

To: President and Members of the Munster Town Council

From: Patricia Abbott, Controller

Date: November 3, 2025

Re: Ordinance 1999, 2025 Budget Reduction

When the 2025 budget was adopted, estimates were made regarding how much would be received and spent in the last half of 2024 as well as what the December 31, 2024 cash balance would be. All funds were reviewed in October to determine the current status of each fund. Earlier this evening, Council was asked to consider Ordinance 1998 for additional appropriations in two funds as a result of this review. Ordinance 1999 asks for budget reductions in the following twelve funds.

Fund #	Fund	Reduction Amount	Description
1101	General	\$ 400,000	Payroll vacancies throughout year
2201	Motor Vehicle Highway - Unrestricted	\$ 75,000	Payroll vacancies throughout year
2203	Motor Vehicle Highway - Restricted	\$ 1,000,000	Road funding to be used in 2026
2204	Park & Recreation	\$ 75,000	Payroll vacancies throughout year
2250	Municipal Wheel Tax	\$ 25,000	Backup source for road work and engineering
2580	Sewer Maintenance	\$ 200,000	Payroll vacancies throughout year
3330	Redevelopment Bond Reserve	\$ 600,000	Bond & Interest fully funded
3331	Economic Development Bond Reserve	\$ 2,100,000	Bond & Interest fully funded
4406	Redevelopment Operating	\$ 2,000	Fewer legal fees/notices, meeting expenses than anticipated
4445	TIF-Main Fund	\$ 750,000	Reduced spending (Ridge Road & NICTD)
6101	Water Cash Operating	\$ 100,000	Payroll vacancies throughout year
7727	Self-Funded Health Insurance	\$ 166,889	Medical premium holiday

The bulk of the reductions come from lower payroll costs. This is due in part to vacancies from standard employee turnover and the lengthy hiring process for police officers. The balance of the reductions reflect savings through better pricing than anticipated, project changes and spending less than was anticipated when the budget was prepared last year.

The Municipal Wheel Tax has served primarily as a backup to the MVH and Surtax Funds; as a result, there are unneeded appropriations. This fund will be used more actively in 2026.

The Redevelopment Bond Reserve and Economic Development Bond Reserve Funds are required funds under the terms of their respective bond ordinances as protection in case adequate funds are not available, the debt payment can still be made. All of the debt payments in question are fully funded, and the reserves will not be needed.

The TIF-Main Fund had lower expenditures than contemplated originally primarily because the NICTD betterments are nearing completion, and the Ridge Road Project is on hold pending notice from FHWA.

A budget reduction requires the approval of Council; Ordinance 1999 has been drafted for this purpose. The reductions will go into effect upon passage of the ordinance.

RECOMMENDED ACTION:

By motion and voice vote, hear proposed Ordinance 1999 for budget reductions on first reading, and schedule second reading for November 17, 2025.