

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

IN THE MATTER OF THE REQUEST)
OF TOWN OF PITTSBORO, HENDRICKS) A23-055
COUNTY, FOR AN EXCESS LEVY DUE)
TO THREE-YEAR GROWTH)

The Department of Local Government Finance (“Department”) has reviewed an appeal by the Town of Pittsboro (“Town”) for an excess levy in the amount of \$320,000 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.:

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

<i>2020:</i>	<i>164,515,727</i>
<i>2021:</i>	<i>188,483,026</i>
<i>2022:</i>	<i>322,563,777</i>
<i>2023:</i>	<i>392,757,850</i>

Step 2 quotients:

<i>2021/2020:</i>	<i>1.1457</i>
<i>2022/2021:</i>	<i>1.7114</i>
<i>2023/2022:</i>	<i>1.2176</i>

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

1.3582 ([1.1457+1.7114+1.2176]/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:

1.2571 (1.3582/1.0804)

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 1.2571 is greater than 1.020, the Town is eligible for a three-year growth appeal):

0.3182 (31.82%) (1.3582-1.0400)

The Town’s 2023 maximum civil levy is \$1,017,745. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 31.82% growth factor calculated above results in a figure of \$323,846, which is the maximum for which the Town could qualify under the statutory formula. Under Ind. Code § 6-1.1-18.5-12(a), the Town must also show that it is unable to perform its government functions without this increase.

The Town states in its appeal that the excess levy is necessary to cover operational needs of the Town. Additionally, the Town stated that the population has increased by 128% since 2000 (1,588 to 3,614), and the “growth trend shows no slowing as approximately 5-new single-family residence homes, and an extensive warehouse development are projected [for] construction” over the next 2-3 years. With the population growth, the Town’s levy has not been growing fast enough to cover necessary expenses related to public safety and parks.

The Pittsboro Police Department is currently staffed with a police chief, an assistant police chief, a detective, and five (5) officers. In past year, the Town lost two (2) officers to neighboring areas, which resulted in an increased amount of overtime pay for the remaining officers. Additionally, the Town has experienced an increase in the number of runs over the last three years. Below is the reported average number of runs per month for 2021-2023¹:

Year	Average Monthly Run Totals
2021	408
2022	623
2023	544

The Department made a follow-up inquiry with the Town regarding the referenced need for increased staffing within the Pittsboro Police Department. In the follow-up response, the Town specified that it needs to hire one (1) full-time police officer and one (1) part-time police officer.

¹ Based on the date of the Town’s submission, the number of runs reported in 2023 and used to calculate the monthly run average is based on the runs reported for January 2023 to July 2023.

The full-time police officer is expected to cost \$59,000 per year and the part-time police officer is expected to cost \$30,000 per year. The Town will also pay for health insurance and retirement, which is estimated to be an additional \$40,000 per year.

The Town also specified that the parks department needs to implement a new payroll system, which is estimated to cost an additional \$4,000 each year. The Town's additional \$46,000 estimated need for the parks department is budgeted for increased maintenance and repair needs for playground equipment, parking lots, soccer fields, baseball fields, and various sport courts.

The Town stated on its Budget Form 3 that it seeks an excess levy appeal of \$270,000 for its General Fund and \$50,000 for its Park Fund. Finally, the Town received a permanent excess levy in the amount of \$175,000 for Pay-2023 and \$90,706 for Pay-2019.

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 Town's excess levy appeal is approved in the amount of **\$179,000**. This figure reflects the amount represented by the Town to hire one (1) additional full-time police officer, one (1) additional part-time police officer, and the payroll system and on-going maintenance needs for the parks department. This amount does not exceed the amount for which the Town qualifies for under the statutory three-year growth formula, or the amount advertised and petitioned to the Department.

This is a one-time, permanent increase.

STATE OF INDIANA
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WITNESS MY HAND AND SEAL of this Department on this 28 day of December, 2023.


Daniel Shackle, Commissioner