

Indiana Advisory Commission on Intergovernmental Relations

Wednesday, September 11, 2013

1:00 P.M. to 3:00 P.M.

Indiana Statehouse

Senate Chambers

200 W. Washington St.

Indianapolis, Indiana

MINUTES

CALL TO ORDER/WELCOME

Senator Randy Head called the meeting to order and welcomed the group at approximately 1:30 pm.

John Krauss gave a brief history of IACIR and its accomplishments. Senator Head asked that all members take a moment to introduce themselves to the group. Attendance is shown in Attachment A.

MEETING AGENDA

- Call to Order/Welcome/Introductions Chair Randy Head
John L. Krauss
- Approval of Minutes of October 25, 2012 Chair Randy Head
- Presentation of the 2012 Survey of Local Elected Officials Jamie Palmer
Debbie Wyeth
Jalyn Jellison
- Discussion of the 2013-14 Work Plan Chair Randy Head
John L. Krauss
- Next Meeting: TBA Chair Randy Head
- Adjournment Chair Randy Head

APPROVAL OF MINUTES OF OCTOBER 25, 2012

The approval of minutes was tabled until the next meeting.

PRESENTATION OF THE 2012 SURVEY OF LOCAL ELECTED OFFICIALS

Jamie Palmer presented the results of the 2012 IACIR Survey of Local Government Officials (Attachment B). The 2012 survey included 42 questions and addressed many issues included in previous IACIR surveys, as well as topics currently affecting local governments. The survey addressed community conditions, responses to fiscal challenges, service arrangements, TIF, tax abatement, PILOT/SILOTs, retirement benefits and health insurance for employees, training, infrastructure, communication, and civics.

Senator Lonnie Randolph asked the purpose of the survey.

Ms. Palmer said it was to be distributed to local officials, the General Assembly, the press, and placed on the IACIR website. It provides information to those stakeholders on issues that are important to local governments.

Mr. Krauss added that the survey report shows trends over time. Information gleaned from these reports is used in other reports and is shared with trade associations. It is used in a variety of ways.

Mark Lawrance suggested asking the same questions of a cohort of citizens to see if their responses match the local officials.

Mr. Krauss said that might be a possibility in alternate years.

Senator Richard Young asked if there were any questions about annexation.

Ms. Palmer responded, not in this survey. There have been questions about annexation on previous surveys.

Senator Young asked if payment in lieu of services/taxes is required for large forest holdings.

Ms. Palmer said the Nature Conservancy pays PLoT voluntarily. The federal government also pays counties PLoT in cases when there are large holding. Neither situation is an official requirement.

Mr. Krauss said tax caps have made local government budgets tighter and tighter. IUPUI pays a token payment to the city for fire protection.

Representative Sheila Klinker noted there are referenda for more money for schools in some districts. She asked if there are many more of these types of referenda to get more money for schools.

Ms. Palmer said the survey does not address that issue, but the Center for Evaluation and Education Policy has a database of school referenda.

Senator Lonnie Randolph said the report had a lot of information. He asked about whether the information could be presented to legislative committees when it is germane to a topic being debated.

Mr. Krauss said that the information can be presented when relevant. In many cases, the information can be parsed in a different way if needed. Staff are available to help.

DISCUSSION OF THE 2013-14 WORK PLAN

Senator Head and Mr. Krauss presented a list of potential study topics, including:

- Local government tax incentives
- PSAP funding
- Fiscal benchmarking
- Fiscal transparency
- LOIT collection and distribution
- Local government healthcare costs
- Improvements to government efficiency

Senator Head indicated that there is a debate on tax credits, incentives. Not all of them are taken advantage of. Some may not be producing the desired results.

Representative Michael Karickhoff said there is a need to look at TIF (tax increment financing). It is good in principle but it can be abused.

Commissioner Therese Brown concurred about TIF as an important tool. If a company wants to move, this is a good tool for the toolbox.

Larry Hesson concurred that TIF needs to be available, but that there has been abuse.

Senator Randolph agrees to study TIF and believes it to be a top issue.

Senator Randolph indicated that he was most interested in the following topics:

- TIF
- Government efficiency
- Healthcare

Representative Karickhoff suggested PSAPs funding. PSAPs were studied last year. Something must be done to the funding legislation; the newly adopted funding arrangement sunsets in a few years. The work that the commission did needs to be taken across the finish line. Multiple bills were proposed during the 2013 legislative session, but none received a hearing.

Senator Young offered the following:

- There isn't yet agreement on PSAPs.
- He liked taking a look at economic development incentives to ensure that they make sense and are not being abused.
- Health care is an important topic.
- Government efficiency has been addressed. The next step is you have to do it.

Ken Paust indicated his top picks:

- Tax abatement
- PSAPs
- Civics, focus on what local government provides

Mr. Lawrance suggested that the commission choose something tangible to study

- Fiscal benchmarking
- Gateway portal
- Transparency for citizens

Senator Head indicated his top picks:

- LOIT collection and distribution
- Transparency

Mayor Karen Freeman-Wilson indicated her preferences:

- LOIT
- TIFs and other economic development incentives
- Transparency-make information available to citizens

Mr. Hesson suggested three issues:

- Hospital acquisitions by non-profit entities – go off the tax roll
- Annexation – what are the effects on revenue and services in the county?
- Sheriff's retirement program is burdensome. Counties will face similar problem and may not be able to continue. Programs are very dissimilar.

Trustee Andy Harris indicated his preferences.

- LOITs distribution
- TIFs. There is a large area left in Wayne Township (Marion County). The money is going someplace else.

Senator Head indicated that he and the staff would meet, consider the issues identified by the members, and develop the 2013-14 scope of work.

NEXT MEETING

To be announced.

ADJOURNMENT

Senator Head adjourned the meeting at 3:05 P.M.