

# **Indiana Advisory Commission on Intergovernmental Relations**

**Wednesday, December 20, 2006**

**1:30 – 3:30 P.M.**

*Indiana State Teachers Association  
Conference Center*

*150 W. Market St., Second Floor  
Indianapolis, Indiana*

## **NOTES**

### **CALL TO ORDER/WELCOME/INTRODUCTIONS**

Chair Tom Saunders called the meeting to order at approximately 1:45 P.M. He welcomed the group (see Attachment A). No quorum was established during the meeting.

### **MEETING AGENDA**

- Call to Order Chair Tom Saunders
  
- Approval of Minutes Chair Tom Saunders
  - June 20, 2006
  - October 12, 2006
  
- Approval of Focus Group Notes Chair Tom Saunders
  - September 26, 2006
  - October 26, 2006
  - November 14, 2006
  
- Presentation and Discussion on Interlocal Agreement Project John L. Krauss  
Neil Pickett  
Chris Ruhl  
Jamie L. Palmer
  
- Set Next Meeting Chair Tom Saunders
  
- Adjournment Chair Tom Saunders

### **APPROVAL OF MINUTES OF JUNE 20, 2006 AND OCTOBER 12, 2006**

Representative Saunders postponed approval of the minutes until the next meeting.

### **APPROVAL OF FOCUS GROUP NOTES**

Representative Saunders postponed approval of the focus group notes until the next meeting.

**INTERLOCAL AGREEMENTS STUDY**

John Krauss gave some brief background on the genesis of the study.

Jamie Palmer presented a summary of the research study (Attachment B) and presented a series of recommendations for discussion (Attachment C).

Mayor Allan Kauffman suggested that the flexibility among collaborating governments to transfer levies among them would be helpful. In his community, he would be willing to transfer the city's levy for animal control to the county. The county does not have enough excess levy to internalize the entire cost of the shared service. Establishing a uniform tax rate across the properties served by an interlocal agreement would address the potential for the double taxation of municipal residents for the same shared service.

Linda Williams asked if information was available on the specific services that communities were collaborating on.

Ms. Palmer indicated that the full database has that information.

Sue Paris indicated that the Indiana Association of Indiana Counties offers annual awards for cooperative projects. She suggested that incentives would be critical to increasing the use of collaborative arrangements.

Chris Ruhl suggested that professional training also would be appropriate for local attorneys.

Mr. Ruhl asked whether turf issues were a major impediment to the use of more interlocal agreements.

Ms. Palmer indicated that it certainly is a factor in some cases, but that many local officials just do not have enough knowledge about how to do them.

Mr. Krauss suggested that the Indiana Bar Association and the Indiana Municipal Lawyers Association.

Representative Saunders suggested that education for state legislators would be useful, particularly for those who had not served previously in local government.

Ms. Williams suggested that education for local officials and staff is needed, particularly with respect to the filing requirements. Previous discussions have indicated that there are a number of agreements in effect among Hamilton County governments. Few of these appear in the database created from State Board of Accounts data.

Representative Saunders and Ms. Paris both suggested that statutory updates and technical assistance that would make the process easier to follow were critical.

Mr. Krauss indicated that the state now allows Rainy Day Funds for local governments, giving them a place to put short-term savings. He indicated that the budget review process still may penalize local governments that save money in a particular budget category. The penalty may not be as immediate, but take a few budget cycles to occur.

Fred Barks indicated that there is some confusion about whether Rainy Day Funds could accrue beyond the budget year.

Senator Joe Zakas indicated that he supports clarity of language in the statute, but that the Legislative Services staff protocols for statutory language often prevent making changes such as those suggested. Representative Saunders suggested that non-legislative solutions were likely to be the most successful in accomplishing the goal.

Representative Klinker indicated that it was important to make legislators aware of the recommendations

Ms. Palmer indicated some concern about the funding that might be required to provide minimal incentive funding to up to 600-plus potential local governments. Other issues included the size of the program relative to the cost of administration and the general lack of state funding for grant programs.

Representative Klinker asked about what was envisioned in terms of reducing tax controls.

Ms. Palmer suggested that perhaps communities could get a break on the 2% circuit breaker.

Several members concurred that the need to get approval of two elected bodies, the Board of County Commissioners and the County Council, could be an impediment to the use of interlocal agreements. Several cited a difference of opinion between the two bodies on issues such as the wheel tax.

Representative Klinker suggested that the outcome for Hometown Matters, a proposal to provide local fiscal flexibility, could affect the use of interlocal agreements and the effects that would be associated with the recommendations.

#### **SET NEXT MEETING**

Representative Saunders directed the staff to pursue an additional meeting on January 4, 2007 or January 5, 2007. *The meeting subsequently was set for January 11, 2007.*

#### **ADJOURNMENT**

Representative Saunders closed the meeting at approximately 3:30 P.M.