

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

**IN THE MATTER OF THE REQUEST )  
OF GREEN TOWNSHIP, WALNUT )  
TOWNSHIP, AND THE TOWN OF ARGOS, )  
MARSHALL COUNTY, FOR THE ) IML21-011  
ESTABLISHMENT OF AN INITIAL )  
MAXIMUM LEVY FOR THE ARGOS )  
FIRE PROTECTION TERRITORY )**

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**FINAL DETERMINATION**

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The Department of Local Government Finance (“Department”) has reviewed the request of Green Township and Walnut Township and the Town of Argos (“Town”), all in Marshall County and hereafter referred to as “Units”, for an initial operating maximum levy for the Argos Fire Protection Territory (“Territory”). Having considered the issues, the Department now finds and concludes the following:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**INTRODUCTION**

1. Indiana Code 36-8-19-5 allows the legislative bodies of at least two contiguous units to establish a fire protection territory for any of the following purposes:
  - (A) Fire protection, including the capability for extinguishing all fires that might be reasonably expected because of the types of improvements, personal property, and real property within the boundaries of the territory.
  - (B) Fire prevention, including identification and elimination of all potential and actual sources of fire hazard.
  - (C) Other purposes or functions related to fire protection and fire prevention.
  
2. Per IC 36-8-19-6, to establish a fire protection territory, the legislative bodies of each unit desiring to become a part of the proposed territory must:
  - i. Adopt an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that meets the following requirements:
    - (A) The ordinance or resolution is identical to the ordinances and resolutions adopted by the other units desiring to become a part of the proposed territory.
    - (B) The ordinance or resolution is adopted after January 1 but before April 1.
    - (C) The ordinance or resolution authorizes the unit to become a party to an agreement for the establishment of a fire protection territory.

(D) The ordinance or resolution is adopted after the legislative body holds a public hearing to receive public comment on the proposed ordinance or resolution. The legislative body must give notice of the hearing under IC 5-3-1.

(E) The ordinance or resolution includes at least the following:

(1) The boundaries of the proposed territory.

(2) The identity of the provider unit and all other participating units desiring to be included within the territory.

(3) An agreement to impose:

(A) a uniform tax rate upon all of the taxable property within the territory for fire protection services; or

(B) different tax rates for fire protection services for the units desiring to be included within the territory, so long as a tax rate applies uniformly to all of a unit's taxable property within the territory.

(4) The contents of the agreement to establish the territory.

ii. Hold a public hearing, at least 30 days before adopting the ordinance or resolution, at which the legislative body makes available to the public the following information:

(A) The property tax levy, property tax rate, and budget to be imposed or adopted during the first year of the proposed territory for each of the units that would participate in the proposed territory.

(B) The estimated effect of the proposed reorganization in the following years on taxpayers in each of the units that would participate in the proposed territory, including the expected property tax rates, property tax levies, expenditure levels, service levels, and annual debt service payments.

(C) The estimated effect of the proposed reorganization on other units in the county in the following years and on local option income taxes, excise taxes, and property tax circuit breaker credits.

(D) A description of the planned services and staffing levels to be provided in the proposed territory.

(E) A description of any capital improvements to be provided in the proposed territory.

iii. Hold at least one additional public hearing before adopting an ordinance or a resolution to form a territory, to receive public comment on the proposed ordinance or resolution. The notice required for this hearing must include all of the following:

(A) A list of the provider unit and all participating units in the proposed territory.

(B) The date, time, and location of the hearing.

(C) The location where the public can inspect the proposed ordinance or resolution.

(D) A statement as to whether the proposed ordinance or resolution requires uniform tax rates or different tax rates within the territory.

(E) The name and telephone number of a representative of the unit who may be contacted for further information.

(F) The proposed levies and tax rates for each participating unit.

3. According to IC 36-8-19-8, upon the adoption of identical ordinances or resolutions, or both, by the participating units, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the

territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund, and money in the fund may not be used for any other expenses. The provider unit, with the assistance of each of the other participating units, must annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory. The provider unit may maintain a reasonable balance, not to exceed 120% of the budgeted expenses. Except as provided in IC 6-1.1-18.5-10.5, after estimating expenses and receipts of money, the provider unit must establish the tax levy required to fund the estimated budget. The amount budgeted must be considered a part of each of the participating unit's budget.

4. Pursuant to IC 36-8-19-8.5, participating units may agree to establish an equipment replacement fund to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory.

5. The Department, when approving a rate and levy fixed by the provider unit under IC 36-8-19-9, must verify that a duplication of tax levies does not exist within participating units, so that taxpayers do not bear two levies for the same service.

### **RELEVANT PROCEDURAL HISTORY**

6. On May 24, 2021, the Units submitted to the Department a petition for an initial maximum levy for the Territory. *Record, Cover Letter*. The petition included the following documents:

- Procedure Checklist.
- Presentation from the Fire Department.
- Financial Impact Analysis.
- Powerpoint presentation by financial advisor.
- Town Ordinance 2021-5.
- Green Township Resolution #2021-01.
- Walnut Township Resolution #2021-10.
- Territory Agreement.
- Proofs of publication of legal notices.
- Budget forms 1, 2, and 4B.

All of the documents referenced above are included in the Record.

7. The notices of public hearings were published on January 15 and 22, 2021, in the *Plymouth Pilot News*. Both notices stated that the Town council and Township boards will hold public hearings on January 28, February 18, and March 4, 2021. The notices also state that the Town and Townships will vote on the establishment of the Territory after the March 4 public hearing. *Plymouth Pilot News Publisher's Claims for the January 28, February 18, and March 4 Hearings*.

8. The Units also published in the *Plymouth Pilot News* on March 15 and 22, 2021, a notice of a public hearing to be held on March 25, 2021. The notice stated that the purpose of the public hearing is to reconvene the Green Township board to vote on the establishment of the Territory

because result of the March 4 hearing was inconclusive. *Plymouth Pilot News Publisher's Claims for the March 25 Hearing.*

9. The Town adopted an ordinance and Walnut Township adopted a resolution to establish the Territory on March 4, 2021. *Town Ordinance 2021-5; Walnut Township Resolution #2021-10.* Green Township adopted an identical resolution on March 25, 2021. *Green Township Resolution #2021-01.* The ordinance and resolutions state that the Town is the provider unit and the Townships participating units, and also state that the boundaries of the Territory “shall include the entire unincorporated area of Green Township, the entire unincorporated area of Walnut, and the entire incorporated area of Argos.” These documents also state that the Units agree that the property tax rates imposed for the Territory shall be uniform. *Town Ordinance 2021-5; Walnut Township Resolution #2021-10; Green Township Resolution #2021-01.*

10. In support of their request for an initial maximum levy of \$530,292, the Units propose a 2022 budget of \$577,744 for the Territory operating fund. This is a total of \$461,744 for personal services, \$38,000 for supplies, and \$78,000 for services and charges. *Territory Budget Form 1.* The Units report non-property tax revenue estimated to be received in 2022 of \$105,226, including \$42,400 in excise, \$20,700 in LIT, and \$42,126 in EMS revenue. *Territory Budget Form 2.* The Territory would also have a December 31 operating balance of \$57,774. *Baker Tilly Financial Impact Analysis.* Finally, the Units indicate an estimated circuit breaker impact of \$30,493. *Territory Budget Form 4B.*

11. The Units confirmed that the Town of Argos has spent \$35,868 from its general fund for fire expenses in 2020. *E-mail from Paige Sansone to David Marusarz, July 12, 2021 at 7:51 p.m., with attachment “Estimated Levy and Rate Attributable to Fire Services”; e-mail from Susan Cowen to David Marusarz, July 13, 2021 at 11:39 a.m.*

### ANALYSIS

12. In reliance on the Record as documented above, the Department finds that the Units complied with the procedural obligations under IC 36-8-19 in establishing the Territory.

13. The Department also finds that the Units have provided the Department with information sufficient to account for the Units’ calculation of an initial maximum levy of \$499,799. Specifically, this figure reflects expenses for personal services (\$461,744); supplies (\$38,000); and other services and charges (\$78,000); less the following: excise tax revenue (\$42,400); LIT revenue (\$20,700); and EMS revenue (\$42,126).

14. Thus, expenses totaling \$577,744, minus miscellaneous revenue of \$105,226, plus an operating balance of \$57,774 ( $\$577,744 - \$105,226 + \$57,774$ ) equals a property tax levy of \$530,292.

15. For purposes of IC 36-8-19-9 and 12, the certified 2021 Budget Order for Marshall County indicates that the Units each have the following funds from which fire protection services can be paid:

Participating Unit	Fund Name	DLGF Fund Number
Green Township	Township Fire	1111
	Cumulative Fire	1190
Walnut Township	Township Fire	1111
	Cumulative Fire	1190
Town of Argos	General	0101

Pursuant to IC 36-8-19-9 and 12, the township fire funds for each of the Townships will be eliminated and their levies reduced to \$0. Likewise, the cumulative fire funds for Green and Walnut Townships will be eliminated and their levies reduced to \$0. The Town of Argos's civil maximum levy will be reduced by \$35,868.

### CONCLUSION

16. The Department hereby approves a Territory operating maximum levy of \$530,292 for Pay 2022. This figure does not include any dollars attributable to an equipment replacement fund. The approved levy will be reduced by \$57,774 for Pay-2023, as the Department does not allow a levy for an operating balance after the first year.

Dated this 27<sup>th</sup> day of July, 2021.

STATE OF INDIANA  
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

*Wesley R. Bennett*  
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**Wesley R. Bennett, Commissioner**