

White River Township

Citizen Request:

- A. Accept Township Board budget proposal for 2010 of \$265,780
- B. Establish a Township tax rate for 2010 that is consistent with the proposed budget

It is our understanding that the Trustee did not submit, as required by law, a budget for 2010. It is also our understanding that under a recently enacted state law, and in the absence of a 2010 budget, WRT may receive the same budget that they had for 2009 of \$404,780. It is also our understanding that because of the inaction of the Trustee, the Township Board submitted a proposed budget for 2010 of \$265,780. We understand that, under these circumstances and at the option of DLGF, the tax rate for 2010 can be; 1) set to that of 2009 (\$0.0108/ \$100AV) thereby reinstating the 2009 budget, 2) set to a value compatible with the 2010 budget submitted by the Board, or, 3) set the tax rate to zero and support a budget from reserves.

As a citizen of White River Township, it is requested that the 2010 budget be established as proposed by the Board and that the tax rate be set to support that budget for 2010, based on the following information:

1. Growing Surplus

The total balance of cash and investments at the end of 2009 was stated as \$273,588.57. This is understated by the amount of \$103,982.65 because the Trustee made the decision to not record the payment sent on 12/30/2009 in his report. (This should have been reported as a transfer in process.) The result is that the incorrect conclusion is reached that the Township government had deficit spending 2009 of \$50,312.70, instead of an actual growth in cash and investments of \$53,669.95. In 2008, the payment on 12/30/2008 was properly reported.

2. True Cash Balance

The Trustee did not submit to DLGF the required budget for 2010, with the anticipation of receiving the same amount as the previous year. This costs the tax payers of WRT thousands of dollars in extra taxes, given that the Township already has a cash balance of \$377,571.22. This does not count the \$250,000 received in January 2010 for the sale of the Al Mar property to the Bantam Football organization. When added to the corrected cash reserves, the township has a total of cash and investments of \$627,571.22, which is sufficient for over two years of forward coverage of the budget proposed by the WRT Board.

3. Failure to Reduce 2008 Budget

In the fall of 2007, the Township Administration building was transferred to the Center Grove School System in exchange for the CG Administration facility, the Al Mar property that is leased to the Bantam Football league, with CG School System assuming the debt on the Township

Administration building and land. This debt corresponded to a 2007 annual payment of at least \$120,000. However, when the facility and corresponding debt service was removed from the Township, there was no corresponding decrease in the submitted budget for 2008. Therefore, at a minimum, the annual budget is overstated by ~ \$120,000.

4. Excessive Spending – two examples

a. Capital Goods

The WRT Trustee has made expenditures that appear to be inconsistent with the mission of his office (poor relief and abandoned cemetery maintenance), such as \$47,676.61 for emergency sirens for just Bargersville Fire District. This expenditure, being over \$25,000 should have been preceded by competitive bids. When the Trustee was asked if he had done so, he responded that he had not. This suggests there are other expenditures where the bidding process has been omitted. A \$5,000 contribution to the Bargersville Fire Protection District for the purchase of locator devices for autistic children has also been made.

b. Professional Services

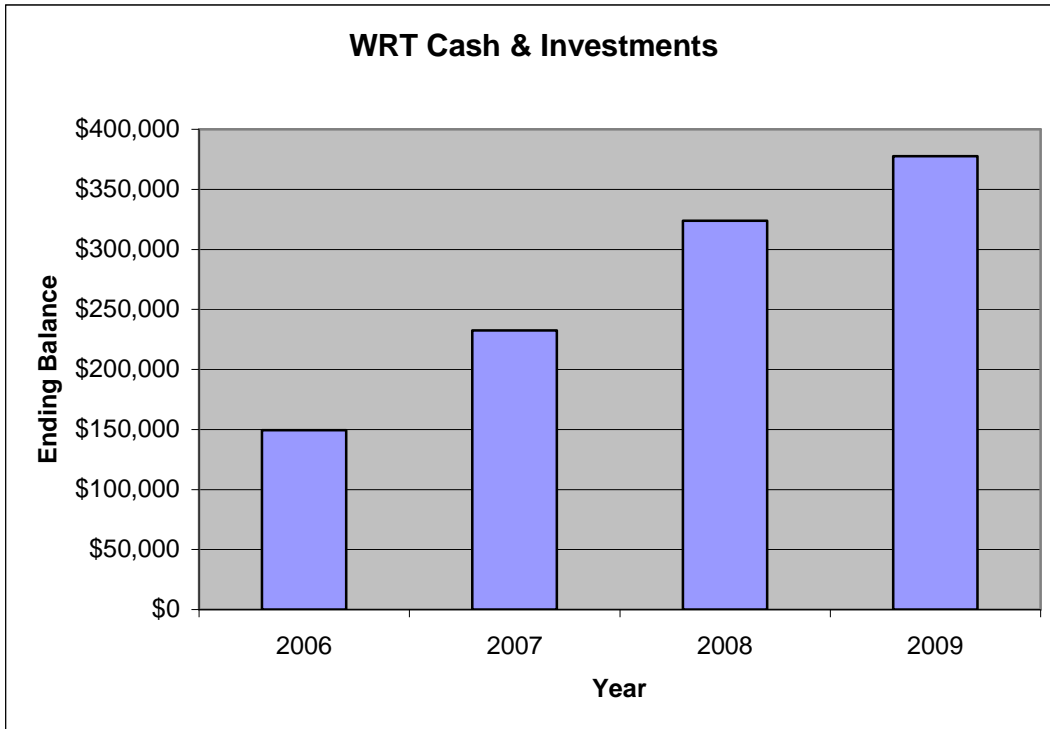
The Trustee also spent \$38,844.06 for legal and financial / accounting services in 2008. This did not involve preparation of the annual Township Trustee Annual Report, which was prepared by the Trustee. In the prior year the total for these services was \$4,340.80.

5. Trend

We are concerned about the precedent that could be established if the Trustee is given the same budget as last year considering the data presented below which demonstrates a growing cash and investment year end balance;

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2008/2009Change</u>
Budget	\$414,548	\$388,580	\$404,780	\$ 16,200
Disbursements	\$315,317	\$289,778	\$336,332	\$ 47,000
Beginning Cash / Investments	\$149,490	\$209,693 ⁽¹⁾	\$323,910	\$114,217
Ending Cash / Investments (corrected)	\$232,439	\$323,901	\$377,571	\$ 50,670

Notes: 1) SBOA audit 2007 ending (\$232,439) does not agree with Trustee 2008 Annual Report starting (\$209,693).



6. Proposed 2010 Budget Efficiency

In 2008 a Township Government Budget Study was prepared which established a parameter to quantify Johnson County township government efficiencies. By calculating a percentage of the total proposed budget that was allocated to the primary functions of a township government (cemetery maintenance and assistance), an efficiency of government comparison was made between the nine townships of Johnson County. This study revealed that White River Township efficiency was declining from 17.2% in 2008 to 12.4% in 2009, and was the least efficient of the other townships where the efficiency parameter ranged from 30% to 60%.

The budget proposed by the Board allocates \$125,000 to cemetery maintenance and assistance, with a total budget of \$265,780. This creates an efficiency parameter of 47%, which now becomes more reasonable in comparison to the other townships of the county.

Conclusions:

Accepting the 2010 budget proposed by the Board provides a continuation of essential township services compatible with the efficiency of delivery that other townships in the county demonstrate.