

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 ST. JOHN)
LAKE COUNTY, FOR AN) A23-049
EXCESS LEVY DUE TO)
THREE-YEAR GROWTH)

The Department of Local Government Finance (“Department”) has reviewed an appeal by Town of St. John’s (“Town”) for an excess levy in the amount of \$520,000 to its civil 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.:

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

2020: 1,383,524,287
2021: 1,537,772,539
2022: 1,695,346,546
2023: 1,921,856,038

Step 2 quotients:

2021/2020: 1.1115
2022/2021: 1.1025
2023/2022: 1.1336

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

1.1159 ([1.1115+1.1025+1.1336]/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:
1.0328 (*1.1159/1.0804*)

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 1.1026 is greater than 1.020, the Town is eligible for a three-year growth appeal):

0.0759 (*7.59%*) (*1.1159-1.0400*)

The Town’s 2023 maximum civil levy is \$5,789,792. This is the most recent civil maximum levy that the Department can use as the basis for an adjustment. Multiplying this figure by the 7.59% growth factor calculated above results in a figure of \$439,185, 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 there has been an increase in its residential population leading to an increased need to fund public safety, governmental services, and infrastructure. The Town states that its highest priority is for public safety expenses, citing additional traffic control and service calls.

The Department made an inquiry into the nature of the public safety expenses and the number of service calls. The Town provided summaries of service calls for 2020 through 2022, showing an increase in police calls from 13,013 in 2020 to 15,124 in 2022, with a decrease to 10,856 in 2021. The Town also stated that three more police officers were hired “at great expense to the General Fund” and three firefighters were hired in 2023. The Town also cited to an FBI standard that municipalities should have 2.4 sworn police officers per 1,000 residents.¹ The Town stated that with a population of 23,000 and 26 full-time officers, it falls short of this standard even with the recent hirings. The Town also stated that it staffs 2 advanced life support ambulances which each require 5 full-time employees per shift. Finally, the Town stated that “roughly 75% of the entire General Fund is comprised of Public Safety expenses” and “the General Fund supports 90% of the total cost for wages and benefits for Public Safety personnel.”

The Town has also indicated on its Form 3 that it seeks an excess levy of \$520,000 for its General Fund. The Town received a permanent excess levy for pay-2021 in the amount of \$115,952, pay-2022 in the amount of \$142,436, and pay-2023 in the amount of \$258,230.

The Form 4B for the Town’s General Fund indicates the Town expects a decrease in the end of year operating balance from \$3,874,653 in 2023 to \$3,045,380 in 2024.

¹ The Town did not provide an actual citation to or a copy of this standard. The Department was also unable to locate this particular standard.

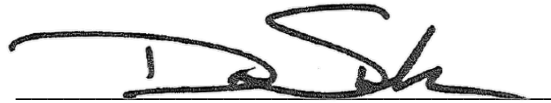
After a review of the petition, the Department, following Ind. Code §§ 6-1.1-18.5-12 and 13, and in consideration of all evidence provided, finds as follows:

APPROVED WITH MODIFICATION:

The Town's excess levy appeal is approved in the amount of **\$439,185**. This figure reflects the amount for which the Town qualifies under the statutory three-year growth formula and does not exceed the amount which the Town 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.

A handwritten signature in black ink, appearing to read 'D. Shackle', written over a horizontal line.

Daniel Shackle, Commissioner