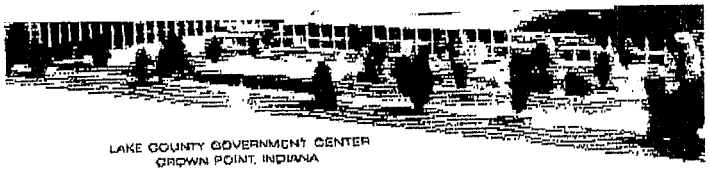
LAKE COUNTY COUNCIL

LAKE COUNTY GOVERNMENT CENTER
2293 NORTH MAIN STREET
CROWN POINT, INDIANA 46307
219-755-3280
FAX: 219-755-3283



LAKE COUNTY GOVERNMENT CENTER
CROWN POINT, INDIANA

1049-M

September 25, 2009

Dear Fiscal Officer:

1ST DISTRICT
ERNIE DILLON

2ND DISTRICT
ELSIE FRANKLIN

3RD DISTRICT
JEROME A. PRINCE

4TH DISTRICT
THOMAS O'DONNELL

5TH DISTRICT
CHRISTINE CID

6TH DISTRICT
TED F. BILSKI

7TH DISTRICT
LARRY BLANCHARD

IC 6-1.1-17-3.5 requires the Lake County Council to issue non-binding recommendations to a civil taxing unit regarding the civil taxing unit's estimated or proposed tax rate, tax levy or budget.

Itemized tax rate, tax levy, or budget recommendations cannot be affixed without the assessed valuation, "Pay 2009" property tax settlement distributions and knowledge of your internal financial reserves. In addition, the following data is required to make a definitive recommendation:

- Variances in year-end 2009 expenditures (Line 2)
- Variances or adjustments in miscellaneous revenue (Lines 8a and 8b)
- Final "approved" budgets and tax levies (Line 1 and Line 16)
- Defensive factoring built into the estimated budgets, tax rate and tax levy to protect the maximum levy

This data will not be available to the Lake County Council prior to its deadline to issue non-binding recommendations on or before October 17, 2009.

Despite these profound challenges, the Lake County Council must issue insightful recommendations and comparative data, before October 17, 2009, regarding a civil unit's estimated or proposed tax rate, tax levy and budget. Two (2) general categories and corresponding recommendations that were constructed are attached. Please select the applicable category that applies to your unit in order to access the appropriate recommendation.

Baseline information on the categorization was gleaned from the Legislative Services' report. Realistic and vitally important assessed valuation and trending estimates were provided by your unit, with guidance from the Lake County Assessors' and Lake County Auditor's Offices. The estimated/proposed budget and tax levy data were provided by your unit.

Lastly, IC 6-1.1-17-3.5 requires comparative data that is also attached.

Sincerely,

Larry Blanchard, President
Lake County Council
Attachments

Recommendation Section

Category 1: Units with LSA Deficits Due to Caps and Chronic Property Tax Settlement Distribution Shortfalls

Recommendations:

- Reduce maximum levy equal to the LSA estimated deficit, as a result of the caps. Reduce budgets, tax levies and tax rates to accommodate the reduction in the maximum levy.

PLUS

- Reduce budgets, tax levies and tax rates to compensate for any shrinkage in property tax settlement distributions, shortfalls in miscellaneous revenue, and reductions in assessed valuations - not covered by the LSA estimated deficits.

PLUS

- Adopt/Implement new revenue sources. New revenue must be cost-justified

PLUS

- Refrain from any new or additional debt service impacting the tax levy or tax rate

Category 2: Units with No or Marginal LSA Deficits Due to Caps

Subsection a) – units with unstable or eroding property tax settlement distributions, or anticipated reductions in property assessed valuations not covered by the LSA estimated deficits, or no discretionary internal reserves to compensate for any negative variances in distributions, miscellaneous revenue, or assessed valuation adjustments beyond the LSA estimates. Units with appropriation and tax levy having relatively high budget and tax levy per capita numbers, and relatively low assessed valuation per capita numbers would be prime candidates for this category.

Recommendations:

- Maintain maximum levy but reduce budgets, tax levy and tax rate to offset any losses from anticipated property tax settlement distributions, miscellaneous revenue, or <u>short term</u> anomalies in assessed valuations.

PLUS

- Refrain from any new debt service impacting the tax levy or tax rate. New debt service requiring a tax levy or tax rate must be "exempt."

Recommendation Section (page 2)

Subsection b) – units with stable property tax settlement distributions, moderating or growing property assessed valuations, access to or disposition toward incremental miscellaneous revenue sources, or internal discretionary reserves sufficient to compensate for the items in Subsection a) above. Some units may have intentionally overstated budgets, tax levies and tax rates to protect their maximum levy. Some of that misrepresentation can be offset with relatively low budget and tax levy per capita numbers, or relatively high assessed valuation numbers.

Note: new miscellaneous revenue must be cost-justified.

Recommendations:

- Maintain maximum levy, budgets, tax levies and tax rates at their current levels. Budget increases may be increased by the amount of sustainable/renewable incremental miscellaneous revenue sources.

PLUS

- New debt service is recommended as long as it's supported with new, incremental assessed valuation or is "exempt" from the property tax caps.

Comparative Data

(2000 Census Data for 16 Cities/Towns; Adjusted 2000 Census Data for Townships and East Chg., Gary and Hammond)

Count	Civil Unit Name	'09 Appr. Per Capita	2009 - 2010 Appro. Increase	'09 Levy Per Capita	2009 - 2010 Levy Increase	2009 - 2010 Assessed Val. Increase	'09 AV Per Capita
	All Funds						
1	Eagle Creek Township	120.08	0.00%	86.44	24.22%	-10.00%	71,221
2	Calumet Township	114.68	8.85%	118.62	10.79%	-12.59%	23,770
3	Winfield Township	99.34	16.73%	50.90	100.94%	0.00%	74,721
4	West Creek Township	77.50	10.36%	60.85	4.19%	-15.00%	67,923
5	Cedar Creek Township	66.64	29.38%	68.48	10.02%	-6.90%	50,837
6	Hanover Township	53.87	19.74%	44.36	12.10%	-15.18%	67,820
7	North Township	41.94	2.91%	29.41	1.62%	-5.77%	38,439
8	Hobart Township	25.77	14.17%	14.00	75.67%	0.00%	26,342
9	Center Township	23.71	83.74%	23.52	6.76%	-13.50%	66,544
10	Ross Township	**19.40**	*$0 Appr. in '09*	28.21	9.14%	-2.82%	69,160
11	St. John Township	16.54	1.85%	13.20	0.00%	0.00%	69,454

Note: Ross Township Per Capita Appropriation is Estimated

	General Fund Only						
12	Whiting Civil City	1,321.33	-8.66%	1,038.63	12.46%	-15.21%	68,875
13	East Chicago Civil City	1,134.34	17.63%	1,050.12	1.65%	-22.50%	38,737
14	Crown Point Civil City	668.04	1.94%	363.44	76.99%	-18.10%	72,893
15	Gary Civil City	630.80	-5.04%	569.02	-13.85%	-30.00%	23,642
16	St. John Civil Town	622.23	-8.26%	367.36	19.89%	-30.07%	102,356
17	Hammond Civil City	606.01	8.37%	452.93	0.27%	0.00%	29,536
18	Schneider Civil Town	**425.86**	*$0 Appr. in '09*	373.33	30.31%	0.00%	25,660
19	Hobart Civil Town	409.85	1.23%	319.79	23.55%	0.00%	35,564
20	Cedar Lake Civil Town	385.30	2.04%	217.98	33.89%	-50.00%	47,510
21	Griffith Civil Town	384.36	5.10%	237.56	11.52%	-26.10%	35,131

Comparative Data

(2000 Census Data for 16 Cities/Towns; Adjusted 2000 Census Data for Townships and East Chg., Gary and Hammond)

	Civil Unit Name	'09 Appr. Per Capita	2009 - 2010 Appro. Increase	'09 Levy Per Capita	2009 - 2010 Levy Increase	2009 - 2010 Assessed Val. Increase	'09 AV Per Capita
22	Lowell Civil Town	382.77	-0.01%	284.86	23.49%	-10.00%	46,071
23	Schererville Civil Town	324.63	-2.38%	245.95	4.71%	-15.46%	72,831
24	Dyer Civil Town	295.13	12.63%	210.09	10.57%	0.00%	59,466
25	Merrillville Civil Town	251.96	16.88%	201.82	24.85%	-19.38%	60,880
26	Highland Civil Town	244.87	23.14%	160.90	87.40%	-20.00%	63,919
27	Munster Civil Town	244.39	23.14%	160.51	87.40%	-20.00%	63,794
28	Winfield Civil Town	239.07	-3.23%	52.11	23.34%	-28.96%	72,369
29	Lake Station Civil City	**225.00**	*$0 Appr. in '09*	227.02	-18.50%	0.00%	16,948
30	New Chicago Civil Town	218.17	44.33%	142.66	110.92%	-8.22%	17,429

Note: Lake Station and Schneider Per Capita Appropriations are Estimated

	General Fund Only						
31	Whiting Public Library	193.36	-3.49%	199.46	0.07%	-10.00%	68,875
32	East Chicago Public Library	163.53	-1.76%	169.98	3.80%	-35.41%	38,737
33	Lowell Public Library	135.55	-0.50%	101.43	77.93%	-10.02%	133,281
34	Crown Point Public Library	72.66	2.80%	52.37	14.08%	-10.00%	114,345
35	Gary Public Library	66.97	-11.27%	66.97	6.70%	0.00%	22,648
36	Hammond Public Library	52.52	5.19%	48.35	6.84%	-25.00%	29,536
37	Lake County Public Library	52.21	1.97%	35.92	3.31%	-25.00%	45,930

	General Fund Only						
38	East Chicago Sanitary	600.44	-33.33%	359.79	-25.83%	-22.50%	38,737
39	Whiting Sanitary	536.17	1.66%	349.13	22.67%	-15.21%	68,875
40	Gary Sanitary	120.84	-44.64%	76.23	-17.62%	-30.00%	24,600
41	St. John Sanitary	45.34	0.00%	31.43	20.15%	-32.37%	105,828

Comparative Data

(2000 Census Data for 16 Cities/Towns; Adjusted 2000 Census Data for Townships and East Chg., Gary and Hammond)

	Civil Unit Name	'09 Appr. Per Capita	2009 - 2010 Appro. Increase	'09 Levy Per Capita	2009 - 2010 Levy Increase	2009 - 2010 Assessed Val. Increase	'09 AV Per Capita
42	Hammond Sanitary	44.41	-1.12%	38.09	6.67%	-8.00%	49,150
43	Dyer Sanitary District	24.66	28.46%	21.11	3.81%	0.00%	59,466
44	Highland Sanitary	9.67	0.00%	7.48	14.21%	-30.00%	45,919
	General Fund Only						
45	Hammond Redevelopment	6.37	14.48%	5.97	4.85%	-10.00%	29,536
46	Gary Redevelopment	5.21	-5.88%	2.48	25.99%	-30.00%	23,642
	General Fund Only						
47	St. John Water District	44.19	0.00%	25.72	86.27%	-32.37%	105,841
48	Dyer Water Works	27.90	1.03%	23.55	19.11%	0.00%	59,466
49	Winfield Waterworks	3.53	-28.73%	0.49	5.60%	-25.80%	8,854
50	Highland Water District	-	0.00%	-	0.00%	*no budget or levy*	45,919
51	Gary Airport	32.24	4.00%	14.75	6.35%	-30.00%	23,642
52	Gary Public Transportation	91.30	0.00%	27.95	0.00%	-30.00%	23,642
53	Gary Storm Water Mgt.	18.14	-12.08%	9.79	17.16%	-30.00%	23,642
54	Lake County Solid Waste	10.68	0.00%	9.73	0.00%	-13.05%	42,683
55	Lake Ridge Fire Protection	N/A	-3.45%	N/A	10.02%	-10.00%	N/A