

## **IC 36-4-7**

### **Chapter 7. City Budget Procedures and Compensation of Officers and Employees**

#### **IC 36-4-7-1**

##### **Application of chapter**

Sec. 1. This chapter applies to second and third class cities.  
*As added by Acts 1980, P.L.212, SEC.3. Amended by Acts 1981, P.L.44, SEC.45.*

#### **IC 36-4-7-2**

##### **Elected city officers; fixing of annual compensation**

Sec. 2. (a) As used in this section, "compensation" means the total of all money paid to an elected city officer for performing duties as a city officer, regardless of the source of funds from which the money is paid.

(b) The city legislative body shall, by ordinance, fix the annual compensation of all elected city officers.

(c) The compensation of an elected city officer may not be changed in the year for which it is fixed nor may it be reduced below the amount fixed for the previous year.

*As added by Acts 1980, P.L.212, SEC.3. Amended by Acts 1981, P.L.17, SEC.21; P.L.15-1993, SEC.3; P.L.141-2009, SEC.9.*

#### **IC 36-4-7-3**

##### **Appointive officers, deputies, and other employees; compensation**

Sec. 3. (a) This section does not apply to compensation paid by a city to members of its police and fire departments.

(b) Subject to the approval of the city legislative body, the city executive shall fix the compensation of each appointive officer, deputy, and other employee of the city. The legislative body may reduce but may not increase any compensation fixed by the executive. Compensation must be fixed under this section not later than November 1 of each year for the ensuing budget year.

(c) Compensation fixed under this section may be increased or decreased by the executive during the budget year for which it is fixed.

(d) Notwithstanding subsection (b), the city clerk may, with the approval of the legislative body, fix the salaries of deputies and employees appointed under IC 36-4-11-4.

*As added by Acts 1980, P.L.212, SEC.3. Amended by P.L.44-1991, SEC.5; P.L.35-1999, SEC.5; P.L.89-2001, SEC.7; P.L.169-2006, SEC.54; P.L.118-2012, SEC.1.*

#### **IC 36-4-7-4**

##### **City officers and employees connected with operation of municipally owned utility or function; additional compensation**

Sec. 4. (a) Subject to the approval of the city legislative body, the city executive may provide that city officers and employees receive additional compensation for services that:

- (1) are performed for the city;
- (2) are not governmental in nature; and
- (3) are connected with the operation of a municipally owned utility or function.

(b) Subject to the approval of the executive and legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function.

*As added by Acts 1980, P.L.212, SEC.3.*

#### **IC 36-4-7-5**

##### **Salary schedule**

Sec. 5. Salaries of city officers and employees shall be scheduled as provided in the budget classification prescribed by the state board of accounts.

*As added by Acts 1980, P.L.212, SEC.3.*

#### **IC 36-4-7-6**

##### **Budget estimates; formulation procedure**

Sec. 6. Before the publication (before January 1, 2015) and before the submission of notice of budget estimates required by IC 6-1.1-17-3, each city shall formulate a budget estimate for the ensuing budget year in the following manner:

- (1) Each department head shall prepare for the department head's department an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure the department head anticipates.
- (2) The city fiscal officer shall prepare an itemized estimate of revenues available for the ensuing budget year, and shall prepare an itemized estimate of expenditures for other purposes above the money proposed to be used by the departments.
- (3) The city executive shall meet with the department heads and the fiscal officer to review and revise their various estimates.
- (4) After the executive's review and revision, the fiscal officer shall prepare for the executive a report of the estimated department budgets, miscellaneous expenses, and revenues necessary or available to finance the estimates.

*As added by Acts 1980, P.L.212, SEC.3. Amended by P.L.183-2014, SEC.25.*

#### **IC 36-4-7-7**

##### **Report of estimates; ordinance fixing taxation rate; appropriation**

Sec. 7. (a) The fiscal officer shall present the report of budget estimates to the city legislative body under IC 6-1.1-17. After reviewing the report, the legislative body shall prepare an ordinance fixing the rate of taxation for the ensuing budget year and an ordinance making appropriations for the estimated department budgets and other city purposes during the ensuing budget year. The legislative body, in the appropriation ordinance, may reduce any estimated item from the figure submitted in the report of the fiscal

officer, but it may increase an item only if the executive recommends an increase. The legislative body shall promptly act on the appropriation ordinance.

(b) In preparing the ordinances described in subsection (a) the legislative body shall make an allowance for the cost of fire protection to annexed territory described in IC 36-4-3-7(d), for the year fire protection is first offered to that territory.

*As added by Acts 1980, P.L.212, SEC.3. Amended by P.L.341-1987, SEC.2; P.L.5-1989, SEC.104.*

#### **IC 36-4-7-8**

##### **Ordinances; additional appropriations or decrease**

Sec. 8. After the passage of the appropriation ordinance, the city legislative body may, on the recommendation of the city executive, make further or additional appropriations by ordinance, unless their result is to increase the tax levy set under IC 6-1.1-17. The legislative body may, by ordinance, decrease any appropriation. The executive may, by executive order, decrease the appropriation made for any executive department.

*As added by Acts 1980, P.L.212, SEC.3. Amended by Acts 1980, P.L.73, SEC.10.*

#### **IC 36-4-7-9**

##### **Appropriation ordinance; items**

Sec. 9. An appropriation ordinance must specify, by items, the amount of each appropriation and the department for which it is made.

*As added by Acts 1980, P.L.212, SEC.3.*

#### **IC 36-4-7-10**

##### **Preparation of budgets; contents; submission to legislative body**

Sec. 10. The department budgets prepared under section 6 of this chapter must include the compensation of department heads and must be submitted to the city legislative body under section 7 of this chapter.

*As added by Acts 1980, P.L.212, SEC.3. Amended by Acts 1982, P.L.33, SEC.25.*

#### **IC 36-4-7-11**

##### **Failure to pass tax rate and appropriation ordinances; continuation**

Sec. 11. If the city legislative body does not pass the ordinance required by section 7 of this chapter before November 2 of each year, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

*As added by Acts 1980, P.L.212, SEC.3. Amended by P.L.176-2002, SEC.9; P.L.169-2006, SEC.55; P.L.113-2010, SEC.122.*