

Highland Municipal Government



The Challenge of the Big Box Refund & Tax Caps in 2020 and beyond ...

Prepared and Presented by the Office of the
Clerk-Treasurer • Town of Highland
Lincoln Community Center, 2450 Lincoln Street,
Highland, Indiana at 6:30
August 14, 2019

Treasury Talks 2

By way of review
from the first
Treasury Talk...

Budget Fund Summaries: FY 2019

General Fund		Encumbrances	\$ 251,527.34
<u>Expenses/Appropriated</u>	\$ 7,639,662.00	<i>Incurred in FY 18</i>	
	\$ -	<i>To be Paid in FY 19</i>	
	\$ 7,639,662.00	Jan 1 Cash after Encum	\$ 5,343,929.00
		Dec 31 Cash Balance	\$ 5,588,679.00
<u>Income</u>			
prop tax	\$ 5,424,853.00	Adjusted collections	\$ 271,242.65
other income	\$ 2,459,559.00	Adjusted by Cir Bkr	\$ 324,787.00
	\$ 7,884,412.00	Real Ending Cash Balance	\$ 4,992,649.35
		Restricted Q3 Funds	\$ 24,000.00
Net Income (deficit)	\$ 244,750.00	Unreserved Fund Balance	\$ 4,968,649.35
Proposed Add'l/Approved Appropriations	\$ -	Change in balance before adjustments	\$ 244,750.00
Rev Net Income/(deficit)	\$ 244,750.00	Change in cash Balance	\$ (351,279.65)
Jan 1 2019 Cash Balance	\$ 5,595,456.34	Required Reserve Balance:	\$ 3,183,192.50

Budget Fund Summaries: FY 2019

Parks and Recreation Fund		FY 2019		
<u>Expenses/Appropriated</u>	\$	2,381,918.00	Encumbrances	\$ 67,371.34
Encumbered	\$	-	<i>Incurred in FY 18</i>	
	\$	<u>2,381,918.00</u>	<i>To be Paid in FY 19</i>	
<u>Income</u>			Jan 1 Cash adjusted for Enc	\$ 1,107,240.67
prop tax	\$	1,185,253.00	Dec 31 Cash Balance	\$ 1,213,360.67
other income	\$	1,302,785.00	Tax Caps	\$ 71,000.00
	\$	<u>2,488,038.00</u>	Collections	\$ 59,262.65
Net Income (deficit)	\$	106,120.00	Net Ending Cash Balance	\$ 1,083,098.02
Proposed Add			Change in cash	
Appropriations	\$	-	Balance	\$ (91,513.99)
Rev Net Income/(deficit)	\$	106,120.00	Required	
Jan 1 Cash Balance	\$	1,174,612.01	Reserve Balance:	\$ 992,465.83

Budget Fund Summaries: FY 2019

Redevelopment General Fund

Expenses/Appropriated	\$	256,483.00
Encumbered	\$	-
	\$	<u>256,483.00</u>

Income

prop tax	\$	273,089.00
other income	\$	33,108.00
	\$	<u>306,197.00</u>

Net Income (deficit) \$ 49,714.00

Proposed Approved Add'L
Appropriations \$ 7,080.00

Rev Net Income/(deficit) \$ 42,634.00

Jan 1 Cash Balance \$ 303,477.95

Encumbrances \$ 9,137.14

Incurring in FY 18

To be Paid in FY 19

Jan 1 Cash after Encum	\$	294,340.81
Dec 31 Cash Balance	\$	336,974.81

Adjusted by Collections \$ 8,192.67

Adjusted by Tax Cap \$ 32,968.00

Ending Cash Balance \$ 295,814.14

Change in cash
Balance \$ 1,473.33

Reserve Balance: \$ 85,494.33

Budget Fund Summaries: FY 2019

Motor Vehicle Highway Fund

<u>Expenses/Appropriated</u>	\$ 1,226,565.00
	\$ -
	<u>\$ 1,226,565.00</u>

<u>Income</u>	
prop tax	\$ -
other income	\$ 978,027.00
	<u>\$ 978,027.00</u>

Net Income (deficit) \$ (248,538.00)

Proposed Add
Appropriations \$ -

Rev Net Income/(deficit) \$ (248,538.00)

Jan 1 Cash Balance \$ 501,749.87

Encumbrances \$ 23,221.86

Incurred in FY 18

To be Paid in FY 19

Adjusted Jan 1 balance \$ 478,528.01

Dec 31 Cash Balance \$ 229,990.01

(Estimated)

Ending Cash Balance \$ 229,990.01

Tax caps or collection rates

Change in cash
Balance \$ (271,759.86)

Budget Fund Summaries: FY 2019

Local Roads and Street Fund		Jan 1 Cash Balance	\$	187,582.07
<u>Expenses/Appropriated</u>	\$	411,724.00		
	\$	-		
	\$	<u>411,724.00</u>		
				<u>Encumbrances</u>
				\$
				1,690.82
				<i>Incurring in FY 18</i>
				<i>To be Paid in FY 19</i>
				<u>Jan 1 Cash adjusted</u>
			\$	185,891.25
<u>Income</u>				<u>Dec 31 Cash Balance</u>
prop tax	\$	-		\$
other income	\$	387,870.00		162,037.25
	\$	<u>387,870.00</u>		<i>(Estimated)</i>
				<u>Ending Cash Balance</u>
Net Income (deficit)	\$	(23,854.00)		<u>\$</u>
				<u>162,037.25</u>
				Tax caps or collection rates
Proposed Add Appropriations	\$	-		Change in cash
				Balance
				\$
				<u>(25,544.82)</u>
Rev Net Income/(deficit)	\$	(23,854.00)		Suggested
				Reserve Balance:
				\$
				171,551.67

Budget Fund Summaries: FY 2019

Sanitary District Special Operating Fund

Expenses/Appropriated	\$	2,369,491.00
Encumbered	\$	-
	\$	<u>2,369,491.00</u>

Income		
prop tax	\$	212,652.00
other income	\$	2,184,684.00
	\$	<u>2,397,336.00</u>

Net Income (deficit) \$ **27,845.00**

Proposed Add
Appropriations \$ -

Rev Net Income/(deficit) \$ **27,845.00**

Jan 1 Cash Balance Adj	\$	430,048.22
Dec 31 Cash Balance	\$	457,893.22

Collection Rate	\$	10,632.60
Circuit Breaker Adjustment	\$	105,900.00
Ending Cash Balance	\$	<u>341,360.62</u>

Tax caps or collection rates

Change in cash
Balance \$ **(95,155.00)**

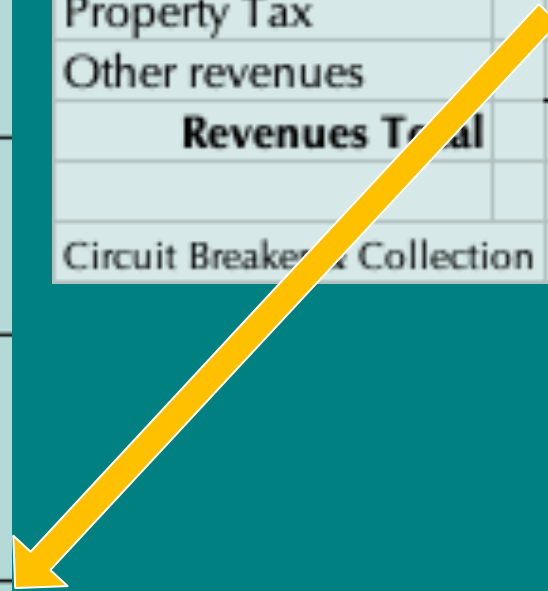
Revenues by Source Government Activities The Key to Budgeting

FISCAL YEAR 2019	CORPORATION GENERAL FUND	PARKS & RECREATION GENERAL FUND	1925 POLICE PENSION FUND	REDEVELOPMENT GENERAL FUND	
Appropriations	\$ 7,639,662	\$ 2,381,918	\$ 845,034	\$ 256,483	
TOTAL	\$ 7,639,662	\$ 2,381,918	\$ 845,034	\$ 256,483	
Income					TOTAL LEVIES
Property Tax	\$ 5,424,853	\$ 1,185,253	\$ 2,238	\$ 273,089	\$ 6,885,433
Other income	\$ 2,459,559	\$ 1,302,785	\$ 739,612	\$ 33,108	MAX LEVY
TOTAL	\$ 7,884,412	\$ 2,488,038	\$ 741,850	\$ 306,197	\$ 6,886,456
					DELTA
Auto Excise & others	\$ 383,654	\$ 83,823	\$ 158	\$ 19,313	\$ 1,023
Licenses & Permits	\$ 887,920	\$ -	\$ -	\$ -	
Intergovernmental	\$ 37,500	\$ -	\$ 738,954	\$ -	
Liquor Excise	\$ 14,700	\$ -	\$ -	\$ -	
ABC Gallonage	\$ 54,098	\$ -	\$ -	\$ -	
Cigarette Tax	\$ 13,287	\$ -	\$ -	\$ -	
Charges for Services	\$ 153,000	\$ -	\$ -	\$ -	
Fines	\$ 56,500	\$ -	\$ -	\$ -	
Interest Earned	\$ 21,000	\$ -	\$ 500	\$ 1,000	
Employee Insurance Prem.	\$ 54,000	\$ 6,000	\$ -	\$ 500	
Transfer Water Surplus	\$ 390,000	\$ -	\$ -	\$ -	
Transfer Sewage Surplus	\$ 390,000	\$ -	\$ -	\$ -	
Miscellaneous	\$ 3,900	\$ 17,300	\$ -	\$ 12,295	
Recreation & Fitness Fees		\$ 878,762	\$ -	\$ -	
Rentals & Leaseholds		\$ 273,000	\$ -	\$ -	
Vending Machine		\$ 2,700	\$ -	\$ -	
T-Mobile Licenses		\$ 41,200	\$ -	\$ -	

The Budget Process: Departmentalized Funds

GENERAL FUND DEPARTMENTS	
Clerk-Treasurer	\$ 258,276
Town Council	\$ 239,501
Subtotal	\$ 497,777
Planning and Development	
Plan Commission	\$ 71,413
Advisory BZA	\$ 22,719
Building & Inspection	\$ 356,648
Subtotal	\$ 450,780
General Government	
Town Hall & Monuments	\$ 30,125
Board of Works	\$ 778,458
Subtotal	\$ 808,583
Public Safety	
Police Department	\$ 5,457,992
Fire Department	\$ 404,630
VIPS Department	\$ 19,900
Subtotal	\$ 5,882,522
General Fund Total	\$ 7,639,662

General Fund Revenues	
Property Tax	\$ 5,424,583
Other revenues	\$ 2,459,559
Revenues Total	\$ 7,884,142
Circuit Breaker Collection	\$ (597,029.62)



The Budget Process: Allocating Pay CT

FY 2019	General CT	San Dist San	Water	Sewer	San Dist Oper	Biweekly	Annual
Payroll/Personel Clerk (44% • 28% • 28%) Hours	\$753.81 36		\$460.66 22	\$460.66 22		\$1,675.14 80.00	\$43,553.54
Deputy Clerk-Treasurer pay periods	\$ 776.17 26		\$ 689.93 26	\$ 689.93 26		\$2,156.02 26	\$56,056.52
Encumbering Officer (44% • 28% • 28%) Hours	\$742.29 36		\$453.62 22	\$453.62 22		\$1,649.54 80.00	\$42,887.94
Chamberlain Clerk (P-T) (44% • 15% • 29% • 15)	\$363.38 20	\$127.18 7	\$254.37 14	\$127.18 7		\$872.12 48.00	\$22,675.16
Chancery/Bursar Clerk (24% • 24% • 26% • 26%) Hours	\$347.49 19	\$347.49 19	\$384.07 21	\$384.07 21		\$1,463.14 80.00	\$38,041.54
Chancery/Bursar Clerk (24% • 24% • 26% • 26%) Hours	\$345.21 19	\$345.21 19	\$381.55 21	\$381.55 21		\$1,453.54 80.00	\$37,791.94
Utility Clerk (32% • 34% • 34%) Hours		\$506.20 26	\$525.67 27	\$525.67 27		\$1,557.54 80.00	\$40,495.94
Utility Clerk (32% • 34% • 34%) Hours		\$478.12 26	\$496.51 27	\$496.51 27		\$1,471.14 80.00	\$38,249.54
Sr. Chancery Bursar Clerk (24% • 24% • 26% • 26%) Hours	\$356.41 19	\$356.41 19	\$412.69 22	\$375.17 20		\$1,500.68 80.00	\$39,017.68
Clerk-Treasurer	29.0% \$905.18		27.0% \$842.76	27.0% \$842.76	17.0% \$530.62	\$3,121.32	\$81,154.26
Totals:	\$4,589.96	\$2,160.62	\$4,901.83	\$4,737.12	\$530.62	\$16,920.16	\$439,924.04
	\$119,338.88	\$56,176.22	\$127,447.48	\$123,165.24	\$13,796.22	\$439,924.04	\$439,924.04

ALLOCATION by FUNCTION

40.8%		28.0%		28.1%		Total
Billing & Collection		Clerical/Rec/Finance		Administrative		
Gen CT	\$0	Gen CT	\$75,624	Gen CT	\$43,715	\$119,338.88
Water	\$63,826	Water	\$23,771	Water	\$39,850	\$127,447.48
Sew	\$59,544	Sew	\$23,771	Sew	\$39,850	\$123,165.24
San Dist San	\$56,176	San Dist San	\$0.00	San Dist San	\$0	\$56,176.22
				San Dist Oper	\$13,796	\$13,796.22
	\$179,546.65		\$123,166.60		\$123,414.56	\$439,924.04

* Property Tax Funded in part

Annual		Allocation by Fund and Source		FICA
General CT*	\$119,338.88	Gov't & San Dist	43.0%	\$189,311.32
San Dist San*	\$56,176.22	Water Util	29.0%	\$127,447.48
Water	\$127,447.48	Sew Util	28.0%	\$123,165.24
Sew	\$123,165.24			\$439,924.04
San Dist Oper*	\$13,796.22			\$33,654.19
	\$439,924.04			\$49,271.49
				\$13,197.72
				Total: \$536,047.44

PERF 11.2%

Payroll/Personel Clerk	\$ 19.95	\$ 0.99	\$ 20.94
Deputy Clerk-Treasurer	\$ 2,045.42	\$ 110.60	\$ 2,156.02
Encumbering Officer	\$ 19.95	\$ 0.67	\$ 20.62
Chamberlain Clerk	\$ 14.68	\$ -	\$ 14.68
Chancery/Bursar Clerk	\$ 18.17	\$ 0.12	\$ 18.29
Chancery/Bursar Clerk	\$ 18.17	\$ 0	\$ 18.17
Lead Utility Clerk	\$ 19.20	\$ 0.27	\$ 19.47
Utility Clerk	\$ 18.17	\$ 0.22	\$ 18.39
Sr. Chancery/Bursar Clerk	\$ 18.49	\$ 0.27	\$ 18.76
Base rate		Longevity	Composite

The Budget Process: Property Tax Appeals

A taxpayer may appeal an assessment of a taxpayers tangible property by filing a notice in writing with the township assessor or the county assessor if the township is not served by a township assessor. ... A taxpayer may raise any claim of an error related to the following:

1. The assessed value of the property.
2. The assessment was against the wrong person.
3. The approval, denial, or omission of a deduction, credit, exemption and abatement or tax cap.
4. A clerical, mathematical or typographical mistake.
5. The description of the real property.
6. The legality or constitutionality of a property tax assessment.

(Confer I.C. 6-1.1-15-1.1)

The Budget Process: Property Tax Appeals

Meijer's appealed under this law and a related dealing with so-called "dark stores" for the manner of assessments for its property in Highland from 2008-2016, and the settlement resulted in a refund in the total amount of **\$1,932,545**.

Of the total refund, the impact on Highland:

HIGHLAND CIVIL REFUND \$ 687,283.60

HIGHLAND SANITARY DIST REFUND \$ 170,061.64

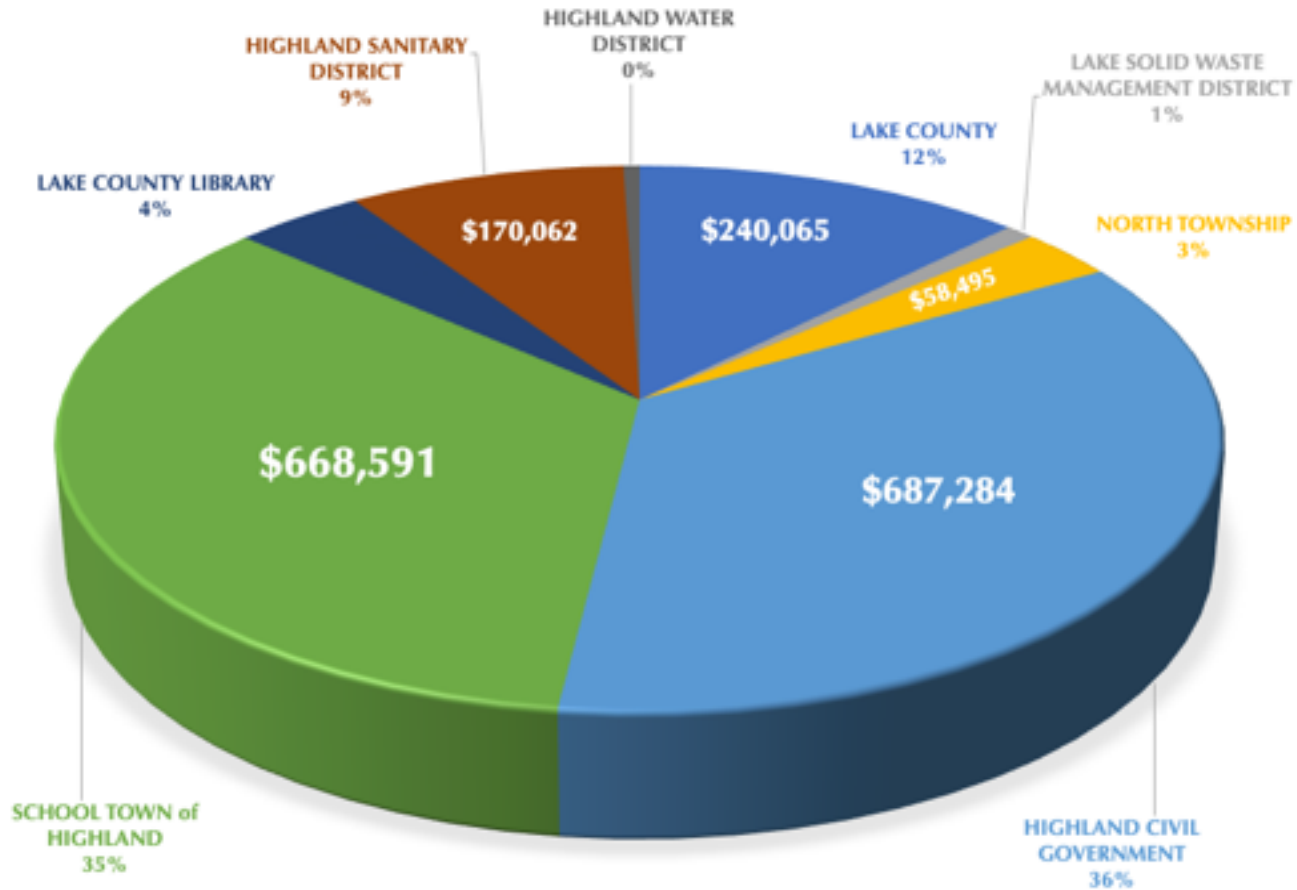
HIGHLAND WATER DIST REFUND \$ 9,969.13

LOCAL REFUND TOTAL: \$ 867,314.37

45% of the total

The Budget Process: Tax Refund 2018

IMPACT OF MEIJER REFUND ON HIGHLAND TAXING DISTRICTS



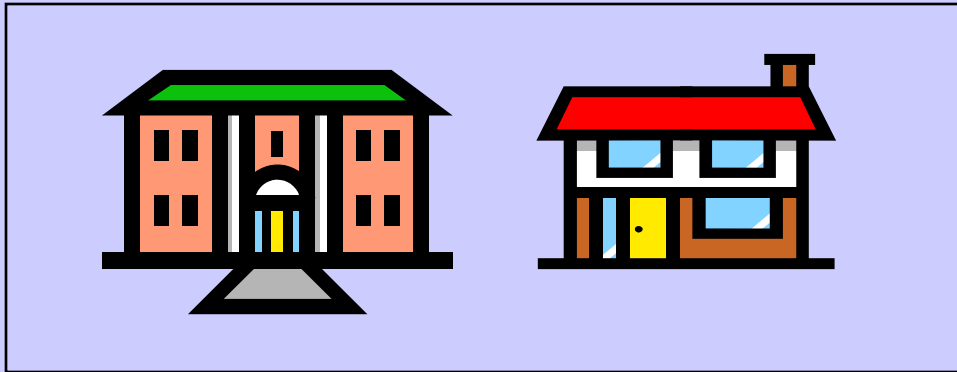
Total Refund: \$1,932,545

The Budget Process: Tax Refund 2018

FUND	Approved Property Tax LEVY	AMOUNT of REFUND	NET LEVY before Tax caps and adjustments	CIRCUIT BREAKER & COLLECTION LOSS	Effective Collection Rate
Corporation GENERAL	\$5,319,259.00	\$350,972.04	\$ 4,968,286.96	\$407,062.81	86%
PARKS & RECREATION	\$1,104,038.00	\$ 72,862.62	\$ 1,031,175.38	\$ 84,254.58	86%
POLICE PENSION	\$ 2,184.00	\$ 146.60	\$ 2,037.40	\$ 132.12	87%
REDEVELOPMENT GENERAL	\$ 233,694.00	\$ 15,393.51	\$ 218,300.49	\$ 18,246.80	86%
MCCD	\$ 544,921.00	\$ 35,991.49	\$ 508,929.51	\$ 41,184.93	86%
PARK BOND & INTEREST	\$1,342,100.00	\$ 93,753.81	\$ 1,248,346.19	\$ 29,923.95	91%
CORPORATION BOND & INTEREST	\$1,500,444.00	\$104,749.18	\$ 1,395,694.82	\$ 34,377.09	91%
REDEVELOPMENT BOND & INTEREST	\$ 192,197.00	\$ 13,414.35	\$ 178,782.65	\$ 4,450.15	91%
SANITARY DIST SPECIAL OPERATING	\$ 205,301.00	\$ 7,989.97	\$ 197,311.03	\$ 93,473.64	51%
SANITARY DIST BOND & INT EXEMPT	\$ 191,105.00	\$ 13,341.04	\$ 177,763.96	\$ 4,384.09	91%
SANITARY DIST BOND & INTEREST	\$2,129,451.00	\$148,730.63	\$ 1,980,720.37	\$ 47,820.66	91%
WATER DISTRICT BOND & INTEREST	\$ 148,516.00	\$ 9,969.13	\$ 138,546.87	\$ 3,794.00	91%

The Budget Process: Property Taxes

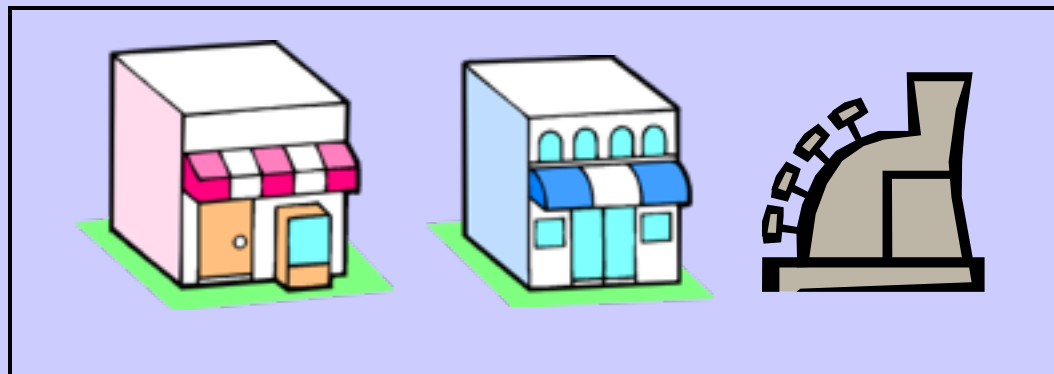
Property Taxes How they work



Residential Tax Base



Industrial Tax Base



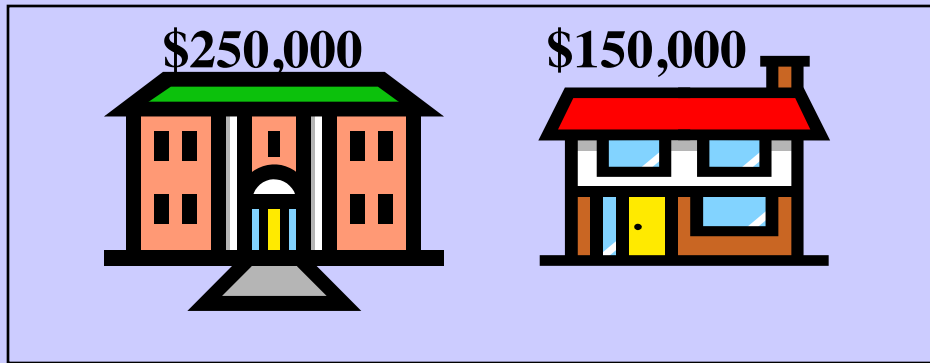
Commercial Tax Base

**Personal
Property**

**Farm &
Residential
Rental Property**

The Budget Process: Property Taxes

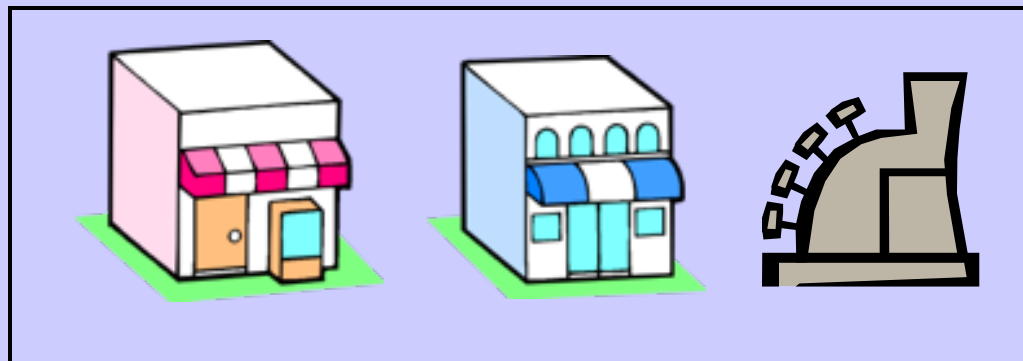
Property Taxes How they work: **Tax Assessor** Values the property
Total \$1,500,000



Residential Tax Base:
\$400,000



Industrial Tax Base:
\$200,000



Commercial Tax Base: \$350,000

**Personal
Property**

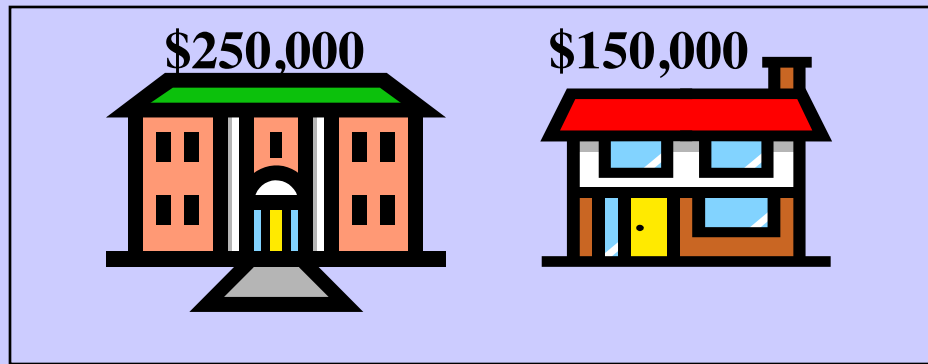
**Farm &
Residential
Rental Property**

\$500,000

\$50,000

The Budget Process: Property Taxes

Property Taxes How they work: **Indiana Tax Caps**



Residential Tax Base:
\$400,000

In the scenario above:

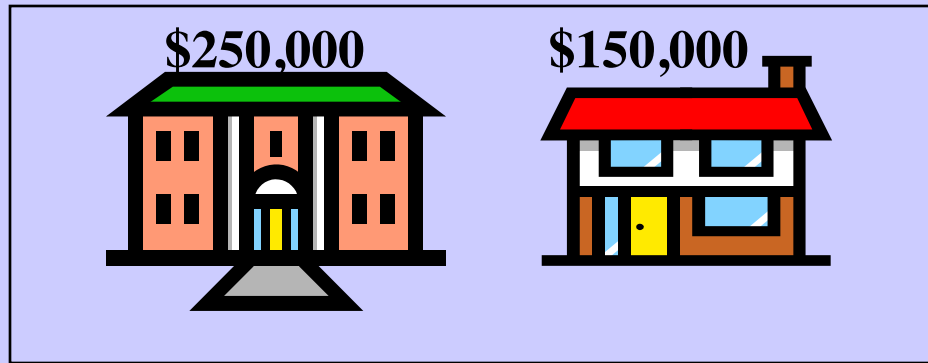
Apartment on left, its taxes would not exceed 2% x its AV or .02 x \$250,000 = **\$5,000**

Since 2010, except for Lake county exception, the caps have been as follows:

- 1% for homestead residential
- 2% for non homestead residential & farmland
- 3% for all other classes (business/commercial & industrial)

The Budget Process: Property Taxes

Property Taxes How they work: **Indiana Tax Caps**



**Residential Tax Base:
\$400,000**

In the scenario above:

House on right, its taxes would not exceed 1% x its AV or .01 x \$150,000 = **\$1,500**

Beginning in 2010, the caps will be as follows:

- 1% for homestead residential
- 2% for non homestead residential & farmland
- 3% for all other classes (business/commercial & industrial)

The Budget Process: Property Taxes

Property Taxes How they work: **Indiana Tax Caps**

In this scenario:

For industry, taxes would [Slide 23](#)
not exceed 3% x its AV or .

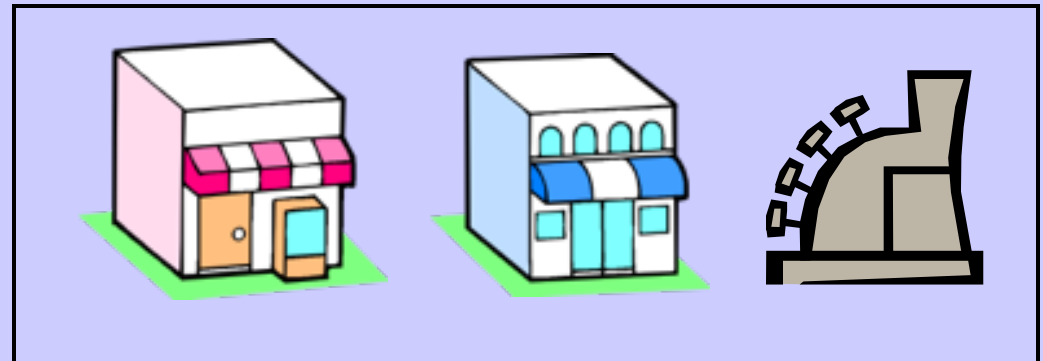
$$03 \times \$200,000 = \$6,000$$

Commercial taxes would
not exceed 3% x its AV or .

$$03 \times \$350,000 = \$10,500$$



**Industrial Tax Base:
\$200,000**



Commercial Tax Base: \$350,000

The Budget Process: TAX CAPS Exercise As seen in the aggregate



Classes of Property	Property Assessed Value (AV)	The Tax Rate Required Revenue	Tax Cap Collection Limitation	Collection (Loss) or Margin Under the Cap
Residential	\$ 400,000	\$ 11,834.40	\$ 4,000.00	\$ (7,834)
Commercial	\$ 200,000	\$ 5,917.20	\$ 6,000.00	\$ 83
Commercial	\$ 350,000	\$ 10,355.10	\$10,500.00	\$ 145
Personal Property	\$ 50,000	\$ 1,479.30	\$ 1,500.00	\$ 21
Non homestead and Farmland	\$ 500,000	\$ 14,793.00	\$10,000.00	\$ (4,793)
	\$ 1,500,000	\$ 44,379.00	\$32,000.00	72%
Tax Rate per \$100	2.9586			

2.9586	2019
3.0097	2018
2.9938	2017

The Budget Process: Property Taxes

Property Taxes How they work: **Indiana Tax Caps**

- As *tax base declines* (loss of Tax Base) , more likely to trigger tax caps.
- As **tax rates go up** (spending increases), more likely to trigger tax caps.
- As **deductions are removed**, more likely to trigger tax caps
- *Tax caps when triggered lower tax collection rates.*

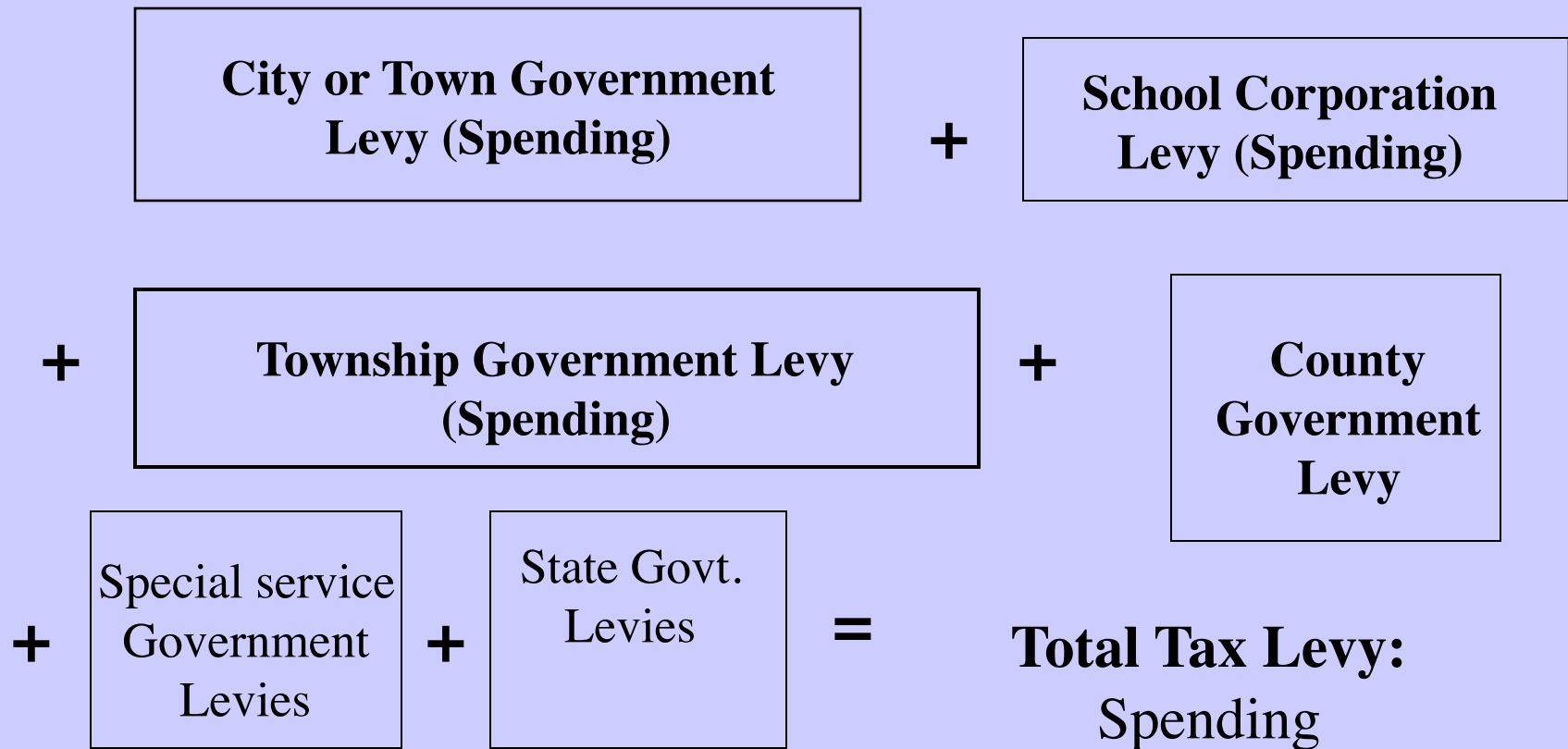
A Presentation Regarding Impact

Please allow context: A Review of Tax Base

$$\begin{array}{r} \boxed{\text{Residential Real Estate \& Improvements}} \\ + \\ \boxed{\text{Commercial Properties (Railroads \& Utilities also)}} \\ + \\ \boxed{\text{Deductions or Exemptions 1-35 available}} \\ \hline \end{array} + \begin{array}{r} \boxed{\text{Industrial Property}} \\ + \\ \boxed{\text{Personal Property}} \end{array} = \begin{array}{r} \text{Property Tax Base: } \underline{\text{Net}} \\ \underline{\text{Assessed Valuations}} \\ \text{AV or Net AV} \end{array}$$

A Presentation Regarding Impact

Property Taxes How they work: **Tax Levies**



A Presentation Regarding Impact

Property Taxes How they work: **Indiana Tax Caps**

- First a statutory change effective 2008 gradually implemented to 2010.
- Citizens approved amendment to **Section 1 (f) Article 10 of Indiana Constitution, effective 2012.**
- An exemption was carved out for Lake and St. Joseph Counties which exempted the tax levies for debt service issued before July 1, 2008 until December 31, 2019. (*See Ind. Const. Art. 10, Section 1(h)*)

This is the so-called “*fiscal cliff.*”

Those actions created the Circuit Breaker which operates as a “cap” on gross assessed valuations therefore lowers tax collections:

- **1%** for homestead residential gross
- **2%** for non homestead residential & farmland
- **3%** for all other classes (*business/commercial & industrial*)

A Presentation Regarding Impact

A Review of What You Know: Tax Levies

All Governments Tax
Levy (Spending)

Divided by

The
Property
Tax Base

= TAX RATE

Tax Rate x Tax Base

= Tax levies or yield

Article 10 Section 1 of the Indiana Constitution effectively **reduces** levies by the sum:

- 1% of Gross AV of Residential Homesteads
- 2% of Gross AV of Non-Homestead Residential and agricultural properties
- 3% of Gross AV of all other properties.

A Presentation Regarding Impact

What you may already know: **Tax Caps & Protected levies**

- Payments for debt service are deemed Protected levies (repayment of loans a.k.a. Bonds) adjusted to ameliorate Circuit Breaker loss.

General Fund(s)

\$100,000.00

Debt Service Fund

\$100,000.00

Suppose tax caps render a circuit breaker “credit” of \$15,000. This would render a collection rate drop to **85% in this case, and it would ordinarily be applied to each fund proportionately.**

\$85,000.00

\$85,000.00

A Presentation Regarding Impact

What you may already know: **Tax Caps & Protected levies**

- Payments for debt service are deemed Protected levies (repayment of loans a.k.a. Bonds) adjusted to ameliorate Circuit Breaker loss.

General Fund(s)

\$85,000.00

Debt Service Fund

\$85,000.00

*But, owing to state rule, debt service **must be fully funded**. It will be at expense of operating fund with the following effect!*

$\$85,000.00 - \$15,000 =$
\$70,000.00

Effective collection
rate now is **70%**

$\$85,000.00 + \$15,000 =$
\$100,000.00

Getting to Why 2020 Is different: Griffin Property Tax Bill

Pay 2019

Residential Land	\$	52,500.00
Residential Improvement	\$	192,100.00
Gross Assessed Valuation	\$	244,600.00

Deductions

Mortgage	\$	3,000.00
Homestead	\$	45,000.00
	\$	48,000.00

Sub Taxable Value \$ 196,600.00

Supplemental Standard \$ 69,870.46 \$ 69,870.46 35%
35% of the sub taxable value

Taxable Assessed Value \$ 126,729.54

Pay 2019 Tax Rate 2.9586 per \$100 of assessed valuation

Gross Tax Liability	\$	3,749.72
Minus Tax Credit	\$	(525.86)
Net Tax Liability	\$	3,223.86

Property Tax Cap \$ 2,446.00

Add adjustment \$ 442.92

due to voter approved
projects & charges
(Lake County Exception)
Maximum Tax under

*This amount is the Indiana Constitutional
Exemption, which expires after December 31, 2019
Indiana Constitution, Article 10, Section*

Tax Caps \$ 2,888.92

Lost due to Cap

\$ 334.94

Lost due to Cap

Getting to Why 2020 Is different: A Commercial Property Tax Bill

COMMERCIAL PROPERTY		Pay 2019	
INDUSTRIAL			
Commercial Land		\$ 197,800.00	
Commercial Improvement		\$ 958,800.00	
Gross Assessed Valuation		<u>\$1,156,600.00</u>	
<i>Deductions</i>			
	Mortgage	\$ -	
	Homestead	\$ -	
		<u>\$ -</u>	
Sub Taxable Value		<u>\$1,156,600.00</u>	
Supplemental Standard		\$ -	\$ 419,049.70 35%
			35% of the sub taxable value
Taxable Assessed Value		<u>\$1,156,600.00</u>	
Pay 2019 Tax Rate		3.2911	per \$100 of assessed valuation
Gross Tax Liability		<u>\$ 38,064.86</u>	
Minus Tax Credit		\$ (5,338.14)	
Net Tax Liability		<u>\$ 32,726.72</u>	
Property Tax Cap		\$ 34,698.00	Commercial P
Add adjustment		<u>\$ 5,034.64</u>	This amount is the Indiana Constitutional Exemption, which expires after December 31, 2019 Indiana Constitution, Article 10, Section
due to voter approved projects & charges (Lake County Exception)			
Maximum Tax under			Lost due to Cap
Tax Caps		<u>\$ 39,732.64</u>	<u>\$ (1,667.78)</u>

Getting to Why 2020 Is different: The Loss of the Exemption and the Estimate of Circuit Breaker Credit • HIGHLAND CIVIL

ESTIMATED CAPS LEVY ESTIMATED for 2020	\$ 1,202,000		Intuitive Allocation Basis	Intuitive Percentage Pct of Total	TRUE Allocation Basis	Effective Collection Rate
	Estimated Levy	Pct of Total				
GENERAL FUND	\$ 5,614,723	53%	\$ 641,678	73%	\$879,105.92	84%
<i>Corporation Bond & Interest</i>	\$ 1,293,817	12%	\$ 147,864			100%
POLICE PENSION FUND	\$ 2,238	0%	\$ 256	0.03%	\$ 350.41	84%
PARKS GENERAL FUND	\$ 1,226,737	12%	\$ 140,197	16%	\$192,072.10	84%
<i>Park District Bonds and Interest</i>	\$ 1,357,612	13%	\$ 155,155			100%
<i>Redevelopment Bond and Interest</i>	\$ 189,148	2%	\$ 21,617			100%
REDEVELOPMENT GENERAL FUND	\$ 282,647	3%	\$ 32,302	4%	\$ 44,254.50	84%
CUM CAPITAL DEVELOPMENT FUND	\$ 550,656	5%	\$ 62,932	7%	\$ 86,217.07	84%
	<u>\$ 10,517,578</u>		<u>\$1,202,000</u>	100%	<u>\$ 1,202,000</u>	88.6%
Controlled Funds	\$ 7,677,001					

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			Circuit Breaker Loss		Circuit Breaker Loss	
ESTIMATED CAPS	\$		Intuitive	Intuitive	TRUE	Effective
LEVY ESTIMATED for 2020			Allocation Basis	Percentage	Allocation Basis	Collection Rate
	Estimated Levy	Pct of Total		Pct of Total		
SANITARY DISTRICT OPERATING	\$ 220,417	9%	\$ 24,501	100%	\$ 283,400	-29%
<i>SANITARY District Bond & Interest</i>	\$ 2,329,094	91%	\$ 258,899			100%
	<u>\$ 2,549,511</u>		<u>\$ 283,400</u>	100%	<u>\$ 283,400</u>	88.9%
Controlled Funds	\$ 220,417					
ESTIMATED CAPS	\$		Circuit Breaker Loss		Circuit Breaker Loss	
LEVY ESTIMATED for 2020			Intuitive	Intuitive	TRUE	Effective
	Estimated Levy	Pct of Total	Allocation Basis	Percentage	Allocation Basis	Collection Rate
				Pct of Total		
<i>WATER District Bond & Interest</i>	\$ 165,644	6%	\$ 1,085.01			100%
	<u>\$ 165,644</u>		<u>\$ 1,085</u>	0%	<u>\$ -</u>	99.3%

Treasury Talks

Questions?

What shall we do?

- Seek ways to encourage shared services and tax base sharing.
- Incent functional service and resource sharing.

Shall we have another treasury talk?

Suggested Topic: What tools are there to deal with this challenge?

Treasury Talks

“Democracy is a system for finding proximate solutions for insoluble problems.”

Reinhold Niebuhr