

Indiana Advisory Commission on Intergovernmental Relations

Thursday August 27, 1998 Meeting, 7:00 PM

Tippecanoe County Extension Office

Lafayette

MINUTES

CALL TO ORDER AND WELCOME

Chair William W. Bailey called the meeting to order at approximately 7:10 p.m. He welcomed commission members and attendees. Mayor David Heath also welcomed the group.

Following the welcome, Bailey asked that commission members introduce themselves. Nine members were in attendance, including: Representative William W. Bailey, Representative Sue W. Scholer, Representative Sheila Klinker, John X. Ryan, Gerald Gilles, Joyce Poling, Dave Bohmer, Linda Williams, and Sonya Margerum, Leslie Goss. A quorum was not present. IACIR staff members, John L. Krauss and Jamie L. Palmer also were in attendance.

At least 73 non-commission members were in attendance, including: W.L. Dunbar, Tim Cole (Chesterton), Jack Rhoda (Lafayette), Greg Dean (W. Lafayette), Opal Kuhl, Dave Heath (Lafayette), John Kuntz (Fowler), Helen Simmons, Eric Burns (Lafayette), Bill Yazbec, Beverly Gossett, Joe Henderson, Margaret Morehouse, Frank La Manttia (Hobart), Furman Smith (W. Lafayette), Don McKee (Battle Ground), Thomas G. VanHorn (Lafayette), Martha Anderson (W. Lafayette), John Anderson (W. Lafayette), G. Reed, Mike Shaver (Indianapolis), Frieda Bretzinger (Rensselaer), Susan Smith (Rensselaer), Norb Fishck (Lafayette), Patricia Mason (W. Lafayette), Bill Fitzgerald, Jack Cross, Greg Curtis, Don Brown (Henryville), Sandy Appleby (Valparaiso), John Kern (Valparaiso), Mary Fick (Portage), Don Starr (Valparaiso), David Griffith (Valparaiso), Eric Johnson (Lafayette), John Cannon (Portage), Barbara Demaree (Muncie), Jim Ingram, Evan Ingram, Cathy Breadon (Lafayette), Oscar & Joyce Jolly (Valparaiso), Russ Breadon (Lafayette), Alice Kurth (Valparaiso), James D. Hall (Portage), F. Roger Carter (Hobart), S. Strong (Lafayette), Cyndy Clauss (W. Lafayette), H. Houze (W. Lafayette), Bill Dunn (Lowell), John Hardy (Elkhart), K.D. Bensin (W. Lafayette), Karl Rutherford, Sherry McLaughlan (W. Lafayette), Jeff McCoy (Lafayette), Michael Sanders (Lafayette), Derrin Sorenson, Amy Moulton, Bill Davis (Lafayette), Laura & Dan Baker (Delphi), Chet & Jean Watkins, Les & Peg Bryan (W. Lafayette), Kathy Dali (West Point), Dan Duncan (Lafayette), Butch Worthington, Mark Thornbury, Dennis Malloy (Indianapolis), Rep. Dean Mock (Elkhart), Garry M. Eckard (Carmel), Mary Lassiter (Valparaiso), Rich Lassiter (Valparaiso), J. Putnam Robbins (Valparaiso), Janet Robbins (Valparaiso), and Arthur E. Kurth (Valparaiso).

Following introductions, 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.

AGENDA

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| - Welcome and Call to Order | Chair Bailey
Mayor Dave Heath |
| - Explanation of Discussion Format | John L. Krauss |
| - Presentation of Annexation Research Results | Jamie L. Palmer |
| - Public Discussion Period | Commission Members
Meeting Attendees |
| - Next Meeting will be announced mid-September. | |
| - Adjournment | |
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PRESENTATION OF ANNEXATION RESEARCH RESULTS

Jamie Palmer presented selected results from the ongoing annexation study. Copies of the presentation materials and the issue guide 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

Arguments for Annexation:

- Annexation allows for orderly, planned growth and the provision of city services.
- Sometimes there is a surcharge for utility customers outside municipal limits. Bills are lower upon annexation.
- Property adjacent to a city is appropriate for annexation.
- Owners that sign waivers should be annexed eventually.
- Annexation allows economic growth. Industry needs services. Bring industry in to help pay fair share.

- Annexation can correct environmental problems resulting from failing private water and sewer systems.

- There are political motivations for annexation.
- Annexation increases municipal revenue. Property values usually go up with the provision of city services.

Arguments against annexation:

- Political motivations
- Poor administrative decisions.
- Current services are superior. Owners are forced to connect even if they do not need services.
- Higher taxes. High connection fees.
- Annexation of residential property can be a net loss for the city.

How to improve the process:

- There is a need for independent review before annexation becomes effective.
- Municipalities should have a solid plan of action with cooperation of municipality, township officials, and residents to be annexed.
- Use referenda.
- Public information provided by the city needs to be thorough. Process should include citizen participation.

Table 2

Motivation for annexation:

- Annexation provides population for grants.

Arguments against annexation:

- There is a need for farmland preservation. We do not want to lose this valuable resource. There are 14 million new mouths to feed in the world every day.
- Annexation can create a financial hardship for retired rural residents when forced to pay higher utility bills and connection charges.
- Annexation sometimes results in the loss of wildlife areas.
- Townships currently provide services (EMS and fire) that are close to the residents. Annexation means that these services come from further away.
- People should have a choice either through a direct vote or by gathering a petition signed by 51% of property owners. Leave politics out of it.
- Present law is stacked in favor of municipalities and against property owners.

Solutions:

- Individual notification of property owners, including better publication and notice at beginning of process.
- Owners want to be listened to when they appear at public meetings instead of being denied because they are not municipal residents.
- Revise legislation. The playing field should be leveled. Currently, it is very costly to remonstrate. These costs should be borne by municipalities.

- Municipalities must hold up their promises by providing services in a timely manner.
- Businesses get tax abatements, residents do not.
- People do not win against annexation.

Table 3

Reasons to annex:

- Municipalities can be likened to organisms; they need resources to grow. New resources come first from developing property inside cities. Once all land is developed, they must look outside. They get new revenue from the increase in services.
- Non-municipal residents benefit from living near municipalities.
- If you increase taxes to deal with needs then people move out and city loses revenue.

Reasons in opposition:

- Bigger is not always better.

Improve the process:

- Need to educate the public about the effects of annexation by presenting the fiscal plan, including tax effects.
- Both parties need to benefit.
- There should be better input from the people being annexed, as well as better notification.
- Need to check to make sure that steps have been followed with input from both sides.

Table 4

- Planning is important. Plan commissions should be involved.
- Judges should not have the final say.
- Practicalities of voting: put referendum on general election ballot rather than a separate election to minimize cost.
- Education is necessary.
- If a majority of property owners vote against annexation, the judge should take the opposition into account.
- Townships are affected more than any other unit of government because of the system for financing fire protection. They should be involved more.

Reasons to annex:

- Keep downtowns alive.
- Increase population during census.
- Eventually lower taxes.

Solutions:

- City-county annexation committee including industry, chambers of commerce, cities, citizens, and townships.

Table 5

Reasons for annexation:

- Municipal annexation provides heightened public safety services (fire and police).
- For higher densities of population, cities are the most efficient service providers than township or county.
- Municipalities give value in exchange for increased taxes

Reasons against annexation:

- Higher taxes.

Improve process:

- Need to improve communication.
- Municipalities should establish a time table for phased annexation.
- If you do a poor job communicating and living up to promises, newly annexed residents have the power to vote to remove policy makers.
- A state commission is a poor option.
- Need some clarification about school boundaries. They often do not follow municipal boundaries.

Table 6

- With respect to the rights and needs of property owners, there are fairness issues that affect residents inside and outside a municipality.
- It wouldn't be fair for city residents to vote on annexation issues
- County residents don't vote for city councils that annex them.
- Growth and development isn't necessarily better. Cities say grow or die. Townships do not grow.
- Deannexation is available.
- If you have city utilities, you should be a city resident.
- Subdividers are provided services with a waiver of remonstrance in the subdivision covenants.
- What happens to less desirable areas?

Table 7

- Cherry picking: some areas are not annexed because they have problems.
- Need good communication; referenda force communication.

Table 8

- City should have a fiscal plan and prove that they can provide new services.
- City must sell the benefits.
- We need to reestablish a state certifying official to oversee process.

Table 9

- Group was balanced. Some discussants had good experiences, other had poor experiences.
- We should have some form of popular determination, either by vote of 51% or petition.

Miscellaneous

- Who would get a voice? Residents? Property owners? Renters are not as directly affected as property owners.
- The current statute allows municipalities to provide services to the annexed area that are similar to those enjoyed by similarly situated property. In some cases, new residents don't get new services.
- Re-establish state certifying official.

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

The next meeting will be announced in mid-September.

ADJOURNMENT

The chair adjourned the meeting at approximately 9:05 p.m.