
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Local Government Tax Control Board Meeting Minutes October 9, 2008

Call to Order: The monthly meeting of the Local Government Tax Control Board was held on Thursday, October 9, 2008 at 10:05 am. The meeting was held in the Indiana Government Center South, Conference Center Room 1; 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Ms. Lessaris Lessaris, Ken Kobe, Dave Christian, John Stafford, Mike Bozymski, Chuck McLean (Administrative Officer), and Linette Pedigo (Administrative Secretary).

Minutes and Discussion: There were no minutes available for discussion.

Fall Creek Township, Hamilton County; Three-Year Growth Appeal and Emergency Levy Appeal: The unit is requesting a \$50,000 three-year growth appeal. In addition it is seeking a \$350,000 emergency levy for township fire. The cost of fire protection for the Town of Fishers is exceeding the levy it has available. It can only continue to provide fire service without perpetual emergency levies until a more appropriate solution is found. The unit expects circuit breaker challenges in its future budgets.

Advertised Fire: \$400,000
Advertised Growth: Included in fire

The DLGF is not prepared to review the unit's equations. The statewide growth factor has not yet been determined.

Present for the hearing: Terry Michael, Trustee; Melissa K. Ambre, GCS-Consultant; and Mike Reuter, Board President.

Comments: Mr. Terry Michael began by stating that they have been experiencing a lot of growth in the past ten years. Their levy has never been majorly increased because they were under the assumption that Fishers would be annexing the Geist area, but they believe that may not take place until 2012. He said they fall about \$300,000 short every year on fire, and instead of a loan they are asking for this increase in their levy.

Mr. Mike Reuter took the floor next and said they have been experiencing double digit growth in their AV over the last several years, but their max levy for fire has only been increasing 4% over

that same period of time. Their levy is not consistent with their growth; their fire contract in the past has been based on the net AV of the unincorporated areas of the township in comparison to the net incorporated areas of the Town of Fishers. Last year, he said they were able to negotiate their contract based on their gross AV, which has allowed them some relief this year. He said they have been trying to only increase enough tax following the annexation very closely because their problem will go away overnight if the annexation were to occur. They would have a more than sufficient maximum levy to fund the areas beyond what is proposed in the annexation, so they have tried to limit their request to the State as to how much they ask for their max levy increase. He said from 2003 to 2007, they requested no additional increase to their max levy although their AV was growing rapidly. In 2008, the LGTCB and the State allowed them an appeal of \$335,000; this year they are requesting \$49,848 through the growth-factor appeal. Even with this, they will still be far below what they need to fund the fire contract, so they are also appealing for an emergency levy of \$350,000. This \$400,000 in total will only provide them enough money to fund the fire contract for 2009; this will not build cash reserves and they will still expend \$49,000 more than they will receive in revenue for 2009. He said this is using 100% of the COIT; they do not allocate any of the COIT to any fund except for fire. This year they had an increase in COIT from \$724,000 to \$895,000, but it is still not enough in comparison with their growth in AV. He reiterated that they are asking for a \$400,000 increase in their max levy, but he said if the annexation would occur, they would be more than happy to allow the LGTCB to disallow the appeal. They, however, are not hopeful that this will happen before the end of the year, so they are appealing because of the uncertainty. He said it is his understanding that an annexation cannot take place in a census year, which causes the delay to go beyond one year and into 2011.

Mr. Stafford asked what Court the annexation case is in. Mr. Reuter said it is in a Hamilton County Superior Court. Mr. Stafford asked what the chances of a decision being made between now and the first of the year are. Mr. Michael said it is his understanding that the Court has been delayed until the first of November, and the new lawyer is asking for a continuance until February of next year, and then they will not be able to annex. Mr. Stafford said this is just at the trial court level and the case could go on for a while. Mr. Reuter said it could go on for a while, and that if they do miss the deadline and it ends up being a census year, that would prolong the transfer even longer.

Mr. Stafford then said they had an appeal last year for this current year; he asked for how much. Ms. Melissa K. Ambre said it was for \$335,365. Mr. Stafford asked what their normal levy for their fire fund is this year. Mr. Reuter said for 2008, their normal levy was certified at \$955,922. He added that this year in COIT they received \$724,000 with an expense close to \$2.5 million. He said they are not even funded this year; they will be using a band-aid to make this year's budget work by using some Rainy Day proceeds. Ms. Lessaris asked how much money they are going to move. Mr. Reuter said \$314,154. When they appealed to the LGTCB last year, they appealed for a considerably higher amount under the old code, and were reduced to \$335,000.

Mr. Stafford asked if both appeals were approved, what would the estimated fire fund rate for next year be compared to the current year's rate. Mr. Reuter said this year they will lose the homestead deduction in the AV, and they are forecasting that to be 18%; he said the rate is forecasted to be significantly more next year. Mr. Stafford said he wanted to know if the AV is

growing enough to make this a flat tax impact. Mr. Michael suggested that their AV has increased about 17% from 2008 to 2009, and that does not include trending numbers. He said they are building up half million dollar plus homes all the time; this year was a bit slower but their AV is still growing. Ms. Lessaris asked if the 17% increase take into consideration the new homestead deduction, and Mr. Michaels said no; just the gross AV. Mr. Kobe said Mr. Stafford's question was if there will be a tax rate impact for this, and Mr. Reuter said there will be some; about a 5 cent increase on fire as a whole. Mr. Stafford said he is confused. He said they had a \$335,000 appeal last year and they are asking for another \$350,000 this year, which is not much difference. Mr. Reuter said their fire rate from 2007 to 2008 went from .053 to .0785, which is about a 2.5 cent increase for that \$335,000. Mr. Stafford said they are asking for about the same amount, and Mr. Reuter said the jump should be about the same. Mr. Stafford asked if last year's appeal was a permanent appeal, and Mr. Reuter said yes. Mr. Stafford wanted to confirm that they are asking for another permanent appeal, and Mr. Reuter said yes because last year's appeal was not sufficient. Mr. Kobe asked if the DLGF has determined whether the Emergency Appeals are permanent adjustments to the levy. Ms. Lessaris said this is charting new territory. Mr. Reuter said because they had not appealed in previous years, their AV has been growing at such a rate that their fire rate has been decreasing. He said they can no longer do that because they have to have revenue sufficient with their growth to maintain their fire contracts; they are really just propping it back up to where it was before.

Mr. Kobe asked if they are a declaring a 2009 emergency or a permanent emergency going forward. Mr. Reuter said they are anticipating a permanent appeal, but again, he reiterated that they will not collect more than necessary if the annexation goes through. Ms. Lessaris commented that this is new territory, but the emergency rule reads that a unit cannot carry out its governmental functions for an ensuing calendar year under the current levy limitations due to a natural disaster, an accident, or an unanticipated emergency. She asked what is unanticipated about this emergency. Mr. Reuter said the emergency is that the annexation did not go through. Ms. Ambre added that it was expected to go through, but in recent weeks they discovered that the case is not likely to be resolved until next year. Ms. Lessaris stated, in response to the earlier question posed by Mr. Kobe, that the DLGF hasn't ruled if the levy will be permanent or for just one year; she guesses it would depend on the type of emergency. Mr. Kobe said it would make a difference to him, though it sounds like the statute gives the Commissioner some latitude in deciding whether the levy increase would be for one year or a permanent adjustment. Mr. Christian said it sounds that way to him.

Mr. Stafford then asked about the growth appeal, and how a growth factor is unavailable. Ms. Lessaris said that is because the three-year-growth factor is based on the total state AV for one year over another, and the total state AV is not yet available; there are several counties that do not have their AVs in yet. The DLGF has asked OMB to give them a ruling as to how they should handle the threshold percentage used in the calculations.

Mr. Kobe said they could presumably recommend \$50,000 subject to it not exceeding the amount determined once the state AV is known. Mr. Stafford asked if it is logical to assume that they have grown more than 102% of the state's AV. Mr. Reuter said the 102% is a separate qualifier, and they assume they are above it. Ms. Lessaris said it would be shocking if they were not above it. Mr. Reuter then wanted to clarify the exact amount of their appeal request: \$49,848.

Motion on Three-Year-Growth Appeal: Mr. Stafford motioned to approve a three-year-growth appeal for \$49,848 assuming they qualify. Mr. Kobe seconded the motion, which carried by a vote of 5-0.

Mr. Stafford wanted to clarify that the Town of Fishers provides the fire protection, and that they contract with them for the unincorporated area. He asked how much the annexation represent the unincorporated territory. Mr. Reuter said about 60-70%, and that is why their maximum levy problem will go away overnight with the annexation.

Motion on Emergency Levy Appeal: Mr. Kobe motioned to approve an emergency levy appeal of \$350,000 for the calendar year of 2009 only. Mr. Stafford seconded the motion.

Ms. Lessaris asked to add to the motion that a determination needs to be made whether the annexation failure is an emergency. Mr. Kobe said that can be added.

Mr. Christian called for a vote, and the motion carried 5-0.

Hamilton County Unit, Hamilton County; Three-Year Growth Appeal: The unit is requesting a three-year growth appeal for an additional levy amount of \$690,660. The unit sites "Highway COIT Fund-Capital Outlays Infrastructure Improvements" that cannot be funded with out the increase. The unit acknowledges public safety as the concern of the county residents, and the money will be used for capital improvements. The unit projects that its non-property tax related revenue will grow by approximately \$20 million between fiscal 2008 and 2009. The levy request is well less than 1% of the unit's proposed 2009 budget.

Advertised: \$1,000,000 in the General Fund

The DLGF is not prepared to review the unit's equations. The state wide growth factor has not yet been determined.

Present for the hearing: Mike Reuter, Consultant; and Robin M. Mills, Hamilton County Auditor.

Comments: Mr. Mike Reuter began and stated that Hamilton County has been growing at a rapid rate for several years, and they have been appealing the growth factor since 2002. He then discussed in detail a handout that discussed the non-farm personal income growth factor, their net AVs, their max levies, and their tax rates in the past and going forward.

Mr. Christian asked about the projections going forward, and if they are factoring in any of the economics that are presenting themselves today, such as falling home prices and AVs. Mr. Reuter said they are experiencing slower building permits, but they are still growing. He added slower residential growth is being offset by their boost in commercial development. Mr. Christian said what he is trying to get at is that it is not just the slowdown in the number of homes or commercial projects, but the values of them. Mr. Reuter said he has not taken that

approach yet in the out years, but says he may have to offset some of that if the trending goes down. Mr. Reuter then continued with his explanation of his handout. He said that there will be a slight tax increase in 2009 because of the new jail expansion and that rate is .0144. Over the last three years, the rate has gone down. He said there really is no rate impact for this growth appeal because their AV growth is more than sufficient to keep up with that growth in the maximum levy; the only rate impact will be the jail expansion. He said that what this appeal allows them to do is use some of their COIT money to fund infrastructure. The Hamilton County Highway Department came in with \$26 million in requests this year, and they were only funded at \$4,520,000. Mr. Stafford wanted to clarify that if this is appeal were not granted, the Highway Department would simply have less money to work with. Mr. Reuter said yes, and in future it will be the loss of the COIT; they will lose \$690,000 this year and \$1 million next year. Mr. Kobe said the COIT money will be allocated to other units, but will just be a loss to this specific unit. Mr. Reuter agreed in that it does not change the total COIT money, just the allocation of it. He added that most of the Hamilton County units appeal to the LGTCB to get their maximum levies to be consistent with their growth, so it all balances out.

Mr. Christian wanted to confirm that the unit's calculation for its growth in assessed valuation is 1.0651, and Mr. Reuter said yes, and that it is based on the previous three years.

Ms. Lessaris then talked about the unit's operating statement, and how the Highway has a \$4.8 million operating balance, the County Major Bridge has a \$6.5 million operating balance, the Park has a \$1.4 million operating balance, the CCD has a \$1.2 million operating balance. She asked if their infrastructures are going to be hurting, why do these funds have such substantial operating balances. Mr. Reuter said most of the operating balances have been re-appropriated; the money is not yet encumbered because they do not yet have the contracts in place for their projects. He said how they will coordinate this in the future is to re-encumber all of those funds by additional appropriations at the first meeting of the County Council in the next calendar year. Ms. Lessaris asked if they have done this in the past, and Mr. Reuter said no; they tend to come back and re-appropriate a little bit at a time, so it is misleading. Mr. Christian wanted to clarify then that they draw up budgets that include various projects from available funds that have not been appropriated yet. The money is there, but they will resubmit a new budget that re-appropriates those funds. Mr. Reuter said that was correct. Mr. Christian asked how they are supposed to know the unit's true cash balances. Mr. Reuter said it is difficult, but if this appeal is not approved, it would mean there would be less money to put into this fund to fund infrastructure. Mr. Christian said he understands that, but right now they have money listed as cash balances, but it is not really true. Mr. Reuter said that is an operating balance he is referring to. Ms. Lessaris said the cash balance is true, but they have more appropriations against their cash balances that the Board is not aware of. Mr. Christian said he misspoke; he meant the operating balance. Mr. Reuter said they really operate at \$0, because they currently have \$26 million of expenses and only \$4.5 million to fund it. Mr. Kobe wanted to clarify that expenses means backed up projects, and Mr. Reuter said yes. He added that he would be happy to provide the original budget request from the County on the Highway Department.

Ms. Lessaris then asked if there is any tax impact with this appeal; she said with 2008's AV the impact will only be a third of a penny. Mr. Reuter said even with the jail bond, a \$150,000 house with the homestead deduction will be about \$7 a year.

Motion: Mr. Stafford motioned to recommend approval of the appeal as submitted with the premise that Hamilton County will qualify for the 102%. Mr. Kobe seconded the motion, which carried by a vote of 5-0.

Hamilton East Public Library, Hamilton County; Three-Year Growth

Appeal: The unit is seeking an additional levy of \$98,895 to increase staff to provide additional programs to the public. In addition, they plan to purchase additional material. The unit has had this request approved by its Board as well as the Hamilton County Council Board. The unit expects its non-property tax revenue to increase by approximately \$2 million from fiscal 2008 to fiscal 2009. The amount requested is 1.16% of the unit's 2009 budget.

Advertised: \$150,000 in the General Fund

The DLGF is not prepared to review the unit's equations. The statewide growth factor has not yet been determined.

Present for the hearing: Mike Reuter, Consultant; and David L. Cooper, Library Director.

Comments: Mr. Mike Reuter started by going over a handout that explained non-farm personal income, the net assessed values, the maximum property tax levies, and the property tax rate in the past and going forward. He said the library district's AV grew 8.73% in 2008, but he is forecasting a 10% drop for 2009. Hamilton East represents Delaware, Fall Creek, Wayne, and Noblesville townships; it represents the higher growth areas of Hamilton County. They began appealing for the Three-Year-Growth appeals in 2008, though they were eligible in previous years. He said they are predicting a 13.17% increase in the tax rate for 2009, but this is solely due to the homestead deduction of 18% coming off (18% lost in assessed valuation). Last year, even with the appeal, their tax rate dropped 15%; they are forecasting the rate to decrease as well once they get past 2009.

Mr. Reuter continued and stated that the County Council has reviewed this information and approved it unanimously. Mr. Kobe wanted to confirm that this is a required step in the process, and Mr. Reuter said yes, for a non-elected Board. Mr. Kobe then asked for an analysis on the tax rate for a \$150,000 home. Ms. Lessaris said, because of Hamilton County's tax base, if this \$98,000 is approved and the AV stays the same, the impact would only be a tenth of a penny. Mr. Reuter said this analysis is with the homestead deduction, but the library's portion is only \$6 a year. Mr. Kobe said that between the county and the library, they are up to \$13. Mr. Reuter said to take into consideration the fact that the school General Fund, the welfare rates, etc. will not be paid out of property taxes anymore; school tax rates will go down and all of the others will go up.

Mr. Kobe then asked with the welfare rate coming off if other units will get more COIT. Mr. Reuter said no because there is a special provision for the county unit. He said the COIT for this unit did not go up very much; the other units in the county are increasing faster in levies than the library so they are losing a percentage of their COIT.

Motion: Mr. Kobe motioned to approve the appeal as submitted. Mr. Stafford seconded the motion, which carried by a vote of 5-0.

Indianapolis-Marion County Public Library, Marion County; Shortfall

Appeal: Due to the regrettable delay in the unit's host county assessment and subsequent tax billing, they have concluded they are due additional revenue for fiscal years 2005 and 2006. They are requesting a levy increase total for both years of \$1,866,790. The unit explains that 40% of the county residents do not have "access" to the internet and their computers fill the gap for those looking for jobs or interfacing with local, state, and federal agencies. In addition, their 23 branches play a vital role in early childhood literacy. The unit projects very little growth in property tax revenue. The unit has not provided a Resolution from its Board or from the City-County Council to proceed with this levy request.

Advertised: \$2,000,000 in the General Fund

Present for the hearing: Rebecca Dixon, CFO; Laura Bramble, CEO; and Jenny Meredith, Accounting Manager.

Comments: Ms. Laura Bramble began and stated they are here to appeal for a shortfall that occurred in 2005 and 2006, and since then they have opened the new Central Library. Their library use is rising at an amazing rate; last year their circulation was over 14 million and their circulation is up another 11% this year already. They have made a lot of efforts to reduce their budget the last several years. She said that not only is circulation going up, but their computer usage is increasing as well; most of their computers are at capacity during the day. For most of their people, libraries are the only place for them to use computers and the internet. She said that governmental agencies encouraging people to use computers more, but over 40% of Marion County resident do not have access to computers or the internet. She said the money from this appeal will be used to restore funds to purchase supplies, technology, books, etc.

Ms. Rebecca Dixon took the floor next and discussed the financials. She said they decreased their operating budget in 2006 by 2%; 2.13% in 2007; in 2008 they increased it by 1% due to the opening of the new Central Library; and in 2009, less this shortfall appeal request, their budget is 4% less. She said their salary and fringe benefit costs have gone down from 60% of their budget to 54% of their budget with the restructuring that they have done.

Ms. Dixon continued and stated that since the opening of the Central Library, they average 3500 people a day coming through, and their 300 computers are at capacity on a daily basis. She said their materials budget is one area that has been cut down, and even with this shortfall appeal money being put toward materials, they are still behind by \$750,000. Their materials increase on an average of 7% a year in cost because of inflation. Mr. Kobe asked if they have any of this financial information for the Board, and Ms. Dixon said she only provided what was required by the DLGF. She said they are not keeping up with the cost of inflation for their materials and they are cutting their budget. She reiterated that this shortfall appeal will go toward building their budget back up, though it will still be short, and they will be putting money aside for new

technology; they have had some requests by members of their fiscal body to increase their computers.

Ms. Lessaris asked if they know their 2008 adopted levy. Ms. Dixon said the levy was \$38.2 million. She added that the levy for 2008, 2009, and 2010 will be the same because it's frozen, and it could be further reduced by the property tax caps.

Mr. Christian then asked about the lawsuits from 2006, and if it has been resolved yet. Ms. Dixon said they have resolved some of them. Mr. Christian asked how many there are. Ms. Bramble said she is not sure of the exact number, but there are about two or three that are outstanding. She said they have recovered more than half, and have put that money into a fund used to reduce their bond indebtedness. They paid off one set of bonds from 1998 this year, and will be using some of this money for another bond issue that is callable next year. Mr. Kobe wanted to clarify that they had about a \$50 million overrun in the cost of the project and had to get a bond issue for that additional cost. He also wanted to clarify that they have recovered more than half of that. Ms. Bramble said yes. Mr. Christian asked how much they have left, and Ms. Dixon said about \$15.7 million. Mr. Christian asked how much the bond is that is callable. Ms. Dixon said it around \$18 million, so they will be able to recall most of it. The interest rates are so low, so they are earning about 3% on the money at the present time. Mr. Christian then asked what the value is of the outstanding lawsuits. Ms. Dixon said that is handled by the legal department because of pending litigation. Mr. Christian said that should be public information.

Mr. Stafford asked if the two shortfall appeals have been presented to the City County Council. Ms. Dixon said they approved their 2009 budget with the shortfall appeal included in that, but they do not have a signed Resolution yet. Mr. Stafford said that Marion County will be impacted by the circuit breaker in 2009, so if this is approved it will reduce the amount of property tax levy for all the other units in the county. Ms. Dixon agreed, but said they are not the only entity in Marion County that is requesting a shortfall appeal; there are others. Mr. Christian said they will need documentation of a Resolution by the Library Board and the City County Council. Ms. Dixon said both Boards approved this. Mr. Kobe said they do have a Resolution from the Library Board. He asked if there were any public discussions on this shortfall appeal. Ms. Dixon said there was public discussion at the mid-September meeting of the City County Council. There was no remonstrance, no negative comments from the public, and no negative comments at the full council meeting on September 22.

Mr. Stafford said he has a question about their calculations. Ms. Dixon said she took the amount of levy approved by the DLGF and subtracted the amount of property taxes received. Mr. Stafford said that is not how it is supposed to be calculated; it should be based on corrections of errors and refunds. Ms. Dixon said they do serve Marion County, but they do not serve the entire district of Beech Grove and Speedway; they have their own library district. She said it is difficult to do those calculations, but she did show what the refunds and the appeals were in total for Marion County. She attempted to take out what she thought was Speedway's and Beech Grove's share, which means they would have been a part of the remaining amount. She said that she was instructed that the DLGF does those calculations, and she need only to provide the certificates of error and the refunds in the county. Mr. McLean said it is a tricky calculation involving multiple units, and the numbers given in the appendix on the summary sheets are

incorrect; they will have to be redone. Mr. Kobe said that Mr. Stafford is still correct; the library's calculations are incorrect. Mr. McLean said yes, but the appendix is also incorrect. At this point, he said it is guaranteed that they experienced a shortfall, but the amount is still unknown. Ms. Lessaris said the first thing they must do is prove they experienced a shortfall, and the DLGF must confirm that shortfall is in fact due to refunds and corrections of error. Mr. McLean added that the amount of money the unit is entitled to will most likely not exceed what they requested.

Mr. Christian says he has a reservation about making a recommendation without having a number, and in the past, the LGTCB has not made recommendations without a number. Mr. Stafford said they do not have a Resolution by the City County Council, which is something that is extremely important in this case because this will have a significant impact on other taxing units within the county.

Motion: Mr. Stafford motioned to defer action until a Resolution from the City County Council is received and the calculations are completed. Though this is not part of the motion, he requested that some Library Board members be present to support this next time. Mr. Christian added that they should submit their budget as well, and Mr. Kobe agreed. He said it would be helpful, and asked that they include their debt service and other funds as well. Mr. Christian seconded the motion.

Mr. Lessaris said they still do not have 2008's budget calculated yet because they still do have the Marion County AVs. She asked if they should defer this until their budget is worked or just until the DLGF received the requested information. Mr. Christian said, for the request at hand, the 2008 figures do not affect it. Mr. Lessaris it would be to see what a possible rate impact would be. Mr. Stafford asked when it would be available. Ms. Lessaris said in either late December or sometime next year. Mr. Stafford asked if it would be fair to say that the deadline to act on this appeal is far off as well. Ms. Lessaris said she does not know. Mr. Kobe asked if anyone can verify the unit's claim of having a frozen levy. Ms. Lessaris said it is true because they have adopted the operating LOIT income tax; their levy cannot grow because it will be made up by the operating income tax. She said that she does not know if this shortfall appeal will become part of LOIT or if it will belong to the taxpayer's tax rate. Ms. Dixon said they have discussed that. Ms. Lessaris said they have been in contact with OMB to make sure everyone agrees on the interpretation, but no decision has been made yet. Mr. Kobe suggested that it may be helpful to have all the affected Marion County units on the same agenda, since the units should be known by now. Ms. Lessaris said the deadline was extended to November 20, so the DLGF may not have all of the petitions in yet. Ms. Dixon said the City County Council did not extend the process for the units to go through their budget approval; that is why the Council acted on all the units on September 22. Mr. Kobe said all the units would have advertised by now then.

Ms. Dixon wanted to clarify whether or not the LGTCB wants IMCPL to wait for the final 2008 budgets, given that they may not be available until next year and the unusual circumstances taking place in Marion County for 2007 and 2008. Ms. Lessaris stated that unless the decision is going to be made that the appeal was going to be covered by the operating LOIT, then, the Unit will not be penalized because the tax rates for 2009 will not be set until there are answers for

2008. Ms. Lessaris said that if it goes into the tax rate then it is going to be delayed anyway, and if it becomes part of the operating LOIT then it is expected that the LGTCB would want all Marion County units, so that they could be considered all at one time. Mr. Stafford stated that his concern is that the IMCPL may get caught in a statutory deadline. Ms. Dixon stated that is her concern as well and added that they are not receiving property tax money as they would in a normal year. Ms. Lessaris made the suggestion to table to the discussion and she offered to research the matter with Mr. McLean to determine whether it would become part of the operating LOIT or if it would be part of the property tax rate.

Motion: Mr. Stafford suggested tabling it until the DLGF deems it appropriate to put back on the agenda. Mr. Christian seconded the motion.

Discussion on the motion: Mr. Christian stated that at the time the appeal is rescheduled they petitioning body will bring budgets, an IMCPL Board Member, and resolution from the City Council. Mr. Stafford commented that they DLGF not put it on the agenda until they have the calculation.

Motion carried by a vote of 4-0-1. Mr. Kobe abstained due to conflict of interest.

Jamestown Township, Steuben County; Correction of Error Appeal: The unit is requesting a levy amount of \$90,556.00 due to what amounts to a transposition error between the unit's Fire Fund and General Fund. Without the levy, the unit states that their Fire Fund will experience a dramatic cash shortage. The correction of the error will cause a dramatic tax impact.

Advertised: \$90,566 in the Township Fire Fund

The DLGF has reviewed the unit's calculation for the amount of the shortage. We agree that the advertising error created a shortfall in the amount the unit claims.

Present for the hearing: Randy P. Tilbury, Advisor; and Linda P. Miller, Trustee.

Comments: Mr. Christian reviewed the summary of the Jamestown Township correction of error appeal. He asked Mr. McLean if the DLGF agreed that there was an error and if they agreed with the amount of the error. To both questions Mr. McLean responded in the affirmative.

Mr. Tilbury began by stating that the fire and general fund rates were transposed on form 5 and were therefore advertised incorrectly. He said that when the Township advertised the budget and levy, those amounts were in correct order, but when they were advertised by the County they were reversed. However, he added that when totaling everything the total rate was correct. In the final determination the Township was cut off by rate for fire fund and received maximum levy for general budget. Mr. Tilbury said what they should have received was a maximum levy of \$213,000, but what they received was \$32,000. He included in the packet some projections for how the fire fund would run without the appeal, which would include a 4% average increase in levy and 4% included with fire contract, and by 2013 the Unit would have negative cash because of the situation. Mr. Tilbury went on to explain what the situation would look like if the

appeal were approved. In this situation he said the fire fund would stay in a positive cash position and this would allow for more cash increases if it was needed as far as the amount of the fire contract.

Ms. Lessaris shared her concern over the operating balances. Ms. Lessaris stated that she realizes that a mistake was made and they will lose permanently half of the \$181,000 which was lost this year; however but she also sees in their township fund that they have two or more years of your budge in operating balance and that they are putting a considerable amount of their certified shares in their township fund. She also noted that their township assistance fund has seven years of operating balance and that is if they spend the \$10,000, which it does not appear that they do. Ms Lessaris also stated that their fire fighting fund also has two years operating balance, so if they lose \$90,000 a year, it will take them five years before they can come to grips with their loss. Ms. Lessaris asked if there was a reason why they were sitting on so much money and still taxing the full amount to the taxpayers.

Mr. Tilbury replied that the situation is that there has not been as much poor relief paid out because of their economic condition in Jamestown. He said that they are now paying out more than before. He affirmed that Ms. Lessaris is correct in saying larger amount of reserves in the general and township funds, but short of reallocating some of the certified shares to get money into the fire fund, that would be only way to recoup

Mr. Bozyski stated that they seem to be in a pretty plush situation. Mr. Tilbury responded that if the LGTCB feels we should be decreasing our other funds, that is one thing, but to allow the fire funds to get into the negative even if it is four or five years out, so that taxpayers would have to borrow, that is not correct for taxpayers. Mr. Stafford commented that neither is sitting on that much cash; that is not appropriate for taxpayers. He stated that if they add those three funds together and that is a large cash balance. Mr. Stafford commented that the Township has been overtaxing. Ms. Lessaris said that it is a total of \$670,000 in operating balance.

Mr. Stafford asked if this appeal is denied, then they can make up half of that in subsequent year. Ms. Lessaris responded that \$90,000 of their loss will be lost forever and the other \$90,000 will come back in next year. She clarified that the \$90,000 that Mr. Tilbury is asking for is half of what is short and will not come back into the calculation at all unless the LGTCB approves the appeal. Mr. Stafford asks if it would permanently affect their maximum levy. Ms. Lessaris replied yes.

Mr. Tilbury stated that in their general fund they are spending more than what the current taxes are bringing in, so they are eating away at that reserve in the general fund. Mr. Christian asked how long it would take. Ms. Lessaris replied that they have two or more years of operating balance, and their certified shares will take a hit in 2009 because they lost \$181,000 of levy. Mr. Christian commented that their calculations show 2013. Mr. Tilbury responded that that is if they allow the balance to go all the way into the negative. Mr. Kobe asked if they holding certified shares constant between the two; then stated that the township would lose certified shares. Mr. Tilbury said that they would, and the County is talking about passing LOIT which would freeze levies, depending on how they do it; so under that scenario, that could impact them too.

Ms. Lessaris stated that the certified shares that the Unit is showing through 2013 is approximately what they are giving to the fire fund and they are giving another \$38,000 to the township fund in 2008, so they would survive 22,000 in fire fund, but would lose the \$38,000 that would go into the township fund.

Mr. Kobe asked if townships are forbidden to move money between those funds. Ms. Lessaris said they are allowed to move township funds, but levies cannot be moved, but certified share can be. Mr. Stafford stated that without the cash balance issue this would be a no-brainer; and to deny the appeal to deal with the cash balance issue doesn't match remedy with the problem. He said that the problem is that the Township is they are sitting on too much cash; but denying the correction here is a permanent impact. Mr. Stafford asked if there was a mechanism to spend down cash balances that would not affect future years. Ms. Lessaris said that Senate Bill 1 says use it or lose it. Mr. Stafford said that logical response would be to lower rates for a couple of years and spend down some of the cash balance to get to a more appropriate level. Mr. Kobe stated that there is nothing that requires them to advertise maximum levy. Mr. Lessaris said that if they do not raise their maximum levy, they lose half of it forever.

Mr. Christian asked if LOIT would have any impact on freezing levies and these cash balances. Ms. Lessaris replied that it should not. Mr. Stafford said his initial reaction is that they are entitled to the appeal, but he does not know how to rectify overly large cash balance because of Senate Bill 1.

Mr. Christian asked if they recommend approval of rectifying error and then also note cash balances and have the DLGF come up with an alternate solution to rectify those cash balances.

Motion: Mr. Kobe makes a motion to recommend approval of the appeal as submitted for \$90,566. Mr. Stafford seconded the motion.

Motion carries by a vote of 4-1. Ms. Lessaris casts the dissenting vote.

Mr. Christian calls for lunch break to resume just before the next Unit at 1:15 PM.

Richmond Sanitation, Wayne County; Shortfall Appeal: The unit is seeking a levy of \$113,659 to cover the revenue from property taxes it did not get due to county shortfalls in 2007. The unit does not indicate any fiscal challenge that arose because of the shortfall, nor any indication of what the additional revenue will be used for if the appeal is granted.

Actual:	\$197,812
Unit's Portion:	\$102,968
Advertised:	\$130,706
Requested:	\$113,657

Present for the hearing: Tammy Glenn, City Controller; and Valerie J. Fonzer, City-Deputy Controller.

Comments: Mr. Christian asked what caused the shortfall in the County. Ms. Glenn said that it was caused by changes in AV and appeals being revised. She stated that during the reassessment they were shocked to find out that they were going to lose \$1.5 million due to shortfalls; however those numbers were wrong and the loss was more like \$400,000 for the City and about \$200,000 for the Sanitation District. Ms. Glenn said they appealed and received it. She said it became a process to assess how much they were short, which was typically about 2% to 3% and then try to capture that. She said their cash balances have been depleted over the last several years due to some mandatory projects and the shortfall appeal is a means to recoup some of what they lost two years prior.

Mr. Christian asked what their cash balances are. Ms. Glenn responded that they are anticipated to be over \$200,000 in 2009. Mr. Christian asked again what the shortfall is due to. Ms. Glenn again responded that it was due to erroneous assessed value (AV). She said that they had built their budget on that and going into tax year payable 2007, the AV continued changing due to appeals being granted by the County and Township Assessors, which reduced the amounts they collected of that levy.

Ms. Lessaris asked if their unit has to go before the City or County Council for approval. Ms. Glenn replied that they must go before the Richmond Sanitary District Board of Commissioners and then they submitted their budget before County Council for the first time this year. Ms. Lessaris asked if it was the case that the budget had not grown more than 5% each year. Ms. Glenn replied that it had not. Ms. Lessaris commented that last year the LGTCB allowed a shortfall appeal in the amount of \$108,475, but their request came in under the maximum levy by \$43,000. She asked why they did not raise full amount asked for. Ms. Glenn replied that is was probably due to estimated amounts given by DLGF and the State about which AV to use and what levy they had. Ms. Lessaris said that it was their levy not the rate that stopped them, because their County did not set a levy as high as they could have they ended up coming in under the allowed amount. Ms. Glenn said she is not sure how they came in under their levy.

Mr. Kobe confirmed with Ms. Glenn that the method they used in the calculation of the shortfall is based up upon the difference between levy and actual collection. Ms. Glenn concurred. Mr. Kobe stated that the method used by the DLGF is to add up the errors and refunds in a particular year and take the unit's proportional share of that calculation. He said the Board had some calculations that show that to be a minimal amount. Mr. Kobe said that \$102,968 is the amount calculated by the DLGF. Ms. Glenn said the only way they can present is by calculating the difference between the levy and actual collection, as they do have access to the errors and refunds data, but the report is confusing. She said that the County is planning to provide training and they hope to be able to do a better job of using the reports to calculate shortfall next year.

Mr. Kobe asked if \$102,000 was close enough for government work. Ms. Glenn replied that they sent in an appeal last year that came in less, and it was explained to her that once they send in their appeal, it is recalculated by the DLGF and then reduced in some cases. As a result, she said, she has built into her budget a smaller number than \$113,000, by about \$20,000.

Mr. Stafford asked if this appeal is not approved, what the impact would be on the district. Ms. Glenn replied that there would not as much of an impact to the district as to the City. She said the District would go back and recalculate some things and she left enough in the operating balance to cover credits. In addition, she said there are three projects that are underway that would mean they would have to squeeze a bit more tightly, but they would like not to have to do that.

Ms. Lessaris asked for the 2009 budget. Ms. Glenn said it is \$8.414 million. Mr. Christian asked if they are currently out of compliance. Ms. Glenn said that she thinks that they were, but they are now on a long term plan and as long as they stay on that plan they are okay and they are in constant contact with the Indiana Department of Environmental Management to make sure they are okay. Ms. Glenn added that the District will bond out of some of the cost of the projects because of storm water fees which they have started collecting. She said that the fee is not as much as they wanted or needed, as they were not approved for as much as they requested. Mr. Christian asked what the estimated cost would be of the projects. Ms. Glenn said it would be \$12-14 million for the three.

Ms. Lessaris asked if they have a rainy day fund. Ms. Glenn said yes, and it was used for project in 2006. Ms. Glenn stated that she still believes there to be a small amount of money in it. Ms. Lessaris asked if this was surplus or supplemental. Ms. Glenn said it was supplemental. Ms. Lessaris asked if they had been before County Council yet. Ms. Glenn replied that they submitted the appeal to the, but she is unsure as to whether the County knows what their role will be in this just yet.

Mr. Christian asked who appointed the Sanitary Board. Ms. Glenn said the mayor does. Mr. Christian asked if they need a vote from County Council. Mr. McLean replied that they do, as the Sanitary District's Board is an unelected board and they need a resolution approving their budget which will come from the County board. Mr. Christian asked if this was case even with it being a City board. Mr. McLean replied that their services extend beyond city limits; therefore it is a County board.

Ms. Lessaris stated that because the budget has grown over 4%, it will require oversight by County Council and not just a review of the non-binding recommendation. Ms. Glenn said based on the memo from Commissioner Musgrave that was the way she understood it. Mr. McLean said that the Sanitary District would need a resolution from County Council before the LGTCB could approve the appeal. Ms. Glenn asked if they would need a resolution for the budget as well. Mr. McLean stated that they would.

Mr. Christian said they have one that didn't take action on

Mr. McLean stated that in this case, if the LGTCB were to work on the assumption that the County Council will give them a resolution, the LGTCB could make motion contingent upon that receipt of the resolution. Mr. Christian asked if everyone was in agreement that the amount is relatively accurate and there is a shortfall. Mr. McLean said that calculation is accurate from the position of the DLGF.

Motion: Mr. Kobe motioned to approve \$102,968 subject to certification (a resolution) by county council

Mr. Stafford seconded

Motion carried 4-1 w/ Ms. Lessaris opposed.

City of Richmond, Wayne County; Shortfall Appeal: The unit is requesting \$463,532 in additional levy to make up for the property taxes it did not receive from the county in 2007. The unit does not suggest that any fiscal challenge arose because of the error nor does the unit explain the need for the additional appeal at this time. In addition, the unit did not provide documentation that the Richmond City Council has adopted this levy request, though the Mayor has acknowledged it.

Actual:	\$375,912
Unit's Portion:	\$333,085
Advertised:	\$533,062
Requested:	\$463,532

Present for the hearing: Tammy Glenn, City Controller; and Valerie J. Fonzer, Deputy Controller.

Comments: Ms. Glenn commented that the Shortfall appeal for the City is relatively the same as that for the Sanitary District, except this is for funding of their public safety, parks, streets, and pension funds. She stated that over the last several years they have cut costs and are looking at implementing other fees to generate money. Ms. Glenn stated that the City is considering charging a fee for fire protection when responding to car accidents, and they are reviewing all of their fees structures for Sanitary and City, but they must go to the Common Council for approval. She said they are also looking at taxes from the electric utility which has been frozen for nine years as they are trying create some additional revenue to offset what is going to happen in 2010. Ms. Glenn explained that Richmond is not growing and the legislative agency predicted they would have a loss of \$1.66 million in 2010 based on credits and she was informed by IACT that the situation would be much worse unless they see more growth than what they are seeing. She said that their growth is about 1% to 1.5% a year in assessed value and they are struggling now and expect to be in an even more difficult position in 2010. Ms. Glenn shared that they are trying to recover levy from the two years prior, but understand that the DLGF calculation could be less than their request, so they have built into their budget \$300,000.

Mr. Christian asked what the City advertised. Ms. Glenn replied that she advertised \$533,062. Mr. Christian acknowledged that the City Council approved this with a resolution, and that it was signed by the President. He asked if there were any documents signed by City Council. Mr. McLean stated that there is a document signed by the Mayor. Ms. Glenn shared that the budget was approved 9-0. She said that she could provide to the DLGF the minutes from that meeting if necessary. Mr. Christian said he would like to see the members of the council names and their signatures and asked that Ms. Glenn get that to the DLGF.

Mr. Christian asked Ms. Lessaris if it was correct that the DLGF had come up with a figure of \$333,085. Mr. McLean confirmed that the number was good. Ms. Lessaris noted that they received a shortfall appeal last year and were under their maximum levy by \$75,000 last year. She said that it appears as if they are okay for this year, but there was no advertisement. Mr. Christian replied that they advertised for \$533,000.

Ms. Lessaris asked about their rainy day fund balance of \$750,000 as of 6/30/07. She asked if it was supplemental. Ms. Glenn said that it was supplemental. She said that they have spent some of it for drop payments, but use of it is up to Council. Ms. Glenn stated that it would not be used for a while.

Mr. Stafford asked what will happen if the shortfall appeal is not approved. Ms. Glenn replied that the budget is tight as it can get, so they would just go back to drawing board as they have already dropped eight vacant positions. Mr. Christian asked if those personnel would be put back on. Ms. Glenn remarked that they were permanently stricken from the budget. Ms. Lessaris stated that as she looked at 2008 budget, the City only had a 5% operating balance, whereas sanitation had more, so as Ms. Glenn was explaining that with sanitation it would alter operating balance, but for this, not receiving the appeal would affect their budget more. Ms. Glenn commented that the small operating balance that the City has will be consumed by credits, so its not really there.

Motion: Mr. Stafford made a motion to recommend approval of the appeal in the amount of \$333,085. Mr. Kobe seconded the motion.

Motion carried by a vote of 5-0.

Discussion on the motion: Mr. Christian stated that the LGTCB would like to have those signatures by the Council.

Ohio Township Public Library, Warrick County; Shortfall Appeal: The unit is seeking a levy amount of \$36,505 for erroneous AVs in 2006. The unit does not suggest that any fiscal challenge arose because of the error nor does the unit explain the need for the additional appeal at this time. In addition, it is observed that it seems the unit will be creating and funding a Rainy Day Fund in 2009 with \$19,173.00 allocated.

Actual: \$31,143
Unit's Portion: \$24,352
Advertised: \$36,505
Requested: \$36,505

Present for the hearing: Non-appearing

Comments: There were not representatives present from the Unit. Mr. Christian stated that \$24,352 was the DLGF calculation. Mr. McLean said that he had a resolution signed by the Unit's Board, but not one by their oversight board and it is doubtful that their board is an elected

board. Ms. Lessaris said that .0644 is the unit rate for 2008. She asked if this was coincidence or an error. Mr. McLean said there was a reason why he used that number, but...

Mr. Stafford referred to page 3 of Mr. McLean's where it showed that the rate was .0664 and .0644. Mr. Christian commented that the rate could be .0664. Mr. McLean said that he would have to rerun the equation and it could turn out to be an amount slightly larger than \$24,000. Mr. McLean stated that it seemed curious to him that the Unit advertised \$119,173. Ms. Lessaris pointed out that as of 6/30/07 they had \$35,000 going into their rainy day fund, but they are not showing money going into rainy day fund. She said that it could be that it is going to be the supplemental distribution that they put in there. She also notes that they came in slightly under their maximum levy by \$8,400.

Motion: Mr. Kobe made a motion to recommend approval of the appeal in an amount not to exceed \$36,505 as determined by the DLGF. Mr. Bozyski seconded the motion.

Discussion on the motion: Mr. Kobe said that he is allowing for possibility that it might be more than \$24,300. Mr. Stafford asked the motion could be amended to include that it is subject to approval by an elected body. Mr. Christian said it can't be more than \$31,143.

New motion: Mr. Kobe accepted the changes to the motion so that it would be a motion to approve for an amount not to exceed \$31,143, subject to approval by an elected body and the DLGF coming up with new calculations.

Motion carries by a vote of 5-0.

Dearborn County Unit; Correction of Error Appeal: The unit is requesting that they be granted an appeal for a levy of \$110,973 due to an error in its 2008 certified levy. The unit did not discover the error until July, 2008. The Unit has not explained what hardships the loss created nor what it will do with the levy amount.

Advertised: \$300,000 to the General Fund

The DLGF has researched the claim and concluded that the unit is entirely correct; an error created a shortfall and had the error not occurred they would have had the additional revenue in 2008. We have had our field auditor and supervisors confirm this. The County Auditor, who will speak to this shortfall, will also bring the appeal paperwork necessary for consideration that the error also caused a shortfall in the County Welfare Fund; that way the LGTCB can consider both at the same time.

Present for the hearing: Frank Cummings, Consultant; and Cary Pickens, Auditor.

Comments: Mr. McLean said this is a correction of error in the amount of \$110,973 which was an error that the DLGF just didn't catch. Mr. Pickens said that that they came up with \$110,000 in change between the County's calculation and those of the DLGF. Mr. Cummings said that it

deals with levy excess. He said that the issue is that the DLGF used \$535,000 to subtract and the Unit thought the number should be \$424,000, now they have determined it should be even lower.

Ms. Lessaris stated that \$182,000 is the actual error amount. Mr. Christian asked if they are entitled to \$182,000. Ms. Lessaris said that the Unit is entitled. Mr. Pickens said it was his fault as he forgot to subtract out welfare. Ms. Lessaris stated that they need to get another resolution by Board saying they would like to collect \$182,000 and not \$110,000. Mr. Pickens replied that he is not sure they need another resolution because it is for the same error. Mr. Cummings asked the LGTCB what they had to say on the issue. Ms. Lessaris commented that it doesn't have an amount on it. Mr. Christian asked if it needed an amount. Ms. Lessaris said that she does not know why it would because the County Council is capable of looking at advertisement and seeing that they are asking for \$300,000. Mr. Christian said that that is what they approved. Ms. Lessaris remarked that she does not know why they cannot just change figures.

Motion: Ms. Lessaris made a motion to approve the appeal for \$182,000 correction of error. Mr. Stafford seconded the motion.

Discussion on the motion: Ms. Lessaris stated that this is for one year.

Motion carried by a vote of 5-0.

Further discussion: Mr. Kobe asked about the second matter. Mr. McLean said they were rolled into one.

Georgetown Township Fire Protection District, Floyd County; Shortfall

Appeal: The unit is requesting a levy of \$17,907 because the 2007 AV was certified too high. It is explained that this created a maximum tax levy that is insufficient to meet the statutory obligations of the FPD and caused a reduction in fire fighting services. The amount represents as much as 1.6% of the unit's proposed 2009 budget.

Advertised: The unit neglected to provide

The unit was asked to provide the Floyd County Statement of Errors as well as the Statement of Refunds. Without these the DLGF cannot determine if the unit is owed any amount. We do not agree that the unit's equation of "this is our certified levy" minus "our actual distribution" equals \$17,907 is correct, particularly in reflecting on the reason for the shortfall.

Present for the hearing: Frank Cummings, Consultant.

Comments: Mr. Christian asked if the Unit advertised. Mr. Cummings replied yes. Mr. McLean commented that he did not think the LGTCB had it or it hadn't yet arrived. Mr. Cummings said they advertised \$25,000. Ms. Lessaris asked about the error reports and refund reports. Mr. McLean that the originals were on legal size paper, but they were transmitted on letter page so some were cut off and some of the data got lost.

Mr. Christian asked if the DLGF agreed with 17,000. Mr. McLean said that he didn't know. Mr. Christian asked again if they advertised for \$25,000. Mr. Cummings said that it depends on the report and whether or not that sent correctly. Mr. McLean replied to him yes, that is why he needed that advertisement. Mr. Cummings said that he would get that to Mr. McLean.

Mr. Christian asked if any number the LGTCB deals with would be "not to exceed" the \$25,000. Ms. Lessaris asked if the Unit had gone before the County Council since their budget and levy had grown more than 4%. Mr. Christian pointed out that there was a resolution. Mr. Stafford confirmed that there was a resolution from the fire district; he wanted to know if there was one from County Council as well. Mr. Cummings replied that it had been submitted, but nothing was written yet. Mr. Christian said that would be another subject to address.

Ms. Lessaris noted that the budget was cut drastically for 2008, so her assumption is that the \$17,000 would be well utilized; need more paperwork, like the form 22. Mr. Cummings said that he has form 22. Ms. Lessaris also asked if he had the error reports, refund reports, and resolution. Mr. Cummings stated that form 22 will verify settlements; really collect \$721,000 and levy approved as \$739,600.

Motion: Mr. Stafford made a motion to recommend approval of the shortfall appeal in an amount not to exceed \$25,000, subject to receipt of the resolution of the County Council, 2008 and 2009 budget, correction of errors and refund reports. Mr. Kobe seconded the motion.

Discussion on the motion: Mr. Cummings said that he has the budget form 2009. Ms. Lessaris asked if the LGTCB needed the budget forms or resolution. Mr. McLean said that they just need the resolution. Mr. Christian asked again if the LGTCB needs the budget for 2009. Mr. McLean confirmed that they do not. Ms. Lessaris said they just need the resolution.

Motion carries by a vote of 5-0.

Union Township, Vanderburgh County; Emergency Levy Appeal: The unit is seeking an emergency levy of \$40,000 to make ends meet. The Trustee's expenses in the past have been split with the Township Assessor's office. The elimination of the office in July created an unrealistic strain on the Trustee's General Fund.

Advertised: \$40,000 in the General Fund

The DLGF has been able to confirm that the Trustee's Office did split its bills with the no longer existent Assessor. Given the rate caps, the challenges faced by the Trustee seem very real.

Present for the hearing: Joseph Steinkamp, Trustee.

Comments: Mr. Christian asked if at some point in the past the Township shared expenses. Mr. Steinkamp said that they expenses used to be shared between the trustee and assessor, but now

budget cut in half. He said that some of the expenses that were are paid for with the assessor side of budget the money is gone, because of the transfer to the County Assessor. Mr. Steinkamp shared that they are a small office, and previously the assessor side paid for things like postage for Form 11, while the trustee budget was so small that most of the supplies were paid for out of assessor's budget as well.

Mr. Christian asked Mr. Steinkamp if he was in office at the time to which he is referring. Mr. Steinkamp said he has been the Assessor and Trustee for about 21 months. Mr. Christian asked if when he retired as assessor, if all those expenses that came were no longer covered by the County. Mr. Steinkamp said that he gets no money from the County. He said the only budget he has is the trustee's budget, and as things were transferred to the County Assessor's office the Township Assessor funds went with them. Mr. Kobe asked how much money it was that was transferred. Mr. Steinkamp said that he does not know how much the budget was, but it covered things like postage, health insurance benefits, internet and rent. Mr. Christian asked whether or not he remembered approximately what the budget was. Mr. Kobe asked him how he arrived at 40,000. Mr. Steinkamp said that they just made a budget for themselves. He said the Township general fund will be \$10,000 in the hole this year and the Trustee's budget does not cover all of the expenses. Mr. Kobe asked Mr. Steinkamp if he had all of this documented. Mr. Steinkamp said he has it on an 8.5x11 piece of paper. He said that he calculated it and if everything stays the same, the regular budget which is \$10,000 short and adding \$18,000 for health insurance. Mr. Christian questioned the \$18,000 for health insurance. Mr. Steinkamp said that is the county plan in which 8% is paid by employees and 92% paid by county. He noted that other townships have the county's health insurance as well. Mr. Christian asked how much he had to budget for on health. Mr. Steinkamp said it was \$18,105. He said he is paying 92%. Mr. Bozyski asked if he is on a health plan currently. Mr. Steinkamp answered yes from the former trustee/assessor role.

Ms. Lessaris asked if as assessor, that was a full-time job. Mr. Steinkamp said that it was a full-time, but part-time job is what it was labeled. Mr. Christian about whether they were still paying insurance for the part-time position. Mr. Steinkamp replied yes. Mr. Christian said that is \$1500 a month for family coverage. He asked if each one was age-based or family based. Mr. Steinkamp said if you are on a single plan, it costs less than a family. He said they also have an HMO plan and a PPO plan that are slightly different. He said that he does not know the exact numbers. Mr. Christian said that his first recommendation would be to have the County get a different insurance bids because \$18,000 is on the high side.

Ms. Lessaris asked Mr. Steinkamp if he put a full \$18,000 in the budget. Mr. Steinkamp said he did because he assumed it would be more next year. Ms. Lessaris asked if he thought it was fair that the taxpayers are paying for his part-time health insurance. Mr. Steinkamp replied by saying that the trustees are like firemen, even though they do not risk their lives, they do help people. He said that Union is a slow-growth township and he said the answer is when he signed up for the job, the advisory said yes to paying for health insurance because they liked the job he was doing. He said the answer is yes.

Ms. Lessaris asked Mr. Steinkamp what his salary is. Mr. Steinkamp said it is \$6,200 or \$6,500. Ms. Lessaris said that is that's close enough. Mr. Christian asked what some of the other

expenses are. Mr. Steinkamp responded that since the general fund is \$10,000 in the hole, there is no money for travel for conventions; \$480 rounded to \$500; \$570 for internet; \$900 for telephone; \$300 for supplies; \$3,120 for mowing, etc. Mr. Christian asked how big the property is and how many cemeteries they have. Mr. Steinkamp said they have five. He said there is also \$1,150 for salaries and \$1,132 for taxes. Mr. Bozowski asked if the Clerk has health insurance as well. Mr. Steinkamp replied no, but they are paid \$650 for published reports.

Ms. Lessaris said that the total she comes up with is under 32,872. She commented that he is asking for enough levy increase to more than cover the full increase in expenses. Mr. Steinkamp said he is asking for that amount to get them back on track. Mr. Christian said if the budget is \$32,872 rounded to \$33,000 and he is asking for \$40,000; that pushes it to \$73,000 unless there are additional expenses.

Ms. Lessaris asked Mr. Steinkamp if he had gone to the budget workshop. Mr. Steinkamp said that he had and had met with Robert Norris. Mr. Christian asked if Mr. Steinkamp's wife is the clerk. Mr. Steinkamp replied yes. Ms. Lessaris asked Mr. Steinkamp if he does the mowing. He said that he does not.

Mr. Christian asked about the rent. Mr. Steinkamp said it is \$750 a quarter or \$250 a month. Mr. Steinkamp said they pay another \$100 for association fees and property insurance is \$319 a year. Ms. Lessaris said the total is now \$36,291. She asked if Mr. Norris helped him do advertising and if he helped with the fire building debt at \$28,500. Mr. Steinkamp said that he did. Ms. Lessaris commented that he is asking for another \$40,000 when Union's levy this year is just under \$30,000 and then he is coming in for \$25,000 for fire debt and \$40,000 for township. She said that is 13 cents to 43 cents, if there is no homestead deduction.

Mr. Christian asked what Union pays on the bonds for pole barn.

Ms. Lessaris said he is raising enough to pay for first year and part of second, so that is where I came up with 43 cents of tax rate impact. Mr. Christian said that this pushes his expenses up to \$64,000. Ms. Lessaris said she is just counting that amount in the total tax rate impact.

Mr. Kobe remarked that they are working too hard here. He asked if it isn't up to the township to present a budget and show to the LGTCB's satisfaction that there is a basis for the appeal. He said that he does not see the justification nor is the trustee making a good case. Mr. Christian commented that he does not think Mr. Steinkamp had made the case either. Mr. Stafford said that it is too much money for a township this size when responsibilities have been reduced and not increased.

Mr. Steinkamp said that part of what happened for 2009 is that people in the township paid on their 2008 tax bills to run the office for 2009 and some of that money is going to the county level. Ms. Lessaris responded saying that that is not true. She explained that with the township assessor salary and any expenses paid out of county general fund, there was no reason to filter those funds back to the township. She commented that Mr. Steinkamp's duties were cut, but county was allowing him to turn in bills that were covering trustee and assessor responsibilities; but now the full burden is on the trustee.

Mr. Christian posed the question that if there was a township assessor and a separate trustee, that when the assessor was phased out, all of those expenses would be gone as well the budget, the employee and the benefits. Mr. Steinkamp agreed, but stated that in this instance there was one person doing two jobs and if things had been split correctly things would be different. Mr. Christian said there are certain expenses that he is not sure should be transferred over to the trustee. Mr. Steinkamp said that he is trying to get the township general fund from negative to even; it is \$10,000 in the hole without health insurance. Ms. Lessaris stated that the budget was approved for \$16,677 in township fund.

Mr. Steinkamp said that if he just pays salaries, publishing, etc. that puts him \$280 in the hole, but that doesn't include mowing, any mileage, postage, travel, etc. He said he is not opposed to going for a one-year fix and he is still not opposed to talking with state representatives and senators and get a handle on it.

Motion: Ms. Lessaris made a motion to recommend denial of the \$40,000 request. Mr. Kobe seconded the motion.

Motion carried by a vote of 5-0.

Further discussion: Mr. Steinkamp asked if the township general fund is negative, what he can do. He said that every year they go through the audit and the auditor says the general fund in the red. He asked what he should do if once he pays for fire protection, township assistance, cumulative fire fund, and there is no money to transfer and the general fund is negative. Ms. Lessaris said to cut his costs – look at how much he is paying for home rental, as that could be erased completely. She said he has to cover himself by an insurance umbrella, but he needs to look at whether or not there should be a special phone for township assistance; look at internet. She said he has to cut costs.

Mr. Stafford stated that the State legislature now allows townships to merge and Union is too small to function in a cost-effective manner. He said that at their size they should talk to an adjacent township. Mr. Christian suggested that if the County was paying for split expenses on office rental, etc., he may want to go back to the County to see if he could recoup some of the funds.

Mr. Christian commented that everyone needs health insurance, but the question is the expenditure justified on the trustee side when it was for a full-time position previously.

Mr. Bozyski asked if all the neighboring trustees have health insurance with the County. Mr. Steinkamp replied that some do and some don't. Mr. Christian asked if the county considers all trustees part time. Mr. Steinkamp said no, but he is. Mr. Stafford asked which townships are adjacent to Union. Mr. Steinkamp said that there is only one that is adjacent to Union. Mr. Stafford asked how many people are in that township. Mr. Steinkamp said there are about 1,000 to 1,200 because it is rural and prone to flooding. Mr. Christian asked how big the adjacent township is. Mr. Steinkamp replied that it is Perry Township which has about 1,300 parcels and their township assessor moved to County office. He said it is a decent sized township; more

urban than rural. Mr. Christian asked about their budget. Mr. Steinkamp said they have a staff of four at their trustee's office.

Ms. Lessaris asked how township assistance is doing. Mr. Steinkamp said they were able to help everybody, but their problem was that there is no city gas. He said they were giving \$100, then they cut back to \$50 and that was not helping too much. He said it was discouraging; if somebody dies that costs money. Ms. Lessaris stated that if he gets into trouble with township assistance, he can borrow. Mr. Steinkamp asked if the township assistance gets run in the hole, if then they will allow him to increase your levy. Ms. Lessaris said that they took the law away and he would need to talk to his legislator, merge or, cut costs.

Mr. Christian adjourned the meeting at 3:53 pm.