



City of  
**Lawrence**  
Indiana

*Deborah Whitfield, Mayor*

**To: Lawrence Common Council**  
**From: Office of Mayor Deb Whitfield**  
**Date: October 3, 2024**

Please find the attached responses to the objections raised in the Petition of Taxpayers Objecting to Budget, Tax Rate and Levy ("Petition") provided to the Lawrence Common Council in accordance with Indiana Code § 6-1.1-17-5(b). In accordance with various conversations during the past week, the Administration has compiled responses to the objections contained in this petition. In addition to responding to the objections, the administration has compiled documents which are responsive to many of the stated objections contained in the Petition, regardless of the fact that these are not objections about the 2025 budget as contemplated by the Petition's statutory basis.

The Administration provides these responses and information in an effort to support the Council's statutory obligation to respond to the objections as part of the Council's adoption consideration of the 2025 Proposed Budget. It is the Administration's hope that these responses will provide a strong basis for the Council to accomplish their response obligation as provided in Indiana Code §6-1.1-17-5(c). If any issues remain following the full Council's review of the attached responses and the supporting documentation, please do not hesitate to reach out to Amber Finley, City of Lawrence Corporation Counsel, who can assist in providing additional information to the Council.



**Objection 1: Lack of Transparency, Inadequate Budget Presentation, and Accountability**

The administration has consistently failed to provide transparent financial reporting and has neglected to present the budget in a clear and comprehensive manner. Specific areas of concern include:

- *Inconsistent Financial Reports:* There are discrepancies between the General Fund's projected cash balances, with one figure showing \$6.1 million and another showing \$7.9 million for 2024.
- *Overspending in 2024:* The city overspent by nearly \$4 million in 2024, yet residents have not been given detailed insight into how these funds were managed.

**RESPONSE:** The Administration provided an explanation to the Council for the delay in publishing financial reports as well as a corrective action plan to ensure these get published in a timely manner. The Administration will provide reports in compliance with both State Board of Accounts Standards and Lawrence Municipal Code.

(Inconsistent Financial Report) Revenue projections can vary from month to month (upward or downward) depending on any additional information received at the time.

(Overspending) The Administration understands that it is illegal to overspend an adopted budget. Additionally, our Financial software includes mechanisms that prevents overspending. As such, there are no over-expenditures in the 2024 adopted budget.

- *Last-Minute Public Hearing Notification:* Despite providing the minimum standard of notice to the State of Indiana, the administration added the public hearing for the budget to their agenda on September 17th, with the hearing scheduled for the very next day, September 18<sup>th</sup>, hiding the ball from the general public. This gave residents only one day's clear notice of the public hearing, suppressing public comment and engagement, and depriving residents of a meaningful opportunity to participate.
- *Failure to post proposed budget prior to Public Hearing:* To make matters worse, the actual budget was not posted until after the public hearing had ended. This last-minute scheduling and failure to provide timely access to budget documents severely



undermines public confidence in the administration's commitment to transparency and accountability.

**RESPONSE:** The City adhered to state statute regarding publication of the 2025 proposed budget by submitting Form 3 to the DLGF. A copy of the submitted form is provided for reference. The budget public hearing was posted on the Council's meeting agenda posted in accordance with applicable Indiana law.

We also request detailed financial reports for the following specific expenses to clarify how taxpayer dollars have been spent:

1. *Mayor's Office Renovations:* Provide a breakdown of costs related to office remodels, bathroom upgrades, and new furniture purchases for the Mayor's office.
2. *New Vehicle for the Mayor:* Include the cost of acquisition, maintenance, and fuel for any new vehicle(s) purchased for the Mayor.
3. *Controller's Total Compensation:* Detail the Controller's salary and benefits, including any bonuses or additional payments made in the 2024 and 2025 budgets.
4. *Consultants Hired by the Controller:* Itemize expenses for consultants hired to perform duties that should be handled by the Controller, including work descriptions and justifications.
5. *City Credit Card Expenses:* Provide receipts and explanations for all purchases made using city credit cards by the Mayor and Controller, including travel and subscriptions.
6. *Fuel Usage:* Present an Itemized report of fuel usage for the Mayor and Controller, including vehicle, trip purpose, and associated costs.
7. *Travel Expenses:* Break down the \$21,000 allocated for travel in 2025, detailing trips planned, purposes, and expected costs.

**RESPONSE:** The requested information is akin to a public record request and with one exception (item 7), the items do not pertain to the 2025 budget or tax rate. Regardless, as to the various reports that have been requested have been compiled and are provided simultaneously herewith.

**Objection 2: Nearly 90% Increase in Mayor's Office Budget**



The Mayor's office budget for 2025 shows an unjustifiable 90% increase of \$632,072, which is fiscally irresponsible in the current economic climate. Key concerns include:

- *Salaries and Consulting:* A \$465,000 increase in salaries and \$74,000 allocated for general consulting without sufficient explanation.
- *Excessive Travel and Subscriptions:* The travel budget has increased from \$0 to \$21,000, and subscription costs have surged from \$150 to \$7,200.
- *Unexplained Budget Lines:* New budget items like \$23,000 for "Other" lacks clear justification.

**RESPONSE:** The budgets of our public relations employees were moved from the Controller's Office (in 2024 Budget) to the Mayor's Office (in 2025) which reduced the Controller's office budget by \$527,499.00. Additionally, there is a \$74,000.00 increase in Mayor's 2025 budget for professional services.

With regards to excessive travel and subscriptions, please see the enclosed supporting documents from the Mayor's Office in support of the proposed changes to the 2025 budget and the rationale for these changes.

### **Objection 3: Public Safety Gimmicks**

- *Moving PERF to the Public Safety Tax Fund:* The city has shifted the employer portion of PERF for police officers to the Public Safety Tax Fund, a move that will bankrupt the fund by the end of 2025. The fund's spending will increase from \$3.8 million to \$5.1 million.
- *No Gasoline or Diesel Allocation:* Neither the police nor fire departments appear to have been allocated funds for fuel, creating operational risks. Either these expenses have been hidden in another fund or eliminated entirely with the goal of funding them through additional appropriations at a later date. These sorts of gimmicks give the illusion of a balanced budget, when in reality spending will undoubtedly be significantly higher.
- *Cuts to Overtime and Body Cameras:* The fire department's overtime budget appears to have been cut by \$150,000, and the police department's body camera funding appears to have been eliminated. Again, these are expenses that will undoubtedly be spent, but they do not appear in the budget.

Moving PERF to the public safety tax fund in 2025 is temporary and it has been communicated to the department that PERF will revert to the general fund in 2026. This move will not bankrupt the public safety tax fund as the city is projecting additional revenue in 2025 due to the tax rate adjustment.



The gasoline and diesel fuel for police and fire will be expensed from the ARPA funds in 2025 and it is anticipated they will be funded in the general fund in 2026.

The Fire department feels comfortable with the overtime reduction by \$150,000.00 and has established a plan to minimize overtime expenditures. Please note overtime hours may vary due to unpredictable factors.

Body cameras are budgeted in ARPA for 2025.

**Objection 4: Irresponsible Approach to Roads**

- *No Capital Investment in Roads:* Despite a \$5.4 million cash balance, the street department appears to have no planned capital investments.
- *Lowest Paving Budget in Eight Years:* The paving budget is at \$250,000, the lowest in eight years, despite the highest cash balance.
- *No Debt Service for Transportation Bonds:* The 2014 transportation bonds will mature in 2025, yet no budget appears to have been allocated for debt service.

**RESPONSE:** The Street department has budgeted \$1,500,000.00 (MVH: \$ 700,000 & GO Bond: \$800,000) that goes towards the CCMG Matching Grant which will be used towards capital investments in roads.

After reviewing the proposed budget the Administration determined the City had more capacity in the GO Bond for capital projects which allowed us to shift those expenses towards the GO Bond. Local road and street funds will be utilized to satisfy our debt obligations on the 2014 Transportation Bond.

**Objection 5:**

- *Unnecessary Tax Burden:* The significant 15.3% tax rate increase will place an undue burden on taxpayers, residents, and business owners alike. This increase is unjustifiable

given the numerous examples of fiscal mismanagement, overspending, and lack of transparency in the proposed budget.

- *Incompetence and Wastefulness:* The budget demonstrates clear wastefulness, such as unexplained increases in the Mayor's budget, underfunding critical public safety services, and failure to adequately address infrastructure needs. Taxpayers should not be punished with higher taxes to cover up these budgetary shortcomings.



**RESPONSE:** The tax rate increase has already been approved and adopted by the council. The city projects increase in revenue due to this increased tax rate.

The tax rate supports the repayment of the 2024 GO Bonds approved by the Council earlier in 2024.

**Objection 6: Irresponsible Budgeting**

- *Unfunded Debt Obligations:* Key obligations, such as the energy savings debt and transportation bonds, are not properly budgeted.
- *Utility Budget Cuts:* Budgets for basic utilities, including EMS and fire services, have been reduced or omitted entirely, putting essential services at risk.
- *Unbalanced Internal Service Funds:* Internal service funds, including those for the Controller's Office and legal services, lack necessary internal transfers to cover expenses.
- *Multiple Inconsistencies and Errors:* The proposed budget is riddled with accounting errors and inconsistencies that hide the true levels of revenue and spending from the council and the residents of Lawrence

**RESPONSE:** The total 2025 debt obligations are in the amount of \$4,179,022.55 and have all been budgeted for.

The 2025 Utility budgets have been budgeted in the 435 line items for various departments.

The 2025 Internal Service transfers have been budgeted for by the ARPA funding. The city has an obligation to encumber ARPA money by December 2024 and expensed by December 2025.