

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

**IN THE MATTER OF THE REQUEST )**  
**OF TOWN OF CUMBERLAND, HANCOCK )      A23-041**  
**COUNTY, FOR AN EXCESS LEVY DUE )**  
**TO THREE-YEAR GROWTH )**

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The Department of Local Government Finance (“Department”) has reviewed an appeal by the Town of Cumberland (“Town”) for an excess levy in the amount of \$115,000 to its civil maximum levy due to three-year growth. Indiana Code § 6-1.1-18.5-13 allows the Department to grant permission to a civil taxing unit to increase its maximum levy if the Department finds that the quotient determined under Step Six of the following formula is equal to or greater than one and two-hundredths (1.02):

Step 1: Determine the three calendar years that most immediately precede the ensuing calendar year:

*2023, 2022, and 2021*

Step 2: Compute separately, for each of the calendar years determined in Step 1, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property divided by the sum determined under this Step for the calendar year immediately preceding the particular calendar year.:

*Town assessed values for 2020, 2021, 2022, and 2023, respectively:*

<i>2020:</i>	<i>126,881,590</i>
<i>2021:</i>	<i>137,123,003</i>
<i>2022:</i>	<i>154,727,598</i>
<i>2023:</i>	<i>196,354,735</i>

*Step 2 quotients:*

<i>2021/2020:</i>	<i>1.0807</i>
<i>2022/2021:</i>	<i>1.1284</i>
<i>2023/2022:</i>	<i>1.2690</i>

Step 3: Sum the results of Step 2 and divide by three:

*1.1594 ([1.0807+1.1284+1.2690]/3)*

Step 4: Compute separately, for each of the calendar years determined in Step 1, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties divided by the sum determined under this Step for the calendar year immediately preceding the particular calendar year.

Statewide average quotients for 2021, 2022, and 2023, respectively:  
1.0392; 1.0541; 1.1481

Step 5: Add the Step 4 results and divide by three:

1.0804 ( $(1.0392; 1.0541; 1.1481)/3$ )

Step 6: Divide the Step 3 results by the Step 5 results:

1.0731 ( $1.1594/1.0804$ )

The maximum amount that the Department may award is the amount by which Step 3 exceeds the maximum levy growth quotient (“MLGQ”) as calculated according to Ind. Code § 6-1.1-18.5-2 (this amount is 1.04 or 4% for 2024; since 1.0731 is greater than 1.020, the Town is eligible for a three-year growth appeal):

0.1194 (11.94%) ( $1.1594-1.0400$ )

The Town’s 2023 maximum civil levy is \$2,857,623. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 11.94% growth factor calculated above results in a figure of \$341,200, which is the maximum for which the Town could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the Town must also show that it is unable to perform its government functions without this increase.

The Town states in its appeal that without the excess levy, the Town will be unable to carry out the governmental functions committed to it by law, such as public safety and protecting the health and welfare of its citizens. Additionally, the Town stated that the April 2020 Census for the Town of Cumberland showed a population of 5,954, and this is a 15% increase (785 residents) from the April 2010 Census reporting a population of 5,169.

The Department made a follow-up inquiry with the Town regarding the needed staffing and costs. With the additional information provided, the Town indicated that there is a shortfall in the Town’s General Fund for the current police salaries totaling roughly \$200,000. Currently, the Town does not have a specific plan to hire additional officers and the excess levy need is due to the Town’s inability to cover the current police salaries. The Town indicated that they have raised police salaries significantly in the past few years to avoid losing them to nearby agencies. Based on the data available from the Employee Compensation Report (Form 100R), below are the average and median officer salaries from 2018 to 2022:

<b>Year</b>	<b>Number of Officers</b>	<b>Average Salary</b>	<b>Median Salary</b>
2022	17	\$60,567.47	\$68,098.69
2021	19	\$51,438.81	\$61,281.53
2020	18	\$57,121.16	\$60,384.69
2019	16	\$52,762.40	\$56,889.62
2018	15	\$54,822.86	\$57,072.03

The Town’s petition also referenced that parks and recreation amenities and maintenance was one of the highest priorities for funding. With the additional information provided, the Town

specified that it has a comprehensive Parks Master Plan that “strategically addresses maintenance needs for all [of the Town’s] parks and trails.” The cost to rectify deferred maintenance in just one (1) of the Town’s parks is estimated to be \$750,000.

Finally, the Town stated on its Budget Form 3 that it seeks an excess levy appeal of \$140,000 for its General Fund.

After a review of the petition, the Department, following Ind. Code §§ 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

**APPROVED:**

The Town’s excess levy appeal is approved in the amount of **\$115,000**. This figure reflects the amount for which the Town qualifies under the statutory three-year growth formula and does not exceed the amount for which the Town advertised and petitioned the Department. This is a one-time, permanent increase.

STATE OF INDIANA  
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**WITNESS MY HAND AND SEAL** of this Department on this 29 day of November, 2023.

A handwritten signature in black ink, appearing to read 'D. Shackle', written over a horizontal line.

**Daniel Shackle, Commissioner**