

CITY OF LEBANON, INDIANA
RESOLUTION # 2021-20

Email attached
sent to Paige
10/13/21

PETITION TO APPEAL FOR AN INCREASE ABOVE THE MAXIMUM LEVY

The City Council of Lebanon Civil City, Boone County, State of Indiana, has determined to appeal to the Department of Local Government Finance for an excess property tax levy.

Please provide the appropriate excess levy appeal(s) and provide the dollar amount(s) requested.

Annexation/Consolidation/Reorganization/Extension of Services (IC 6-1.1-18.5-13(a)(1))	\$	_____
Three-Year Growth (IC 6-1.1-18.5-13(a)(3))	\$	<u>63,522</u>
Emergency Levy Appeal (IC-1.1-18.5-13(a)(12))	\$	_____
Property Tax Shortfall (IC 6-1.1-18.5-16)	\$	_____
Correction of Error (IC 6-1.1-18.5-14)	\$	_____

The fiscal body of Lebanon Civil City, Boone County, hereby resolves to proceed with a petition for an excess property tax levy to the Department of Local Government Finance to increase the taxing unit's maximum levy and we represent that the taxing unit cannot carry out its governmental functions under its current maximum levy for the ensuing calendar year without the excess levy.

Adopted this 12 day of October, 2021

FOR

AGAINST

Mike Kincaid
C. A. Messinger
Morris Jones
[Signature]
Nicholas [Signature]
Keith Campbell

ATTEST: Tanya Thayer

Department of Local Government Finance Report of Appealing Taxing Unit

The Department of Local Government Finance (“Department”) has prescribed this template through which a petitioner supplies the information the Department requires pursuant to IC 6-1.1-18.5-12(c). The required information must be filed with the Department on or before **OCTOBER 20** or, in the case of an appeal due to a shortfall (IC 6-1.1-18.5-16), on or before **DECEMBER 30**. Only submissions bearing postmarks (or a timestamp, if sent by email) of **OCTOBER 20** or **DECEMBER 30** (for shortfall appeals only) or earlier will be considered.

Shortfall appeals can only be calculated after the final tax distribution. The Department requests that appeals for shortfalls in a prior year’s tax settlement be filed by the October 20 deadline to prevent delays in the processing of annual budgets, tax rates, and tax levies.

All requests for consideration of an appeal must be specific. Please note that the Department will utilize reports from the budget certification process (Form 3, Fund Report, and Estimate of Miscellaneous Revenues) and the unit’s submitted Annual Financial Report on Gateway during its review of an appeal application. If this information is not representative of your unit’s current financial situation, please provide updated financial information and explanations as to the differences.

The Department may deny or modify an excess levy appeal on the basis that the unit has sufficient fund balances to allow it to carry out its governmental functions. The Department will take circuit breaker credits into consideration when estimating fund balance amounts.

Note that IC 6-1.1-17-3(a)(5) requires that any request for an excess levy appeal be advertised as part of the notice to taxpayers of the estimated budget. Failure to comply with IC 6-1.1-17-3(a)(5) will be cause for denial.

To submit a petition to the Department units will complete only the following page, the individual page(s) applicable to the appeal(s), the certification page. Petitions should also include any additional supporting documentation that contains an explanation or justification of the appeal and the appeal amount.

Completed submissions and additional questions about excess levy appeals should be directed to your Budget Field Representative.

EXCESS LEVY APPEAL PETITION

On this page, check all appeals for which you are applying, state the amount of the appeal(s), and submit the appropriate worksheets.

TAXING UNIT: Lebanon Civil City COUNTY: Boone

FISCAL OFFICER: Tonya Thayer, Clerk-Treasurer

ADDRESS: 401 South Meridian Street

CITY/STATE/ZIP: Lebanon, Indiana 46052

TELEPHONE: (765) 482-1218

EMAIL ADDRESS: tthayer@lebanon.in.gov

FINANCIAL CONSULTANT (IF APPLICABLE): Paige Sansone, Partner, Baker Tilly Municipal Advisors

PLEASE INDICATE BELOW THE TYPE AND AMOUNT OF APPEAL TO BE CONSIDERED

- \$ _____ Annexation, Consolidation/Reorganization, or Extension of Services
- \$ 63,522 Three-Year Growth Factor Equal to or Exceeding 2% of Statewide Growth Factor
- \$ _____ Emergency Levy Appeal (Natural disaster, an accident, or other unanticipated emergency; the Department does not consider the condition of general economic recession to be an unforeseen emergency.)
- \$ _____ Correction of Advertising, Mathematical, or Data Error
- \$ _____ Property Tax Shortfall Due to Erroneous Assessed Value

FOR CONSIDERATION, ALL SUBMISSIONS MUST INCLUDE:

- One complete package of all the below, including the appeal worksheet and the information required for the type of appeal under consideration.
- Copy of cover page, appeal worksheet(s), tax rate information page, and signed certification. (Only submit the worksheet(s) that is applicable to the appeal(s) for which you are applying.)
- Copy of resolution from fiscal body approving the excess levy appeal along with a statement that the unit will be unable to carry out the governmental functions assigned to it by law unless it is granted this appeal. The unit must include reasonably detailed statements of fact supporting this statement. (IC 6-1.1-18.5-12(a))
- All documentation required for the specific appeal, as specified on the worksheet(s).
- Reasonably detailed statement explaining how and why your unit determined it cannot carry out its governmental functions without this appeal (IC 6-1.1-18.5-12(a)).

CERTIFICATION

I, the undersigned, hereby certify that the attached appeal information and supporting documentation is correct to the best of my knowledge and belief.

Signed this 12 day of October 2021

Tonya Thayer
(Printed Name of Fiscal Officer)

Tonya Thayer
(Signature)

Clerk-Treasurer
(Title)

tthayer@lebanon.in.gov
(Email)

Paige Sansone, Partner, Baker Tilly
(Printed Name of Financial
Advisor/Consultant)

Paige E. Sansone
(Signature)

paige.sansone@bakertilly.com
(Email)

Completed submissions should be submitted via email directly to your Budget Field Representative: https://www.in.gov/dlgf/files/Budget_Field_Reps.pdf.

LOCAL INCOME TAX AND MISCELLANEOUS REVENUE
DISTRIBUTION INFORMATION

Revenue Type	2019	2020	2021	2022 (Estimated)
LIT	\$8,424,549	\$9,210,256	\$9,724,398	\$8,254,119
CVET	\$15,825	\$15,050	\$15,402	\$16,681
Excise	\$460,093	\$535,922	\$569,012	\$611,989
FIT	\$23,829	\$25,875	\$27,758	\$29,853

TAX RATE INFORMATION

Total District Rate	2019	2020	2021	2022 (Estimated)
002 Lebanon Corp	\$2.1620	\$2.0235	\$2.1147	\$2.1147

Tax Rate Impact:

- A. 2021 net assessed value \$994,970,206
- B. Total amount of appeal(s) \$63,522
- C. Unit's rate impact of appeal(s) = [B/(A/100)] 0.006384
- D. District rate impact = C/2021 Total District Rate 0.301%

Tax Levy Impact:

- E. Total amount of requested appeal \$63,522
- F. Unit's total levy for current year \$8,163,731
- G. Percent increase (E/F) 0.7781%

1) Did the fiscal body approve this excess levy appeal(s)? Yes No

2) Was there any opposition or objection to the excess levy appeal? Yes No

If yes, please provide a summary of the objection:

Summary may be included on separate attachment.

3) Was an excess levy appeal(s) on the ensuing year's budget notice? Yes No

4) Has this unit transferred funds to its rainy day fund during this budget year or the immediately preceding budget year (or in the year in which the annexation, consolidation/reorganization, extension of services, error, shortfall, or emergency occurred)? Yes No

If yes, please state the fund(s) and amounts from which transfers were made:

Fund _____	Amount \$ _____
Fund _____	Amount \$ _____
Fund _____	Amount \$ _____
Fund _____	Amount \$ _____

Please provide the current balance in your unit's rainy day fund and indicate whether any of this amount will be spent in the near future and how so:

Summary may be included on separate attachment.

If no, does the unit plan to transfer funds to its rainy day fund in the near future?

Yes No Amount \$ _____

THREE-YEAR GROWTH FACTOR
(IC 6-1.1-18.5-13(a)(2))

A unit qualifies to seek a three-year growth appeal if its average assessed value growth over the last three years exceeds the statewide average max levy growth quotient (“MLGQ”) for the same time period by at least 2%. The following is a description of the steps the Department takes in accordance with IC 6-1.1-18.5-13(a)(3) to determine a unit’s eligibility and maximum appeal amount.

Step 1: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property under IC 6-1.1-4-4 does not first become effective (2021, 2020, and 2019).

Step 2: Calculate the assessed value of all taxable property for the unit, plus the assessed value deducted under the inventory deduction in 2006 Pay 2007, plus the amount deducted under the homestead supplemental deduction in 2008 Pay 2009. For each of those years, divide that amount by the amount calculated for the previous year.

Step 3: Sum the results of Step 2 and divide by three (3).

Step 4: Add the statewide total assessed value of all taxable property for all units, plus the assessed value deducted under the inventory deduction in 2006 Pay 2007, plus the assessed value deducted for the homestead supplemental deduction in 2008 Pay 2009. For each year, divide that amount by the amount calculated for the previous year. The calculations for Steps 4 and 5 are performed below:

Statewide Averages Adjusted for Inventory and Homestead Deductions

2019	1.0242
2020	1.0335
2021	1.0323

Step 5: Add the Step 4 results and divide by three (3): $(1.0242+1.0335+1.0323)/3 = 1.0300$

Step 6: Divide the Step 3 results by the Step 5 results.

If Step 6 is equal to or greater than 1.02, then the unit is eligible for the appeal. The maximum amount that the Department may award in this appeal is the amount by which Step 3 exceeds the MLGQ as calculated according to IC 6-1.1-18.5-2. (This amount is 1.043 for 2022.)

Answer the following questions:

1. Justify the financial need for the appeal. State the budget appropriation line items and amounts that cannot be funded without this increase to the maximum levy.

The City’s continued growth and increased demand for services continues to deplete operating cash balances. Future budgets are going to be unfunded without additional revenues and the City desires to provide employees with salary increases.

2. State precisely which of those items are the highest priority to fund.

Personal service line-items are the most critical and the largest portion of all budgets. The City will look to cut in other areas as needed before making any cuts to personal services.

3. Will this appeal increase the Operating Balance (Line 11) of Budget Form 4b?

Yes No

If yes, indicate the anticipated increase:

\$ 0

CITY OF LEBANON, INDIANA

THREE-YEAR GROWTH EXCESS LEVY APPEAL - CIVIL
Budget Year 2022

Step 1									
Year	Net Assessed Value	+	AV deducted for inventory pay 2007	+	AV deducted for HS Supplement deduction pay 2009	=	Total	Step 2	
								Divide each year by amount from previous year	
2018	830,563,610	+	67,995,279	+	100,277,676	=	998,836,565		1.0237
2019	854,256,091	+	67,995,279	+	100,277,676	=	1,022,529,046		1.0812
2020	937,285,346	+	67,995,279	+	100,277,676	=	1,105,558,301		1.0522
2021	994,970,206	+	67,995,279	+	100,277,676	=	1,163,243,161		
								Step 3: 3-year average ==>>	
								1.0524	

Step 4	
Statewide Averaged Adjusted for Inventory and Homestead Deductions	
2019	1.0242
2020	1.0335
2021	1.0323
Step 5: 3-year average ==>>	1.0300

Step 6	
Step 3	1.0524
Divided by Step 5	1.0300
Result	1.0217
Step 6 equal to or greater than 1.02?	YES

If yes:

Step 3	1.0524
Minus MLGQ for 2022	1.0430
Result	0.0094
Initial 2021 Maximum Levy	\$ 6,757,690
Times amount that Step 3 exceeds MLGQ	0.0094
Estimated amount of levy appeal	\$ 63,522.00

Tonya Thayer

From: Sansone, Paige <Paige.Sansone@bakertilly.com>
Sent: Friday, October 8, 2021 2:06 PM
To: Tonya Thayer
Cc: Matthew Gentry; Scruggs, Brandon
Subject: Levy Appeal Petition and Application - Lebanon City
Attachments: LF_Lebanon_Appeal Application_100821.pdf

Hi Tonya,

Attached is the completed levy appeal application for your review. The first page (petition) needs to be approved and signed by Council no later than October 18. The Council may approve it at any public meeting. No special advertising is required. Once signed, please email us the executed copy along with the Certification page with your signature. We will file the documents with the DLGF on or before October 19th.

Thanks,

Paige E. Sansone, CPA
Partner



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