

**STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
Room 1058, IGCN – 100 North Senate  
Indianapolis, IN 46204**

**IN THE MATTER OF THE REQUEST )  
OF TIPPECANOE TOWNSHIP AND )  
THE TOWN OF NORTH WEBSTER, )  
KOSCIUSKO COUNTY, FOR THE )  
ESTABLISHMENT OF AN INITIAL ) IML21-010  
MAXIMUM LEVY FOR THE )  
NORTH WEBSTER TIPPECANOE )  
TOWNSHIP FIRE PROTECTION )  
TERRITORY )**

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**FINAL DETERMINATION**

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The Department of Local Government Finance (“Department”) has reviewed the request of Tippecanoe Township (“Township”) and the Town of North Webster (“Town”), both in Kosciusko County and hereafter referred to as “Units,” for an initial operating maximum levy for the North Webster Tippecanoe Township Fire Protection Territory (“Territory”). Having considered the issues, the Department now finds and concludes the following:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**INTRODUCTION**

1. Indiana Code § 36-8-19-5 allows the legislative bodies of at least two contiguous units to establish a fire protection territory for any of the following purposes:
  - (A) fire protection, including the capability for extinguishing all fires that might be reasonably expected because of the types of improvements, personal property, and real property within the boundaries of the territory.
  - (B) fire prevention, including identification and elimination of all potential and actual sources of fire hazard.
  - (C) other purposes or functions related to fire protection and fire prevention.
  
2. Per IC 36-8-19-6, to establish a fire protection territory, the legislative bodies of each unit desiring to become a part of the proposed territory must:
  - i. Adopt an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that meets the following requirements:
    - (A) The ordinance or resolution is identical to the ordinances and resolutions adopted by the other units desiring to become a part of the proposed territory.
    - (B) The ordinance or resolution is adopted after January 1 but before April 1.

- (C) The ordinance or resolution authorizes the unit to become a party to an agreement for the establishment of a fire protection territory.
  - (D) The ordinance or resolution is adopted after the legislative body holds a public hearing to receive public comment on the proposed ordinance or resolution. The legislative body must give notice of the hearing under IC 5-3-1.
  - (E) The ordinance or resolution includes at least the following:
    - (1) The boundaries of the proposed territory.
    - (2) The identity of the provider unit and all other participating units desiring to be included within the territory.
    - (3) An agreement to impose:
      - (A) A uniform tax rate upon all of the taxable property within the territory for fire protection services; or
      - (B) Different tax rates for fire protection services for the units desiring to be included within the territory, so long as a tax rate applies uniformly to all of a unit's taxable property within the territory.
    - (4) The contents of the agreement to establish the territory.
- ii. Hold a public hearing, at least 30 days before adopting the ordinance or resolution, at which the legislative body makes available to the public the following information:
- (A) The property tax levy, property tax rate, and budget to be imposed or adopted during the first year of the proposed territory for each of the units that would participate in the proposed territory.
  - (B) The estimated effect of the proposed reorganization in the following years on taxpayers in each of the units that would participate in the proposed territory, including the expected property tax rates, property tax levies, expenditure levels, service levels, and annual debt service payments.
  - (C) The estimated effect of the proposed reorganization on other units in the county in the following years and on local option income taxes, excise taxes, and property tax circuit breaker credits.
  - (D) A description of the planned services and staffing levels to be provided in the proposed territory.
  - (E) A description of any capital improvements to be provided in the proposed territory.
- iii. Hold at least one additional public hearing before adopting an ordinance or a resolution to form a territory, to receive public comment on the proposed ordinance or resolution. The notice required for this hearing must include all of the following:
- (A) A list of the provider unit and all participating units in the proposed territory.
  - (B) The date, time, and location of the hearing.
  - (C) The location where the public can inspect the proposed ordinance or resolution.
  - (D) A statement as to whether the proposed ordinance or resolution requires uniform tax rates or different tax rates within the territory.
  - (E) The name and telephone number of a representative of the unit who may be contacted for further information.
  - (F) The proposed levies and tax rates for each participating unit.

3. According to IC 36-8-19-8, upon the adoption of identical ordinances or resolutions, or both, by the participating units, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund, and money in the fund may not be used for any other expenses. The provider unit, with the assistance of each of the other participating units, must annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory. The provider unit may maintain a reasonable balance, not to exceed 120% of the budgeted expenses. Except as provided in IC 6-1.1-18.5-10.5, after estimating expenses and receipts of money, the provider unit must establish the tax levy required to fund the estimated budget. The amount budgeted must be considered a part of each of the participating unit's budget.

4. Pursuant to IC 36-8-19-8.5, participating units may agree to establish an equipment replacement fund to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory.

5. The Department, when approving a rate and levy fixed by the provider unit under IC 36-8-19-9, must verify that a duplication of tax levies does not exist within participating units, so that taxpayers do not bear two levies for the same service.

6. Pursuant to IC 6-1.1-18.5-10.5(b), "The department shall order the adjustment implemented in the amounts and over the number of years, not exceeding three (3), requested by the petitioning civil taxing unit."

### **RELEVANT PROCEDURAL HISTORY**

7. On May 10, 2021, the Units submitted to the Department a petition "to create the North Webster Tippecanoe Township Fire Protection Territory." The petition included the following documents:

- Cover Letter
- Procedure Checklist
- Financial Impact Analysis by Baker Tilly
- A PowerPoint presentation by Baker Tilly for the public hearings
- A PowerPoint presentation to the Fire Department(s)
- The Township's adopting resolution #2021-1
- The Town's adopting ordinance #2021-03-31-1
- Interlocal Agreement
- Publisher's Claim from *The Mail-Journal*
- Publisher's Claim from *The Warsaw Times-Union*
- Proposed budget Forms 1, 2 and 4B
- Email correspondence on August 3 and 4, 2021 between Paige Sansone, a Certified Public Accountant with Baker Tilly, and David Marusz and Kelly Elliott, Deputy General Counsels with the Department.

All of the documents referenced above are included in the Record.

8. According to the Record, the Township currently contracts with the North Webster Volunteer Fire Department, Inc. to provide fire protection and emergency medical services within the Township, including the Town. The Units do not have the financial ability to provide fire protection and emergency medical services at the levels they believe to be appropriate for the citizens and property of the Units. *Township's resolution; Town's ordinance.*

9. The Units held three public hearings on February 10, February 24, and March 17, 2021, prior to adopting their respective resolution and ordinance. The Units advertised all three public hearings required by IC 36-8-19-6 in both the *Warsaw Times-Union* and *Mail-Journal* on January 27 and February 3, 2021. *Warsaw Times-Union Publisher's Claim; Mail Journal Publisher's Claim.*

10. Following the third public hearing, the Township adopted a resolution on March 17, 2021, and the Town adopted an ordinance on March 31, 2021, both identical and with an Interlocal Agreement incorporated into the resolution and ordinance. The resolution and ordinance provide that the boundaries of the territory will include "the entire area of the Tippecanoe Township, which includes North Webster, Kosciusko County." The resolution and ordinance also identify the Township as the provider unit and the Town and Township as the participating units. The ordinance and resolution state that the property tax rate imposed on all taxable property in the Units for services provided by the fire protection territory will be the same. Finally, the resolution and ordinance also establish an equipment replacement fund at a rate not to exceed three and thirty-three hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed value. *Township's resolution; Town's ordinance; Interlocal Agreement.* The Department has disposed of the equipment replacement fund in a separate order.

11. The Units request an initial maximum levy for the Territory in the amount of \$1,538,700 to be phased-in over three years from 2022 through 2024 in the following amounts: 1,178,800 for 2022; \$1,178,795 for 2023; and \$1,538,700 for 2024. *Cover Letter; Procedure Checklist; Baker Tilly Fiscal Impact Analysis; Budget Form 1 – Budget Estimate; Budget Form 2 – Estimates of Miscellaneous Revenues Budget Form 4B – Fiscal Statement-Proposed Tax Rate.*

12. On August 4, 2021, Paige Sansone from Baker Tilly stated in an email to David Marusz that, "The Township and Town agree to phase-in the levy over a 3-year period to lessen the impact of taxpayer tax liability." *Email correspondence between Sansone and Marusz on August 4, 2021.*

13. In support of their request for an initial maximum levy of \$1,538,700 to be phased-in over three years, the Units provide budget documentation reflecting anticipated expenses and revenue for its operating fund for 2022, 2023, and 2024. *Baker Tilly Fiscal Impact Analysis; Budget Form 1 – Budget Estimate; Budget Form 2 – Estimates of Miscellaneous Revenues; Budget Form 4B – Fiscal Statement-Proposed Tax Rate.*

14. For 2022, the Units anticipate the following expenses: \$1,341,600 for personal services, \$132,000 for supplies, and \$156,800 for other services and charges. The Units anticipate receiving the following revenue for its operating fund in 2022: \$71,600 in Vehicle/Aircraft Excise Tax Revenue, \$200,000 in LIT Certified Shares, and \$180,000 in EMS Revenue, totaling \$451,600.

*Baker Tilly Fiscal Impact Analysis; Budget Form 1 – Budget Estimate; Budget Form 2 – Estimates of Miscellaneous Revenues; Budget Form 4B – Fiscal Statement-Proposed Tax Rate.*

15. For 2023, the Units anticipates the same expenses as 2022, which are documented as follows: \$1,341,600 for personal services, \$132,000 for supplies, and \$156,800 for other services and charges. The Units anticipate receiving the following revenue for its operating fund in 2023: \$71,605 in Vehicle/Aircraft Excise Tax Revenue, \$200,000 in LIT Certified Shares, and \$180,000 in EMS Revenue, totaling \$451,605. *Baker Tilly Fiscal Impact Analysis; Budget Form 1 – Budget Estimate; Budget Form 2 – Estimates of Miscellaneous Revenues; Budget Form 4B – Fiscal Statement-Proposed Tax Rate.*

16. In 2022 and 2023, the Territory will employ six firefighters/paramedics, six firefighters/Emergency Medical Technician (EMTs), and one Fire Chief. In 2024, the Territory plans on hiring three Battalion Chiefs (\$156,000) and one firefighter/EMT (\$47,000). In 2024, the Territory plans on hiring three Battalion Chiefs (\$156,000) and one firefighter/EMT (\$47,000). *Baker Tilly Fiscal Impact Analysis; Budget Form 1 – Budget Estimate; Budget Form 4B – Fiscal Statement-Proposed Tax Rate.*

17. Due to the hiring of new personnel in 2024, the Units estimates an approximate 31% increase in expenses in 2024, totaling \$1,538,700. The hiring of additional personnel in 2024 will increase the Unit’s anticipated expenses for personal services (\$1,718,700) and for other services and charges (\$162,000), but the Unit’s anticipated expenses for supplies (\$132,000) will remain the same. The Units anticipate receiving the following as revenue for its operating fund for 2024: \$94,000 in Vehicle/Aircraft Excise Tax Revenue; \$200,000 in LIT Certified Shares; and \$180,000 in EMS Revenue, totaling \$474,000. *Baker Tilly Fiscal Impact Analysis; Budget Form 1 – Budget Estimate; Budget Form 2 – Estimates of Miscellaneous Revenues; Budget Form 4B – Fiscal Statement-Proposed Tax Rate.*

## **ANALYSIS**

18. In reliance on the Record as documented above, the Department finds that the Units complied with the procedural obligations under IC 36-8-19 in establishing the Territory.

19. The Units have requested an initial maximum levy of \$1,538,700 to be phased-in over a three year period from 2022 through 2024. Pursuant to IC 6-1.1-18.5-10.5(b), “The department shall order the adjustment implemented in the amounts and over the number of years, not exceeding three (3), requested by the petitioning civil taxing unit.”

20. The Department finds that the Units have provided the Department with information sufficient to account for the Units’ calculation of an initial maximum levy of \$1,538,700 to be phased-in over three years in the amounts requested by the Unit. Specifically, this figure reflects 2022 through 2024 expenses for personal services (\$1,341,600; \$1,341,600; \$1,718,800); supplies (\$132,000 for all three years); and other services and charges (\$156,800; \$156,800; \$162,000), less the following figures for 2022 through 2024: Vehicle/Aircraft Excise Tax Revenue (\$71,600; \$71,605; \$94,00); LIT Certified Shares (\$200,000 for all three years), and EMS Revenue (\$180,000 for all three years).

21. Thus, for 2022, expenses totaling \$1,630,400, minus miscellaneous revenue of \$451,600 (\$1,630,400 - \$451,600) equals a property tax levy of \$1,178,800. For 2023, expenses totaling \$1,630,400, minus miscellaneous revenue of \$451,605 (\$1,630,400 - \$451,605) equals a property tax levy of \$1,178,795. For 2024, expenses totaling \$2,012,675, minus miscellaneous revenue of \$474,000 (\$2,012,675 - \$474,000), equals a property tax levy of \$1,538,700.


### CONCLUSION

22. The Department hereby approves a Territory operating maximum levy of \$1,538,700 to be phased-in over three years in the following amounts as requested by the Units, pursuant to IC 6-1.1-18.5-10.1(b): \$1,178,800 for Pay 2022; \$1,178,795 for Pay 2023; and \$1,538,700 for Pay 2024. After Pay 2024, the maximum levy shall grow by the maximum levy growth quotient. This figure does not include any dollars attributable to an equipment replacement fund.

23. The Township currently levies a fire and cumulative tax rate on all taxable property within Tippecanoe Township, including the Town. To ensure there is no double taxation as prohibited by IC 36-8-19-9, the Township's fire fund, including the cumulative fire fund, will be discontinued for 2022.

Dated this 11th day of August, 2021.

STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

  
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Wesley R. Bennett, Commissioner