

Indiana Advisory Commission on Intergovernmental Relations

Tuesday, November 23, 1999 Meeting, 10:00 AM

Indiana State Conference Center

Training Room 6

Indiana Government Center South

Indianapolis, Indiana

MEETING NOTES

CALL TO ORDER

Chair Joseph C. Zakas called the meeting to order and announced that because of the special legislative session there was not a quorum present (attendance roster attached) at approximately 10:10 A.M.

Senator Zakas indicated that John Krauss, Director, was unable to attend the meeting and that John Kirlin, Director, Center for Urban Policy and the Environment was attending in his place.

AGENDA

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| - Call to Order | - Chair Joseph Zakas |
| - Approval of Minutes of 6/12/99 | - Chair Joseph Zakas |
| - Presentation of the COMPETE study | - Lee Lewellen |
| - Update on Annual Survey of Local Governments | - Jamie L. Palmer |
| - Update on Y2K efforts | - Jamie L. Palmer |
| - Update on Census efforts | - Carol O. Rogers |
| | - Jamie L. Palmer |
| - Next Meeting | - Chair Joseph Zakas |
| - Adjournment | - Chair Joseph Zakas |
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APPROVAL OF MINUTES

Chair Zakas asked for comments from the members on the June 21, 1999 minutes. No issues were raised by the members present. Formal adoption of the minutes will be postponed until the next meeting of the commission.

PRESENTATION OF THE COMPETE STUDY

Lee Lewellen, Vice President, Central Indiana Corporate Partnership, thanked the group for the opportunity to present the COMPETE study. Mr. Lewellen was formerly the Executive Director of the

Metropolitan Association of Greater Indianapolis Communities (MAGIC), a ten-county economic development organization that studied long-term issues regarding business attraction in Central Indiana. MAGIC was created in 1996. By design, it ceased existence in the fall of 1999. MAGIC spent much of its time studying issues of competitiveness, including the identifying factor that contribute to or impede successful economic development, and talking to local officials about their importance and roles in the economic development for the region. Part of those local discussions led to discussions with other regions of the state, including northwest Indiana, Fort Wayne, Evansville, and South Bend, about common themes or issues that face regions of the state. As a result of those discussions, MAGIC began to recognize, both as elected officials and business people, that there were several issues related to the structure of local government that either contributed to or had a serious negative effect on economic development. MAGIC then formulated the COMPETE study. Copies of the executive summary were mailed to members prior to the meeting.

Mr. Lewellen provided a listing of COMPETE advisory board members, a collection of local elected officials, legislators, business people, academics, all of whom had experience serving or studying local government. The group formulated a project to study the structure of local government in Indiana. A structure that has been largely the same since the adoption of the second Indiana Constitution in 1851.

The COMPETE effort was based on the assumption that the environment that local governments operate in has changed significantly since 1851. After all, the current structure was adopted prior to the civil war, prior to the mass production of the automobiles, well before the internet and computers, and prior to significant social changes. The intent of the study was to step back and look at local government structure, as defined by the constitution and state statute, and propose changes that might be warranted in the current social and economic climate.

Our intent in doing was not to propose a definitive set of recommendations but rather to start a dialogue about local government. Many local officials indicated during this process that they find themselves “between a rock and a hard place” with respect to citizens’ desire for more and improved public services and lower taxes. One potential way to address this dilemma is to consider efficiencies.

The study did not document the specific performance of any government or official. Rather, it looked at the statutory and constitutional structures of offices and the interaction between counties, townships and municipalities, and taxing districts.

Discussions were lively. Full report reflects majority and minority recommendations. Wanted to preserve the richness of the discussion.

Prepared a request for proposals. Because the projects was such a large and complex undertaking, there weren’t consultants available with direct experience. Massive undertaking to summarize 140 years of statute and constitutional review.

Weren’t able to study all 92 counties. Selected six focus counties. Looked for a balance of criteria: rural vs. urban; interstates and not; riverboats; border counties. Crowe Chizek was the primary

vendor. Michael, Cook and Welch as legal counsel. Attempted to contact each local officials in those counties. Asked about how government actually functions in those counties. Were not able to interview all officials. Did interview greater than 100. Counties; Franklin, Hancock, Monroe, Porter, Vanderburgh, Whitely.

Found a lot of variation across counties. For example, Whitely County does not elect a county surveyor. No one in that community wants to run for the office so they contract with a professional surveyor to provide this service.

Senator Zakas asked in surveyor was a constitutional office.

Mr. Lewellen responded that it was.

Mr. Lewellen continued by relating that there already are examples of efforts to cut costs and create efficiencies. He indicated that several communities have found ways within constitutional and statutory limits to cut costs through joint purchasing agreements among multiple local governments.

The study includes 38 recommendations within six general categories: general government, public safety, highways and transportation, health and welfare (primarily, poor relief provided by township trustees) conservation and planning, and culture and recreation.

The study showed that state statute allows overlapping provision of services. For example, it is possible for a single taxpayer to pay for municipal parks, township parks, and county parks. In the case of a golf course, should there be differential pricing? Should there be a base user fee for residents and a higher fee for non-residents? Should taxpayers pay multiple rates for public safety services. While a county jail is used widely, the county sheriff does not patrol within municipal boundaries.

These examples represent the types of questions that were raised during the study. With respect to traditional government functions, county surveyors may be one function that could be eliminated. The study concluded that more than fifty percent of county surveyors are to certified (or licensed) surveyors. One of the traditional functions assigned to surveyors was the maintenance of section corners. This function is not being performed in about half of Indiana counties. If this function is obsolete, it further calls into question the need for the office. It may be an appropriate function for a contracted employee.

Mr. Lewellen reiterated that the COMPETE advisory committee had no power to implement the recommendations. The purpose of the study was to begin a discussion about local government. How can it be streamlined? Are there functions that were necessary in 1851 that are not now by virtue of time and changing technology?

Mr. Lewellen indicated that the study was funding completely by business interests. The source of funding does not imply that business had a greater role in the discussion, however. The advisory committee was constituted to provide a balanced discussion. MAGIC felt it inappropriate to use tax dollars to fund a study about how to use tax dollars more efficiently.

Mr. Lewellen answered questions from commission members.

Senator Zakas asked if there were any constitutional changes recommended in the report in addition to revisiting the office of county surveyor.

Mr. Lewellen indicated that there was a similar recommendation for county coroner. The constitution does not require certification for either of these offices. Individuals are elected currently who do not hold the appropriate certifications to perform all the duties required. In many cases, a certified individual must be contracted by the elected official to carry out the duties of the elected office. This may involve an additional expense because the county must pay the elected official and a contractor. Two potential solutions are offered in the report. One is to eliminate these offices. The other is to require certification.

Senator Craycraft indicated that all medical doctors are not necessarily certified to perform autopsies. It may be difficult to find candidates with the appropriate certification.

Senator Zakas indicated that his county surveyor perceives his role as one of record keeping.

Mr. Lewellen indicated that there seem to be several interpretations among surveyors about what the functions and duties are.

Joyce Poling added that at least until recently Bartholomew County was the only county that had located all of its section corners. This is very surprising in light of technologies like global positioning systems.

Dave Bohmer pointed out several limitations of the current structure of county government. He indicated that most county residents are unable to identify their county commissioner. The number of elected office holders within county government leads to extreme inefficiency in getting things done. This disjointed nature also makes it difficult when municipalities must cooperate with county government to accomplish their goals. Local government structure needs significant reform beyond eliminating just a few constitutional offices.

Ms. Poling asked if granting home rule would be the simplest way to solve many of the problems identified by the report.

Mr. Lewellen indicated that the issue of home rule did come up, particularly in conversations with local officials. Leaders in the General Assembly counseled that effective reform would require that municipalities be given a number of options rather than crafting one-size-fits-all solutions. This would allow the reforms to address the variation in circumstances across the state. The six study counties confirm this variation.

The recommendations in the COMPETE studies were crafted to provide options to local governments in addressing the various issues.

One such recommendation was the option of a single-person county executive. The county executive within most counties currently is a three-member Board of Commissioners. Decisions are made more difficult by the fiscal responsibilities given to county councils.

In some cases, counties may not need a full-time coroner or surveyor. Another recommendation would allow small counties to share these offices and the costs associated with them.

Senator Craycraft pointed out that county government has three branches of government much like the structure at the state level.

Mr. Lewellen indicated that county commissioners had stressed the limitations of having a three-member executive rather than a single executive like mayors.

Senator Zakas pointed out that in Lake and St. Joseph counties the structure of county government is different. The county council in these counties serves a more traditional legislative function.

Sonja Margerum indicated that in most counties the Board of Commissions have legislative powers in addition to serving as the county executive. They are responsible for passing ordinances and ruling on rezonings.

Senator Zakas confirmed this structure is the dominant one. Lake and St. Joseph counties are structure differently.

Ms. Poling indicated that the justice portion of county government is paid for partly by the state. Many mandates have been passed recently that have not been accompanied by complete funding. Most recently the state has passed mandates regarding the identification of fathers for child support. The state has mandated the hiring of a person to staff this program but is funding only two-thirds of that position.

Mayor Margerum asked whether local government charters were permissible under the Indiana Constitution.

Mr. Lewellen said that he did not believe charters were currently permitted.

Mayor Margerum indicated that Illinois allows charters. Each community forms a convention and they decide what form of government they want. They can choose strong mayor-weak council, strong council-city manager, or a commission form of government.

Matt Brooks of the Association of Indiana Counties indicated that some communities in Indiana have chosen their structure of government. He cited the county structure currently operating in Lake and St. Joseph Counties. These counties wanted a different structure than was allowed at the time and petitioned their legislators for change.

Senator Zakas clarified that the modified structure in these counties required legislative action.

Mayor Margerum questioned whether such flexibility would be afforded to municipalities.

Mr. Brooks said that Indianapolis chose a new form of government with Unigov.

Mr. Lewellen reiterated that Unigov required an act of the General Assembly.

Linda Williams indicated that townships have home rule. She indicated that the current general structure for county executive allows representation of urban and rural areas within the executive branch.

Mr. Lewellen said that a single executive accompanied with a county council with full legislative powers could provide representation of various populations within counties. He cited Tennessee as a place that has a single county executive.

Senator Craycraft asked Mr. Brooks if there was any statutory limitation on county administrators.

Mr. Brooks indicated that counties could hire an administrator under current statute. Several counties have done so because of the increased state and federal mandates. It has become increasingly difficult to implement the number of mandates as a part-time board.

The Association of Indiana Counties advocates maintaining the three-member executive to serve as a check and a balance.

Mr. Bohmer indicated that local government reform is difficult because of the number of interests involved. He suggested that case-by-case consideration by the legislature would limit the amount of reform that would occur. Unless there is some general process to provide home rule, very few reforms will occur.

Senator Zakas said that it is difficult to find consensus with the number of governments typically found within a single county. There is potential for reforms like those regarding county surveyors and coroners. These reforms can be accomplished. They are relatively minor in comparison to structural reform.

Senator Craycraft suggested that these reforms may engender opposition.

Ms. Poling suggested that the Monroe County Surveyor is a contested position because the surveyor also is a member of the county plan commission. She also indicated that a township trustee has now been added to the membership of county advisory plan commissions.

Senator Craycraft indicated that home rule could lead to instability in local government. If the structure is not chosen carefully, opponents of future decisions will petition the General Assembly to restrict the powers of local governments.

Ms. Williams indicated that townships had pursued representation on county advisory plan commissions to ensure that the county considers the services provided at the township level in planning for growth. Plans often are implemented without informing the relevant trustee and township budgets are negatively impacted as a result. Fire services often are the most significantly impacted service.

She questioned whether the COMPETE recommendations were based on information regarding the economic impact and/or expected savings from the various reforms.

Mr. Lewellen indicated that such an analysis would have strengthened the effort. There had not been enough time or resources to pursue such an analysis. The variation among counties makes such a study difficult.

Ms. Poling asserted that the Indiana General Assembly does not do this type of analysis when considering reform.

Senator Zakas indicated that there is some fiscal analysis provided for proposed legislation.

Mayor Margerum suggested that the township poor relief function could be folded into the county welfare function.

Mr. Lewellen indicated that this issue engendered spirited debate over the course of the project.

Ms. Williams suggested township trustees as the most appropriate location for the provision of poor relief. Trustees are grassroots and the level of government closest to the people. Trustees know the people that they serve. The county welfare bureaucracy can be daunting and take several days or weeks to provide assistance. Trustees provide assistance only on an emergency basis and have become quite professionalized in providing this important service. Trustees are able to do a thorough job of investigation.

Senator Zakas indicated that one of the COMPETE recommendations was to fold poor relief into a city or town if the municipality covers the entire township.

Ms. Williams indicated that there were no municipalities that cover entire townships in the six study counties.

Mayor Margerum suggested that it might be appropriate to use a population threshold like that used to decide whether there is a separate township assessor.

Ms. Williams indicated that there are guidelines that govern the provision of poor relief.

Mr. Bohmer indicated that townships were established when the Northwest Territory was established. The concept was based on the expectation that the society would remain agrarian. The structure of

county government was established before the Civil War in a time that was very different than today. Both structures warrant reform.

Ms. Poling suggested that without an analysis of the cost of inefficiency there will not be enough public outcry to support significant structural changes.

Mr. Lewellen and Ms. Poling indicated that some reform may be needed to make Indiana competitive economically with other states.

Senator Zakas and Mayor Margerum posited that some small reforms may be necessary to pave the way for larger change.

Senator Zakas thanked Mr. Lewellen for his presentation and commission members for their thoughtful discussion.

Several commission members indicated that the study was very valuable.

UPDATE OF ANNUAL SURVEY OF LOCAL GOVERNMENT

Ms. Palmer explained that the IACIR had administered its third survey of local government in August and September. A copy of the survey instrument was provided to commission members (Attachment A). She reminded members that the survey contained a number of questions from previous surveys to allow comparisons over time and a number of questions specifically about current policy issues.

As of the commission meeting, staff had been able to enter the responses for about two-thirds of the surveys received. As a result, complete results were not yet available.

Ms. Palmer presented a summary of returned surveys by elected office. She indicated that just less than 50 percent of officeholders surveyed had returned a questionnaire. In an environment of information overload, this response rate is good. It is common to get between ten and 20 percent.

Ms. Palmer indicated that commission staff sent an original letter and survey form followed by a postcard reminding officeholders to return the survey. Those who did not return a survey within three weeks were sent an additional letter and survey form.

Ms. Palmer summarized response rates for particular offices. The survey was sent to all Indiana General Assembly members, county council presidents, county commission presidents, mayors, town council presidents, and school board presidents. Previously, the survey was administered to county auditors in addition to county council and commission presidents. School board presidents were added based on the IACIR's recommendation at its last meeting. The survey also was administered to a sample of township trustees.

Table 1: 1999 IACIR Survey Response Rates (As of 11/19/99)

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|------------------------------|--------------|
| All Respondents | 49.7% |
| Indiana Senators | 46.0% |
| Indiana Representatives | 35.0% |
| County Council Presidents | 59.8% |
| County Commission Presidents | 56.5% |
| Mayors | 59.1% |
| Town Council Presidents | 39.1% |
| Township Trustees* | 67.2% |
| School Board Presidents | 40.5% |
| Other** | ----- |

* Surveys were sent to a sample (183) of township trustees.

** 31 officials responded who do not hold the one of the offices listed above.

She indicated that full results would be available for the next IACIR meeting and that two preliminary analyses had been prepared to inform later meeting discussions regarding the census and Y2K.

Senator Zakas requested that the survey results be sent to commission members prior to the next meeting.

UPDATE ON Y2K EFFORTS

Ms. Palmer presented a summary of efforts undertaken by the Indiana Association of Cities and Towns, the Association of Indiana Counties and the Indiana Township Association (Attachment B). These efforts have included newsletter articles, workshops, and promotion of the Y2K toolkit.

Ms. Palmer indicated that preliminary results from the survey indicate that 79 percent of respondents indicated that their local government had completed a Y2K assessment and any necessary fixes. Fewer (62.6%) indicated that they had a contingency plan in place.

From the survey responses and the local government association efforts, it appears that most local governments have dealt with the issue. She added that the National League of Cities and the Indiana Association of Cities and Towns produced a guide to contingency planning. Several copies of the document are available for member review.

Senator Zakas asked Ms. Williams about efforts at the township level.

Ms. Williams indicated that townships had addressed Y2K issues were addressed for township fire departments. Townships also have prepared food pantries and other emergency resources for a possible disaster-type event. The Indiana Township Association hosted a workshop regarding local emergency management in preparation for the event.

Mayor Margerum indicated that municipalities were now informing the public that they should not log on to the internet or try to use the telephone at midnight to avoid system overload and failure.

UPDATE ON CENSUS EFFORTS

Senator Zakas introduced Carol Rogers of the Indiana Business Research Center.

Ms. Rogers indicated that the Indiana Business Research Center (IBRC) had been involved in state efforts regarding the decennial census since 1980. Ms. Rogers presented information regarding the 2000 Census and state efforts to ensure a complete count (Attachment C).

NEXT MEETING

No subsequent meeting date was established. Senator Zakas suggested that the meeting be set for March following the 2000 legislative session

ADJOURNMENT

The meeting was adjourned at approximately 11:45 A.M.