

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

**IN THE MATTER OF THE REQUEST)
OF VERNON TOWNSHIP,)
HANCOCK COUNTY, FOR AN) A23-039
EXCESS LEVY FOR A FIRE)
PROTECTION TERRITORY DUE TO)
THREE-YEAR GROWTH)**

The Department of Local Government Finance (“Department”) has reviewed an appeal by Vernon Township (“Township”), a provider unit for a fire protection territory, for an excess levy in the amount of \$500,000 to the fire territory operating fund maximum levy due to three-year growth. Ind. 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.:
Township assessed values for 2020, 2021, 2022, and 2023, respectively:

*2020: 646,115,573
2021: 710,537,040
2022: 781,536,451
2023: 988,480,191*

*Step 2 quotients:
2021/2020: 1.0997
2022/2021: 1.0999
2023/2022: 1.2648*

Step 3: Sum the results of Step 2 and divide by three:
1.1548 ([1.0997+1.0999+1.2648]/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:

1.0688 ($1.1548/1.0804$)

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 1.0688 is greater than 1.020, the fire protection territory is eligible for a three-year growth appeal):

0.1148 (11.48%) ($1.1548-1.0400$)

The fire territory’s 2023 operating fund maximum levy is \$3,849,388. This is the most recent fire maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 6.55% growth factor calculated above results in a figure of \$441,936, which is the maximum for which the fire territory participating units could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the Township must also show that it is unable to perform its government functions without this increase.

The Township states in its appeal that “[a]s the township has experienced significant growth there has been a greater need for fire and EMS services.” The Township states “the Fire Territory opened second/*sic* fire station in McCordsville” and larger commercial structures being built in the service area “is driving the need for a ladder truck.” The Township also cites to a need for competitive wages “to attract and maintain our public safety personnel.” The Township also states that it has had to make transfers out of its General Fund over the last two years, adding “in 2021 [the Township] contributed \$370,000 and it has grown to \$572,000 in 2024.” The Department should note that the Township has also submitted an excess levy appeal for its civil levies for pay-2024. In addition, while the Township did not expressly state this in the petition, the Township is the provider unit in a fire protection territory, with the Towns of Fortville and McCordsville as the other participating units.

The Township represented on its Form 3 that it seeks an excess levy of \$500,000 for the fire protection territory general fund. The Township received a permanent excess levy for pay-2022 in the amount of \$71,765 and pay-2023 in the amount of \$108,313.

The Department made an inquiry as to the claim for competitive wages, the ladder truck, and transfers from the Township’s General Fund. The Township responded as follows:

- One-third of the excess levy amount will go toward competitive wages, raising the third-year firefighter salary from \$66,500 to \$73,000, plus an adjustment for pensions. The Township claimed the fire department lost three career firefighters between April of 2022 and August of 2023, “approximately ten percent of our career workforce.” The Township added that “[t]he recruitment of licensed paramedics has been a challenge,” as agencies in neighboring communities have salaries ranging from \$72,000 to \$85,000.

- In August 2023, the fire department opened a new station in McCordsville “capable of staffing personnel twenty-four hours a day” and due to its larger size requires more supplies.
- The fire department transitioned to having full-time firefighters in October 2021, with 27 career personnel and 7 administrative staff by January 2024.
- With respect to the ladder truck, “[i]n 2024, the Fire Territory Board/Township Board adopted \$544,000 in the [fire territory operating fund] for equipment. The territory has not determined how much of that would be used for the down payment on the ladder truck, but a combination of cash balance and financing will be used to purchase the ladder truck. The truck is expected to cost \$2 million. The ladder truck is needed based on an ISO evaluation¹.
- With respect to the transfer from the General Fund, “the Township will continue to subsidize the Fire Territory for the foreseeable future.” This subsidy was “programmed in as a funding source to lessen the tax rate impact of the establishment of the territory.”

The Township’s Form 4B indicates that the end of year operating balance for the fire territory operating fund is expected to decrease from \$4,013,643 in 2023 to \$3,184,951 in 2024. This is based on a pay-2024 tax levy (including an excess levy) of \$4,645,857, property tax cap loss of \$1,197,557, miscellaneous revenues of \$1,416,552, and a 2024 budget of \$5,693,544. This also reflects an increase from the 2023 budget for the fire protection territory operating fund of \$4,050,544.

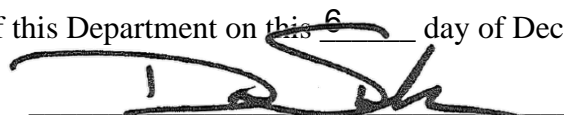
After a review of the petition, the Department, following Ind. Code §§ 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

APPROVED WITH MODIFICATION:

The Township’s excess levy appeal is approved in the amount of **\$441,936**. This figure reflects the amount for which the Township qualifies under the statutory three-year growth formula and does not exceed the amount for which the Township 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 6 day of December, 2023.



Daniel Shackle, Commissioner

¹ The Township did not explain what the ISO is or the significance of the evaluation.