

# **Indiana Advisory Commission on Intergovernmental Relations**

**Thursday August 13, 1998 Meeting, 7:00 PM**

*Exhibition Center*

*Hamilton County Fairgrounds*

*Noblesville*

## **MINUTES**

### **CALL TO ORDER AND WELCOME**

Chair William W. Bailey called the meeting to order at approximately 7:15 p.m. He welcomed commission members and attendees. Mayor Dennis Redick and Hamilton County Commissioner Steve Holt also welcomed attendees.

Bailey asked commission members to introduce themselves. Nine members were in attendance, including: Representative William W. Bailey, Representative Sheila Klinker, Senator Beverly Gard, Senator Joe Zakas, Gerald Gilles, Sue Paris, Joyce Poling, Leslie Goss, and Linda Williams. A quorum was not present. IACIR staff members, John L. Krauss, Dr. Greg Lindsey, Jamie L. Palmer, and Rose Mroccka also were in attendance.

At least 59 non-commission members were in attendance, including: Tim Tolson (Carmel), Rosemary Howard (Carmel), Mike Quinn (Indiana Association of Cities and Towns), Allan Kauffman (Goshen), Dolores R. Ryan (Noblesville), Chor Bradmeir, Joseph Scott (Noblesville), Pat Rice (Indianapolis), Barb Thomsen (Indianapolis), William Thomsen (Indianapolis), Marcella West (Indianapolis), Dick Frost (Carmel), Keith Paris (Dayton, OH), Roger Borthnick (Indianapolis), Dick Reichold (Indianapolis), Frances Burke, Pam Lambert (Indianapolis), Merce Safford (Carmel), Debbie Driskell (Fishers), Vera Mushrush (Noblesville), Ann Boone, Phyllis Davis, Wes Bucher, Ann Anderson (Carmel), Robert Whitmoyer (Noblesville), Sharon Clark, Arthur E. Kurth (Valparaiso), Jesse Williams (Sheridan), Steve Holt (Arcadia), Bill McLinn, Kay Miller (New Castle), Doris Rogers (Noblesville), Scott Miley (Carmel), S. Buschmann (Indianapolis), N.G. Farley (Fishers), K. Clymer (Carmel), Roger Johnson (Fishers), Billie Caldwell (Noblesville), Josh Duke, Nancy Bancroft (Indianapolis), Eva R. Wood (Indianapolis), Kim Porter (Noblesville), Jon Dobosiwics (Noblesville), Andy Wert (Indianapolis), Dennis Redick (Noblesville), Don Gilliatt (Carmel), John Snethen (Noblesville), Jodie Woods (Indianapolis), Don Goodwin (Noblesville), Jeff Noffsinger (Warsaw), Chris Harmon (Fishers), Dennis Gehlhausen, Bill Dale, Garry M. Eckard (Carmel), Edith Elderkin (Valparaiso), J. Putnam Robbins (Valparaiso), Janet Robbins (Valparaiso), Mary Lassiter (Valparaiso), and Rich Lassiter (Valparaiso)

Bailey asked John Krauss to explain the ground rules for discussion at the meeting. Krauss explained that following a brief presentation of results, the non-commission members in attendance would be given

a chance to offer comments on annexation issues in Indiana. The attendees at each of the tables in the room would discuss the issue amongst themselves. Following the discussion, each table would appoint a spokesperson to report the table's discussion. Krauss asked that each succeeding table report only the issues and concerns that had not yet been presented. Krauss took questions about the process.

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**AGENDA**

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| - Welcome and Call to Order  | Chair Bailey<br>Mayor Dennis R. Redick<br>County Commissioner Steve Holt |
| - Explanation of Discussion Format   | John L. Krauss   |
| - Presentation of Annexation Research Results  | Dr. Greg H. Lindsey  |
| - Public Discussion Period   | Commission Members<br>Meeting Attendees                                  |
| - Next Meeting is set for August 18, 1998, at 7 p.m. at the Walb Memorial Union at the Indiana-Purdue Ft. Wayne Campus in Ft. Wayne. |  |
| - Adjournment  |  |
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**PRESENTATION OF ANNEXATION RESEARCH RESULTS**

Dr. Greg Lindsey presented selected results from the ongoing annexation study. Copies of the presentation materials, issue guide, and local revenue primer prepared for the meeting are attached.

**PUBLIC DISCUSSION**

Each table of participants and IACIR members discussed the issues surrounding annexation. Following the discussion, each table chose a spokesperson to report the issues raised in each discussion. The issues raised by each table are listed below.

***Table 1***

- ?? Participants were against unilateral annexation.
- ?? Property owners should determine whether annexation occurs.
- ?? The delivery of infrastructure and consistency of services are a concern.
- ?? Some municipalities annex for revenue and population gain. Significant enough population gain can allow cities to change status from Class 3 to Class 2.
- ?? There are people outside cities and towns that use services without paying for them.
- ?? Property owners should initiate annexation.
- ?? Often issues of political control and revenue are the rationales for annexation.

- ?? There are changes in lifestyle that result from the imposition of municipal laws.
- ?? Annexation has a significant impact on townships and counties that have invested in capital assets (fire equipment, etc.). These investments must be paid off. Annexation reduces available revenue to pay.
- ?? Annexation is taxation without representation.
- ?? Additional taxation comes without enough gain.
- ?? There are inconsistencies in the law.
- ?? It is expensive to challenge an annexation.
- ?? Owners adjacent to the annexed property are affected
- ?? There are general negative effects associated with development.
- ?? Need a better appeal process.
- ?? Annexation benefits existing residents over older residents
- ?? Need to clarify the statutes, making them more understandable.

***Table 2***

- ?? Annexation increases assessed value; commercial properties are more efficient for financial gain (they consume less services than residential properties).
- ?? There were 81 annexations in Plainfield over the last several years. Only a few were disputed. The town uses certified mail to communicate impending annexation to property owners.
- ?? Developer want services.
- ?? Municipalities practice “cherry picking.” There are properties that municipalities do not want to annex.
- ?? Annexing municipalities must provide services. There is no current mechanisms for enforcing promises.
- ?? Noblesville has no forced annexation; the city allows the creation of unincorporated donut holes to avoid stigma and ill feelings.
- ?? Sometimes there is conflict between municipalities over unincorporated territory. Fishers and Noblesville have joinder agreements.
- ?? The remonstrance process is cumbersome for remonstrators. Sixty days is a very limited amount of time.
- ?? Referenda are one way to address problems.
- ?? Municipalities are allowed to make decisions for residents that are not represented.
- ?? Poor general election turn out offers evidence about referenda as an effective tool for representation.
- ?? Perhaps we should have judicial determination in which a judge is allowed to rule on the justification rather than just technical issues.

***Table 3***

- ?? Reasons for annexation: regular boundaries make service provision more efficient, revenue to address urban decay, health and environmental issues.
- ?? Cities have overspent and need revenues.

- ?? Need more federal and state monies to address growth issues.
- ?? Annexation is taxation without representation
- ?? Residents often do not get new services. In New Castle, a particular area has had city water/sewer for several years. They have been paying for a long time.
- ?? Cities/towns use utility revenues to offset other expenses.
- ?? School populations are growing. Who pays for the growth?
- ?? Need for better communication between cities, counties, schools about development issues.
- ?? Strengthen the fiscal plan requirement.
- ?? Fiscal home rule would reduce the need to annex.
- ?? Put a cap of the increase in property taxes.
- ?? Current state review is not adequate.
- ?? Property owners cannot vote for officials that annex them.
- ?? Statistics do not reflect what's happening.
- ?? Developers control the issues. They petition for annexation or agree not to remonstrate.
- ?? Public is not informed during the initial phases of planning.
- ?? Referenda as the solution.
- ?? Expand judicial review; allow judges to rule on more issues.
- ?? Need procedure to deal with municipalities that do not provide services.
- ?? One discussant suggested the following solution: The fiscal plan must be strengthened to where it is an accurate and comprehensive financial document rather than an engineering document. The fiscal plan must include:
  - ~~///~~ A cap on property tax increase;
  - ~~///~~ A statement of budgets, and costs vs. revenue;
  - ~~///~~ A limit on excessive revenues to avoid the stepping stone strategy;
  - ~~///~~ A financial statement of the impact on township government;
  - ~~///~~ An environmental impact statement;
  - ~~///~~ A one-year delay between the presentation of the plan and the ordinance enactment; and
  - ~~///~~ A certification procedure at the level of the State Board of Auditors and Attorney General.

**Table 4**

- ?? Diverse group at Table 4.
- ?? Sometimes one area is annexed to get at another.
- ?? Failure to provide services is a problem.
- ?? Fishers has policy that remonstrance stops the process.
- ?? Cities need to grow. Landlocked municipalities have difficulties providing services over time.
- ?? Citizens spend money on services and capital and then municipalities want to annex. In one area citizens had developed their own wastewater treatment and had an adjoinder agreement to provide fire protection. City now wants to annex.
- ?? There are important differences between voluntary and municipal annexation.
- ?? The process is weighted toward municipalities.
- ?? Zoning often changes with annexation. Owner loses the right to use a property as s/he wants.

- ?? We are losing farmland. Development conflicts occur when farms and development mix.  
Livestock operations cause the greatest controversy.
- ?? We need more specific requirements for fiscal plan.
- ?? Need better and more timely notification.
- ?? Provide itemized agenda for public meetings.
- ?? Impose fines and penalties for violating open door law.
- ?? Annexation can have a devastating effect on retired rural residents on fixed incomes.
- ?? There is a need for oversight; currently, there are no checks and balances. No recourse for abusing the process.
- ?? Need for early notification of homeowners, township officials, and homeowners associations.
- ?? We need easier access to materials.
- ?? There should be a better definition of time frames.
- ?? Establish a process for negotiation that brings all stakeholders to the table.
- ?? The present law favors municipalities

***Table 5***

- ?? Reasons for annexation: Plainfield has 81 annexations that have been successful; service provision.
- ?? Process could be improved by providing notice by mail and two notices in the paper.
- ?? Referenda are the way to go.
- ?? Fiscal studies should be fair.
- ?? Provide more time for remonstrance.
- ?? Avoid one-size-fits-all solutions.
- ?? Why should new residents want to pay previous debt?
- ?? What do you get for the additional property taxes you pay?
- ?? Courts have supported municipalities
- ?? South Bend law is a solution.
- ?? There should be no growth for growth's sake.
- ?? Change Carmel back into a town.

***Table 6***

- ?? Improve communication; municipalities should sell annexation to the residents.
- ?? There is a distrust of city officials among people being annexed.
- ?? State statute should establish more specific criteria for each type of annexation (voluntary and involuntary).
- ?? Annexation issues are different for residential and commercial/industrial properties.
- ?? There are different issues in different parts of the state.
- ?? Let us vote.

***Table 7***

- ?? All annexations should be approved by a secret ballot; 51% of properties owners must consent.

- ?? Process should not be coercive.
- ?? Provide direct notice as is done with zoning cases.
- ?? Give 30 days notice prior to hearing.
- ?? Restore the state certifying official. Collect better information.
- ?? Noblesville is trying to reach the Interstate 69.
- ?? Who should be allowed to consent? Resident? Developer?
- ?? Annexation dilutes the property tax burden.
- ?? Growth impacts schools.
- ?? Homeowners are often unknowledgeable about what to do to oppose annexation.
- ?? There must be a mechanism to ensure people get the services they are promised.
- ?? Unicorporated areas can incorporate.
- ?? Remove the two-mile buffer.
- ?? There are unannexed pockets of land that don't want to be in a municipality or are difficult to serve.

### ***Table 8***

- ?? There are many motivations across counties in the state.
- ?? Reasons for annexation: revenues from property taxes.
- ?? Developers want services to increase the value of their properties.
- ?? There is a need for better communication and notice.
- ?? Referenda.
- ?? Complacency of owners. People do not participate.

### ***Miscellaneous***

- ?? How do we treat a developer as a property owner? Homeowners should make decisions, not simply owners.
- ?? How do we treat owners of multiple lots in the same territory?
- ?? Municipalities need to communicate; sell the benefits of annexation.
- ?? Limits to fiscal solutions for municipalities. There is no fiscal home rule.

Following reports from all tables, Krauss asked the group if the discussion format used during the meeting was effective. Most participants agreed that it was preferable to a traditional public hearing format.

Bailey thanked the group for their attendance and participation. He concluded the meeting with a few comments. Several participants produced written comments for the meeting. Bailey indicated that they would be entered into the minutes of the meeting.

### **NEXT MEETING**

Representative Bailey indicated that the next meeting was set for August 18, 1998, at 7 p.m. at the Walb Memorial Union at the Indiana-Purdue Ft. Wayne Campus in Ft. Wayne.

ADJOURNMENT

The chair adjourned the meeting at approximately 9:15 p.m.