Tools to Analyze Financial Positions & Assist with Fiscal Transparency

August 24, 2018

Local Government Financial Transparency through Gateway

Matthew Parkinson
Deputy Commissioner and Chief of Staff
Indiana Public Finance Leadership Summit
August 24, 2018

Gateway Overview

- Online portal used to submit local government financial data.
- Two primary purposes:
  - Collection of forms and figures from local officials.
  - Transparency for the general public.

Data Analysis at DLGF

Data Compliance

- Sales
- Tax Bills
- Real Property
- Personal Property
- Mobile Assessments

Data Analysis at DLGF

Sales Compliance

- Performed each spring.
- Predecessor to ratio studies.
- Required fields include buyer, seller, parcel number, and sales price.

Data Analysis at DLGF

Tax Compliance

- Performed each spring.
- Tax Bills comparisons to county abstracts.
- Checks for credits and deductions.

Data Analysis at DLGF

Real Property Compliance

- Performed in fall and spring.
- Assessment of real property.
- Required fields include parcel number, tax district code, owner information, assessed value, and property class code.

Data Analysis at DLGF

Personal Property Compliance

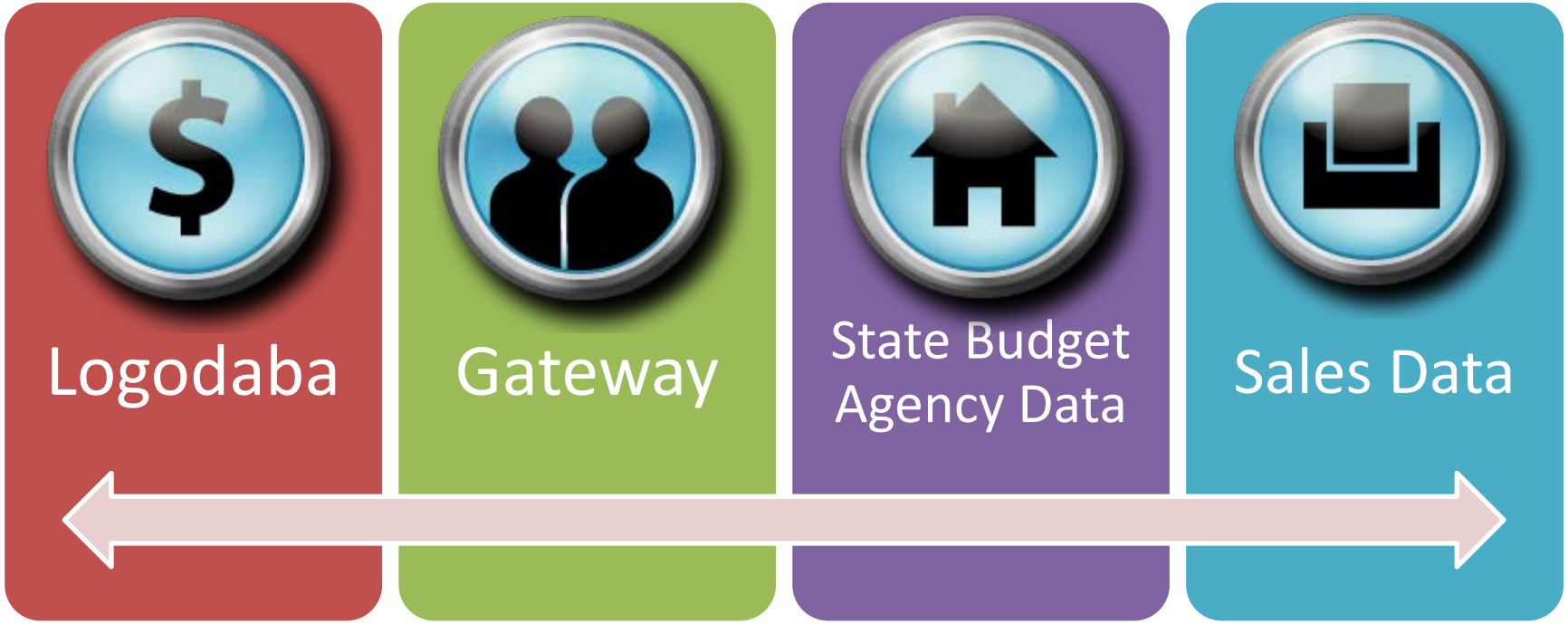
- Performed in fall and spring.
- Assessment of personal property.
- Required fields include property number, owner information, and assessed value.

Data Analysis at DLGF

Mobile Property Compliance

- Performed in summer
- Assessment of mobile property
- New in 2015
- Focus on Vehicle Identification Number

Main DLGF Databases



LOGODABA

- **Lo**cal **Go**vernment **Da**ta**ba**se (LOGODABA) has been the main source of budget related data for 30+ years.

Gateway

- Database and application hosted on IBRC servers.
- https://gateway.ifionline.org/

Assessment and Tax Bill Tables

- Four data sets are uploaded and hosted on the state network.
  - Real Property Submission from assessors.
  - Personal Property Submission from assessors.
  - Mobile Property Submission from assessors.
  - Tax Data from auditors.

Sales Data

- Tracks most sales of real property across the state
- http://gatewaysdf.ifionline.org

Interactive Dashboard

- Debuted in 2017.
- https://gateway.ifionline.org/public/FD/overview.aspx.
- IC 5-14-3.9.
- Uses budget, AFR, 100R, and debt data.
- Local governments must post a link on their own website.

Interactive Dashboard

Bremen town

PDF

Taxes

Property Tax Rate in 2017

1.3699

12.5 % chg. 2012-2017

Total Tax Levy in 2017

$2,485,254

14.2 % chg. 2012-2017

Certified Net Assessed Value in 2017

$181,418,642

1.5 % chg. 2012-2017

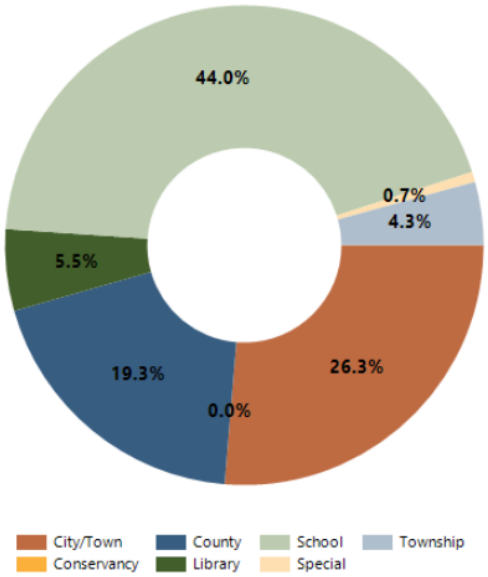
Budget and Expenditures

Property Tax Summaries

- Revised version debuted in 2018.
- https://gateway.ifionline.org/public/pts/Default.aspx.
- Displays data about levies, circuit breakers, and assessments using a combination of charts and graphs.

Property Tax Summaries

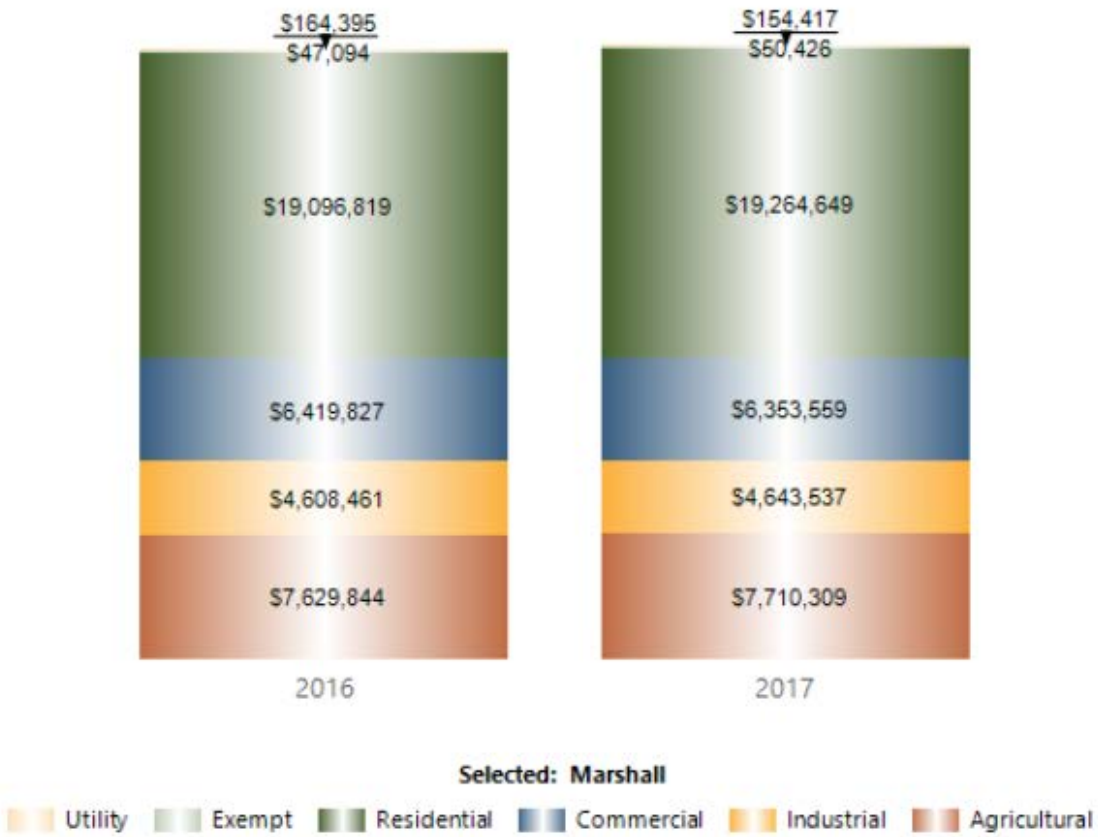
1 of 1 Find | Next

County	Property Tax Summary 2017 Who Levies for Property Taxes?
Marshall	

County - $8,525,636
Township - $1,883,990
City/Town - $11,643,593
School - $19,454,618
Library - $2,432,367
Special - $306,913

Property Tax Summaries

Property Tax Paid (Net Tax Due) by Property Class



Local Contract Search

- Local governments must upload contracts exceeding $50,000.
- IC 5-14-3.9.
- https://gateway.ifionline.org/public/contract-search/

Local Contract Search

Local Contracts Search

Indiana Code 5-14-3.8-3.5 requires political subdivisions to upload digital copies of contracts to Gateway. Political subdivisions are instructed to upload contracts if the total cost of the contract exceeds $50,000.

Search using any of the criteria below:

County: Marshall
Unit Type: County
Unit Name:

Search

Sort any column by clicking on the column name, or apply additional filters via the embedded text boxes. To apply an additional filter, type in the number or word, select the filter icon to the right of the box, and choose the type of filter that should be applied. By default, this page will display a maximum of 200 search results. You may view additional results by clicking the arrows at the bottom of the search results list.

Unit	County	Vendor	Est. Cost	Sign Date	End Date	Date Added
MARSHALL COUNTY	Marshall	Caterpillar Financial Services Corporation	$301,711.06	08/18/2017	08/18/2024	10/12/2017
MARSHALL COUNTY	Marshall	Walsh & Kelly	$325,250.00	11/20/2017	05/31/2018	11/20/2017
MARSHALL	Marshall	USI Consultants, Inc	$309,706.58	04/16/2018	09/30/2022	04/18/2018

File Name	Upload Date	Download
Caterpillar Financial Services Corporation.pdf	10/12/2017	
1 file(s) uploaded	Last upload: 10/12/2017 2:07:55 PM	

1 Page size: 10 1 items in 1 pages

Next Steps

- More GIS tools.
- Current Examples:
  - Budget Notices: http://budgetnotices.in.gov/
  - Report Builder – Search by Address: https://gateway.ifionline.org/report_builder/

Next Steps

- Additional and more user-friendly download tools.
- Current data sets available for download include AFR data, budget data, real property assessments, and tax bills.
- https://gateway.ifionline.org/public/download.aspx
- Upcoming: Form 22.
- Upcoming: Smaller data sets.

Thank you!

- Matthew Parkinson, Deputy Commissioner and Chief of Staff
  - Telephone: 317.232.3759
  - E-mail: mparkinson@dlgf.in.gov
  - Website: www.in.gov/dlgf
  - “Contact Us”: www.in.gov/dlgf/2338.htm

Property Tax, Income Tax & Utility Rate Benchmarking & Analysis

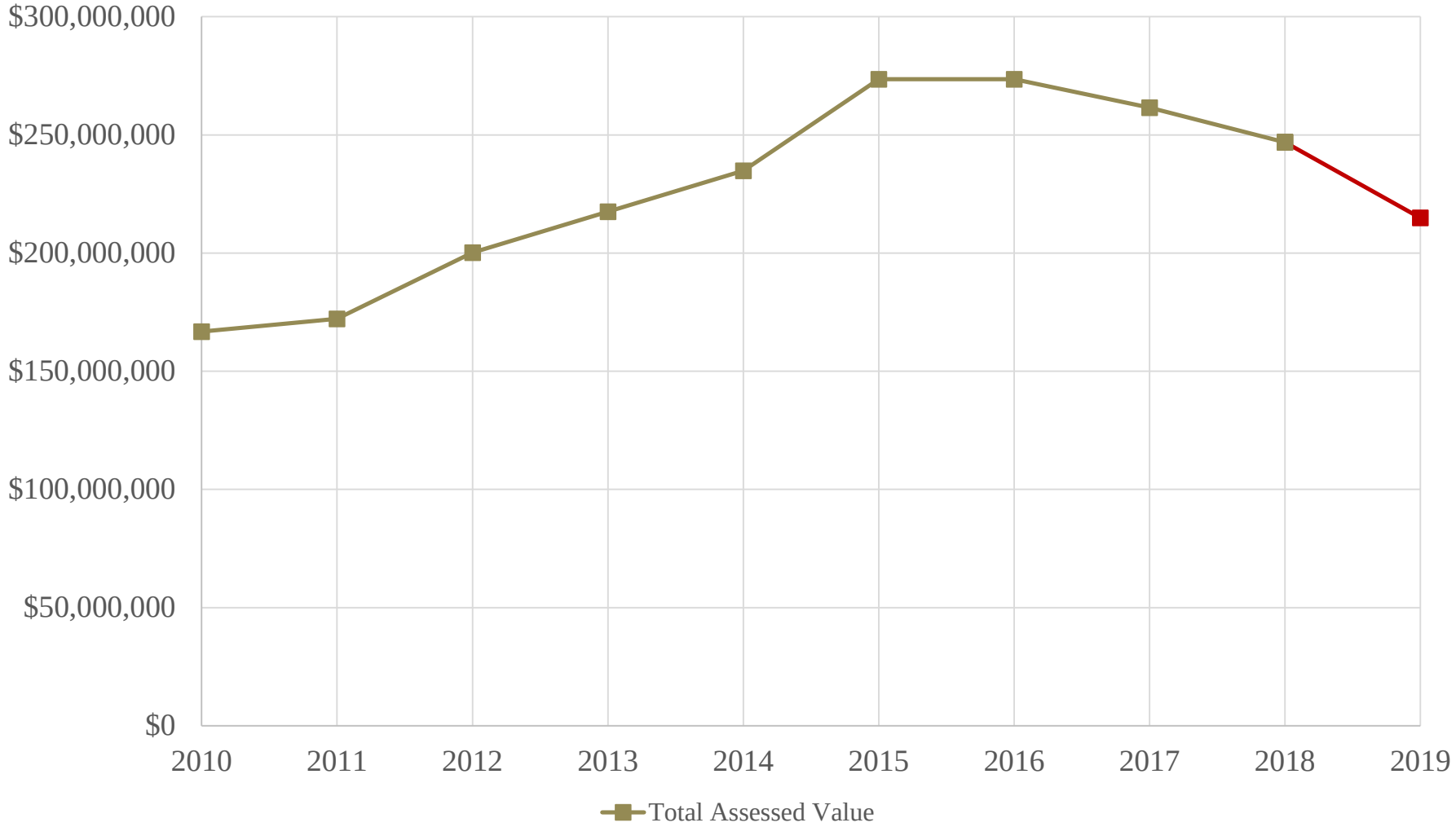
UMBAUGH

Dan Hedden, CPA, Partner
(317) 465-1500
hedden@umbaugh.com
Jeff Rowe, CPA, Partner
(574) 935-5178
rowe@umbaugh.com
Andy Mouser, CIPMA, Manager
(317) 465-1500
mouser@umbaugh.com

Correlations

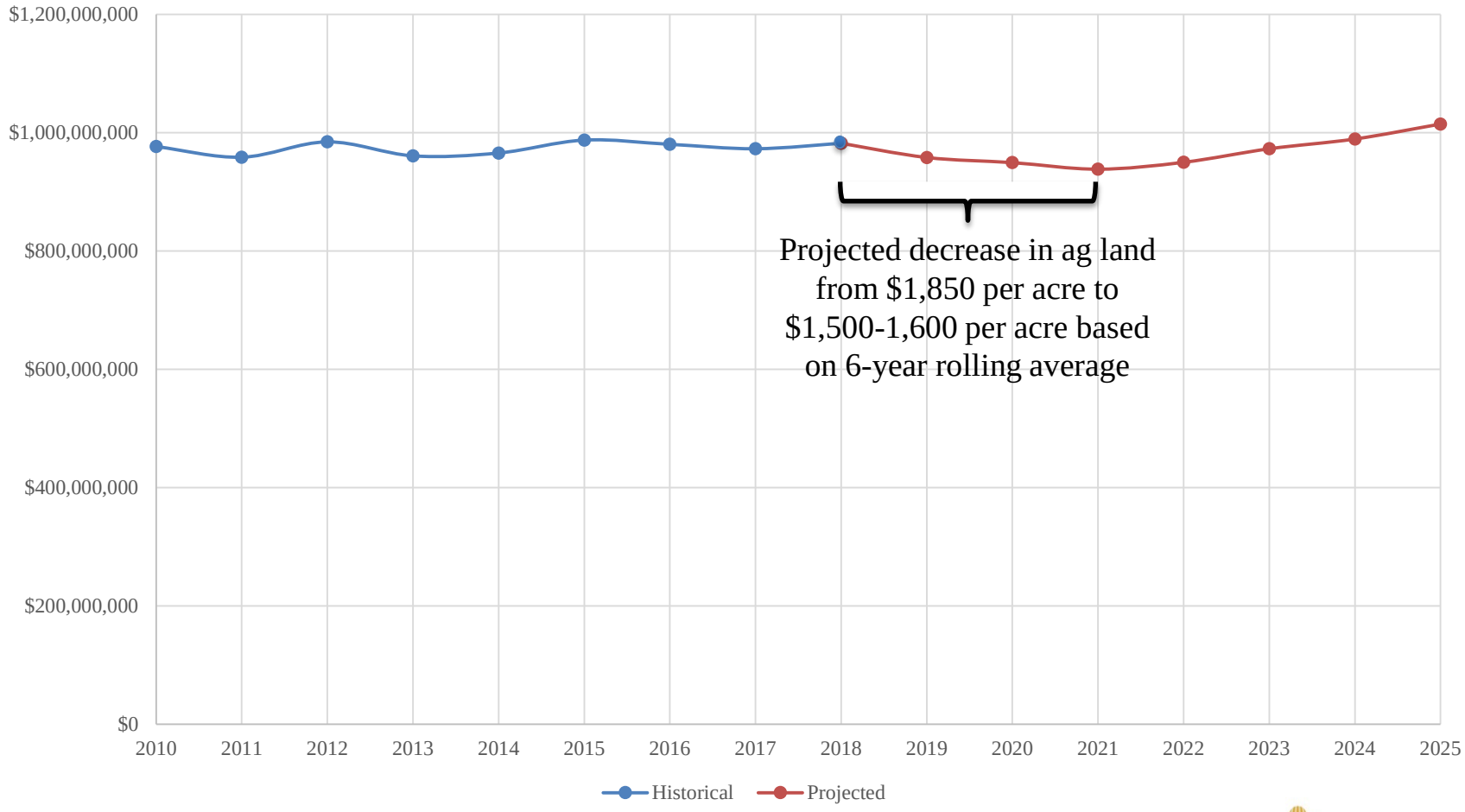
- ↑ If assessed value increases, ↓ tax rates decrease
- ↓ If assessed value decreases, ↑ tax rates increase
- = If assessed value stable, but ↑ levies increase…
  then ↑ tax rates increase…
  and ↑ Circuit Breaker losses increase.

HISTORICAL AGRICULTURAL LAND VALUES



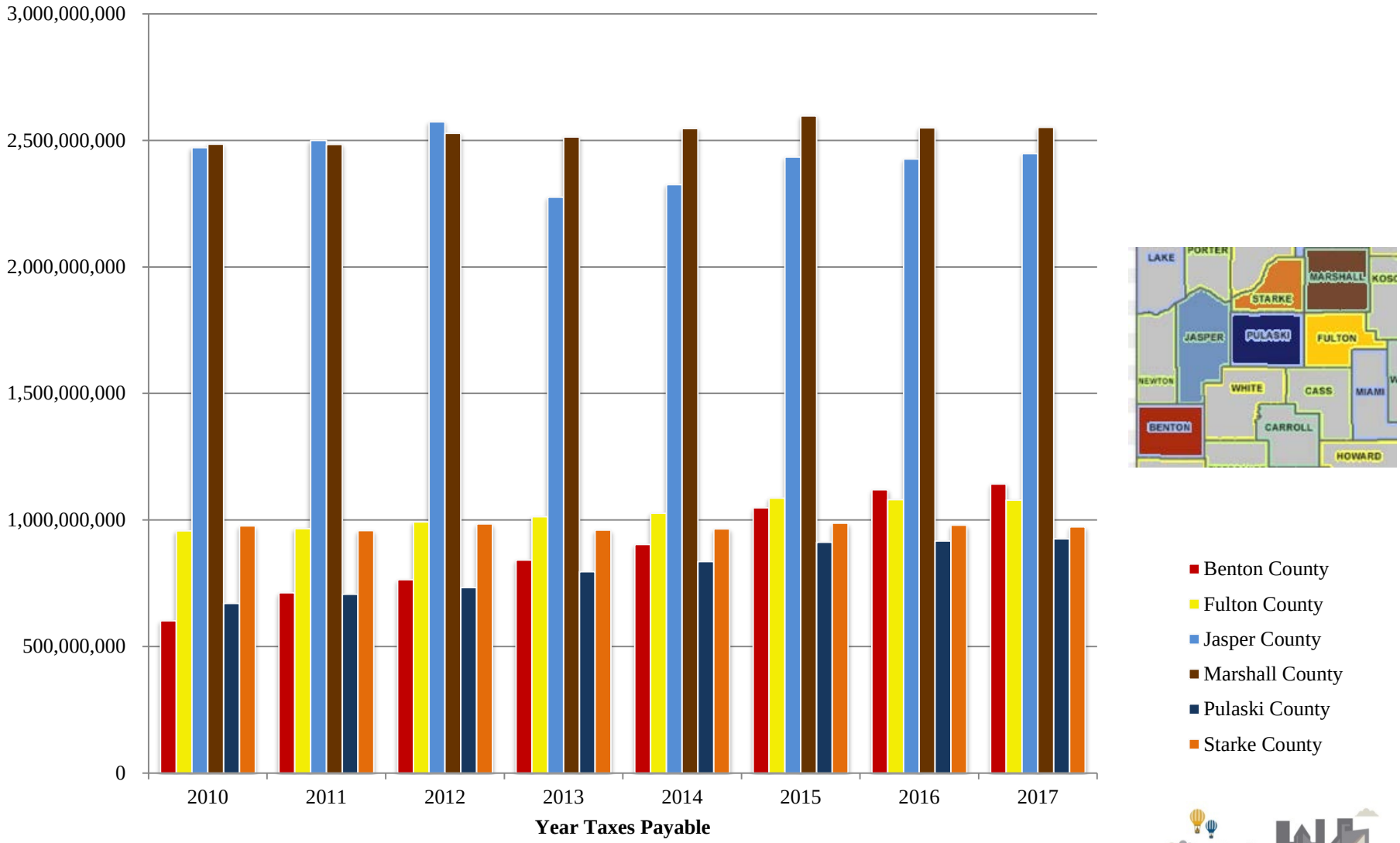
Note: Assumes total farm land acreage in Starke County is 133,459 acres per the USDA Census of Agriculture.

Historical & Projected Net AV



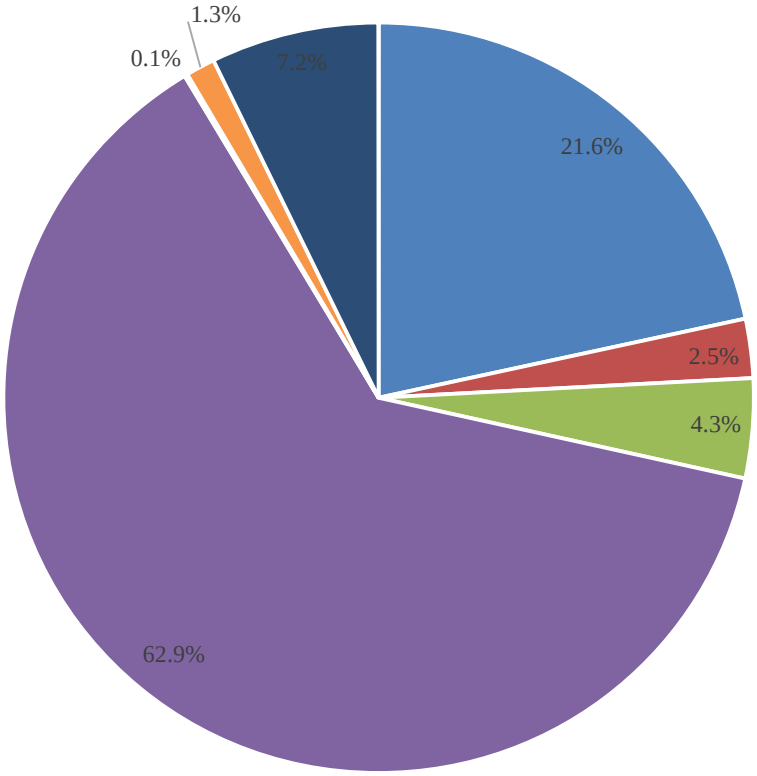
HISTORICAL NET ASSESSED VALUATION ANALYSIS

Starke County and Surrounding Counties

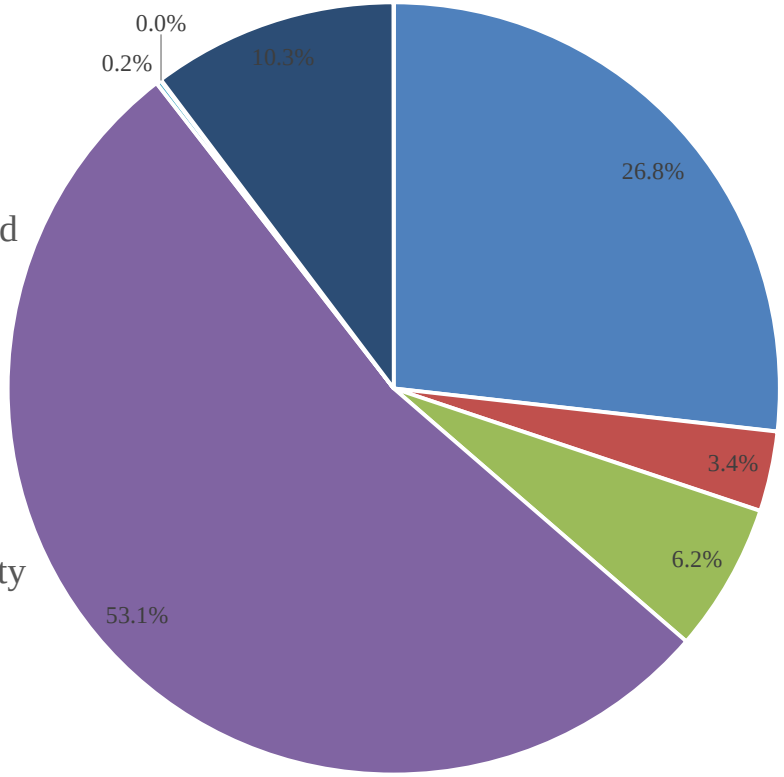


Breakdown of County Assessed Value by Property Type

Gross Assessed Value



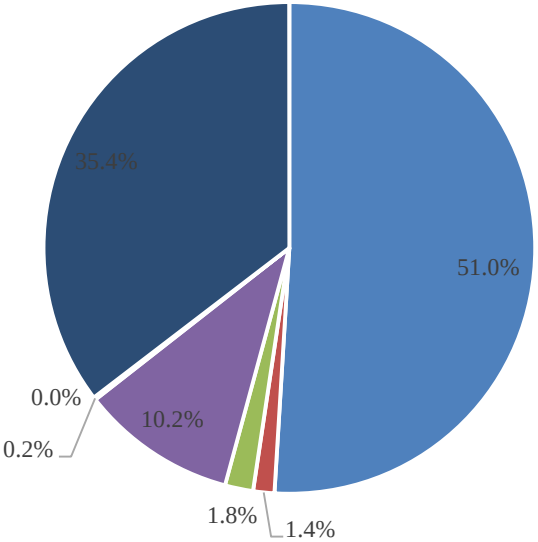
Net Assessed Value



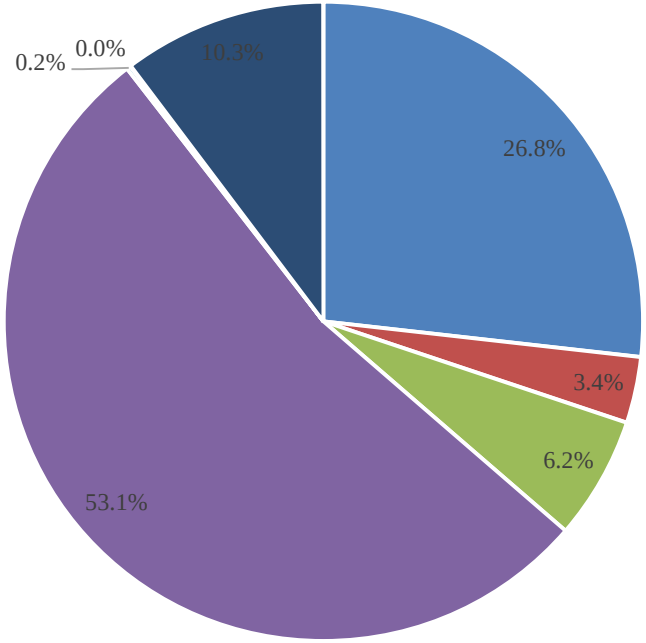
- Ag & Farm Land
- Industrial
- Commercial
- Residential
- Utilities
- Tax Exempt
- Personal Property

Net Assessed Value

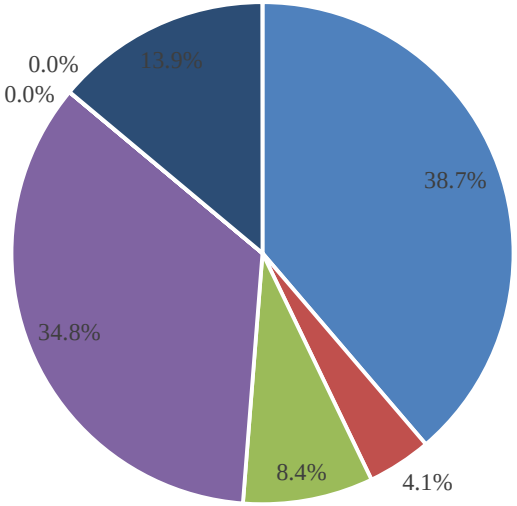
Benton



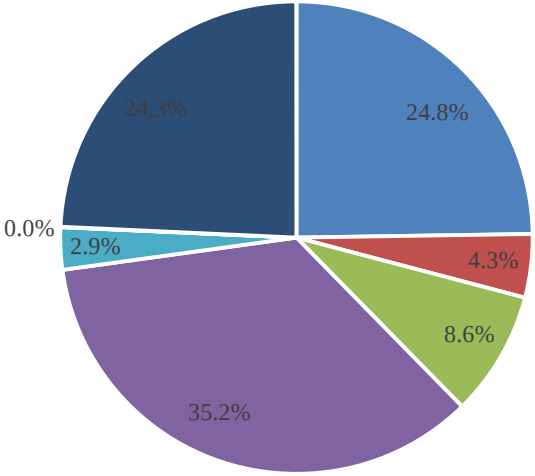
Starke



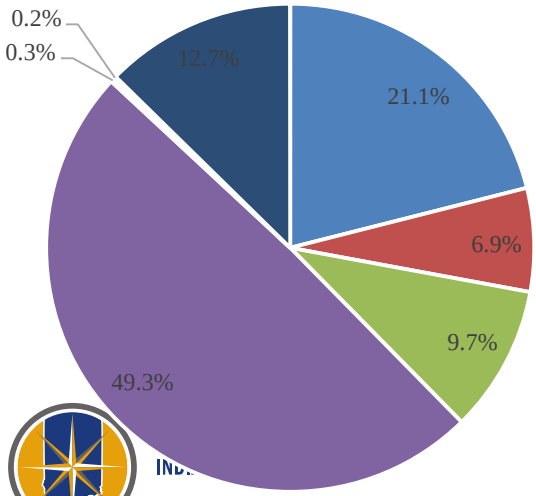
Fulton



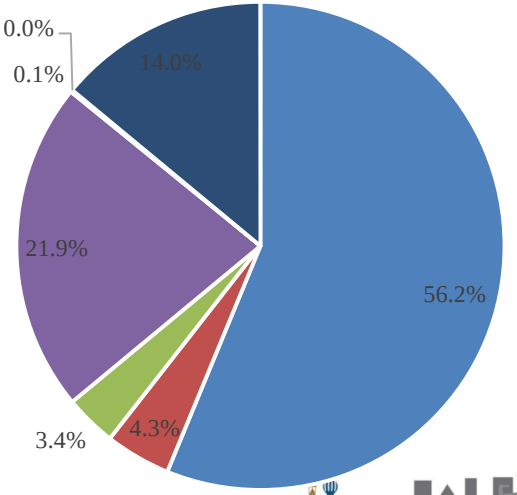
Jasper



Marshall



Pulaski



Net Assessed Value Comparison - Takeaways

Less reliant on agricultural and farm land assessed value than Fulton, Benton and Pulaski Counties

- Less benefit in prior years from increased assessments per acre
- Less risk in future years from projected decreases

Less reliant on personal property than all peer counties

- Benton – wind farms
- Jasper – NIPSCO generating station

More reliant on residential property

Largest Personal Property Investments

(Taxes Payable 2017)

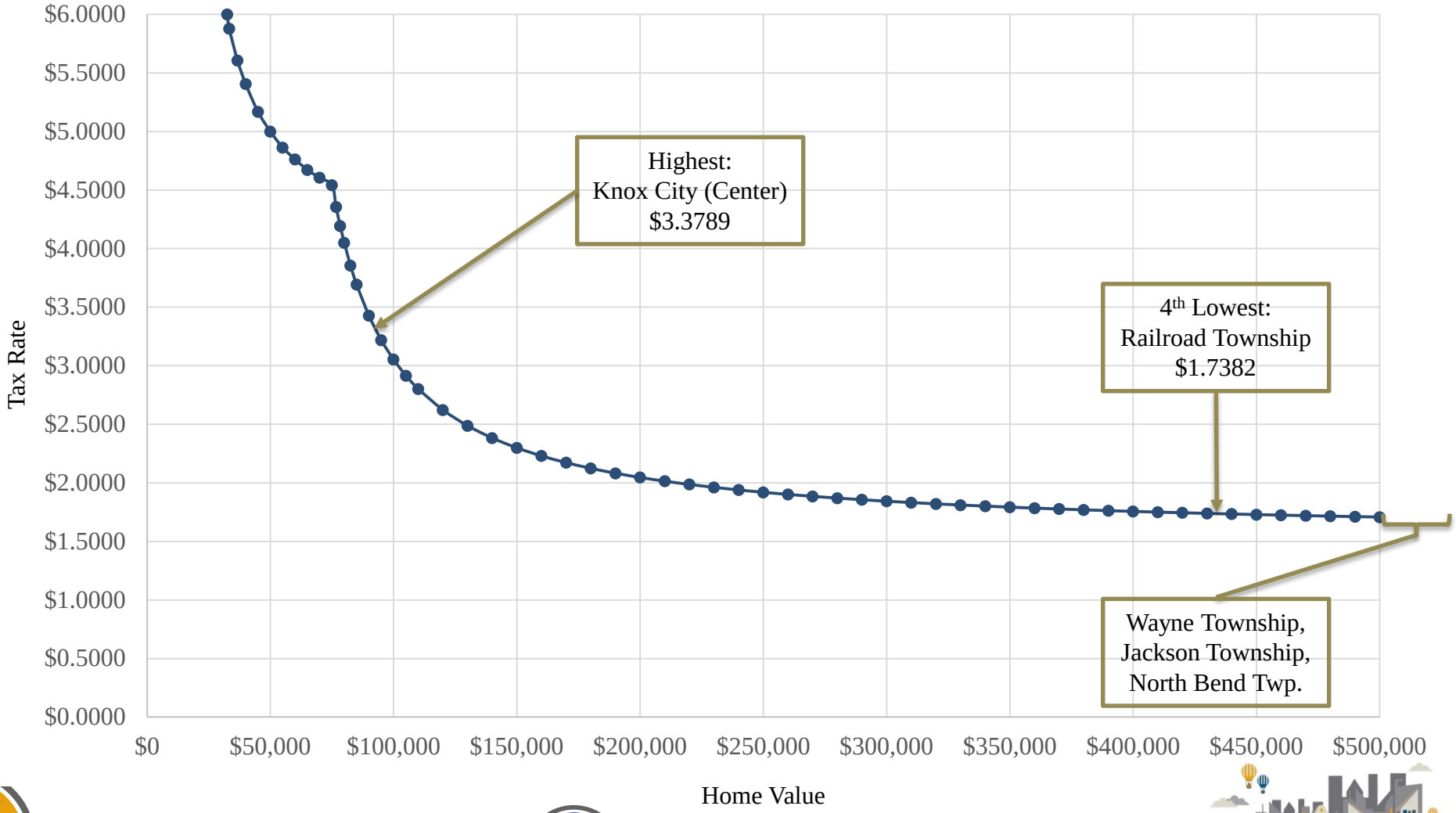
County	Largest Investment - Taxpayer	Largest Investment - Net Assessed Value	Investments Over $5 Million Net AV
Benton	Fowler Ridge Wind Farm LLC	$80,899,618	12
Jasper	NIPSCO	331,462,760	6
Pulaski	Plymouth Tube Company	8,240,690	2
Fulton	Rochester Metal Products Corp.	14,700,040	1
Marshall	Coleman Cable LLC	21,623,040	8
Starke	Norton Packaging Inc.	4,873,760	0

Residential Property Statistics

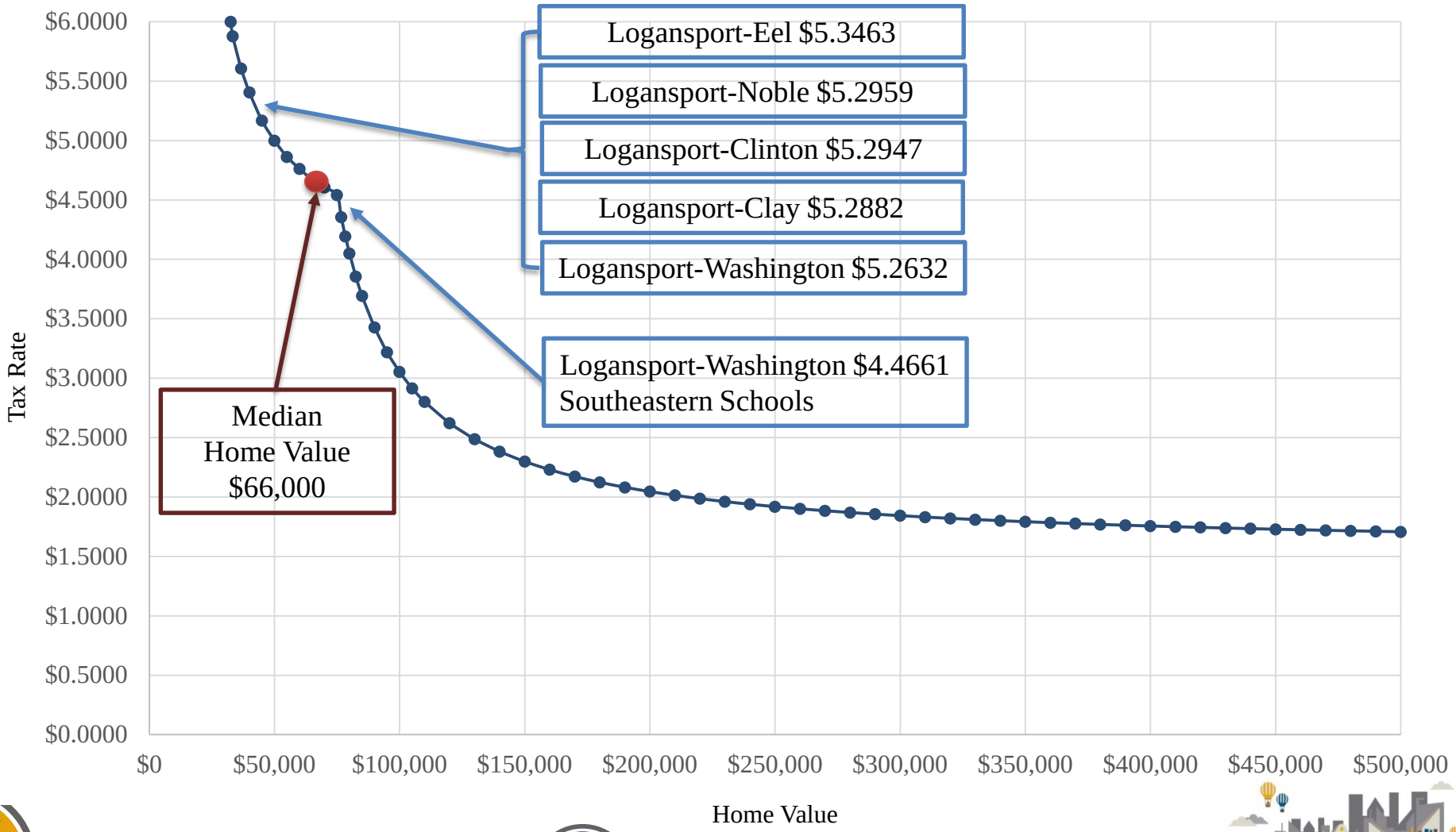
	Starke	Benton	Fulton	Jasper	Marshall	Pulaski
Occupied	**80%**	88%	82%	**90%**	87%	86%
Vacant	**20%**	12%	18%	**10%**	13%	14%
Year Built:						
2010s	**0.9%**	**0.5%**	0.6%	**1.2%**	1.5%	1.3%
2000s	**13.1%**	**5.2%**	10.4%	**20.1%**	9.7%	10.1%
1990s	**14.1%**	**6.7%**	14.0%	**18.4%**	16.5%	13.0%
1980s	**7.1%**	**6.5%**	7.2%	**8.2%**	10.2%	8.4%
1970s	**19.0%**	**12.8%**	16.6%	**18.2%**	13.7%	11.1%
1960s	**8.8%**	**10.8%**	7.3%	**7.6%**	7.7%	9.6%
1950s	**10.6%**	**11.1%**	10.7%	**8.2%**	8.6%	12.8%
1940s	**9.1%**	**5.3%**	5.3%	**6.4%**	5.5%	7.6%
Pre-1940s	**17.2%**	**41.2%**	27.9%	**11.8%**	26.5%	26.1%
Percent of Homes Less than $50,000	**11.2%**	18.6%	**34.8%**	**7.2%**	8.7%	10.7%
Percent of Homes More than $150,000	**25.0%**	**16.0%**	27.6%	**48.9%**	38.1%	28.0%
Median Home Value	**$96,900**	**$83,800**	$95,400	**$148,300**	$123,100	$93,000

Source: American Community Survey
5-Year Estimates 2011-2015

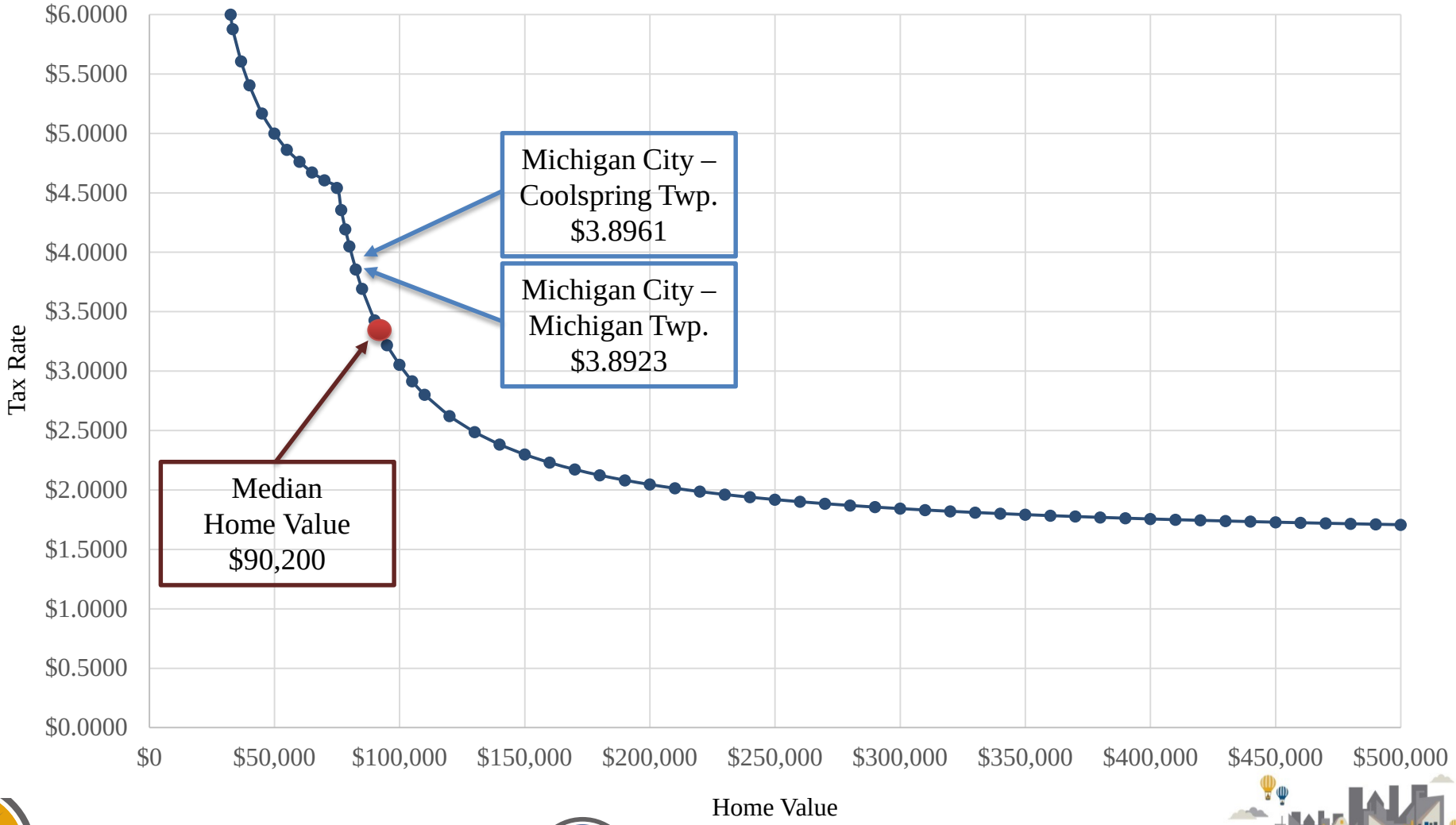
CIRCUIT BREAKER THRESHOLDS BY HOME VALUE



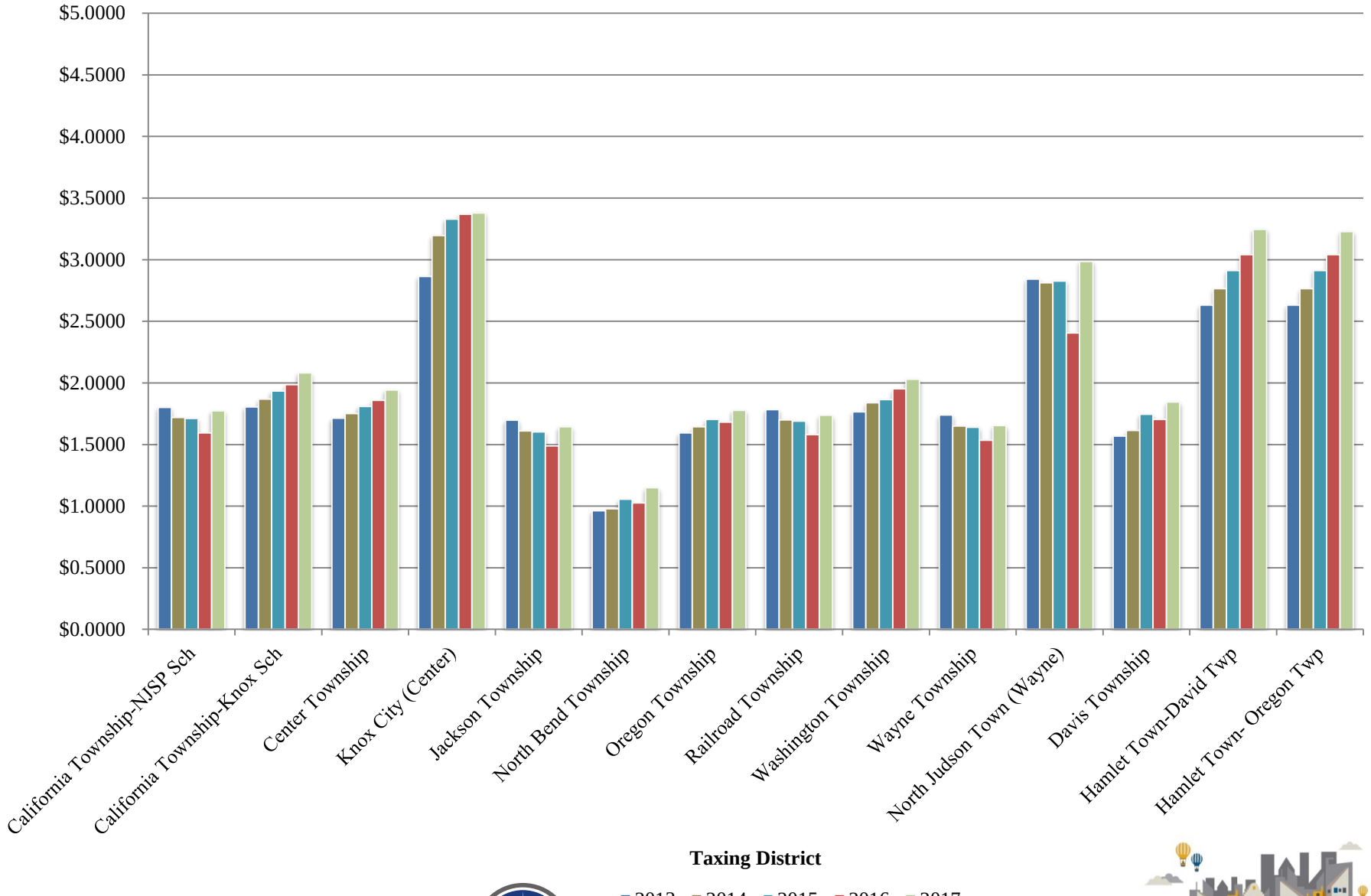
CIRCUIT BREAKER THRESHOLDS BY HOME VALUE



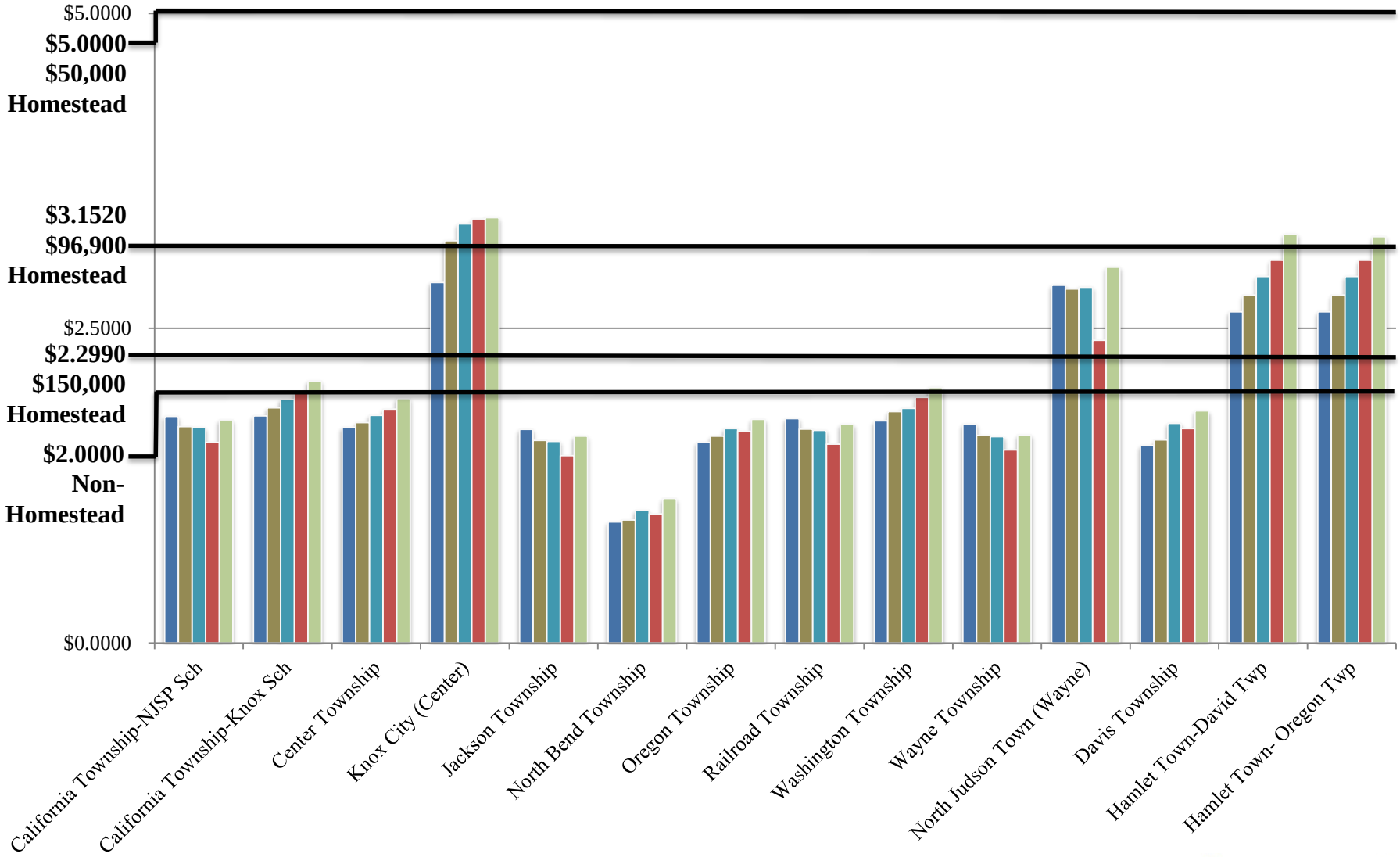
CIRCUIT BREAKER THRESHOLDS BY HOME VALUE



TOTAL TAX RATE BY TAXING DISTRICT: 2013-2017

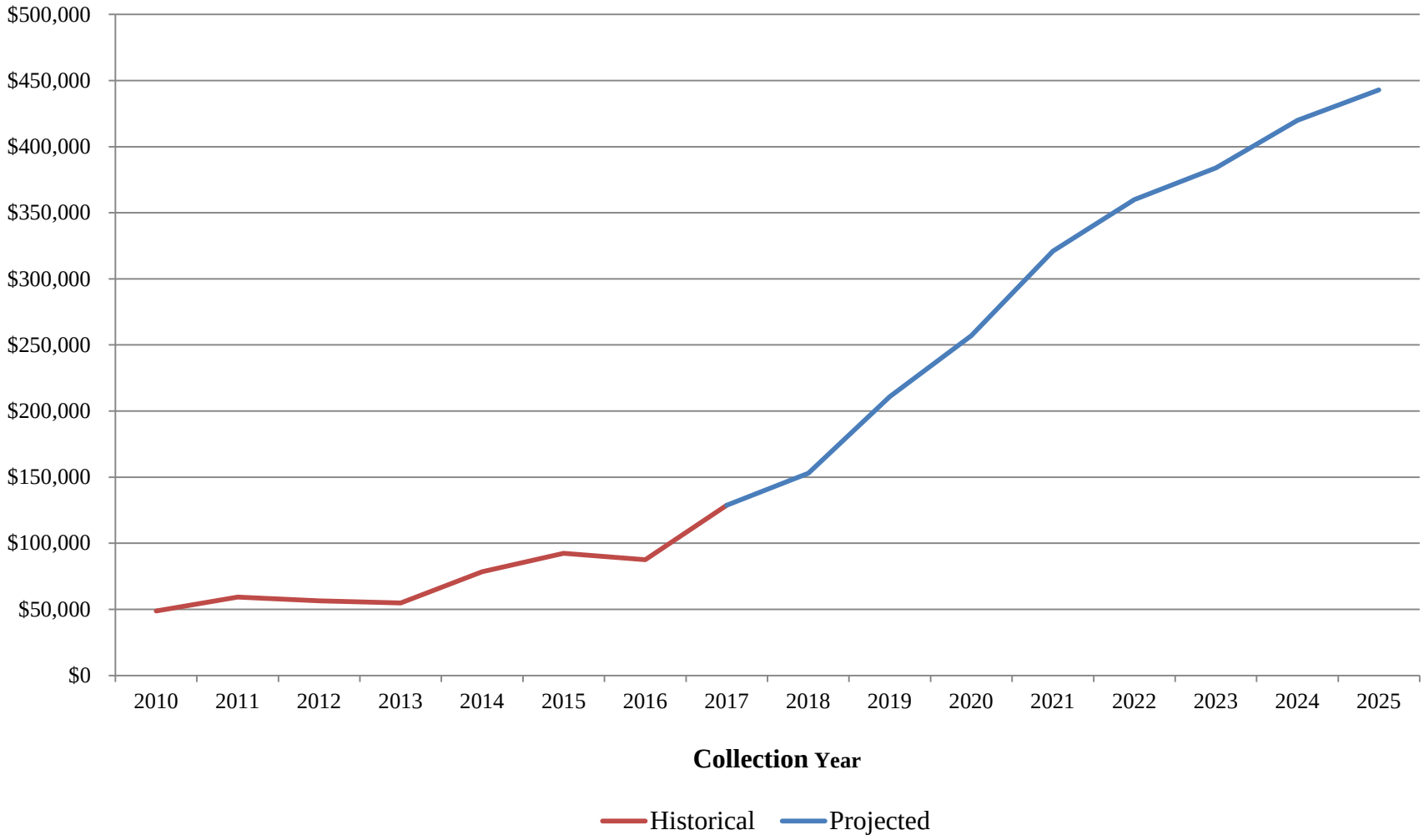


TOTAL TAX RATE BY TAXING DISTRICT: 2013-2017



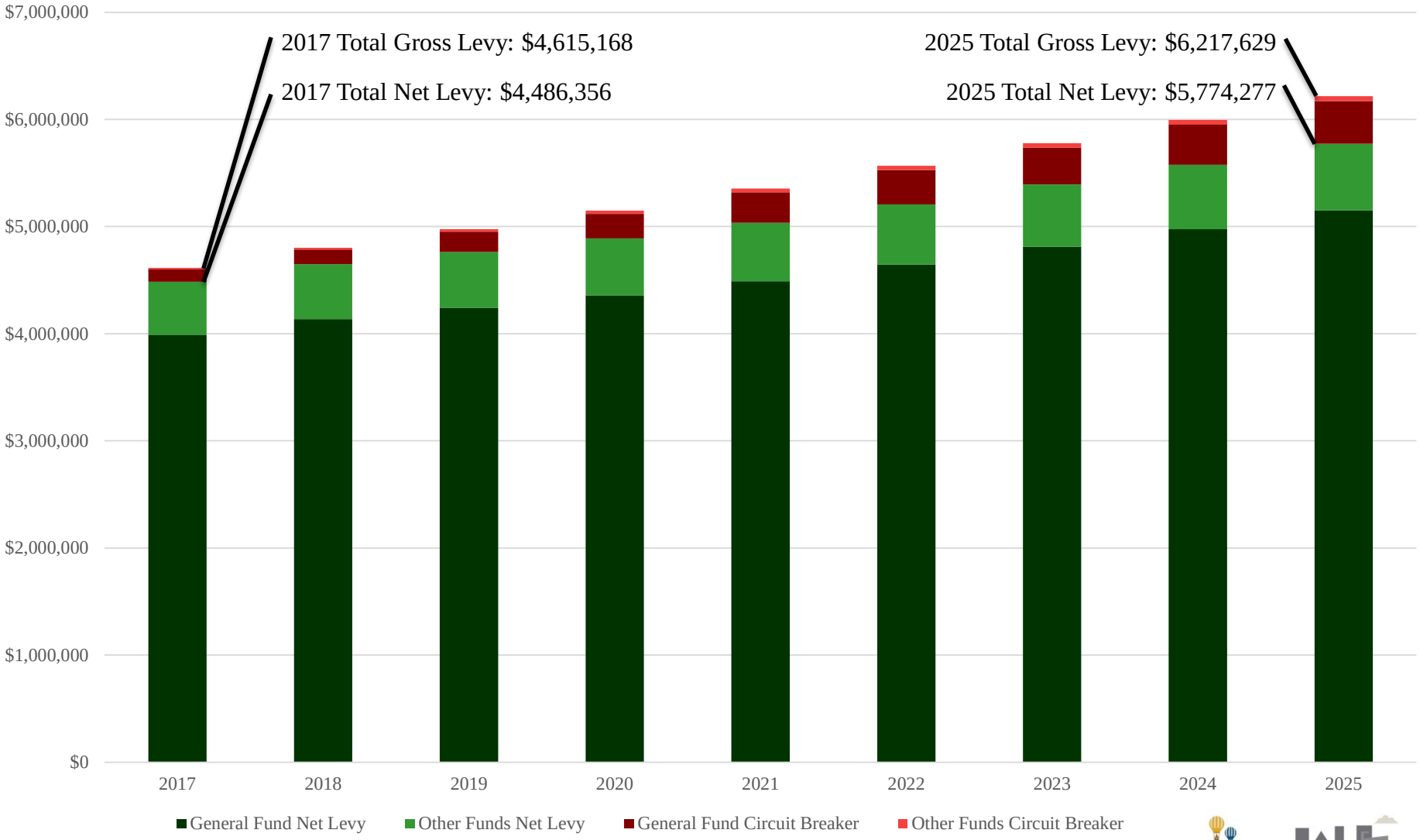
CIRCUIT BREAKER TAX CREDIT PROJECTIONS

County Unit

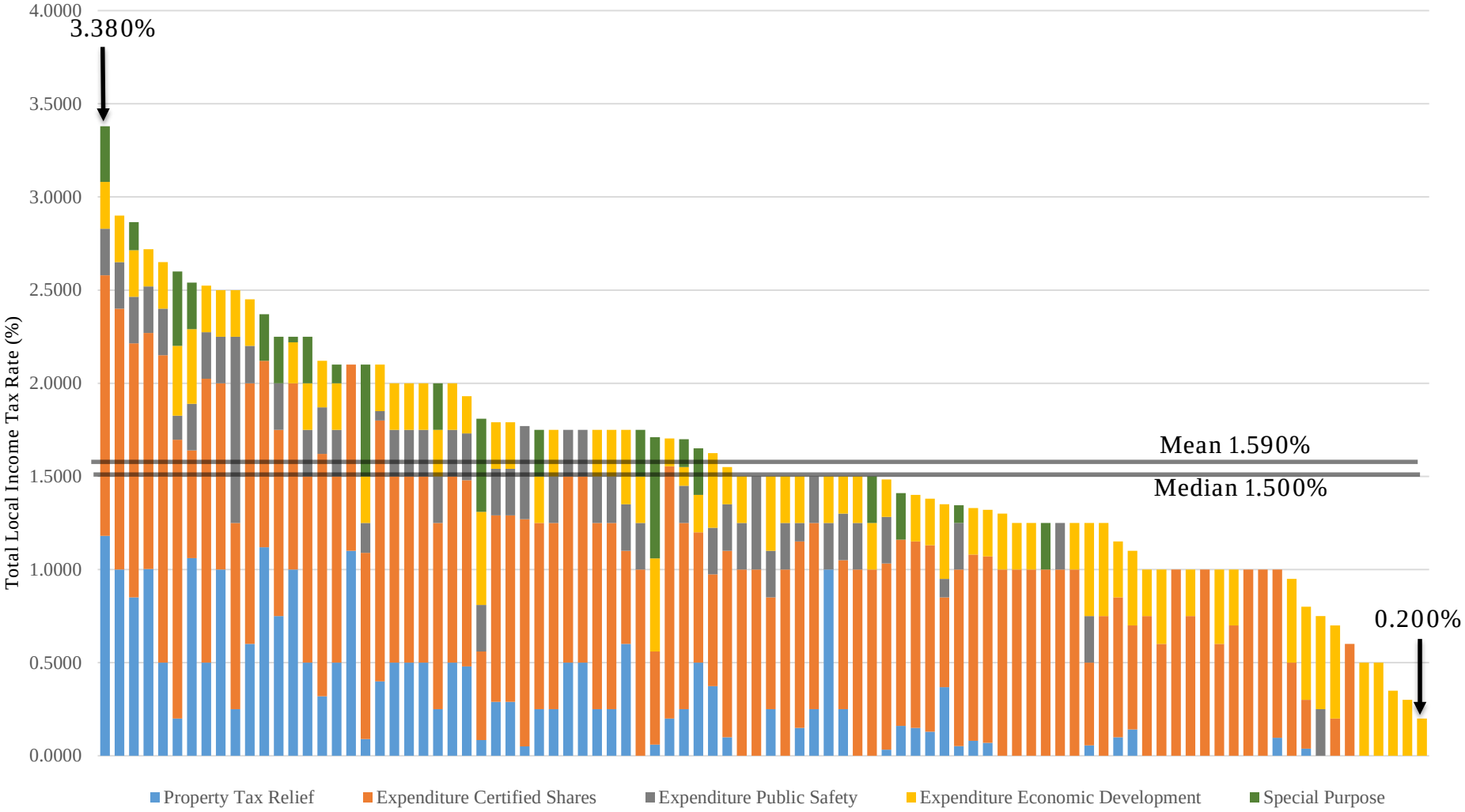


PROJECTED BREAKDOWN OF GROSS LEVY

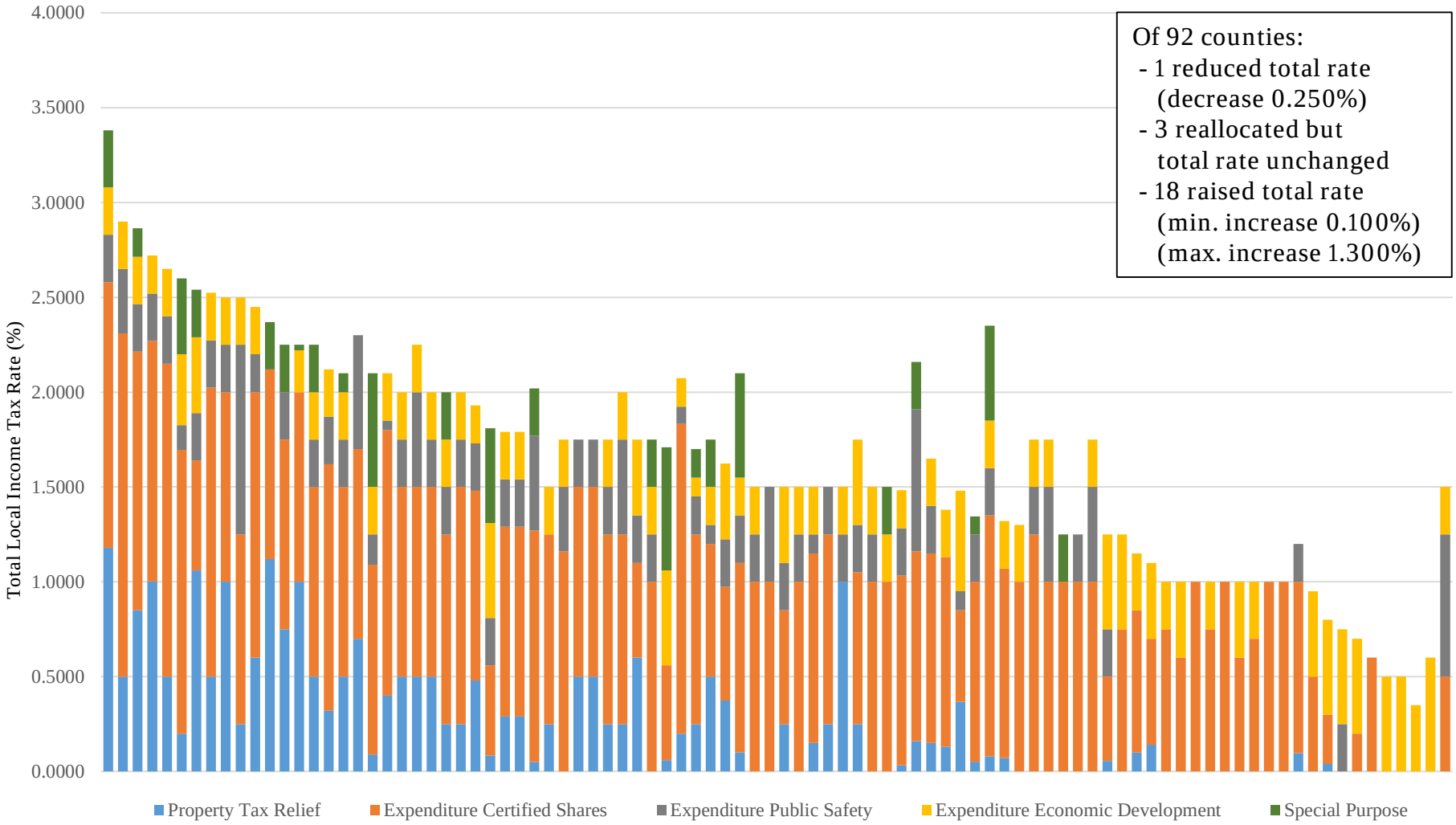
County Unit



2017 Local Income Tax Rates

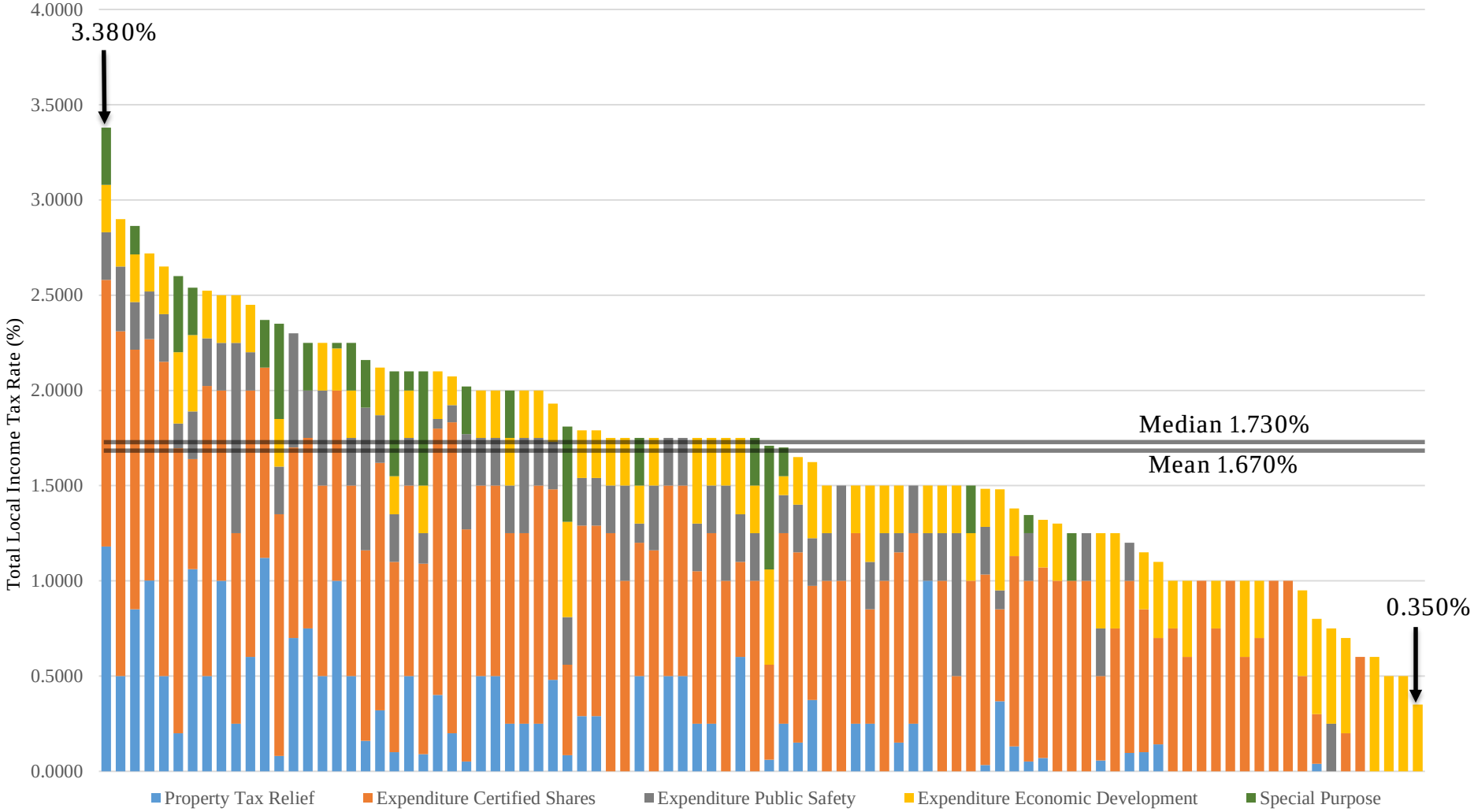


2018 Local Income Tax Rates



Of 92 counties:
- 1 reduced total rate (decrease 0.250%)
- 3 reallocated but total rate unchanged
- 18 raised total rate (min. increase 0.100%) (max. increase 1.300%)

2018 Local Income Tax Rates



Rate Affordability

- Why are we even talking about affordability?
  - Costs are rising (general inflation)
  - Utility bills are outpacing general inflation (4-5 times)
  - In the next 5 years, water may no longer be affordable for as many as 35.6% of American households according to researchers at Michigan State University
  - Income inequality is growing
    - The middle is shrinking
    - Income is now more polarized
  - Water scarcity in some parts of the US
  - Population shifts in rural and some urban areas (i.e. Detroit)

Rate Affordability

- Why are we even talking about affordability? (cont.)
  - Aging infrastructure
    - Systems originally built in the 70’s/80’s are approaching the end of their useful life
    - Many of those projects were funded with federal grant money (up to 90%)
    - Increased regulation and water quality concerns
    - Utilities have not adequately planned for the future (delayed maintenance)
    - Lack of necessary rate increases in years past

Rate Comparison

- Cross-utility comparisons
  - Beware of cross-utility comparisons
  - This can be like buying a pair of shoes based on your neighbor's shoe size.
  - Comparisons can be useful but not used as a single criteria for determining affordability.
  - Affordability ought to reflect your communities' specific needs and values.
  - A community should measure performance against it's own goals over time

Indiana Comparative Water Rates

Comparison of Rates and Charges

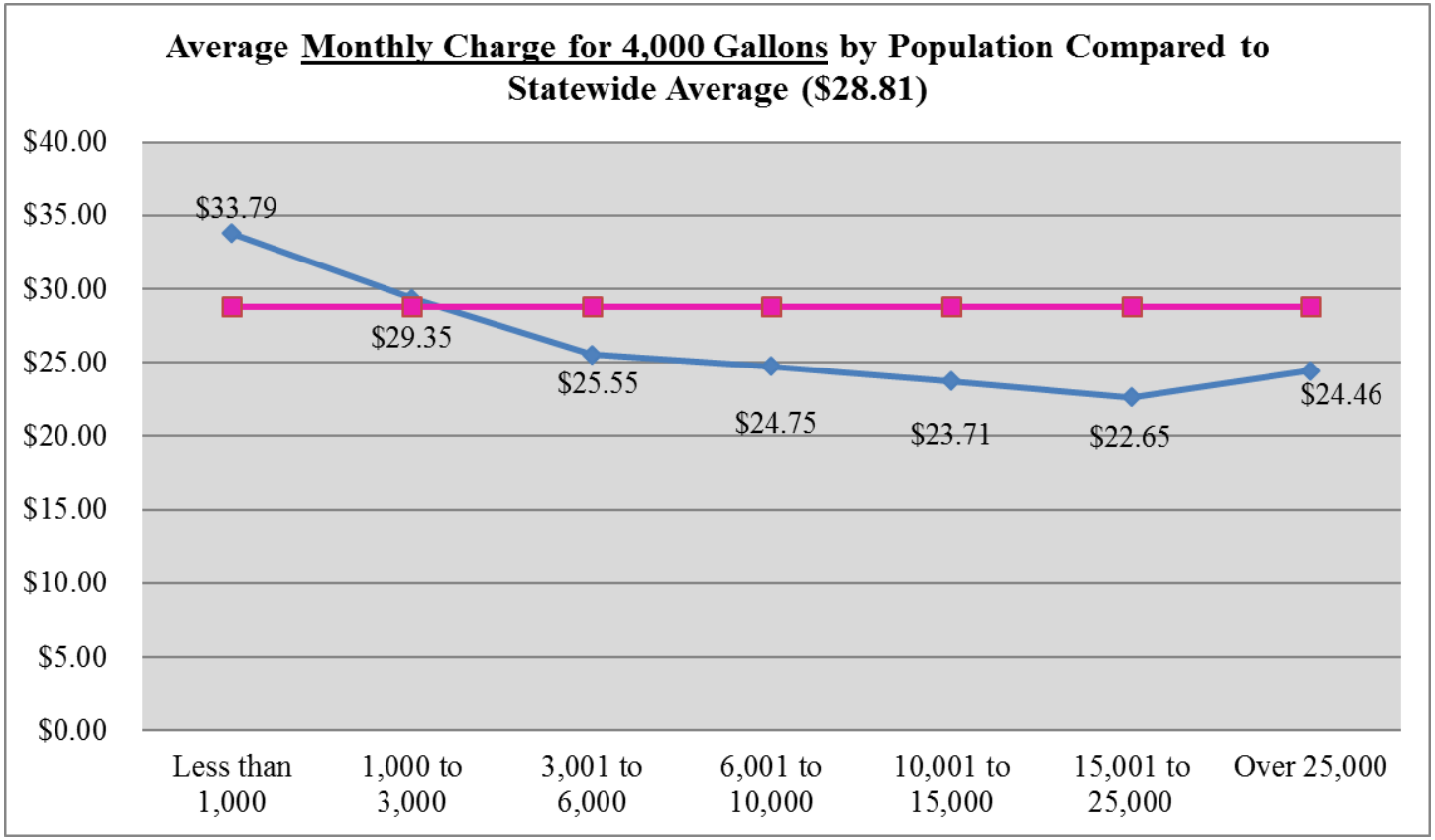
From December 2015 to December 2017

Monthly Billings

	December 2015 Average	December 2017 Average	Percent Increase
First bracket price (per 1,000 gallons)	$6.49	$7.07	8.9%
Last bracket price (per 1,000 gallons)	$2.96	$3.23	9.0%
Gallons given for minimum price	2,503	2,520	0.7%
Minimum charge for 5/8"meter	$16.24	$18.16	11.8%
Minimum charge for 6" meter	$535.79	$566.85	5.8%
Annual charge for 6" sprinkler	$663.94	$684.16	3.0%
Annual charge for 12" sprinkler	$2,705.22	$3,183.47	17.7%
Annual hydrant charge	$605.07	$654.65	8.2%
Monthly bill based on 2,000 gallons usage	$17.63	$19.16	8.7%
Monthly bill based on 3,000 gallons usage	$21.31	$23.14	8.6%
Monthly bill based on 4,000 gallons usage	$26.47	$28.81	8.8%
Monthly bill based on 5,000 gallons usage	$31.76	$34.67	9.1%
Monthly bill based on 10,000 gallons usage	$56.75	$61.75	8.8%

Approximate single-family residential average.

Indiana Comparative Water Rates



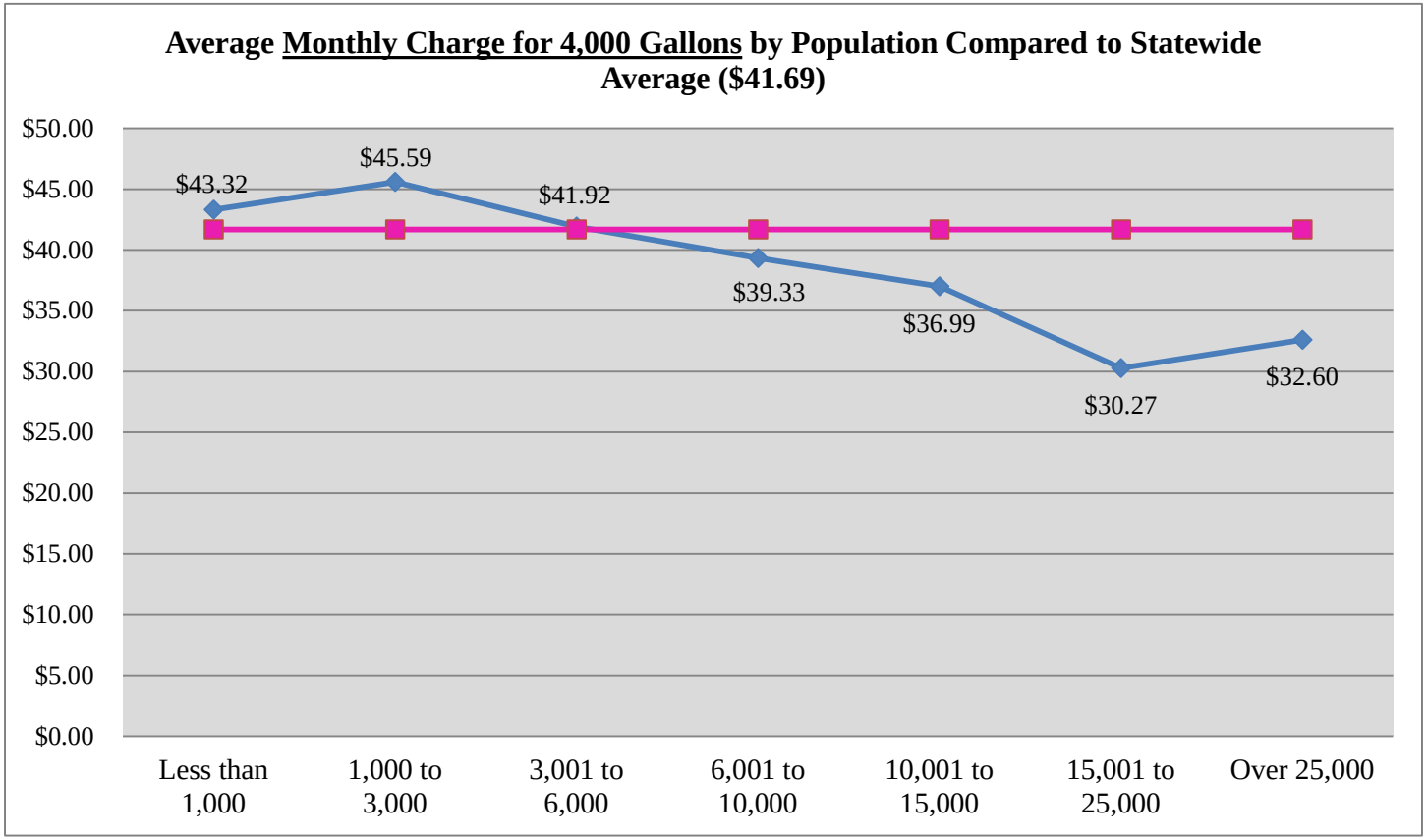
Indiana Comparative Sewer Rates

Comparison of Rates and Charges
From December 2015 to December 2017
Monthly Billings

	December 2015 Average	December 2017 Average	Percent Increase
First bracket price (per 1,000 gallons)	$7.06	$8.20	16.2%
Last bracket price (per 1,000 gallons)	$5.63	$6.46	14.7%
Gallons given for minimum price	2,617	2,614	-0.1%
Minimum charge for 5/8"meter	$24.72	$28.20	14.1%
Monthly bill based on 2,000 gallons usage	$28.78	$30.70	6.7%
Monthly bill based on 3,000 gallons usage	$33.33	$35.56	6.7%
Monthly bill based on 4,000 gallons usage	$39.12	$41.69	6.6%
Monthly bill based on 5,000 gallons usage	$45.29	$48.17	6.4%
Monthly bill based on 10,000 gallons usage	$74.80	$79.25	6.0%

= Approximate single-family residential average.

Indiana Comparative Sewer Rates



Cross-Utility Water and Sewer Comparative Rates

Residential Bill Percentage Increases over 2 Years

Average Bill Increase	Indiana (4,000 Gallons)		Nationally (1) (7,480 Gallons)	
	$	%	$	%
Water	28.81	8.80%	38.80	11.70%
Wastewater	41.69	6.60%	46.24	7.70%

(1) Per the 2016 Water and Wastewater Rate Survey, co-produced by the American Water Works Association and Raftelis Financial Consultants, Inc.

Cross-Utility Water and Sewer Comparative Rates

Charges as a Percentage of Median Household Income

Average Residential Bill for All Systems	Indiana (MHI - $50,433) (1)		Nationally (MHI - $54,292) (2)	
	Water (4,000 Gallons)	Wastewater (4,000 Gallons)	Water (7,480 Gallons)	Wastewater (7,480 Gallons)
Percentage	0.06%	0.08%	0.95%	1.16%
Number of Utilities/Systems	369	390	253	176

(1) Median Household Income figures for Indiana are from 2012-2016 American Community Survey 5-Year Estimates on www.census.gov
(2) Per the 2016 Water and Wastewater Rate Survey, co-produced by the American Water Works Association and Raftelis Financial Consultants