



To: Department of Local Government Finance
From: Office of Mayor Deb Whitfield
Date: November 29, 2024

RE: Response to the Request for Public Hearing on Budget, Tax Rate, and Levy for the City of Lawrence and Notice of Intent to Present Testimony at December 2 Hearing

Please find below the responses from the City of Lawrence (“City”) to the objections included in the Request for Public Hearing on Budget, Tax Rate, and Levy for the City of Lawrence (“Request”) provided to the Department of Local Government Finance (“DLGF”) and the Marion County Auditor’s Office in accordance with Indiana Code § 6-1.1-17-16.1. The attached is provided as written testimony in response to the Request, in addition to the required advance notice to DLGF that a representative of the City plans to attend the December 2, 2024 hearing and intends to present testimony on behalf of the City.

The Request restates many of the objections raised by a similarly constituted group of individuals¹ who filed a Petition of Taxpayers Objection to Budget, Tax Rate, and Levy (“Petition”)² with the Lawrence Common Council (the “Common Council”). The matters included in the Petition were addressed by Mayor Whitfield’s Administration (the “Administration”) in a memorandum provided to the Common Council on October 3, 2024 (the “Response”). The Response was included by the Common Council in consideration of the budget which was ultimately unanimously approved by the Common Council. The Request restates many of the objections included in the Petition verbatim, without any acknowledgment of the Response. To the extent the Request restates items already individually addressed in the Response, the Administration incorporates by reference those answers here.

The Request questions the use of one-time funds for expenditures in the 2025 Budget. While the Request notes this as a “concern,” it largely does not question the legal propriety of utilizing these funds as provided in the 2025 Budget. The exception relates to the utilization of State and Local Fiscal Recovery Funds (“SLFRF” or commonly referred to as “ARPA”). ARPA funds are one-time funds, which require obligation before December 31, 2024. The Administration is working with

¹ Of the twenty-nine (29) households who signed the Request, eight (8) households also signed the Petition.

² Specifically, the items numbered 1 through 6 in the Request were listed as Objections 1 through 6 in the Petition. The contents of the specific items have pivoted slightly, but largely remain unchanged, despite the presentation of the Response.



its financial advisor to ensure all appropriate obligations have been made, which include a variety of expenditures which are included in the 2025 Budget as approved because the funds will be timely obligated by December 31, 2024, as required by ARPA regulations. These obligations have been reviewed in conjunction with the City's financial advisor and as proposed are compliant with all rules issued by the Department of Treasury, including the utilization of the funds for revenue loss (or "Revenue Replacement" as referred to in the Request). The list of uses for "Revenue Replacement" as provided in the Request is not an exhaustive list of uses for these funds, which are governed by relevant Treasury guidelines. Further, and finally, the Administration is rightfully moving forward with obligating the remaining ARPA funds by December 31, 2024, as the City would be required to return the funds to the U.S. Treasury if the Administration did not meet this deadline. Thus, the Administration is timely obligating the funds to avoid any adverse impact to the underlying financial position of the City.

As to the Request's "concern" related to the use of unspent bond proceeds for various obligations, this concern is more appropriately categorized as a difference in philosophy or strategic choices between those signing the Request and the Administration. The Administration's choice is no different than decisions made by a number of similarly situated municipal tax paying entities, within the bounds of the individual bond issuances which have undergone a stand-alone public approval process. The Request highlights no instances of where the proposed bond expenditure is inappropriate under the bond issuances from which the revenues are drawn.

The Request adds two additional items not previously identified in the Petition. Specifically, the Request notes that the 2025 budget does not include funding for the Internal Service Funds, an accounting and budgeting strategy utilized by previous administration(s). This objection is unfounded as these items will be funded through obligation of the ARPA fund made by the administration in conformance with appropriate Treasury guidelines. This information was previously provided in the Response.

Finally, the Request requests that DLGF "refer" the concerns in the Request to the "appropriate body." In support of this request, the Request notes a recently completed audit of the State Board of Accounts findings regarding internal controls." Of note, the recently completed audit was for the 2023 Fiscal Year, prior to the commencement of the current Administration. Similar findings related to internal controls included in the recently completed audit for the 2023 Fiscal Year have been included in similar audits completed in prior years with prior administrations. Although these findings are related to the 2023 Fiscal Year, the current Administration takes these concerns



seriously and will work to remedy findings which have been noted. Notwithstanding this concern, it is important to note the relief included in the Request is outside the authority of DLGF in response to the Request or in the issuance of a final budget order based on the 2025 budget passed by the Common Council.