

GRASSROOTS

The Official Newsletter of the Indiana Township Association

April 2014

2014 Session Report

This will be the final ITA report of the 2014 Session of the Indiana General Assembly. As noted in the last report, the Indiana General Assembly introduced 870 bills and ultimately passed 223 Enrolled Acts.

Governor Pence completed action on all of the Enrolled Acts as of March 27, 2014. For the first time in a number of years, there were no vetoes. The Governor signed 222 Enrolled Acts and allowed one (Senate Enrolled Act 340) to become law without signature.

All 223 Enrolled Acts have now been reread to determine any impact – whether direct or indirect – they might have in relationship to township business.

The ITA started session with over 60 bills on our “watch list”. We concluded with about 26 bills that either mention townships or in an indirect way, could affect us in the future.

Last year, we reported to you that HB1116 had removed our ability for emergency fire loans **outside the maximum levy**. We are pleased to report that, as our number one priority item for session, we were able to get the original language restored in HB1266! This was a big win for township government. We want to thank Representative Dan Leonard for carrying this urgent “fix” for us.

The ITA also initiated a change in the law that provided that fire territories could only have 20% operating balance at any time. This was impossible without inflating budgets or spending tax receipts as soon as they were deposited. Representative Dan Leonard included language in HB1266 to allow fire protection territories to carry 120% of the budgeted expenses of the territory.

We are also pleased to report that our two defense initiatives were also successful – the attempt to eliminate township boards (HB 1331) and the attempt to consolidate the Marion County fire departments with the city’s department (HB1229).

Although there were several other bills which would have altered township government in a negative way, none received hearings in committee. One example is HB1267 which provided one township/trustee/board per county.

It is concerning that since we have been successful thus far in preserving township boards and avoiding any forced consolidation attempts, that township officials might be put “off guard” by the belief that townships will be left alone by the General Assembly. On the contrary, we have been told by several sources that the only reason that HB1331 did not get a hearing was the short session. The author, Representative Milo Smith, will likely offer the bill again next year in the long session. Furthermore, several lawmakers have spoken to us about the need for some consolidation or reform.

On a very positive note, Senate Pro Tempore David Long, when recently interviewed by the *Howey Politics Indiana* was asked if township government should be looked at for inefficiencies. Senator Long’s response: “I always argue this with the Chamber and Governor Daniels, I think they really got distracted on the whole

continued on next page

**2014 ITA
Educational
Conference
September 21-24
Sheraton Hotel**

2 GRASSROOTS

discussion about local government reform when they got caught up in the townships. With a few exceptions, townships have not been a problem in Indiana. They're a very efficient way to deliver services in rural Indiana. You find the inappropriate use of funds and inefficiencies in the larger counties, Marion and Lake, are two pretty strong examples of where you had problems and a refusal or inability to reform themselves."

The Indiana Township Association worked very closely with the Indiana Volunteer Firefighters Association & the Indiana Chiefs Association on bills that would have deleted the provision that prohibits volunteer firefighters from assuming or holding elected office if the fire department on which they serve services the unit of government where they intend to hold office. Those bills – HB1007 (Arnold, L) and SB167 (Leising, J) – were not given a hearing. Therefore, the IVFA worked with legislators to get HB1318 amended successfully; however, the amendment was removed from the bill during conference committee. Therefore, volunteers are still prohibited from holding office. Anyone currently holding both positions will have to make a choice by December 31, 2014.

Representative Rick Niemeyer authored HB1103 (Abstract Of Township Receipts And Expenditures) which would have clarified that township trustees are to publish the annual abstract of receipts and expenditures within four weeks after the third Tuesday following the first Monday in February. We asked for his help in correcting a technical conflict. The language of the bill was attached to another piece of legislation and in the end, it failed to pass. We will continue to work with the State Board of Accounts and Representative Niemeyer to get this resolved.

The Indiana Association of Cities and Towns initiated a coalition of entities which would be impacted negatively by the elimination of business personal property taxes. The ITA joined the coalition which included 20+ associations, including the Association of Indiana Counties, Libraries, School Boards, County Commissioners, etc. The coalition, named "Replace. Don't Erase." met with legislators regarding the two bills likely to impact our local taxes – SB001 and HB1001. In the end, SB001 was the vehicle for any changes to personal property taxes and the impact was certainly lessened from the original language of both bills. Please see page 3 of this issue for more information on the effect of SB001 on townships.

Other bills of interest:

HB 1005 (Government Reduction) – would have eliminated our line fence duties

HB 1074 (thirteenth check) – would impact retired township officials in the PERF system. Please see page 3 of this issue for more information on PERF.

HB 1196 (Construction Managers as Constructors) – public agencies may employ construction managers as constructors for certain construction projects.

HB 1266 (Local Government Finance Issues) – various changes in DLGF policies and procedures, including a move to include our budget advertisements on Gateway.

SB106 (Local Government Transparency) – requires DLGF to develop indicators of fiscal health for school corporations and other political subdivisions.

SB 176 (Central Indiana Transit) Allows some townships to conduct referenda to opt in

SB 227 (Alcohol and Medical Emergencies) Provisions impacting township fire and EMS personnel treating alcohol and drug emergencies

SB 260 (Assistance for Military Facilities) townships are included as units that can provide assistance to former military facilities

If you would like to read bills in their entirety, go to <http://iga.in.gov/>. In the upper right corner, you will see four tabs - one is labeled "bills". Click on the tab, enter the bill number you wish to review and "enter".

DID YOU KNOW?

Bills with three digits originated in the Senate. House bills always have four digits.

How SB 1 could impact townships

SB 1 as enacted provides two possible business personal property tax exemptions.

New Business Personal Property – IC 6-1.1-10.3 would allow a county to adopt an ordinance to exempt all new business personal property purchased after the date specific in the ordinance. The ordinance would be required to include all new business personal property, except mobile homes and utility property.

Impact – In counties that adopt this ordinance, this would stop the growth of AV from business personal property and as older BPP is replaced by newer BPP, the AV would go down. Property tax would shift to real property, but the circuit breaker would limit the shift. Ultimately, units of government would lose money. The impact would vary dramatically depending on how much or little business personal property is located in a particular township.

Business Personal Property Under \$20,000. IC 6-1.1-3-7.2 allows a county to adopt an ordinance, effective after December 1, 2015, to exempt all business personal property of a taxpayer from taxation if the total acquisition cost of the taxpayer's BPP in that county is less than \$20,000. Again, mobile homes and utility property are not exempted under this section.

Impact – In counties that adopt this ordinance, smaller BPP holders would be completely exempted, beginning with the January 2016 assessment. This would take current AV off the roles, but again would depend on how much BPP exists in the township and who owns it. A big manufacturing facility with a lot of BPP would not be impacted by this exemption.

The General Assembly will continue to study this issue and hopefully will come up with some form of replacement revenue if counties do adopt these exemptions.

New legislation affects retirement fund

The Indiana General Assembly has approved legislation regarding how the Indiana Public Retirement System (INPRS) provides annuities for members' Annuity Savings Accounts. This legislation now awaits consideration of the Governor.

The legislation requires INPRS to keep the annuity program in-house until Jan. 1, 2017. In addition, INPRS will move in steps toward providing annuities at market rates:

- Oct. 1, 2014 to Sept. 30, 2015: Annuities will be calculated with a 5.75% interest rate.
- Oct. 1, 2015 to Dec. 31, 2016: Annuities will be calculated at the market rate or 4.5%, whichever is greater.
- After Dec. 31, 2016: Whenever the Board enters into an agreement with a third party provider, the interest rate will be market rate.

INPRS is working to provide annuity calculators with the new 5.75% rate. As soon as they are available, INPRS will email members a link to the calculators.

There is no requirement that members annuitize ASA funds with INPRS. Half of PERF and TRF retirees do not. Once you have annuitized with INPRS, your rate is locked in and will not change.

For more information, visit www.in.gov/inprs/2817.htm

4 GRASSROOTS

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Brown	Cass	Dekalb	Fountain	Fayette	Dubois	Decatur
Hamilton	Fulton	Elkhart	Greene	Grant	Gibson	Franklin
Hancock	Jasper	Huntington	Montgomery	Henry	Knox	Floyd
Hendricks	Lake	Kosciusko	Owen	Howard	Lawrence	Harrison
Johnson	LaPorte	LaGrange	Parke	Jay	Martin	Jackson
Marion	Marshall	Miami	Putnam	Madison	Orange	Jefferson
Monroe	Newton	Noble	Sullivan	Randolph	Perry	Jennings
Morgan	Porter	Stueben	Tippecanoe	Rush	Pike	Ohio
Shelby	Pulaski	Wabash	Vermillion	Tipton	Posey	Ripley
	St. Joseph	Wells	Vigo	Union	Spencer	Scott
	Starke	Whitley	Warren	Wayne	Vanderburgh	Switzerland
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Encouraging notes from one of our members

Below you can read two notes sent in from one of our members who attended the Educational Conference last fall. There are two reasons we are sharing the notes with you. First, the beginning paragraph proves that there is still much work to be done to educate our communities on what services are provided by the township. Second, Susie is doing things in her township that require effort over money to help those in need.

We have received other reports of townships with little or no funds to give the direct assistance that they otherwise would; and the trustees are working with clients to find other resources to meet their needs. Please send us your stories! We would like to share them with others as a source of inspiration and encouragement.

Deb,

I picked up 50 of the pamphlets on What a Township Trustee does and 50 of the ones explaining township assistance. I was amazed when one of my Advisory Board members read what a Trustee does and remarked—"Really, I didn't know you did all that stuff!" My mouth remained closed as I thought, I'm not surprised! I made copies to distribute around town and to people like our County Council and Commissioners - who really didn't know either. You are more than 100% correct in telling us to "get the word out".

We are a small community - I am the largest township in population and area, economically stressed as many communities. We had a 14 family rummage sale at our 4-H grounds Saturday. I went in just as they were starting to close. A girlfriend had a space and I stopped to talk to her. She said she was taking all of her things she had left to our local "Attic Window" which sends their monies to Muncie for the support of their homeless mission. I asked her if she would consider donating some of the coats, jackets and sweaters to our township. I have men and women, as well as children, that are in need. She was excited to do that—the thought hadn't occurred to her. She, in turn, motioned three other ladies over and told them what she was going to do for me and the Township—I have 3 car loads of coats, winter clothes, boots and lots of things for children—I couldn't believe this week end. (not sure where I'm going to put it, but that's the minor detail). I am temporarily out of funds -have to borrow a little to get by—**but now I don't feel so bad because I can help them in other ways.**

Thanks again for the wonderful job you are doing.
Susie Girton, White River Twp. Randolph County

Debbie,

More good news—Most of the clothing and coats I received have been given to needy families. I have very little left. I put a "thank you" letter to the editor in our local newspaper, thanking those who donated to our township and also to all those who have donated to our other groups and organizations. A member of the Phi Delta Kappa read my letter and called me. She said their organization usually has the funds to help families with a total of 10 or 11 children for Thanksgiving and Christmas—She asked if I had families that would need their food and gifts. I just called her with 4 families totalling 10 children and she asked if I had a single person or couple without children that they could also help. I had one of those too!!

Coming in to Thanksgiving week says it all—I am so thankful for the opportunity to help those who are barely making it. That's what we are here for.

Have a great Holiday - it's getting better!
Susie Girton, White River Township, Randolph Co.

Keep Your Identity Safe and Protect Your Tax Refund

Are you excited to receive your tax refund this year? Unfortunately, identity theft criminals are also looking forward to *stealing* your refund.

The Indiana Department of Revenue wants to educate Hoosiers about protecting their identities during tax season. Because of increased security features, the department has been able to stop more than \$1.2 million in attempted tax fraud within just the first month of the tax season.

Identity theft is such a big problem during tax season because it's when people gather all of their sensitive information into one place, making it easiest for criminals to steal information and tax refunds.

Some ways identity theft criminals can find your personal information are:

- From their friends or acquaintances
- By posing through a phone call or an email as someone who needs your information
- By looking through your trash for personal information
- By accessing information you provide to an unsecured Internet site or via a public Wi-Fi service

To avoid giving your personal information to identity theft criminals, follow the Indiana Department of Revenue's four identity protection tips:

1. Don't share your Social Security number (SSN) unless you have to. And never give it to a person when you did not make the initial contact.
2. Don't leave your W-2s laying around. This gives visitors going in and out of your home access to them. Instead, keep your tax documents in a safe, locked box.
3. After you electronically file your tax return, save the file to a CD, USB drive, or external drive and then delete the return from your computer. Store the device in a safe, locked place. This ensures hackers can't steal your information.
4. File your taxes electronically. It is significantly more secure than paper filing. Individual taxpayers may qualify to file their taxes online for free at www.freefile.dor.in.gov.

Be sure to pass along these tips to your friends and family to help protect their identities as well. For more information about identity protection, visit the Indiana Department of Revenue's Stop ID Theft website at www.in.gov/dor/4794.htm.

To learn more about the results of the department's increased security features, visit www.in.gov/dor/5079.htm.

Indiana Township Association's Treasurer's Report Adopted by the 2014 Convention

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEARS ENDED

	12/31/2013	12/31/2012	12/31/2011
RECEIPTS:			
DUES	\$ 115,800	\$ 121,400	\$ 119,550
ASSOCIATE MEMBER DUES	4,000	2,400	2,400
EDUCATIONAL CONFERENCE	63,985	65,815	57,104
LEGISLATIVE CONFERENCE/CONVENTION	17,160	16,005	18,620
SUPPLEMENTAL SECURITY INCOME PROGRAM FEES	77,560	71,473	134,029
TOWNSHIP TRAINING FEES	2,000	46,000	
OTHER:			
BROCHURES AND BOOKS	198	316	880
ENDORSEMENT FEES	-	-	-
ADVERTISING	-	580	500
TOTAL RECEIPTS	280,703	323,989	339,673
DISBURSEMENTS:			
PROFESSIONAL SERVICES	39,179	64,886	68,911
AREA MEETINGS	38	-	-
EDUCATIONAL CONFERENCE	48,590	69,067	57,951
LEGISLATIVE CONFERENCE/CONVENTION	17,328	24,228	36,728
BOARD EXPENSE	1,701	2,012	3,142
EXECUTIVE DIRECTOR	4,352	5,192	6,627
ADMINISTRATIVE FUND	131,500	130,896	155,682
OPERATING FUND	21,726	22,311	34,121
COMMITTEES EXPENSE	8,284	4,679	16,984
NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS - DUES & CONVENTION	-	-	9,333
BANK/SERVICE/CREDIT CARD FEES	587	1,121	2,216
OFFICE & COMPUTER EQUIPMENT	359	180	3,395
SSI EXPENDITURES	5,649	2,432	6,089
TOTAL DISBURSEMENTS	279,293	327,004	401,179
INCREASE (DECREASE) IN CASH	1,410	(3,015)	(61,506)
CASH BALANCE, BEGINNING OF YEAR	24,201	27,216	88,722
CASH BALANCE, END OF YEAR	\$ 25,611	\$ 24,201	\$ 27,216

Supplemental Security Interim Assistance Program Audit

The ITA recently underwent an audit, conducted by the State of Indiana, of our SSI Reimbursement Program. Following is an excerpt from the audit letter which states, in effect, that the ITA and the townships which were examined are free of any exceptions.

"FSSA Auditors visited the ITA for the purpose of auditing a contract that the ITA has with the State of Indiana, Family and Social Services Administration. The purpose of the contract is to reimburse townships a portion of Interim Assistance given to clients. The clients are receiving Interim Assistance while awaiting determination of Social Security eligibility and benefit amount. In order to understand the entire process, the auditors made the determination to audit a sample of Township Trustee offices...

A sample of client files was tested for each of the Townships selected for audit for assurance that objectives of the contract were being met.

There were no discrepancies noted during the testing of your Interim Assistance Program. The cooperation extended to the auditors by you and your staff is very much appreciated. This audit is now closed."

*Annual Civil & Criminal Justice Summit
Preserving Public Integrity & Reducing Public Corruption
Presented by the Indiana Attorney General's Office
April 29, 2014*

Public integrity and the confidence citizens have in their government is the cornerstone of our democracy. Preserving that confidence and reducing acts of public corruption is the responsibility of everyone serving in government, both local and state. This year's Civil & Criminal Justice Summit will convene officials throughout local and state government to educate and inform on the issues of preventing public corruption. Best practices for all units of government will be provided at the program to arm agencies with the tools they need to prevent public corruption cases from arising. Coordination and communication on the investigation and prosecution, both criminally and civilly, of actual cases will also be addressed. Last, but not least, the Indiana Attorney General's new Public Integrity Coalition will be announced and their work to ensure public servants are operating under the highest ethical standards will be launched.

Cost to attend: Free Registration: 8:30 am - 9:00 am Program: 9:00am - 4:00pm

*Lunch will be provided

Topics and Presentations

- Defining Corruption: What is Corruption, What Does it Cost Us, and Why Facts Matter
- Panel Discussion: Introducing the Public Integrity Coalition
- Working Lunch: Best Practices for Preventing Public Corruption
- Panel Discussion: Anatomy of Prosecuting an SBOA Case
- Working With The Feds: Why, Why Not, When, And What To Expect
- Ethical Dilemmas Involving Public Corruption Cases

To register, go to: <http://www.eventbrite.com/e/annual-civil-criminal-justice-summit-tickets-10740532221>
Questions may be emailed to: Natalie.Robinson@atg.in.gov

***MEMBERSHIP IN GOVERNMENTAL ASSOCIATIONS - BOARD'S
AUTHORITY TO APPROPRIATE FUNDS - REPRESENTATION***

IC 36-6-6-12

Membership of township in county, state, or national associations; appropriations; expenses

Sec. 12. (a) The legislative body may appropriate money for membership of the township in county, state, or national associations that:

- (1) are of a civic, educational, or governmental nature; and
- (2) have as a purpose the improvement of township governmental operations.

The township representatives may participate in the activities of these associations, and the legislative body may appropriate money to defray the expenses of township representatives in connection with these activities.

(b) Each representative of the township attending any meeting, conference, seminar, or convention approved by the township trustee shall be allowed reimbursement for all necessary and legitimate expenses incurred while representing the township. Expenses shall be paid to each representative in accordance with the township's reimbursement policy, which may include an established per diem rate, as recommended by the township trustee and adopted by the township legislative body.

As added by Acts 1980, P.L.212, SEC.5. Amended by P.L.303-1989, SEC.1; P.L.98-2000, SEC.26.

Tidbits

What forms of insurance is the township required to carry?

Officials Bond, General Liability, and Workers Compensation. It is also highly recommended that townships carry Public Officials Errors & Omissions (E&O) coverage. The E&O coverage protects the trustee and the township board for their decisions/actions, etc..

Tie Vote?

In the case of a tie vote by the township board, the trustee breaks the tie, according to IC3-12-9-4

Would you like to recoup township assistance dollars?

The ITA offers an SSI Reimbursement Program

It's easy and it costs the township nothing!

Contact us today for details.

What's the easiest way to use the links in this publication?

Use your mouse and highlight the link. Click the right mouse button and select "Copy".

Open your web browser (IE. Internet Explorer) and place your mouse cursor in the address line. Click the right mouse button and select "Paste". Hit "Enter" and you should be on your way!

CAN THE TOWNSHIP ENTER INTO COMMUNITY SERVICE CONTRACTS?

IC 36-6-4-8

Use of funds appropriated for community services; contracts for ambulance services; fees

Sec. 8. (a) The executive may use the township's share of state, county, and township tax revenues and federal revenue sharing funds for all categories of community services, if these funds are appropriated for these services by the township legislative body. The executive may use these funds for both operating and capital expenditures.

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2014 ITA Educational Conference
September 21-24
Sheraton, Keystone Crossing

**HOTEL RESERVATION DEADLINE:
August 28 - 5 PM**

1.888.627.7814

Be sure to identify yourself with the Indiana Township Association to receive negotiated conference rate of \$111 for a deluxe room!

Sunday, September 21 - Registration & Hospitality

Monday, September 22 - General Educational Session, Area Meetings, Hospitality

Tuesday, September 23 - Seminar Breakouts & Awards Dinner

Wednesday, September 24 - Trade Show & State Board of Accounts

The Education Committee will be meeting over the next few months to develop a complete seminar schedule. You can expect 20+ topics to assist you in your jobs as Trustees, Township Board Members and Township Staff Members. You might also consider inviting your township attorney to attend.

Reservations may also be made on line at
<https://www.starwoodmeeting.com/Book/ita914>

Registration Materials will be emailed to you and posted on line for your convenience.