fund herein named and for the purposes herein specified, subject to the laws governing the same:

	<u>AMOUNT REQUESTED</u>	<u>AMOUNT APPROPRIATED</u>
FROM: Motor Vehicle Highway (Street) 0201-0018	\$492,800.00	\$492,800.00
TO: Paving (MVH) #0201-0018-03-432.100	\$338,500.00	\$338,500.00
Principal on Note (MVH) #0201-0018-03-439.178	\$131,800.00	\$131,800.00
Interest on Note (MVH) #0201-0018-03-439-179	\$ 12,500.00	\$ 12,500.00
Purchase of Equipment (MVH) #0201-0018-04-444.010	\$ 10,000.00	\$ 10,000.00
TOTAL:	\$ 492,800.00	\$492,800.00

Introduced by: O. Earl Elliott O. Earl Elliott, Councilman

Passed in open Council this 12 day of July, 2018.

Curtis DeBaun IV Curtis DeBaun IV, President

ATTEST: Michelle L. Edwards Michelle L. Edwards, City Clerk

Presented by me to the Mayor this 13 day of July, 2018.

Michelle L. Edwards Michelle L. Edwards, City Clerk

Approved by me, the Mayor, this 13th day of July, 2018.

Duke A. Bennett Duke A. Bennett, Mayor

ATTEST: Michelle L. Edwards Michelle L. Edwards, City Clerk

REQUEST FOR ADDITIONAL APPROPRIATION
 (For Approval by Mayor, Controller, and City Council)

This form is to be used when a department needs additional monies for a depleted line item or account. This form is also used for appropriations required by certain N/R accounts.

If a Department has sufficient monies in other line items to cover the funds needed in the depleted line item, a transfer of those monies should be made rather than an appropriation of new money.

DEPARTMENT or FUND Motor Vehicle Highway (Street) DATE 4/12/18

FUND FROM WHICH APPROPRIATION IS TO BE MADE Motor Vehicle Highway

	<u>Dept or Fund</u>	<u>Account #</u>	<u>Account Name</u>	<u>Amount</u>
TO:	<u>0201-0018</u>	<u>03-432.100</u>	<u>Paving</u>	<u>\$ 338,500.00</u>
TO:	<u>0201-0018</u>	<u>03-439.178</u>	<u>Principal on Note</u>	<u>\$ 131,800.00</u>
TO:	<u>0201-0018</u>	<u>03-439.179</u>	<u>Interest on Note</u>	<u>\$ 12,500.00</u>
TO:	<u>0201-0018</u>	<u>04-444.010</u>	<u>Purchase of Equipment</u>	<u>\$ 10,000.00</u>
			Total Amount to Be Appropriated	<u>\$ 492,800.00</u>

Department Head Approval: _____ Date: _____
 (Forward to Mayor) Signature

Mayoral Approval: _____ Date: 4-17-18
 (Forward to Controller) Signature

Controller Approval: _____ Date: 4/17/18
 (Forward to Legal) Signature

Received by Legal: _____ Date _____ Appropriation # _____

DEPARTMENT HEAD: Please attach a memorandum briefly detailing the need for this appropriation. Such information should include the specific services or products you intend to purchase.

Memo

To: Mayor Duke Bennett
From: Leslie Ellis, City Controller
Date: April 26, 2018
Re: Request to Appropriate Funds in the Motor Vehicle Highway (Street Fund)

I am requesting an appropriation of \$492,800.00 in the Motor Vehicle Highway Fund. The Department of Local Government and Finance (DLGF) reduced the 2018 MVH budget because they assumed a 100% budget spend for 2017. The 12/31/17 cash balance was larger than predicted by the DLGF, therefore we can appropriate the amount reduced in the 1782 Notice.

The Motor Vehicle Highway Fund budget must expend at least 50% on "construction, reconstruction and maintenance" of roads. A memo is attached from the State Board of Accounts regarding the new law. Therefore, the City must maintain that threshold by adding more Paving to the 2018 budget.

The Request for Additional Appropriation Form is attached.

Please contact me with any questions.

Thank you.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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Web Site: www.in.gov/sboa

MEMORANDUM

TO: County Auditors, City Controllers, and Clark-Treasurers
FROM: Paul D. Joyce, CPA, State Examiner
DATE: June 12, 2017
RE: Use of MVH Fund pursuant to Public Law 218-2017 (HEA 1002)

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This memorandum addresses changes to the use of the Motor Vehicle Highway Fund distribution pursuant to Public Law 218-2017 (HEA 1002), effective July 1, 2017.

Requirement to Use at Least Fifty Percent (50%) for Construction, Reconstruction, and Maintenance

IC 8-14-1-4(b) is added to the Indiana Code, which states:

"For funds distributed to a county from the motor vehicle highway account after June 30, 2017, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and maintenance of the county's highways."

IC 8-14-1-5(c) is added to the Indiana Code, which states:

"For funds distributed to a city or town from the motor vehicle highway account after June 30, 2017, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and maintenance of the city's or town's highways."

Definitions

To determine the type of work that qualifies as construction, reconstruction, and maintenance, please consult the following definitions contained in IC 8-14-1-1:

Construction "The term 'construction' means the planning, supervising, inspecting, actual building, draining, and all expenses incidental to the construction of a highway."

Reconstruction "The term 'reconstruction' means a widening or a rebuilding of the highway or any portion thereof."

Maintenance "The term 'maintenance' when used in reference to cities, towns, and counties as applied to that part of the highway other than bridges, means the constant making of needed repairs, to preserve a smooth surfaced highway, adequately drained, marked and guarded by protective structures for public safety and, as to bridges, means the constant making of needed repairs to preserve a smooth surfaced highway thereon and the safety and preservation of the bridge and its approaches, together with the substructure and superstructure thereof; and such term also means and includes the acquisition and use, in any manner, of all needed equipment, fuel, materials, and supplies essential and incidental thereto."

Highways "The term 'highways' includes roadway, rights of way, bridges, drainage structures, signs, guard rails, protective structures in connection with highways, drains, culverts, and bridges and the substructure and superstructure of bridges and approaches thereto and streets and alleys of cities or towns."

The question has been asked if personnel expense may be included as part of the 50%. The State Board of Accounts will not take audit exception to the payment of personnel expense that can be tied directly to one of these defined expenditure types through the use of a prescribed or approved form and adequate supporting documentation.

Supporting Documentation

To ensure that fifty percent of the MVH distribution is restricted and identifiable to the statutory uses of construction, reconstruction, and maintenance, a higher level of tracking will be necessary. Documentation must be available to support that at least fifty percent of the MVH distribution is used for the restricted purposes set forth in IC 8-14-1.

Prescribed Forms

The SBOA has prescribed forms in place to identify disbursements from the MVH fund that are related to the construction, reconstruction, and maintenance of highways. Samples of and instructions for the prescribed forms listed below are attached to this memorandum.

For information on the use of an exact electronic replica in lieu of a prescribed form or for the use of an alternate approved form, please see Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns or Accounting and Uniform Compliance Guidelines Manual for Counties.

City and Town Prescribed Forms

- 221A (2017) MVH Fund Cost Distribution Ledger – Allocated Costs
- 221B (2017) MVH Fund Cost Distribution Ledger – Unallocated Costs
- 221C (2017) MVH Fund Cost Distribution Ledger - Equipment Operating Expense
- 222 (2017) MVH Fund Employee's Time Allocation Record
- 223 (2017) MVH Fund Equipment Depreciation Ledger
- 224A (2017) MVH Fund Perpetual Inventory Record
- 224B (2017) MVH Fund Inventory Receiving Receipt
- 224C (2017) MVH Fund Report of Materials and Supplies Issued

County Prescribed Forms

- Highway Form 28A (2017) MVH Fund Cost Distribution Ledger – Allocated Costs
- Highway Form 28B (2017) MVH Fund Cost Distribution Ledger – Unallocated Costs
- Highway Form 28C (2017) MVH Fund Cost Distribution Ledger - Equipment Operating Expense
- Highway Form 29 (2017) MVH Fund Employee's Time Allocation Record
- Highway Form 30 (2017) MVH Fund Equipment Depreciation Ledger
- Highway Form 31A (2017) MVH Fund Perpetual Inventory Record
- Highway Form 31B (2017) MVH Fund Inventory Receiving Receipt
- Highway Form 31C (2017) MVH Fund Report of Materials and Supplies Issued

Other Changes to IC 8-14-1-5 for Cities and Towns Only

Effective July 1, 2017, Public Law 218-2017 (HEA 1002) deletes IC 8-14-1-5(b) which allowed a certain percentage of MVH Funds to be used for law enforcement purposes.

Effective July 1, 2017, Public Law 218-2017 (HEA 1002) deletes wording in IC 8-14-1-5(a) which allowed for the painting of structures and objects to be paid from MVH Funds.

Contact Information

If you have any questions regarding the SBOA accounting and uniform compliance guidelines for highway funds specific to counties, please contact SBOA Directors Lori Rogers or Shannon Lopez at (317) 232-2512 or Counties@sboa.in.gov. If you have any questions regarding SBOA accounting and uniform compliance guidelines for highway funds specific to cities and towns, please contact SBOA Directors Todd Caldwell or Susan Gordon at (317) 232-2513 or Cities.Towns@sboa.in.gov.