

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

IN THE MATTER OF THE REQUEST)
OF CITY OF COLUMBIA CITY, WHITLEY) A23-061
COUNTY, FOR AN EXCESS LEVY DUE)
TO THREE-YEAR GROWTH)

The Department of Local Government Finance (“Department”) has reviewed an appeal by the City of Columbia City (“City”) for an excess levy in the amount of \$260,000 to its civil maximum levy due to three-year growth. Indiana Code § 6-1.1-18.5-13 allows the Department to grant permission to a civil taxing unit to increase its maximum levy if the Department finds that the quotient determined under Step Six of the following formula is equal to or greater than one and two-hundredths (1.02):

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

2023, 2022, and 2021

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

City assessed values for 2020, 2021, 2022, and 2023, respectively:

<i>2020:</i>	<i>306,330,019</i>
<i>2021:</i>	<i>326,384,214</i>
<i>2022:</i>	<i>353,399,367</i>
<i>2023:</i>	<i>432,339,365</i>

Step 2 quotients:

<i>2021/2020:</i>	<i>1.0654</i>
<i>2022/2021:</i>	<i>1.0828</i>
<i>2023/2022:</i>	<i>1.2234</i>

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

1.1239 ([1.0654+1.0828+1.2234]/3)

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

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

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

1.0804 ([1.0392; 1.0541; 1.1481]/3)

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

1.0403 (1.1239/1.0804)

The maximum amount that the Department may award is the amount by which Step 3 exceeds the maximum levy growth quotient (“MLGQ”) as calculated according to Ind. Code § 6-1.1-18.5-2 (this amount is 1.04 or 4% for 2024; since 1.0403 is greater than 1.020, the City is eligible for a three-year growth appeal):

0.0839 (8.39%) (1.1239-1.0400)

The City’s 2023 maximum civil levy is \$3,087,733. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 8.39% growth factor calculated above results in a figure of \$259,061, which is the maximum for which the City could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the City must also show that it is unable to perform its government functions without this increase.

The City states in its appeal that the excess levy is necessary to continue to provide the “historical required level of service” to its residents, including public safety, infrastructure, and quality of life needs. Over the past decade, the City has experienced a 13% growth in population. With the population growth and the “inflationary cost adjustments,” the City indicated that the levy growth quotient has “not kept up with [the City’s] growing community and has hampered [the City’s] efforts to provide for [residents] needs.”

The Department does not find that inflation and rising costs as appropriate reasons to grant an excess levy. Inflation is an ongoing economic phenomenon, and the recent high rate of inflation will likely return to more manageable levels in the near future. More importantly, **inflection inflation** affects everyone, including the taxpayers who would also then have to bear the burden of an excess levy. The taxpayers have to deal with the rising costs as much as the City, but while the City can claim it needs an excess levy to make up for rising costs, the taxpayers may not have similar recourses for relief. This is especially important considering the Indiana General Assembly enacted legislation in 2023 to limit the MLGQ for Pay-2024 as a way of controlling the taxpayers’ burden due to rising property values and inflation. Therefore, the Department will not consider inflation or general cost increases as justification for the excess levy.

The City did indicate that with a decline in volunteer firefighters, there is a need to hire more full-time firefighters. Specifically, the City plans to hire an additional firefighter and an additional police officer to ensure the safety of its residents. Based on the data available from the Employee Compensation Report (Form 100R), below are the average and median police officer salaries from 2018 to 2022:

Year	Number of Officers	Average Salary ¹	Median Salary ²
2022	25	\$65,693.29	\$64,704.12
2021	22	\$63,992.38	\$62,602.85
2020	25	\$53,913.12	\$58,123.09
2019	25	\$53,508.83	\$60,998.37
2018	20	\$56,243.20	\$56,961.75

Based on the data available from the Employee Compensation Report (Form 100R), below are the average and median firefighter salaries from 2018 to 2022:

Year	Number of Officers	Average Salary ³	Median Salary ⁴
2022	13	\$67,573.06	\$77,381.19
2021	13	\$64,958.36	\$69,172.85
2020	13	\$61,699.64	\$64,603.66
2019	13	\$57,742.29	\$60,019.98
2018	12	\$57,218.73	\$59,076.78

The City stated on its Budget Form 3 that it seeks an excess levy appeal of \$260,000 for its General Fund. Finally, the City received a permanent excess levy in the amount of \$102,360 for Pay-2023 and \$43,739 for Pay-2021.

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

APPROVED WITH MODIFICATION:

The City’s excess levy appeal is approved in the amount of **\$259,061**. This figure reflects the amount for which the City qualifies under the statutory three-year growth formula and does not exceed the amount for which the City advertised and petitioned the Department. This is a one-time, permanent increase.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

WITNESS MY HAND AND SEAL of this Department on this 1 day of December, 2023.



Daniel Shackle, Commissioner

¹ Average salary figure based on individuals listed as Police SRO, Police 1st Class, Police K-9 Officer, Police Sergeant, Police Detective, Police Asst. Detective, and Police Captain.

² Median salary figure based on individuals listed as Police SRO, Police 1st Class, Police K-9 Officer, Police Sergeant, Police Detective, Police Asst. Detective, and Police Captain.

³ Average salary figure excludes individuals listed as Fire Probationary.

⁴ Median salary figure excludes individuals listed as Fire Probationary.