

Indiana Advisory Commission on Intergovernmental Relations
November 16, 2005 Meeting, 10:00 A.M.
Indiana Statehouse, Room 101
Indianapolis, Indiana

MINUTES

CALL TO ORDER/WELCOME/INTRODUCTIONS

Chair Beverly Gard called the meeting to order at approximately 10:10 A.M. She gave a brief history of the commission and its work and thanked the commission for their attendance (Attachment A). She asked the members and the other attendees to introduce themselves.

Each member and the other attendees introduced themselves.

MEETING AGENDA

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| • Call to Order | Chair Beverly J. Gard |
| • Introductions | Chair Beverly J. Gard |
| • Approval of Minutes of December 14, 2004 | Chair Beverly J. Gard |
| • Project Updates | Jamie L. Palmer |
| ○ 2006 Survey of Local Governments | Jamie L. Palmer |
| ○ Water Infrastructure Funding | Jamie L. Palmer |
| • 2006 Priorities | Chair Beverly J. Gard |
| ○ Presentation on Critical Intergovernmental Public Policy: Making Choices and Taking Action Proposal | Dr. Alfred Ho |
| ○ Discussion | Chair Beverly J. Gard |
| • Presentation on Indiana Association of Cities and Towns Hometown Matters Proposal | Karen Arland |
| • Establish Next Meeting Date | Chair Beverly J. Gard |
| • Adjournment | Chair Beverly J. Gard |

APPROVAL OF MINUTES OF DECEMBER 14, 2004

Senator Gard asked the commission to review the minutes briefly.

Joyce Poling asked that her comment on Page 3 should include the words, "given the opportunity for fiscal home rule."

Senator Gard asked for a motion to make the suggested change and for the approval of the minutes.

Senator Joseph Zakas made the motion. Sue Paris seconded the motion. The minutes were adopted unanimously.

PROJECT UPDATES

2006 SURVEY OF LOCAL GOVERNMENTS

Jamie Palmer explained the commission has done a periodic survey of local government officials since 1997. The 2006 survey will be administered after the close of the 2006 legislative session. There are a series of questions that are repeated in every survey and a number of "hot topics" that are included (Attachment B). Previous surveys have included questions from a number of state agencies. She solicited ideas for questions and asked for those by mid-January 2006.

Ms. Poling suggested that the community service listed as terrorism in the 2004 questionnaire should be changed to homeland security.

WATER INFRASTRUCTURE FUNDING

Senator Gard gave a brief background on the project. In early 2003, the IACIR released a report on financial needs for water and wastewater infrastructure in Indiana. The report showed that \$12.4-\$13.9 billion will be needed for infrastructure. Since then, she has asked the commission staff to identify funding options. Staff has been working with a technical advisory group to identify current and potential sources of funding.

She continued by saying that these are issues that local communities cannot take lightly. She explained that across the state communities are adopting stormwater management districts. In Greenfield, the stormwater fees were not well received.

Representative Sheila Klinker indicated that, if adopted, the IACT Hometown Matters proposal could provide monies for water infrastructure.

Ms. Palmer explained the materials that have been collected for the current study. These included: tables with current sources of revenue, grants, and loans (Attachments C and D), a compendium of funding options (Attachment E), and a list practical options identified by the technical advisory group (Attachment F).

Senator Gard indicated that in addition to the report on current and potential funding options, she wanted to explore updating the figures in the original report. She asked for a motion to ask staff to pursue updated figures.

Representative Klinker made the motion. Sue Scholer seconded the motion. The motion passed unanimously.

2006 PRIORITIES

Ms. Palmer provided the final report of the Local Government Efficiency and Financing Study Commission (Attachment G). This was the only summer study effort related to the topics that are typically of interest to the commission.

PRESENTATION ON CRITICAL INTERGOVERNMENTAL PUBLIC POLICY: MAKING CHOICES AND TAKING ACTION

Dr. Alfred Ho gave a presentation on the staff's proposal for a 2006 project (Attachment H).

Representative Klinker asked about whether citizen-initiated performance measurement led to higher taxes and willingness to pay.

Dr. Ho responded that citizens generally are more willing to pay taxes when they are more knowledgeable about the services they're receiving. Sometimes it works a bit differently. In one community service standards indicated that the city needed more police officers. Citizens said that they felt adequately safe with the current force, thus removing the need to hire more officers.

Ms. Palmer explained that the project proposed would take 2-3 years to fully complete. Each year, there would be written products and a variety of discussions regarding the policy area chosen. She asked for suggestions on the issue(s) that the commission wanted to study.

Senator Gard asked for general reactions.

Representative Klinker and Ms. Scholer indicated that the proposal was good.

Mayor Bruce Hosier indicated that collaboration would be critical to moving the state and its communities forward.

Commission members proposed the following issues for study:

- Public safety/homeland security/medical dispatch (Poling)
- Transportation (Scholer)
- Community capacity to afford debt levies(Gard)
- Education (Klinker)
- Solid waste management (Zakas)
- Impact of state and federal property on local governments (Poling)
- Status of local government fiscal health

Senator Gard commented that there had been a bill in the Indiana General Assembly that would have required counties to hire a full-time director for emergency medical services.

Dr. Ho indicated that his class is working on a project with the state Office of Management and Budget on service co-location.

Ms. Scholer suggested that the state seems to have a transportation plan, but that locals are still struggling.

Senator Gard indicated that schools have proposed large bond issues recently. In Mt. Vernon, the bond issue was defeated. In another local community, the schools proposed a 50 percent increase in local taxes; the project was reduced over time. These property tax levies can be significant for fixed income households.

Representative Klinker indicated that education funding is always an issue. The Governor had suggested finding more efficiencies including potentially reducing the number of school districts in the state.

Susan Craig suggested that there need to be checks and balances at the local level.

Senator Gard directed the staff to develop informal proposals for each of the topic areas suggested.

PRESENTATION ON INDIANA ASSOCIATION OF CITIES AND TOWNS HOMETOWN MATTERS PROPOSAL

Karen Arland gave a short presentation on the Indiana Association of Cities and Towns' recent study and legislative proposal (Attachment I).

Senator Gard asked about whether the proposal would include caps on new revenues.

Ms. Arland explained that the proposal contains sliding scale depending on a number of factors that would set the amount of property tax replacement that must be addressed. The amount of new revenue would vary according to the scale.

Senator Zakas asked if the proposal contained local option gas taxes.

Ms. Arland indicated that currently the proposal did not contain that option.

ESTABLISH NEXT MEETING DATE

The commission established December 12, 2005, 10:00-11:30 A.M. as the next commission meeting. Senator Gard asked staff to secure a meeting room in the Statehouse. *Statehouse Room 233 was subsequently announced as the meeting location.*

ADJOURNMENT

Senator Gard closed the meeting at approximately 11:30 A.M.

APPROVAL

These minutes were approved by the commission on December 12, 2005.