

**LOCAL GOVERNMENT TAX CONTROL BOARD**



**RECOMMENDATIONS**

**TO**

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE**

**FROM**

**July 22, 2004**

James Riehle called the July 22<sup>nd</sup> Local Government Tax Control Board meeting to order at 9:00am.

### **Attendance**

The following Board Members attended the meeting: James Riehle, Stan Mettler, and Bob Harris. Lisa Acobert and Rich Eckerle were absent.

### **Discussion**

Judy Robertson reported that there are two outstanding issues – The Logansport Cass County Airport Authority and the Town of Merrillville. The Commissioner has requested additional information on some line items with the Airport Authority. The Commissioner also had some questions on the Town of Merrillville, which have been answered. She is scheduled to sign that order tomorrow.

Included in your Board Packets was the 2005 Excessive Levy Appeal Forms. One of the major changes to the appeals for this year is the Reallocation of PTRC which was taken away. Units can no longer apply for this appeal. The second item of interest is that the Three-year growth appeal base amount cannot be determined until all 92 counties have been certified. They can still request the appeal, but the final amount will not be known until all counties have a certified budget order.

### **Recommendation**

Stan motioned to recommend approval of the minutes from the June 24<sup>th</sup> meeting. Bob seconded and the motion carried 3-0.

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### **Perry Township, Marion County Emergency Township Fire Loan**

The unit is requesting approval to obtain a township emergency fire loan in the amount of \$855,710 in order to finance personal services expenses for the fire department. The anticipated tax rate is .0257 based on a fire assessed valuation of \$3,171,886,830 and an annual levy of \$815,120.

Per the following emergency loan calculation, the unit shows a need of:

January 1, 2004 Cash Balance	\$1,059,703
Plus: 2004 Certified Tax Levy	\$6,245,445
Plus: Estimated 2004 Revenues	<u>\$1,893,950</u>
Total Funds Available 2004	\$9,199,098
Less: Encumbered Appropriations	\$222,040
Less: Estimated 2004 Expenditures	\$9,444,325
Funds Remaining	<b>(\$467,267)</b>
Emergency Loan Requirement	<b>\$467,267</b>

The unit advertised a budget of \$9,441,896

The fiscal body adopted	\$9,313,223
The DLGF certified	\$8,456,309

### **Taxpayer Objections:**

The date of publication for a public hearing was May 28<sup>th</sup>, 2004. A public hearing was held June 8<sup>th</sup>, 2004. The Notice of Determination has not yet been published. The remonstrance period will end thirty days after publication of the Notice of Determination.

### **Attendance**

The following people attended the meeting: Jeff Peters (Accountant), Jack Sandlin (Trustee), Harold Day (Chief Deputy Trustee), Raymond A. Meredith (Fire Department Chief), David Miller (Attorney).

### **Discussion**

This are here to request approval on an emergency fire loan in the amount of \$855,710, which is the same amount they asked for last year. They are the 10<sup>th</sup> largest Township in the State. Their coverage area includes I65, 465, SR37 and SR69. (Refer to graph handout) Their annual fire and EMS runs have increased substantially since 1999. However, their annual operating costs per run have decreased. In a comparative graph of cumulative percentage comparison runs versus operating costs, runs have increased steeply, while costs have increased only slightly.

It is their practice to execute emergency loans annually in order to provide adequate fire protection service. This year's emergency loan amount includes not only the amount of \$467,267 needed to restore the adopted budget, but an additional amount of \$388,443 that will keep their loan amount level with what has been needed in previous years. The reason to ask for more than they need is to receive the highest amount possible when they come to ask for an excessive levy appeal, since they will only be approved at the lowest amount of approved loans for the previous three years.

The Township has a fixed rate that they must operate under. Even with this emergency loan, they will still be under that fixed rate. They are working toward getting out from under the need to request emergency loans.

Questions by the Board:

Bob: What year did you have your levy increased?

Answer: In 2003 and the amount was for \$1,023,073.

Bob: You are asking for more than you need so that you will receive more with an excessive levy appeal, right?

Answer: Yes.

James: Is the public supporting your request?

Answer: Yes. The Township Board has supported this amount and method as a strategy to try and get away from the need to request emergency loans and to bring our levy up to where it needs to be in order to provide adequate fire protection services.

James: Did you have any citizens that attended your public meeting?

Answer: Yes, a few. No one objected.

Stan: What is the 224,000 encumbrance for?

Answer: The 27<sup>th</sup> pay period.

### **Recommendation**

Bob motioned to recommend approval of an emergency fire loan in the amount of \$467,267. Stan seconded and the motion carried 3-0.

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### **Town of Brownsburg, Hendricks County Lease**

The unit is requesting approval to enter into a lease with maximum annual lease rental payments in the amount of \$1,700,000. Proceeds from the lease will be used to construct a Town Hall, a police station, and a maintenance garage. The anticipated tax rate is .2010 based on an assessed value of \$777,386,796 and an annual levy of \$1,562,160.

### **Taxpayer Objections:**

Public hearings were held on April 22<sup>nd</sup>, 2004. The Notice of Determination was published May 20<sup>th</sup>, 2004. The Auditor certified No Remonstrance on July 2<sup>nd</sup>, 2004.

### **Attendance**

The following people attended the meeting: Lucy Emison (Bond Council with Ice Miller), Jeff Drake (Burgess & Niple), Mark White (Town Manager), Jeanette Brickler (Clerk Treasurer), Charles E. Ratliff (Town Council), Bill Guarnery (Town Council President), Loren Matthes (Financial Advisor with H.J. Umbaugh & Company).

### **Discussion**

Hendricks County is the sixth largest growing county in the State and the sixtieth in the Nation. They are growing at a rate of five to six percent per year. That means that they double their population every ten years. They have grown from 15,000 to 30,000 since 1996. They have added the positions of a Planner, two Inspectors, and a Town Court. They have now outgrown their current Town Hall facility. Their Police Station has also outgrown their facility. The Fire Station has expanded twice, and now they are preparing to build a third station.

Their plans are to tear down the current Town Hall and Police Station and build a new facility on the same site. They have reached an agreement with the new Fire Training Facility, which just

recently opened, to move their offices to the Fire Training Facility in the interim. When the Town offices moves into the new facility, the Fire Training Facility will re-use the Town's old equipment, thereby reducing their own costs. They have had a couple of meetings and the only question asked is "Is the new facility big enough? Will it have room to expand and grow for the future?" Based on that concern, the decision was made to add a full basement to each of the buildings.

(The Town's architect then went over the renderings in detail). The new complex will consist of three new buildings.

- 1) A Police Station and Courts building. A major issue they have addressed is the need for security in the Town Hall. Currently, prisoners are brought to court in an unsecured public area. They need to move the Courts into the Police Station and have protected and secure areas.
- 2) A Town Hall for Town Council Meetings with an area for public meetings, and
- 3) A new maintenance building to provide service for all the Town vehicles, including fire trucks.

Questions by the Board:

James: What has the public reaction been?

Answer: They have held two public meetings and they have had only the one question. The general public reaction has been good.

James: Are you doing any annexations?

Answer: Some, but it has slowed down a lot. There are currently 15,045 lots proposed and in the works.

Bob: Will this new debt hit the books in 2006 or 2007?

Answer: Pay 2007 is when the lease payment will start.

Bob: And the plan is to amortize it over twenty-three years?

Answer: We are hoping for it to be only twenty years, but we have added a few years as a cushion in case rates go up and we need to extend the payments.

Bob: How many citizens attended the meetings?

Answer: About ten or twelve; nine of them are ones that come all the time.

Stan: What is the tax impact for a typical home?

Answer: They do not know – they did not figure that. The average home is \$100,000, so they are guessing something just short of \$100 – maybe \$96-\$98.

Stan: What kind of cases does your court hear?

Answer: They handle more than just traffic cases – they handle bad checks, some felonies. They are increasing the type of cases they hear.

James: Does the Town Council support the project?

Answer: Yes, we do – unanimously. We feel that the identity of the building and the security issue are very important to us. All five of us are in support of the project. Another important issue was the keep the Town Hall downtown where it could be easily accessible to everyone.

### **Recommendation**

Bob motioned to recommend approval of lease with maximum annual payments of \$1,700,000 not to exceed twenty-three (23) years. Stan seconded and the motion carried 3-0.

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### **Owen Township, Jackson County Fire Equipment, Apparatus, and Building Loan**

The unit is requesting approval to obtain a fire loan in the amount of \$50,000 for a term of five (5) years. \$20,000 from the proceeds of the loan will be used to purchase ten units of Turn-out gear and \$30,000 will be used as matching funds for a grant received to build a fire station. The anticipated tax rate is estimated to be .0251 based on a fire assessed value of \$32,000,000 and an annual levy of \$8,016.

### **Taxpayer Objections:**

The Date of Publication for a Public Hearing was April 15<sup>th</sup>, 2004. A Public Hearing was held on April 27<sup>th</sup>, 2004. The Notice of Determination was published May 3<sup>rd</sup>, 2004. The Auditor certified No Remonstrance on June 4<sup>th</sup>, 2004.

### **Attendance**

The following people attended the meeting: Frank Cummings (Consultant), Herb Conrad (Fire Chief), Terry L.Gilliland (Township Trustee).

### **Discussion**

Owen Township is a rural township located in the extreme northwest part of the County. They have no debt and have made no improvements since they lost the school back in the mid sixties. They would like to build a new fire station with community rooms. They also need new turn-out gear for their volunteer fire fighters. They have received a grant, now they need the matching funds that are required. They have a small station to cover a huge geographical area. The area is 96.2 miles that includes the Hoosier National Park. There is not a huge population, but a huge area to cover.

It takes in excess of \$20,000 per year to operate the fire station. They normally receive about \$6-8,000 in donations by having fish fry's, sending out support letters and the like. This year they received \$12,000, almost double the amount, because they added a paragraph in the support request letter about building a new station. Their current station used to be a garage. They added a cinder block room on the back in order to accommodate a 1983 truck. Even with the added room, the fire truck needs to be completely filled with water in order to fit into the room.

Another goal they are working toward achieving is to improve their ISO rating. They currently have a rating of 10, which is unrecognized. Improving their ISO rating will also reduce insurance rates for local citizens.

The second part of their request is for funding to purchase new turn-out gear for their twenty-four volunteer fighters (five or six of them have not received training yet). Many of the volunteers do not have any gear at all and shows up at fires in their street clothes.

Questions by the Board:

James: Where is the grant coming from?

Answer: From a community focus grant.

James: Will you explain the rendering?

Answer: The unit showed the plans and renderings of the new building.

Bob: Has there been any taxpayer objections?

Answer: None – the only comment is that this should have been done twenty years ago.

Stan: Does the Township own the ground?

Answer: The fire department actually owns the ground, but Township will own the building.

### **Recommendation**

Bob motioned to recommend approval of a fire loan in the amount of \$50,000 for five years. Stan seconded and the motion carried 3-0.

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### **City of Connersville, Fayette County General Obligation Bonds**

The unit is requesting approval to issue general obligation bonds in the amount of \$1,500,000 for a term not to exceed twenty-two (22) years. Proceeds of the bonds will be used to construct a new public swimming pool for the community and renovate the existing Bath-house. The unit is requesting approval only as back up and expects to use Economic Development Income Tax (EDIT) to fund the bond payments. The anticipated tax rate, should EDIT funds not be sufficient, is estimated to be .0289 based on an assessed value of \$458,143,605 and an annual levy of \$132,355. This is an uncontrolled project.

### **Taxpayer Objections:**

A public hearing was held July 6th, 2004. The last date for objecting petitions for the petition/remonstrance process is August 2<sup>nd</sup>, 2004. The date of publication for Sale of Bonds is scheduled for September 1<sup>st</sup>, 2004. The Remonstrance period will end September 14<sup>th</sup>, 2004.

### **Attendance**

The following people attended the meeting: Mike Bottomley (Park Superintendent), Mrk Pflum (HPH & Assoc., Inc.), Julie Bowne (Clerk Treasurer), Lisa A. Lee (Bond Council with Ice Miller), Kathy Raver (Financial Advisor with H.J. Umbaugh and Company).

### **Discussion**

They are here today to discuss a pool for Fayette County. The current pool was built right after WW II– they think it was dedicated in 1939. They closed the pool in 2001 because of a huge leakage problem. The pool is a large six hundred thousand gallon capacity pool and they want to replace it with a family aquatic center. The new center is going to be downsized to two hundred thousand gallon aquatic center. Fayette County has only one city, so the pool will be for all of Fayette County residents.

Questions by the Board:

Stan: Are your EDIT funds dedicated to this project?

Answer: They are pledged. EDIT for Fayette County is handled specially. Fayette County EDIT is from special legislation. It is not general EDIT.

Bob: Will the City's portion be enough to cover the lease payments?

Answer: If you look at page 12 of the hearing information sheet, you will see that the City's portion of the EDIT distribution is approximately \$863,636 annually. For the years 2004 through 2008, the lease rental payment is approximately \$130,000 and the estimated EDIT revenue is \$234,500, leaving a remainder of over \$100,000. The estimated coverage is 180%. After year 2008, the coverage increases to approximately 250%.

Bob: Is everyone pretty well committed to using EDIT money – the council, mayor, etc...?

Answer? Yes, the mayor is adamant that no property tax funds are to be used in the project.

James: Is this pool on Park property?

Answer: Yes – they are using the existing pool hole. They are also going to keep the current bath hose and pool house, preserving the history of both buildings.

James: Will there be adequate parking?

Answer: Yes, and they are going to build a new lot behind the current facilities.

Bob: Have there been any public objections?

Answer: They had a meeting Monday night and no one objected then.

### **Recommendation**

Stan motioned to recommend approval to issue general obligation bonds in the amount of \$1,500,000. Bob seconded and the motion carried 3-0.

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**Hart Township, Warrick County  
Fire Equipment, Apparatus, and Building Loan**

The unit is requesting approval to obtain a fire loan in the amount of \$350,000 for a term of six (6) years. Proceeds of the loan will be used to purchase a rescue/pumper tanker truck. The new truck will replace a twenty-year old vehicle (a 1984 Ford 700 pumper) that is undependable and has high maintenance costs. The anticipated tax rate is estimated to be .1525 based on a fire assessed value of \$40,652,180 and an annual levy of \$62,004.

### **Taxpayer Objections:**

The Date of Publication for a Public Hearing was March 11<sup>th</sup>, 2004. A Public Hearing was held on March 22<sup>nd</sup>, 2004. The Notice of Determination was published April 1<sup>st</sup>, 2004. The Auditor certified No Remonstrance on June 15<sup>th</sup>, 2004.

### **Attendance**

The following people attended the meeting: Susie Feldmeier (Trustee/Assessor), Tim Holmes (Financial Advisor)

### **Discussion**

They are here to request approval to get a loan in order to purchase a new fire truck.

Questions by the Board:

Stan: Have you taken bids yet?

Answer: No, we did not feel comfortable about putting out bids until we received approval from you. The spec's are written and the bids will probably be mailed out tomorrow. From all that we have seen, the bids will be between \$300,000-\$325,000.

Bob: When will your current debt be paid off?

Answer: It was paid off July 1<sup>st</sup> – just a couple of weeks ago, I am proud to say.

Stan: Will the new truck fit into your facility?

Answer: Yes.

James: Any taxpayer objections to your project?

Answer: None.

Stan: What is the tax impact on a typical home?

Answer: That question is hard to answer. Because of prior trustee's error in advertising our Cum. Fund rate, our cum fire rate has fluctuated greatly. It was twenty-six cents last year and four cents this year. We are estimated it to be \$15 with a maximum impact of \$20. They are a small rural township and they just received their 2004 budget certification. It has been like trying to hit two moving items to come up with a target for the tax impact amount.

### **Recommendation**

Stan motioned to recommend approval of a fire loan in the amount of \$350,000. Bob seconded and the motion carried 3-0.

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**Town of Schererville, Lake County  
General Obligation Bonds**

The unit is requesting approval to issue general obligation bonds in the amount of \$1,750,000 for a term not to exceed fifteen (15) years. Proceeds of the bonds will be used to reconstruct a bridge. The anticipated tax rate is estimated to be .0128 based on an assessed value of \$1,381,753,965 and an annual levy of \$177,021. This is an uncontrolled project.

**Taxpayer Objections:**

A public hearing was held June 9<sup>th</sup>, 2004. The date of publication for Sale of Bonds was June 11<sup>th</sup>, 2004. The Remonstrance period will end July 3<sup>rd</sup>, 2004.

**Attendance**

The following people attended the meeting: Dave Arransen (Bond Council with Baker & Daniels), Bob Volkmann (Town Member), Richard Krame (Town Member), Ted Sommer (Financial Advisor), Robert L. Swintz (Financial Advisor).

**Discussion**

They need to build a bridge on one of the main arterial roads used by the rural citizens of the community to enter into the town and avoid the main busy thoroughfares. The current road was built just a few years ago using the new advanced technology of polystyrene. About 300' of that road has failed. The recommendation has been to build a bridge through that section.

Questions by the Board:

Stan: So this will not be a typical bridge built over a stream or gully?

Answer: No – it is called a trustle style bridge with pylons sunk into the ground for stability.

James: When was the road built?

Answer: The polystyrene road was construction in 1997. That portion of the road failed because of drainage issues from a couple of newly constructed, nearby housing developments.

Stan: What is the tax impact for a typical homeowner?

Answer: The tax rate will be just over a penny – they did not figure the tax impact amount.

James: What is your population?

Answer: 26,000 according to the 2000 census.

**Recommendation**

Bob motioned to recommend approval to issue general obligation bonds in the amount of \$1,750,000 not to exceed fifteen (15) years. Stan seconded and the motion carried 3-0.

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**Railroad Township, Starke County  
Emergency Fire Loan**

The township is requesting an emergency fire loan in the amount of \$45,000. Proceeds of the loan will be used to fund fire protection services. The loan is will used to fund operations that will not be funded because of the tax rates being incorrect in 2003, and then froze at that level. The anticipated tax rate is estimated to be .0965 bases on an assessed value of \$49,169,640 and an annual levy of \$47,446.

The unit shows a need, based on the following emergency loan calculation, of

January 1, 2004 Cash Balance	<b>Fire</b>	\$5,773
Plus: 2004 Certified Tax Levy		\$1,180
Plus: Estimated 2004 Revenues		<u>\$8,382</u>
Total Funds Available 2004		\$15,335
Less: Encumbered Appropriations		\$0
Less: Estimated 2004 Expenditures		<u>\$55,000</u>
Funds Remaining		(\$39,665)

Emergency Loan Requirement	<b>\$39,665</b>
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The unit advertised a budget of	\$55,000
The fiscal body adopted	\$55,000
The DLGF certified	\$ 1,180

**Taxpayer Objections**

The Date of Publication for a public meeting was February 26<sup>th</sup> 2004. A Public hearing was held on March 08<sup>th</sup>, 2004. The Notice of Determination was published March 18<sup>th</sup>, 2004. The Auditor certified No Remonstrance on April 19<sup>th</sup>, 2004.

**Attendance**

The following people attended the meeting: Sherry Paulsen (Trustee).

**Discussion**

She has met with DLGF field rep – Linda Lessaris – since she was here two months ago and the issue was tabled. She was able to receive a loan from the County Commissioners for the Poor Relief fund, and she is needing to take out a loan for the Fire fund. The County Commissioners gave her a check for both the Poor Relief amount and the Fire Fund amount and is going to charge her 4% interest. Per the DLGF's instructions, she returned the amount for the fire fund since she was told the county has no authority to loan her that money too.

Questions by the Board:

Stan: Is the County allowed to charge interest on a loan?

Answer: Their lawyer called someone during the meeting and he said they were allowed to.

Stan: I am not aware of any statute that allows a County to do that. You need to write us (State Board of Accounts) a letter and we will respond in writing saying that they cannot do that.

James: Have you ever dealt with the County before?

Answer: No – I was not even aware that I could do that.

Stan: How much did you advertise your fire loan for?

Answer: \$45,000.

Bob: Have you prepared your 2005 budget yet?

Answer: Mostly – Linda helped me.

### **Recommendation**

Bob motioned to recommend approval of an emergency fire loan in the amount of \$39,700. Stan seconded and the motion carried 3-0.

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