

**Enrolled Memorandum of the Meeting
Study Session/Meeting (Convened Electronically/Hybrid)
Twenty-Ninth Town Council of Highland
Monday, July 18, 2022**

The Twenty-Ninth Town Council of the Town of Highland, Lake County, Indiana met in a study session on **Monday, July 18, 2022**, at 6:30 O'clock P.M., in the regular place, the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana.

*This meeting was convened as both an in person and an electronic meeting. Some persons were participating remotely on a Zoom platform that allowed for real time interaction between and among all of the Town Council and supported the public's ability to observe and record the proceedings. People were able to participate in person and remotely, allowing for all councilors to be simultaneously seen and heard. When the agenda item provided for public comment, this was supported as well. Councilor Toya Smith, Councilor Mark Schocke, Councilor Tom Black, Councilor Roger Sheeman, Councilor Zemen all participated in person.

The meeting was streamed live on the Town of Highland, Indiana Facebook page and participation was supported by the Zoom on-line communication platform.

Silent Roll Call: Councilors Bernie Zemen, Toya Smith, Mark Schocke, Tom Black, Roger Sheeman, were present in person as indicated. The Clerk-Treasurer, Mark Herak was present to memorialize the proceedings. *A quorum was attained.*

Officials Present: Pete Hojnicky, Metropolitan Police Chief, Ed Dabrowski, IT Director, FOP President Peckler were in person.

General Substance of Matters Discussed.

Discussion: Presentation from Presentation by Parker Criswell and Tim Stricker of Reedy Financial Group to discuss the Circuit Breaker projections for the Town of Highland for the upcoming 2023 budget and to discuss the discrepancy between the projected 2022 circuit breaker analysis they provided and the actual.

Parker Criswell started by saying its budget season, which is a great time to look ahead at the 2023 circuit breaker estimates.

He turned it over to Tim Stricker who was more involved with the day to day for the Town of Highland and with Michael on the past circuit breaker estimates.

Tim began by describing how they became involved with the Town of Highland and with Michael as the circuit breaker provided by the DLGF were a little off each year. RFG created a model, modeling a circuit breaker for each individual parcel. I think there was some confusion about this year's circuit breaker credits, because they seem to be a little bit off versus what the estimates were. He directed everyone's attention to page two of the ten-page report. This is where the reconciliation comes in. If you look down at the

park bond, in our original projection we were showing an amount of \$554,000 for the property tax levy but in reality, it ended up \$1.18 million. I don't want to really get into the weeds on the mechanics of this, but really one of the most sensitive variables in this model is what every single unit does for debt. The reason why it's sensitive is because debt is actually sheltered from circuit breaker credits, so any of the circuit breaker credits that would have went to this debt levy, because it was higher actually ended up going to your other operating levies. That was the biggest driver but there were a couple of others. The property tax rate for the overlapping units (schools, North Township, county) were actually slightly higher. With the town's total property tax rate being a little bit higher than what we have in the model you actually ended up having a little bit more of that overlapping circuit breaker credit allocated to you as a taxing unit as well. Those are the two biggest drivers but there's a third which is Lake County's property tax relief. That's where every single taxpayer gets essentially a credit on their gross tax bill. We didn't have this trend in last year's model but we have it in this year model. What we see is that, as your net assessed value in your taxing district increases, the actual property tax relief rate goes down. In last year's model, we have the tax relief rate staying the same. Now, if we're adjusting the gross tax bill, it keeps circuit breaker credits low but your property tax relief rate adjustment actually went down as well, causing a little more circuit breaker credit.

The Clerk-Treasurer asked that when you say circuit breaker credit, what do you mean?

Tim responded that circuit breaker credits refers to your property tax caps, so based on what your property is valued, it falls within one of three buckets, 1% of your property, 2% of your property or 3% of your property. Indiana has limited on how much property taxes an individual can pay and it's based on how your property is classified. If it's your primary home, the maximum property tax is 1% of the gross assessed value. Your tax bill can never be more than 1% of your gross assessed value, unless you have a referendum rate. 2% is mainly farmland and 3% is commercial.

Parker Criswell added to Tim's point, as we all know, the budget process takes place right in the middle of the year and the circuit breaker analysis isn't completed until after the Town's budget has already been submitted in Gateway. Obviously, there is a bit of a guess work as to what is going to happen within the rest of the year. It so happened that last year's park bond estimates that Michael had provided were lower than actual. I'm not sure if the debt needs increased or if you guys just kind of shifted around how debt was to be paid back, but inevitably the amount of property taxes needed to be levied to pay back that park bond increased.

Councilor Schocke asked, I thought the bond issue wasn't until the end of the year and our budget is never passed until December, so I'm curious what you're talking about when, you say this is the middle of the year.

Tim responded it's kind of what Parker was relating too. We actually completed our analysis later in the year, it was October but by the time everything is certified, by the time your property tax relief rates and your parcel level data it is actually certified,

you're already into the new budget year. So, we never know what each unit is exactly going to do. There's a bit of guesswork involved and when you did adopt your debt levy, at that point, you didn't know what your specific budget was going to be. We have set up the model so we can go back and easily change the estimates we set this model, we put in here, so you could get updated numbers at any point between now and when you do your budget.

The Clerk-Treasurer commented that our budget is an actual 18-month budget. We take our cash as of on hand as of June 30th and we project what it will be 6 months and an additional 12 months. We mentioned at a previous meeting that the growth quotient provided by the state is 5%, which means Highland will receive 5% more money in 2023 versus 2022 which would be \$500,000. However, with the circuit breaker we are anticipating \$450,000. The Council and Department heads will sit down and distribute the new monies.

Tim began reviewing the report starting on page 7. We kind of tried to take some of the guess work out for you and kind of build this model to where you can change assumptions, if you want to, but the current assumptions we have built in are based on three years of data, and we think they're fairly solid. So, in order to model what the impact is going to be to the town, we have to know what the impact is going to be to every other overlapping unit within your district. We start on the left-hand side of this table and you'll see the Highland is highlighted in green. We have your 2022 certified property tax rate and then you're certified AV and your 2022 updated circuit breaker credit projections. That's the other thing I want to throw out there, is the circuit breaker is not actually ever truly certified amount until the tax bills are actually paid. So, you never actually know what the true dollar amounts are going to be until people actually pay their taxes. Because they can actually adjust their tax bills, up to a certain point before they're paid even into the next year.

Councilor Sheeman commented don't we usually project like 96 or 97% anyway, because we realize it's never going to be the full amount.

Tim responded where you would like to see 100% actually collected, it is a little bit less than 100%. You may have a handful of taxpayers that don't pay on time and are delinquent and we have built that into our model. Continuing Tim said going from left to right, you'll see the circuit breaker credit amounts for 2022 and those are the updated amounts. This is using the certified estimate data, so this is your actual parcel analysis based on abstract data. The next column is your estimated net property tax levy. The spot over to the right after the gray box we start with the 2023 projections. So essentially, long story short, we factored in the AV growth trend over the last two years for every individual taxing unit for the Highland Civil Town, we have growth at about 1.58% for 2023. Given that assumption, these are what we are estimating the property tax rates to be for each of these overlapping taxing units for 2023. You can see Highland is \$.83. Continuing to the right you see what that generates for property tax levy, based on the AV. And then you see the circuit breaker credit projections. We are estimating about a \$234,000 total increase your circuit breaker credits. If you go directly to the table below,

we have that broken down by fund. One thing I want to say here, this is assuming the same distribution to your funds of your maximum property tax levy as last year, the same percentage. You can change that up a little bit as this will change the numbers for each fund. But again, we built this model where we can easily change that assumption so while you're doing your budget, we can revisit this. They are projected the 2023 circuit breaker credits is \$570,000, most of which is shouldered by the general fund, which is typical because that's where you have the most property tax.

Parker added, I might add to explain both sides and scenarios, so a lot of discussion here on increasing circuit breaker credits, so you might ask or wonder why do we just keep seeing circuit breaker credits increase a year over year over year. A lot of times as your property tax rate increases naturally more people become capped and as their rate increases, their tax bills are not going up, however the circuit breaker credit amounts will. He explained that there are scenarios of a decrease in the circuit breaker credits. If a city or a unit, assessed value grows, above and beyond what the state's growth quotient, then that unit will experience a decrease in the circuit breaker tax credits. At that point, it would allow for your tax rate to decrease and then with less people now become capped and then you have less circuit breaker credits. So, Highland's AV is 1.58% with the growth quotient at 5%, which is why you are seeing such a large jump in the circuit breaker tax credits compared to last year. This is barring any large development comes to Town or any other school or county issuing debt.

Tim pointed out that the circuit breaker tax credit increasing by \$100,000 in the Sanitary District compared to 2022.


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July 19th, 2022

Town of Highland
Attention: Mr. Mark Herak & Town Council
3333 Ridge Road
Highland, IN 46322

Dear Mr. Herak and Town Council,

The purpose of this letter is to provide a quick reference guide (“cheat sheet”) to circuit breaker (aka “property tax caps”).

- **What is circuit breaker?**
 - When we say “**circuit breaker**” in Indiana local government finance, we are referencing the maximum amount of property tax a person will have to pay on their tax bill
 - When we say “**circuit breaker credits**” we are referring to the amount that property tax bills are over the property tax caps
 - It’s the difference between the gross tax bill (calculated with no credits) and the property tax cap
 - Example: \$1,000,000 agricultural land is capped at \$20,000 (2% x \$1,000,000), if we assume a \$3.50 property tax rate:
 - $\$3.50 \times \$1M/100$ (we divide by 100 because the property tax rate is paid per every \$100 of assessed value)
 - = \$35,000 gross property tax bill
 - The circuit breaker (tax cap) is \$25,000, thus
 - $\$35,000 - \$25,000 = \$10,000$ circuit breaker credit
- **How does circuit breaker work for taxpayers?**
 - In Indiana, properties (“parcels”) are essentially classified into three, “3”, different buckets
 - 1% - this includes your primary residence & the first acre of land
 - 2% - this includes farmland (“Ag Land”), rental properties (apartments), long-term care facilities, and any other non-primary residential property
 - 3% - this includes industrial and commercial property, personal property (i.e., equipment at a manufacturing facility) and any other detached buildings on your homestead property (i.e., shed, detached garage, in-ground pool, etc.)
 - **Why is property classified as 1%, 2%, or 3%?**
 - This refers to how the property tax cap is calculated for the type of property
 - Example: the cap on your primary residence and 1st acre of land, 1%, is
 - 1% x gross assessed value
 - If you have a \$200,000 property:
 - $1\% \times \$200,000 = \$2,000$

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- You would be capped at \$2,000 of property tax payable
- Please note that your primary homestead could contain multiple classifications of property
 - Your house and 1st acre of land will be 1% - if you have a few acres of farmland that will be classified as 2%, if you have a shed/outbuilding, that will be classified as 3%
 - Any second homes you own, even if you don't rent, will be classified as 2%
- **Ok, so, taxpayers are protected. Now, how does it work for us as a local government unit?**
 - As a local government unit, you are allowed to levy property taxes, at an increasing rate, up to the Statewide Growth Quotient ("AVGQ") from year-to-year, as follows:
 - Highland 2021 maximum levy = \$7,426,836 x 2022 AVGQ of 1.043
 - Highland 2022 maximum levy = **\$8,324,230**
 - Each taxing unit in each taxing district is allowed to do this, these are called "overlapping units"
 - For Highland, this includes; Lake County, North Township, Highland Schools, Highland Water, Highland Sanitary, Lake County Library, and Lake County Solid Waste
 - Most units take their maximum permissible property tax levy every year, so, this is a reasonably safe assumption that was built into your circuit breaker analysis
 - Next, once you know (assume) what all overlapping units will be levying for property tax:
 - You divide by the total net assessed value for each individual taxing unit and multiply by 100 to get each overlapping units' property tax rate
 - For your Circuit Breaker Analysis, we assumed the same assessed value growth (for each unit) in 2023 as 2022
 - Example: Lake County 2022 assessed value = \$26.38 billion x 1.0391 = estimated 2023 assessed value of \$27.41 billion
 - 2022 tax levy = \$171.9 million x 1.05 (5% AVGQ) = \$181.5 million 2023 tax levy
 - \$181.5 million divided by \$26.38 billion x 100 = 2023 estimated: **\$0.66 property tax rate**
 - Next, once you calculate each overlapping units' property tax rate, you know what percentage each unit is contributing to the total taxing district property tax rate – divide that unit's rate by the total district rate (this is the amount of the total circuit breaker credits that will be assigned to each taxing unit in a district)
 - Finally, the total taxing district rate you just calculated must be applied to every individual parcel to determine each taxpayer's tax liability and consequently, any circuit breaker credits applied
 - **Why do we need to know our circuit breaker situation as a local government?**
 - Property tax collections are by far your biggest source of operational funding
 - We need to know how much of it we will not be collecting each year so we can budget accordingly
 - Remember, each of the variables and nuances above is multiplied across each parcel in your taxing district, the basic math is straightforward, but there are many variables and moving parts
 - Keep in mind it's also a bit more complicated than this in Lake County because of the way property tax relief is applied to the County's levies only, these are just the basic concepts

Please let us know if you have any questions or need further assistance.

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July 18th, 2022

Town of Highland
Attention: Mr. Mark Herak
3333 Ridge Road
Highland, IN 46322

Dear Mr. Herak,

The purpose of this letter is to summarize key findings within the analysis of circuit breaker impacts for Highland – North Township Taxing District (026). Please be advised that like all projections, the information contained in this report is subject to change. Actual results may vary and may be material.

Executive Summary

DLGF Estimates, Certified Reports, and Abstract Data

The Department of Local Government Finance's ("DLGF") Certified Circuit Breaker Estimates historically do not tie to Circuit Breaker Adjusted Abstract Data. For example, 2019 Abstract circuit breaker credits are approximately \$433,000 for Highland Town, whereas estimates were approximately \$240,000. With that in mind, the same estimation logic seems to have been applied to 2020, 2021, and 2022 DLGF Circuit Breaker Estimates. For this reason, we, ("RFG") believe that DLGF Circuit Breaker Estimates are subject to a discretionary adjustment factor. The model we built for Highland places the discretion back in the hands of the Town. Furthermore, it eliminates the guess work (DLGF discretion) because we explain all assumptions and reasoning.

Methodology

We use parcel-level detail to project circuit breaker impacts. Tax bills and circuit breaker credits are calculated for each individual parcel for every year included in the dataset.

We reconcile the Town's Circuit Breaker Model to the current year abstract to ensure accuracy. 2023 projections assume a Statewide Average Growth Quotient (max levy growth) of 5%. Ensuing years assume a max levy growth of 4.3%. Assessed value growth is applied uniformly and is specific to each overlapping unit's trend. Please note, this can and likely will, all else equal, cause a variance between projections and actual results because assessed value is not typically normally distributed.

In every other taxing district, for which we have done a circuit breaker calculation, we can tie to the penny based on abstract data. This is not the case for Lake County Taxing Districts. The calculation is within 98% accuracy compared to DLGF Certified Circuit Breaker Estimates. Compared to other models, parcel-level analysis should result in more robust projections, particularly for 1% assessed value, due to the way exemptions and deductions reduce net tax liability and therefore circuit breaker credits. We built the model to easily change inputs (Statewide AVGQ, unit specific av, etc.), should you want to see various scenarios.

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2022 Reconciliation

The following information is a reconciliation of the original 2022 Circuit Breaker Analysis to the most up-to-date Pay 2022 data, which includes:

- Pay 2022 (Budget 2022) Final 1782 Notice property tax levies for all overlapping units and all funds

	Gross Property Tax Levy Data			Circuit Breaker Data (1)			Net Property Tax Levy Data		
	Pay 2022			Pay 2022			Pay 2022		
	2022 Original	Pay 2022 Updated	Over/(Under) Projection	2022 Original	Pay 2022 Updated	Over/(Under) Projection	2022 Original	Pay 2022 Updated	Over/(Under) Projection
Highland Civil Town									
General	\$ 6,296,624	\$ 6,158,838	\$ (137,786)	\$ 300,858	\$ 444,376	\$ 143,517	\$ 5,995,766	\$ 5,714,462	\$ (281,304)
Debt Service	\$ 762,716	\$ 532,745	\$ (229,971)	\$ 616	\$ 681	\$ 65	\$ 762,100	\$ 532,064	\$ (230,036)
Police Pension	\$ 1,300	\$ 2,531	\$ 1,231	\$ 62	\$ 183	\$ 121	\$ 1,237	\$ 2,348	\$ 1,111
Park & Recreation	\$ 1,186,302	\$ 1,284,409	\$ 98,107	\$ 56,683	\$ 92,673	\$ 35,991	\$ 1,129,619	\$ 1,191,736	\$ 62,116
Park Bond	\$ 554,820	\$ 1,188,237	\$ 633,417	\$ 448	\$ 1,518	\$ 1,070	\$ 554,372	\$ 1,186,719	\$ 632,347
Cumulative Capital Development	\$ 602,896	\$ 587,159	\$ (15,737)	\$ 28,807	\$ 42,365	\$ 13,558	\$ 574,089	\$ 544,794	\$ (29,295)
Redevelopment - General	\$ 261,168	\$ 299,906	\$ 38,738	\$ 12,479	\$ 21,639	\$ 9,160	\$ 248,689	\$ 278,267	\$ 29,578
Redevelopment Bond	\$ 197,500	\$ 217,654	\$ 20,154	\$ 159	\$ 278	\$ 119	\$ 197,341	\$ 217,376	\$ 20,035
Total	\$ 9,863,326	\$ 10,271,479	\$ 408,153	\$ 400,112	\$ 603,712	\$ 203,601	\$ 9,463,214	\$ 9,667,767	\$ 204,553
Highland Sanitary									
Specd Sanitary General	\$ 239,080	\$ 239,166	\$ 86	\$ 79,956	\$ 119,995	\$ 40,039	\$ 159,123	\$ 119,171	\$ (39,953)
Specd Sanitary Debt Service	\$ 1,767,109	\$ 1,842,463	\$ 75,354	\$ 1,426	\$ 2,354	\$ 928	\$ 1,765,683	\$ 1,840,109	\$ 74,426
Total	\$ 2,006,189	\$ 2,081,629	\$ 75,440	\$ 81,382	\$ 122,349	\$ 40,967	\$ 1,924,806	\$ 1,959,280	\$ 34,474
Highland Water District									
Water District Debt Service	\$ 124,738	\$ 306,234	\$ 181,496	\$ 5,060	\$ 17,999	\$ 12,939	\$ 119,678	\$ 288,235	\$ 168,557
Total	\$ 124,738	\$ 306,234	\$ 181,496	\$ 5,060	\$ 17,999	\$ 12,939	\$ 119,678	\$ 288,235	\$ 168,557

Note (1): Over 65 credits on debt levies are allocated among operating levies
Over 65 credits are diminimis, with consideration to the overall percentage of cb credits

Highland Sanitary: Based on Pay 2021 Parcel Data, total cb credits in the Sanitation Gen Fund exceed the levy
In this instance, it is our understanding that the remainder will be applied to Debt-Service

The updated 2022 combined Circuit Breaker Credit Projection for Highland Town, Sanitary, and Water District, is approximately \$257,000 higher than the original Analysis. With that in mind, 2022 net property tax levy collection should, all else equal, be higher, as a percentage, than originally projected, as shown. The caveat being that since debt levies were higher than anticipated, net levy increases are mostly attributable to debt funds. Consequently, the increased circuit breaker burden will result in a decrease (as a %) to each units' operating levies, primarily each units' general fund.

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Reasons for variances include:

1. The Taxing District Property Tax Rate was approximately \$0.0202 higher than anticipated, as follows:

Highland North (26) Taxing District - Property Tax Rates

Taxing Unit	2022 Tax Rate		2022 Cert.		Rate Over/(Under) Proj.
	Proj.	% of Total Dist Rate	Tax Rate	% of Total Dist Rate	
Lake County	\$ 0.6744	26.37%	\$ 0.6568	25.48%	\$ (0.0176)
North Township	\$ 0.0808	3.16%	\$ 0.0809	3.14%	\$ 0.0001
Highland Sch Corp	\$ 0.7429	29.05%	\$ 0.7281	28.24%	\$ (0.0148)
Highland Civil Town	\$ 0.7794	30.47%	\$ 0.8117	31.49%	\$ 0.0323
Highland Sanitary District	\$ 0.1585	6.20%	\$ 0.1645	6.38%	\$ 0.0060
Highland Water District	\$ 0.0099	0.39%	\$ 0.0242	0.94%	\$ 0.0143
Lake County Library	\$ 0.0875	3.42%	\$ 0.0876	3.40%	\$ 0.0001
Lake County Solid Waste	\$ 0.0242	0.95%	\$ 0.0241	0.93%	\$ (0.0001)
Total District Prop Tax Rate	\$ 2.5577	100%	\$ 2.5779	100%	\$ 0.0202

The Town's rate in particular, was \$0.0323 higher than projected, due to the increased Park Bond rate.

- o Debt levies are insulated from circuit breaker, any rate increases result in a direct circuit breaker loss to all other operating levies.
 - o Furthermore, the Town ended up shouldering a higher % of the total circuit breaker burden for the Taxing District because its total property tax rate was higher than projected.
2. The Taxing District is particularly sensitive to 2% circuit breaker variances
 - a. Taxing District Rate is over \$2.00 = entire 2% av bucket is subject to circuit breaker credits for the difference

There are two primary factors, which will continue to drive variances between projections and actual results, as follows:

1. Assessed value

- a. Each year, the model will use the previous year parcel-level assessed value
 - i. Assumes AV growth each year specific to each overlapping unit's trend
- b. Assessed value is not normally distributed
 - i. Theoretical example:
 - a) Total assessed value for the 2% av pool increases by 4% year-to-year
 - b) Large apartment complex accounts for 10% of total 2% av pool
 - c) No improvements, complex is aging = av is stagnant (0% av growth)
 - d) For the total 2% av pool to have grown by 4%, other parcels would have to have grown by more than 4% in the aggregate
 - e) Because this one parcel is 10% of the total 2% av pool, 2% circuit breaker credits are now skewed, causing a variance
 - f) Remember, this is only one parcel and one theoretical example
 - a. Nearly 12,000 total parcels (all av classes) in Highland Taxing District
 - c. The assessed value of each parcel must meet or exceed property tax levy growth (as a percentage), all else equal, or circuit breaker credits will increase for that parcel
 - i. This effect can be compounded by situations such as those outlined in point b.

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- d. Likewise, each assessed value pool must meet or exceed property tax levy growth (as a percentage), all else equal, or circuit breaker credits will increase
- e. Parcels added from year-to-year
 - i. Prior year parcel data is used = no assumption for new parcels
 - 1. Approximately 100 parcels were added, District-wide, between Pay 2019 and Pay 2020
 - ii. We would need a statistically significant number of years (15+) of data to model this currently "chaotic" factor

2. Property tax levies

- a. Differences in allocation of levies and total property tax levies (rates) cause variances
 - i. The model is particularly sensitive to changes to debt levies
 - 1. Debt levies themselves are mostly insulated from circuit breaker
 - a. Credits that would have been applied to debt service funds are applied to operating levies
 - i. Debt levies are not circuit breaker neutral – except referendum debt
 - ii. 100% accuracy statistically improbable without final 1782 Notices prior to model – timing impossible (also, adjustments can be made after certification due to timing!)
 - iii. Effects are compounded by aggregate variances in the district and assessed value variances
 - 1. Example: Highland Town's share of the total 2021 circuit breaker credits remained roughly the same as the projection, at 36%, however:
 - a. Total District Property Tax Rate = \$0.45 less than anticipated
 - b. Highland Town's debt levies were lower than anticipated

2023 Underlying Assumptions

- 5% Statewide Average Growth Quotient applied to all property tax levies (includes debt-service and rate-controlled levies)
 - Somewhat unrealistic but serves as a cushion against debt rate changes
- 2023 Net assessed value growth assumptions (levy specific) – based on trends:
 - Note: AV growth for the total district (all Highland Parcels) is assumed at 1.58%, with an adjustment factor, by property class (1%, 2%, 3%), to reconcile gross av growth with net av growth from year to year
 - Adjustment factor = gross av growth / net av growth, as follows:

Property Class	Gross AV		Net AV		Gross AV Growth		NAV Growth	Adjustment Factor
	2021	2022	2021	2022	2022	2022	2023 Projection	
1% AV Properties	\$ 1,449,821,600	\$ 1,503,356,100	\$ 678,818,489	\$ 712,778,461	3.69%	5.00%	73.8%	
2% AV Properties	\$ 234,905,700	\$ 238,771,600	\$ 232,126,900	\$ 235,723,240	1.65%	1.55%	106.2%	
3% AV Properties	\$ 416,461,220	\$ 408,208,550	\$ 311,326,075	\$ 306,891,625	-1.98%	-1.42%	139.1%	

- Per the table, 2023 1% net assessed value growth assumption = 1.58% x 73.8% = approximately 1.17%

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2023 Net Assessed Value Growth Assumptions - All Overlapping Units (by Fund)										
Fund	Lake County	North Township	Highland Civil Town	Highland Town School Corporation	Lake County Public Library	Highland Sanitary District	Highland Water District	Lake County Solid Waste Management Dist		
General	3.91%		1.58%							
2015 Reassessment	3.91%									
Debt Service	3.91%		1.58%	1.58%					4.48%	
Cumulative Bridge	3.91%									
Health	5.05%									
Drain Improvement	3.91%									
Public Safety Access Point - Operating	3.71%									
County School Dist/Suppl	3.91%									
Park & Recreation	3.91%		1.58%							
Park Bond	3.91%		1.58%							
Park Bond #2	3.91%									
Cumulative Capital Development	3.91%		1.58%							
Township Assistance		3.08%								
Recreation		3.08%								
Cumulative Park & Recreation		3.08%								
Police Pension			1.58%							
Redevelopment - General			1.58%							
Redevelopment Bond			1.58%							
Education				1.58%						
Operations				1.58%						
SPECL SANITARY GENERAL							1.58%			
SPECL SANITARY DEBT SERVICE							1.58%			
Waste District Debt Service								1.58%		
Special Solid Waste Management										3.91%

- Exclusions include:
 - Levy appeals – three-year growth, extension of services, etc.
 - Creation of new unit – such as a fire protection district
 - Under max changes – projected data assumes same under max amounts as 2021 certified levies
 - Rate re-establishment – such as cumulative capital development
 - Addition/removal of parcels
- Property Tax Relief (PTR)
 - Lowers the gross tax bill for all property taxpayers County-wide
 - As such, it reduces circuit breaker credits
 - Example (Actual Highland Parcel 2022):
 - \$279,700 gross assessed value (all 1%)
 - Property tax cap = 1% x \$279,700 = \$2,797
 - Deductions reduce net assessed value to \$152,555 x \$2.5779/100 = \$3,932.72 gross tax bill
 - Without PTR, circuit breaker credits = \$3,932.72 - \$2,797 = \$1,135.72
 - All taxpayers receive PTR in Lake, 2022 = approx. 15.14% of gross tax bill
 - 15.14% x \$3,932.72 = \$595.60 = direct reduction in circuit breaker credits
 - \$1,135.72 – \$595.60 = \$540.12, 48% reduction in circuit breaker
 - From 2020 – 2022, the property tax relief rate has been inversely related to net assessed value
 - As net assessed value increases, the property tax relief rate decreases
 - As shown above, PTR is not a dollar-for-dollar offset – small % adjustments to gross tax bills = substantial circuit breaker credit reductions.

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- We assumed the average PTR rate in relation to the change between district assessed value and the dollar amount of property tax relief applied to all parcels, as follows:

	District AV	PTR	PTR Rate	PTR/District AV
2020	\$ 1,179,596,819	\$ 5,409,274	0.4586	
2021	\$ 1,245,776,292	\$ 5,269,262	0.4230	97.41%
2022	\$ 1,265,427,895	\$ 5,142,767	0.4064	97.60%
2023	\$ 1,338,034,293	\$ 5,014,480	0.3748	97.51%

- This is the most sensitive variable in the analysis
 - Slight variances compounded over all 12,000+ parcels could significantly impact actual results versus projections

2023 Bottom Line – Current Assumptions

Total District circuit breaker is projected to increase by approximately \$745,000 over 2022, \$2.30 million versus \$1.56 million. There are a few reasons for this increase: First, average net assessed value growth among all units in Highland – North Township (26), is approximately 2.88%, versus the Statewide average of 5% (max levy growth). All else equal, this change alone will cause an increase in circuit breaker credits. Second, as previously stated, the District is sensitive to 2% credits. Rates are anticipated to increase, thus, 2% credits should likewise increase. Another thing to keep in mind is that total circuit breaker credits will be allocated by approximately 37% and 33%, for the Town and the School Corp respectively. In other words, these two Units are relatively more sensitive to input changes than the other overlapping units in the District.

All assumptions considered, all overlapping units, except Lake County Public Library, are showing an increase to net property tax levy in 2023. Note: Lake County's impact is minimal. Lake County is unique among most counties in that property tax relief credits are applied only to Lake County levies and no other units. Put another way, Lake County has a much lower effective circuit breaker adjusted property tax rate than other units. In the following table, Highland Town's 2023 effective circuit breaker rate is projected to be the \$0.8390 tax rate as displayed. Meanwhile, Lake County's projected circuit breaker rate is approximately \$0.2890, which is roughly \$0.37 less than the displayed tax rate. Therefore, Lake County is insulated from circuit breaker impact, as shown:

Highland Civil Town - North (026): 2023 Projected Property Tax Rates

Taxing Unit	Projected Tax Rate	Less: Exempt Rates (1)	Less: PT Relief Rate	Effective CB Tax Rate
Lake County	0.6637	0.0000	0.3748	0.2890
North Township	0.0824	0.0000	0.0000	0.0824
Highland Civil Town	0.8390	0.0000	0.0000	0.8390
Highland Town School Corporation	0.7526	0.0000	0.0000	0.7526
Lake County Public Library	0.0880	0.0000	0.0000	0.0880
Highland Sanitary	0.1700	0.0000	0.0000	0.1700
Highland Water District	0.0250	0.0000	0.0000	0.0250
Lake County Solid Waste Management Dist	0.0244	0.0000	0.0000	0.0244
Total:	2.6453	0.0000	0.3748	2.2705

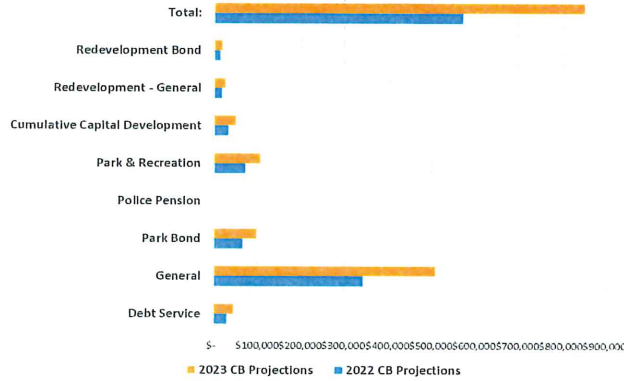
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HIGHLAND CIVIL TOWN (026) - PROJECTED 2023 CIRCUIT BREAKER IMPACT														
Unit Name	2022					2023					2023 Proj. Net			
	2022 Cert. Property Tax Rate	Est. Property Tax Levy Attributed to Highland AV	Less: 2022 Est. CB Credits	% of Total CB Credits	Equals: 2022 Less: 2022 Est. PIR Property Tax Levy	2023 Est. Property Tax Rate	Est. Property Tax Levy Attributed to Highland AV	Less: 2023 Est. CB Credits	% of Total CB Credits	Equals: 2023 Less: 2023 Est. PIR Property Tax Levy	2023 Proj. CB Inc.	2023 Proj. Net Increase/ (Decrease)		
Lake County (3)	\$ 0.6568	\$ 8,311,330	\$ 205,503	13%	\$ 5,142,767	\$ 0.6637	\$ 8,531,393	\$ 293,288	13%	\$ 5,014,480	\$ 3,223,625	\$ 87,765	\$ 260,564	
North Township	\$ 0.0809	\$ 1,023,731	\$ 57,018	4%	\$ -	\$ 0.0824	\$ 1,059,244	\$ 83,642	4%	\$ -	\$ 975,602	\$ 26,624	\$ 8,889	
Highland Civil Town	\$ 0.8117	\$ 10,271,478	\$ 572,083	37%	\$ -	\$ 0.8390	\$ 10,785,053	\$ 851,619	37%	\$ -	\$ 9,933,424	\$ 279,546	\$ 234,029	
Highland Town Sch Corp.	\$ 0.7281	\$ 9,213,581	\$ 513,162	33%	\$ -	\$ 0.7526	\$ 9,674,260	\$ 763,916	33%	\$ -	\$ 8,910,344	\$ 250,754	\$ 209,925	
Lake Cty. Public Library	\$ 0.0876	\$ 1,108,515	\$ 61,740	4%	\$ -	\$ 0.0880	\$ 1,131,593	\$ 89,355	4%	\$ -	\$ 1,042,238	\$ 27,615	\$ (4,537)	
Highland Sanitary	\$ 0.1645	\$ 2,081,629	\$ 115,939	7%	\$ -	\$ 0.1700	\$ 2,185,710	\$ 172,592	7%	\$ -	\$ 2,013,118	\$ 56,653	\$ 47,429	
Highland Water District	\$ 0.0242	\$ 306,234	\$ 17,056	1%	\$ -	\$ 0.0250	\$ 321,546	\$ 25,390	1%	\$ -	\$ 296,155	\$ 8,334	\$ 6,978	
Lake Cty. Solid Waste	\$ 0.0241	\$ 304,968	\$ 16,986	1%	\$ -	\$ 0.0244	\$ 313,029	\$ 24,718	1%	\$ -	\$ 288,311	\$ 7,732	\$ 329	
Total:	\$ 2.5779	\$ 32,621,466	\$ 1,559,487	100%	\$ 5,142,767	\$ 2.6453	\$ 34,001,828	\$ 2,304,530	100%	\$ 5,014,480	\$ 26,682,818	\$ 745,043	\$ 763,606	

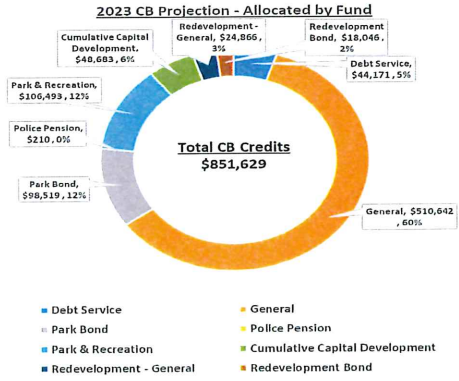
Highland Civil Town: 2023 Levy-Specific CB Impact Projections

The following graph shows Highland Civil Town's circuit breaker credit projections, specific to each fund, for 2023:

2023 CB Projections Vs 2022 CB Projections



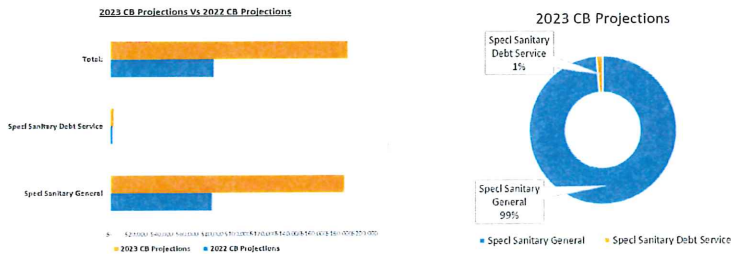
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Fund	2022 CB Projections	2023 CB Projections	2023 Over/(Under) 2022
Debt Service	\$ 29,672	\$ 44,171	\$ 14,499
General	\$ 343,024	\$ 510,642	\$ 167,617
Park Bond	\$ 66,180	\$ 98,519	\$ 32,339
Police Pension	\$ 141	\$ 210	\$ 69
Park & Recreation	\$ 71,537	\$ 106,493	\$ 34,956
Cumulative Capital Development	\$ 32,703	\$ 48,683	\$ 15,980
Redevelopment - General	\$ 16,704	\$ 24,866	\$ 8,162
Redevelopment Bond	\$ 12,123	\$ 18,046	\$ 5,924
Total:	\$ 572,083	\$ 851,629	\$ 279,546

Highland Sanitary District: 2023 Levy-Specific CB Impact Projections

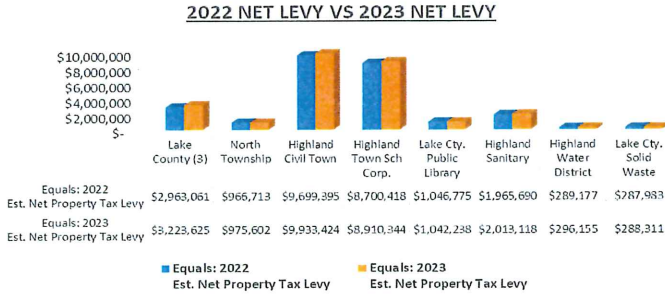
The following graph shows Highland Sanitary District circuit breaker credit projections, specific to each fund, for 2023.



Fund	2022 CB Projections	2023 CB Projections	2023 Over/(Under) 2022
Spec Sanitary General	\$ 79,956	\$ 184,334	\$ 104,378
Spec Sanitary Debt Service	\$ 1,426	\$ 2,605	\$ 1,179
Total:	\$ 81,382	\$ 186,939	\$ 105,557

2023 Projections – All Overlapping Units

The following charts and graphs include 2022 net levy and circuit breaker comparisons, versus 2021, for all overlapping units within Highland-North Taxing District (26):



2022 EST. CB CREDITS VS. 2023 EST. CB CREDITS



Final Thoughts

The sustainability of assessed value growth trends is unknown. Highland had assessed value growth slightly higher than the Statewide Average for Pay 2021, but growth for Pay 2022 was 1.58%, versus the Statewide Quotient of 4.3%. All else equal, this means that circuit breaker credits will increase, as a percentage of total property tax levy, over 2023, as modeled. Moreover, this is showing an even sharper increase in circuit breaker for 2023 over 2022, versus 2022 over 2021, because the Statewide Growth Quotient is expected to be 5% for 2023. This observation alone is not enough to suggest the trend will change, rather, it is more of a cautionary statement to encourage conservative projections and planning.

Please also consider that circuit breaker credits are allocated based on unit levy (adjusted for circuit breaker due to Lake County PTR) versus the total district levy. Additionally, please keep in mind that Lake County levies are insulated from circuit breaker. In other words, changes in the Lake County tax rate impact all other taxing units, for circuit breaker credits, to a varying degree, more than other taxing unit changes impact the County.

This report remains fluid and inputs will remain within the discretion of the Town. Should you desire to see different inputs, such as more debt insulation or a blanket circuit breaker increase assumption (plug), please let us know and we will update the report accordingly. For instance, certified net assessed values for Pay 2023 should be released sometime around mid-to-late August. Although we won't have parcel data at that time, it would still be beneficial to update the Analysis to reflect certified 2023 net assessed value.

Please do not hesitate to be in touch should you have any questions.

Best regards,

Reedy Financial Group, P.C.

Discussion: Consideration of Proposed Additional Appropriation: *(controlled funds & non-controlled funds)* Proposed Additional Appropriations in Excess of the 2022 Budget in the **Corporation General Fund** in the amount of \$23,000.00 and the **MVH Fund** in the amount of \$14,515.00. If this acceptable to the Council then at the July 25, 2022 plenary meeting, the motion will be: Authorizing the proper officer to publish legal notice of public hearing: Public Hearing to consider additional appropriations in the amount of \$23,000 in the **Fire Department**; in the amount of \$14,515 in the **Motor Vehicle Highway Fund**. The meeting would be August 8th.

The Clerk-Treasurer gave the reasoning behind the request for the additional appropriation. When the Fire Department changed the secretary position from part-time to full-time, money was never allocated to cover the increased costs in the medical line item. The Fire Department will be short in that line item. if additional money is not appropriated. We estimate \$23,000 to cover that line item for the balance of the year. The

\$14,515 was for an insurance payment done in 2021. The revenue (check) was never appropriated back to the MVH. At the end of the year, all monies not appropriated or encumbered go back to the General Fund. The monies need to be appropriated. If the Council chooses, at the July 25th, you will instruct the proper officer to advertise for an additional appropriation for a public hearing to be conducted on August the 8th.



Memo

To: Mark Herak, Clerk Treasurer
From: Ken Mika, Acting Fire Chief
CC:
Date: July 8, 2022
Re: Additional appropriation for FD group health care fund-additional personnel

In April of this year, we hired a full-time secretary for the Fire Department after the retirement of the part-time secretary.

With this letter, we are requesting an additional appropriation in the amount of \$23,000.00 in the group health care account, as the full-time position was approved after the submission of the 2022 budget last year. This additional appropriation will balance the account through the end of the year. The submittal of the 2023 budget estimate includes the correct amount for the health care insurance for the entire year.

If you have any questions, please call me.

Ken Mika,


Acting Fire Chief

TOWN of HIGHLAND OFFICE of the CLERK-TREASURER
INSURANCE APPROPRIATION ORDER
IAO No. 2021-103

AN ORDER APPROPRIATING ADDITIONAL MONIES IN EXCESS OF THE ANNUAL BUDGET FROM MONIES RECEIVED FROM INSURANCE COMPANY OR LIKE SURETY, PURSUANT TO I.C. 6-1.1-18-7, I.C. 36-5-6-6 ET SEQ.

WHEREAS, The Clerk-Treasurer, as fiscal officer of the municipality, has been informed of the receipt of funds from an insurance company, a self-insured individual, or court ordered restitution, particularly represented on Clerk-Treasurer's receipt number 755818 in the amount of \$14,515.00 related to an occurrence involving physical damage to streetlights and a solar school zone flasher sign in the area of 9333 Kennedy Ave;

WHEREAS, The Clerk-Treasurer, as fiscal officer of the municipality, has been further informed that the funds are received as a result of damage to property of the Incorporated Town or one of its executive departments;

WHEREAS, The Clerk-Treasurer, as fiscal officer of the municipality, has been still further informed that these funds are or were needed for the purpose of supporting the repair of the damaged property, which will cost a total of greater than the reimbursed amount, that repair or replacement amount being \$14,515.00 for the repair or replacement of the property; and

WHEREAS, The Clerk-Treasurer, as fiscal officer of the municipality, is authorized and empowered pursuant to I.C. 6-1.1-18-7 to increase an appropriation received from an insurance company (also construed to include incident restitution) if funds are received as a result of damage to property of the unit and the funds are appropriated for the purpose of repairing or replacing the damaged property;

NOW, THEREFORE BE IT AUTHORIZED, APPROVED AND ORDERED by the Clerk-Treasurer, as fiscal officer of the municipality as follows:

Section I. That for the expenses of said municipality related to repairing or replacing damaged property of the municipality, the following additional sums of money, received by an insurance company as a result of damage to property of the municipality, are hereby appropriated and ordered set apart out of the funds herein named and for the sole purpose of repairing or replacing the damaged property;

MVH FUND	
Increase Account # 002-0017-36006	
MVH Street Light Maintenance	\$14,515.00
<i>Total 300 Series:</i>	\$14,515.00
Total for Fund:	<u>\$14,515.00</u>

Discussion: Appropriation Enactment No. 2022-14, monies received from the Town of Munster, per the Memorandum of Understanding (Animal Shelter Lodging), in the amount of \$1,225 (revenue account) needs to be re-appropriated to an expense account (001-0009-390.05)

The Clerk-Treasurer explained that we have already received the money from the state or an agency, in this case the Town of Munster per the Memorandum of Understanding dated January 2019, receipt number 769585). The money received was placed into a revenue account (Animal Shelter Lodging 001-0000-364.03) and needs to be appropriated to an expense account (Animal Quarantine 001-0009-390.05), so the Police Department can buy new cages. As mentioned at previous meeting, this requires Council approval as it is an appropriation enactment. But because the money has already been received from

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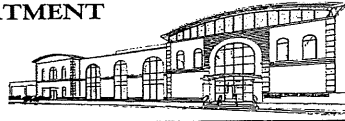
another state agency, it does not require an advertisement in the newspaper as regular appropriations do but an approval from the Council.



HIGHLAND POLICE DEPARTMENT

3315 RIDGE ROAD
HIGHLAND, IN 46322-2097
(219) 838-3184

PETER T. HOJNICKI, CHIEF OF POLICE



July 12, 2022

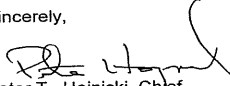
Mark Herak, Clerk-Treasurer
Town of Highland

Dear Mark,

The Highland Police Department is requesting an additional appropriation from the Animal Shelter Lodging line (001-0000-364.03) into the General Fund Line Animal Quarantine (001-0009-390.05) in the amount of \$1,225.00. This is to accommodate the purchase of new cages/walls at the Animal Pound. As per the Memorandum of Understanding executed between the Town of Highland and Town of Munster in January of 2019 and later ratified by the Highland Town Council, monies are in place supporting this request.

We appreciate your consideration in this matter.

Sincerely,


Peter T. Hojnicky, Chief
Highland Police Department



Discussion: Community Crossing Grant – specifications updated to include recycled material.

Mark Knesek, Public Works Director sent an email to the Council advising that because of the cost of virgin asphalt, it was recommended by Derek Snyder of Nies Engineering to add to the specification recycled material.

Last Friday was the Pre-bid meeting for Community Crossings street improvements. We have added INDOT approved recycled asphalt as an acceptable street resurfacing material. INDOT standards are 25% recycled asphalt only. This is due to the cost increase of virgin asphalt. This Friday will be the bid opening and will need your

approval at Monday 7-25-22 meeting. I will send the bid results on Friday 7-22-22 for your review. Mark Herak, please reserve a spot on the next Monday 7-25-22 meeting.

Discussion: Medical Insurance for former Police Officer John Swisher, the Town Council has approved to extend his insurance through December 31, 2022. The Council would need to act if they wish to extend beyond 12/31/2022.

The Clerk-Treasurer explained that he was asked by the Metropolitan Police Chief, Pete Hojnicky to place this item on the agenda, as he prepares his 2023 budget, should he include John Swisher. The Clerk-Treasurer said that if the desire of the Council is to extend paying John Swisher's medical insurance, the Council would need to adopt another resolution. The law was supposed to change to benefit officers hurt in the line of duty but as of the close of the State Legislative Session nothing had been proposed.

Council Schocke said he talked with former Officer Swisher's son-in-law and he advised there is a lot of infighting over his on-duty injury and what benefits, he should receive downstate. I think it probably be best, if maybe Attorney Reed would be able to reach out downstate to determine, what if any, they're going to plan on offering him. There was a lot of legislation, and it's hard to follow and to be honest with you, there are a lot of elements in each different part of the law that I was unfamiliar with but I'd love for him to sit down with somebody like Representative Andrade or Senator Griffin or somebody like that that could actually do something. I'm not saying he doesn't deserve it but I also think that the state should help us out because we're spending, you know, a chunk of money every year to try and help out this injured officer when I really think the state should be on the hook.

Chief Hojnicky gave a history of what happened to former Officer Swisher. It was a battle from day one for any officer injured in the line of duty. In Swisher's case, it was catastrophic. He was struck head on, by a drunk driver and still has lingering effects to this day. He continually has setbacks. It is probably best that Attorney Reed and maybe even former Officer Swisher's attorney to see what type of state benefits may be afforded him. Chief Hojnicky continued that the settlement didn't come out in Swisher's favor which is why the Council started covering his medical. The Council was counting on the Legislation to be changed and to date it hasn't materialized. He suggested to have Attorney Reed reach out to John Swisher's attorney to determine what benefit if he may or may not be receiving from the state. At least you have an idea of a foundation of what he may be receiving now and then better base your decision on whether or not to continue.

Discussion: Town of Highland Board of Works Order of the Works Board 2022-07.

An Order Approving and Authorizing the Purchase of Certain Public Safety Communications Equipment, as Identified by the Metropolitan Police Chief, from Motorola Solutions, Inc., of Allen, Texas and finding it to be a Special Purchase pursuant to I.C. 5-22 and Chapter 3.05 of the Municipal Code. Works Board Order 2022-07 was approved by the Council at their April 11, 2022. Before

placing the order, since several months have passed since the Council approved, the Metropolitan Police Chief, Pete Hojnicky wants to confirm that the Council still wants him to proceed with the purchase.

The Chief ask that this be placed back on the agenda since it was passed in April of This year. It was Works Board Order 2022-7 whereby the Council authorized the purchase of body cams. Several months have transpired since the authorization and with a cost of around \$103,000, \$32,000 if from a grant, the Metropolitan Police Chief wanted to make sure the Council still wanted him to proceed with the purchase.

The Chief explained the delay was not our end but it was with the state. We were inquiring constantly with the State to determine whether or not we qualified for the grant. Then it was a vendor issue with materials and availability. Then it was a contract issue which Attorney Reed was able to resolve favorably for us. In the event of litigation, the contract said it would have to be tried in Cook County, Illinois and Attorney Reed was able to get it changed to Lake County, Indiana. Because of the delay, I just wanted to make sure you wanted me to go ahead with the purchase before I signed the contract.

Councilor Schocke said he has always been in favor of body cams.

Councilor Sheeman added that there's no doubt its okay.

Items not on the agenda but brought up for discussion:

The Clerk-Treasurer advised the Council that per the master lease, the Town is required to make the lease-purchase payments of \$138,000 for the new fire truck, even though the fire truck is months from being delivered.

Councilor Schocke added I don't know how that's all structured, but that seems kind of weird, like if they don't deliver the actual car then you'd think that'd be a material breach of that contract.

Chief Hojnicky brought up the Opticom System. He sent out an email today stating the system is 10 years old and in need of repairs. Currently, Chief Timmer is working with the county on a 90/10 grant to replace the current system but that is months away.

The Clerk-Treasurer advised that he was on that email chain and advised the recipients that monies were available in Fund 249 – Cagit Public Safety. It is a replenishing fund and the Town receives approximately \$48,000 per month. Currently there is roughly \$332,000 unallocated.

Chief Hojnicky reiterated that Chief Timmer is working on this project and as stated above there is a massive grant becoming available which to Lake County and several agencies are applying. It is a 90/10 match, where the Town only has to come up with 10%

of the funding. The only problem is that it is 18 to 36 months out and we have much of our current system in need of repair. This system is used by not only police and fire but also Public Works and emergency medical services. The device in the vehicle sends a signal to each intersection the vehicle is coming upon and changes that light green for you, so you could get to where you're going not only quicker, more importantly, safer, because it stops the traffic in the opposite direction. There are several intersections in need of repair and a couple of them have completely failed. We just did an audit of our system and we had one of the repair services come out and identify what is wrong with each intersection, if anything. Some are completely fine but realize we're dealing with a system that's over 10 years old.

History says you begin to have your failures around that mark and what we'd like to take the money from Cagit Public Safety, since it is designed for public safety and apply for the repair of our system. We will need in the area of \$35,000 to fix what is currently broke for our intersections. The parts that they would use now would be used in the future if we do get the grant those replacement parts would continue to be used, so we wouldn't be out much money. It's something that many agencies, nearly all the agencies in Lake county are utilizing so it crosses over agencies.

Councilor Sheeman said this is a system that we got to have working right, I mean you know when I first found this out a few months back, I was somewhat shocked that it wasn't all working in our town. I'd hate to have some ambulance or fire or police delayed because of traffic or something happened to an individual because we didn't have our system working. I think this is an absolute priority, get this done. It's just going to make it faster, quicker for all the agencies involved with it, and you know even like you say plowing so the big plows don't have to stop and have clear access going through an intersection. This is a no brainer to get this fixed.

Chief Hojnicky said it is something we can get it fixed pretty quickly. The vendor just needs the green light to start. We've already identified several intersections that are in need of repair and in fact, there were some of them if you ever see a white light above an intersection, Public Works has actually gone out and changed those bulbs. We have some money to move around to pay for the expenses, most likely from the video and equipment account.

The Chief brought up the walkie talkies. This also is a project that Chief Timmer is working on.

The Clerk-Treasurer said the county is talking of changing the walkie talkies throughout the county. Initial estimates were the cost to the police department was \$4,500 each and the fire department \$8,500. We bring it up because in talking with the police chief, we would fund the project through Cagit Public Safety.

Chief Hojnicky reiterated that Chief Timmer, who is part of the County E911 Committee is working on this project but there are still so many unknowns. We want to be in a position that when the edict comes down, we can pull the trigger. We thought it was

identified but now the county is talking about going to a cellular walkie talkie type device because there's been communication problems with the standard walkie talkie when you enter large facilities as what happened when they had a report of an active shooter in the Lake Central High School. The old system dialogs can easily be picked up by a private citizen scanner at home. There is talk about some different frequency changes and also some cellular so I thought we were going to be in a position to be able to identify now and begin this maybe purchase so many a quarter over a four or five-year period. But with these proposed changes, no one is quite sure what the final outcome will be. The one good thing is our walkies, which are fast approaching the 10-year mark, we do have some time built in so we could probably stretch this out a little bit longer, yet we don't want to buy something now that six or 12 months from now they're going to change and they already are obsolete. The Fire Department gave us extra walkies they weren't using because we needed additional walkies and we didn't want to buy any more.

Councilor Schocke asked why the difference in cost between the walkie talkies utilized by the police versus those utilized by fire. He was advised that the Fire Department has to monitor two different bands.

Councilor Zemen asked Chief Hojnicky about the report that came out from the shooting in Texas and how horribly and unprepared they were and if it was handled differently, more lives should have been saved. Are we more prepared and have we learned anything from their mistakes?

Chief Hojnicky responded that there are some studies out of epic failures and this particular situation was one of them. We actually had a supervisor's meeting today and besides talking about pursuits we focused on school safety. We went over our policy and reviewed some actual video involved in the shooting. What we saw in the video is what not to do. We stress that regardless of the weapon being used, immediately engage the threat, not only if it's in a school but in a church or at a festival. We also identified some additional equipment we were going to keep in each supervisor's car so we can access it quickly. We are planning on using asset forfeiture to buy the additional equipment and not ask the Council for additional funds. Since we are part of the region Swat Team, we are going to seek some additional training for our officers so we can be shown how to quickly utilize those tools to get easy entry. We are going to purchase ballistic shields for the supervisor's vehicles. Hopefully, we'll never need it but we'll have it in case we do. In regard to mapping we're meeting next Monday, with all the school principals for each school with our command staff and with other Town department heads because if a situation arises we're going to utilize all the resources available to us. One of the reasons we also want to meet with the schools is so that each knows the other's role. What is their role and what are they expecting of us. We have some ideas and suggestions from our walk through the schools. For example, ideas to help us identify the doors so we know what door we are looking for or signs to give us better direction as to east, west, north, south.

Councilor Sheeman asked about the possibility of putting a school resource officer in every school. The Chief said nothing was planned at this time but he would reach out to the school superintendent to get his feelings. He then asked the Chief if any of the private schools had their own SRO. The Chief responded in the negative.

Discussion: Highland FOP Lodge #122 President Peckler to discuss with the Council the needs of the current and retired Police employees.

FOP President Peckler began by passing out a handout highlighting what other area departments are offering to entice current officers to leave their present employer and come work for them, as well as, to recruit 1st time officers. He commented the handouts gives a better description of what we're up against from other departments. He said, I'm here on behalf of the Highland FOP. Our goal is to strive for the betterment of our department and to help retain the officers that we currently have. We have quite a number of retirees coming up, so we wanted to make sure that we're on top of our game, as far as recruitment and we want to recruit the best that's out there. It's a fact that there has been a drop-in people wanting to be a police officer. We've been getting quite a low turnout, as far as applications go. Its not unique to Highland, as other departments have been feeling it too and we've all had to deal with it. They've been combating it with better benefits and higher pay. Some fringe benefits, such as take-home cars and health insurance after the officer retires. Some municipalities are paying either all or a portion of the officer's PERF. They surveyed some of the officers who left or switched departments as to why they left and the number one reason was pay and #2 was take-home cars. Another reason that ranked high was the length of the shift. The officers would prefer going to 12 hour shifts which would enable them to have every other weekend off. He went over the results of a questionnaire they emailed to all their members. Again, the number one item the members would like to see addressed is money and take-home cars. What they are looking for is a 12% raise for all our employees. The significance of the 12%, is that it will raise the salary of the 1st Class Patrolman to equate with the Master Patrolman which will not only benefit those currently working but would benefit those officers who retired under the 25 plan. He thought there might be 10 retirees and or widows under the 25 plan. The State Law was changed that now requires all police and fire hired after July 1 to be enrolled in the 77 plan. Those retirees under the 25 plan have their benefits based off of our master patrolman or certified salary rate. The certified salary rate is currently locked until one of our 1st Class Patrolman actually reaches it. With a 12% raise, it gets us right outside the door of that and, hopefully, in the near future, we will actually meet it and or surpass it. The 12% raise checks all the boxes for past, present, future. Our second option was a 6% raise plus the Town pays for the officer's portion of their retirement PERF which is 6%. Other towns have been doing and our civilians PERF has been paid by the Town, for the last 20 or some odd years and the police, has not been benefiting from that. I believe this would cost the town about \$20,000 difference between just a straight 12% race. As far as take home cares go, we do have a number of officers that do live outside of town with others moving out of Town or are planning to move out. The real estate rate in Highland is at a high and people are getting decent money for their houses and they'd rather get into something a little bit bigger and better outside of Town. If they lived outside Town, the car would stay here

but it's a nice perk to know that you can leave your own gear and everything as it's in there. Also, another thing with take home cars is that several of the officers who are working special detail, like SWAT, and who live outside of Highland, are supposed to have their equipment mounted to their vehicle as they are responsible for it. We have guys that are in investigations and who get called out. There's an issue because some of the SWAT guys that live outside of town, might not be able to respond to a scene. I'm not an attorney but if they respond in their own personal car and they are involved in an accident, who is liable? Is it their own personal insurance or the Town's or the County's? The question was directed toward Attorney Reed.

Attorney Reed said he can't answer that right now but I would assume the vehicles would have to be placed under the Town's insurance for those purposes, I can't imagine a private policy that would cover that.

President Peckler continued, for the most part when we respond to a call out, we do want to get there quickly but we could do so in a safer matter if those living outside of Town didn't have to respond in their personal vehicles, in some cases drive to the police station to pick up their car with the equipment and respond but go directly from their house in a take home vehicle.

Councilor Schocke said it all depends when you're on duty. Are you on duty at the minute you get in your car. I would think that your car would cover you for that particular period of time but theoretically, the town could be on the hook if you're on duty, the minute that you get the call and get in your car and start going towards that scene.

Councilor Sheeman said to President Peckler, you do realize we don't have enough cars to give everybody a take home car correct. To do that, we'd have to buy 10 cars roughly at a cost of a quarter of a million dollars or more. I just don't know where that's going to happen.

President Peckler said to my understanding, there was talks about a public safety tax that could possibly be in works and I would presume that it would go for every household and every apartment, here in town. With my minor math and if we did something along the lines of \$5 a month or \$60 a year, which is less than a Chicago tribute, it would raise in excess of \$540,000 a year. And that's just the first year. We believe that you could afford both the 4% raise and a take home car for each person. After that, the money that the Town would be saving from not buying new squad cars every year and that would obviously help. With the rising costs of insurance and gasoline, some of the other communities have gone to local sponsorships for their squad cars. Local businesses sponsor a car, with an annual fee of maybe \$300 bucks. I believe Crown Point in particular is doing that to their squad cars. Private businesses, donate money to pay for the four by a three-inch sticker. The sticker is affixed to a window or bumper. It is good for 1 year. The business can re-up or someone else can take over their spot. The money stays with that car to help defray maintenance costs. It was further presented to the

membership, modelling after what Griffith does, where the officers living out of Town agree to pay so much per mile when you live past a certain radius from Town. The money is taken out of their bi-weekly checks.

Councilor Sheeman you think an officer would actually agree that lives in Griffith to pay that every two weeks, just to go a couple miles

President Peckler answered in the affirmative. it's like having your own office, When you're talking literally less than a mile and a half, from where they live and they're going to pay \$25 every two weeks absolutely because they'll probably save more than that on insurance because when they go and talk to their insurance company, one of the first questions they ask you is, how many miles do you drive to and from work and their response is zero because they have a company vehicle. I know that our tow fees have been stagnant for years and pretty much one of the lowest tow fees in the area at \$25 and \$50 per tow. We haven't increased our rates in years.

Councilor Sheeman questioned the Metropolitan Police Chief as he thought Highland had recently increased their rate.

The Chief responded, it been some time since we adjusted our tow fees.

Councilor Schocke said he paid more than that for a private tow. In the future, he said he would ask for a police town.

The Chief responded, that's just the town shares, the release. The person still has to pay for the tow, as well as, any storage fees.

Councilor Schocke asked President Peckler is there any basis or reasoning behind the 12%, like why didn't you ask for like 13 or 15 or 10. I mean what is special about 12?

President Peckler said we wanted to come out with a nice decent number too where it puts us very much ahead of most other departments. We will still be behind St John as far as monetary. Its going to help up us from losing any more officers and will help in attracting new officers because they are going to see the dollars. In dealing with other Town Councils, unfortunately the past practice with the Town Council, when we've asked for a certain number and when it came to raises, its been a fraction of that. The previous Councils explained that they had to give every department in Town the same raise.

Councilor Sheeman responded that I swear that the last couple of years, we've actually given you what you've asked for. I think it was like five 5% last year.

President Peckler added, at a 12% increase for a 1st Class Patrolman, it would figure out to be roughly another \$8,000.

We don't want to keep up with the joneses, we want to set a benchmark. I'm looking at St John and St john's 1st Class Patrolman is making \$80,004 and at a 12% raise, our 1st Class Patrolman is at \$76,059.

Councilor Zemen added but St. John has hundreds of million-dollar homes.

President Peckler continued, a lot of departments are starting to pay the employees PERF. To my knowledge, the town used to pay 21%. That was the share that the town was contributing per officer. The officer themselves, have always been 6%. Now, years ago, the State had a surplus of money and reduced the amount of the Town's contribution to I believe 17 and a half percent instead of 21. Other towns, instead of taking that and banking it they've been paying their officer's P erf or maybe a portion like 3% of the officer's share. Not so with the Town of Highland, our officer's are still paying the full 6%. To give you guys an understanding of how we voted, originally, we were in favor of the 6% raise with the Town picking up the officers 6% PERF. But then we wanted to take our retirees into account, those on the 25 plan. Of the sworn personnel, we had 19 in favor of the 6% raise and 6% Perf, 12 were in favor of the full 12% but if we include the 10 additional retirees that puts the vote at 22 to 19. Keep in mind that those retirees under the 25 plan, cannot get a raise until a 1st Class Patrolman is making the master patrolman's wage. Other departments, to equalize this, is offer their retiree's healthcare insurance. I have passed out fliers so the Council can get a feel as to what other departments are offering. In addition to the 12% raise and take-home cars, most officers want to go to a 12-hour shift. It doesn't help the officer in pay but it does in terms of quality of life, where they get every other weekend off. The downsize is the trade off in vacation time as it is no longer a day for a day. Many area departments are going to 12-hour shifts. I personally don't like it but hopefully in Investigations, I don't have to worry about that. To summarize, we are having staffing issues nationwide with regard to police officers and were to think of anything we can do to make people happy and I don't want to have the same problem over and over again. We're trying to come up with ideas, creative ideas to keep Highland from becoming a stepping stone, like other departments have become.

Chief Hojnicky concluded, we've got a great department, some great guys and gals that are just tremendous and we don't want to see any of them leave. We've got a couple of guys retiring next year and we're going to hate to see them leave.

**COMPETITIVE PAY AND BENEFITS PROPOSAL FOR THE
HIGHLAND POLICE DEPARTMENT 2022/2023**

- MISSION
We are seeking an increase in pay and benefits to help with recent inflation as well as to be competitive with surrounding departments in county and in state. Such increase in pay and benefits is needed for current employees to cope with the inflation and to help retain Officers from leaving to other agencies that better suit their needs/wants. An increase in pay and benefits will also make the Highland Police Department more desirable for new recruits and emergency hires alike.
- CURRENT PAY AND BENEFITS
 - First Class Patrolman:
\$67,910.18 (-\$4,631.90 current employee PERF share)
 - Master Patrolman/Certified Salary:
\$74,059.39 or \$76,989.59 W/20 year longevity (capped until First Class Patrolman meets and exceeds this amount)
 - TAKE HOMES:
Officers must reside in town limits, may only travel 300 miles off duty per month and can only travel in town or a bordering town/city
 - HOLIDAYS: 11/year (none carry over)
 - VACATION: 10 days after 1st year, 15 days after 5 years, 20 days after 10 years and 25 days after 20 years
 - PB DAYS: 6 days/year (maximum of 20 days carry over)
 - COMP TIME: 80 hours maximum can be accumulated and carried over

TAKE HOME POLICY

#3

TAKE HOME VEHICLES FOR ALL

30 MILE RADIUS (WITHIN INDIANA)

NO OFF DUTY USAGE FOR OUT OF TOWN EMPLOYEES EXCEPT DEPT. SANCTIONED SIDE JOBS WHERE A SQUAD IS NECESSARY, COURT OR TRAINING.

OUT OF TOWN EMPLOYEE COST EXAMPLE:

WITHIN 10 MILES OF TOWN \$ _25_ PER PAY PERIOD \$650 ANNUAL

WITHIN 20 MILES OF TOWN \$ _50_ PER PAY PERIOD \$1,300 ANNUAL

WITHIN 30 MILES OF TOWN \$ _75_ PER PAY PERIOD \$1,950 ANNUAL

A PATROLMAN CLASS OR YEARS OF SERVICE RESTRICTION MIGHT BE IMPOSED (I.E. 1ST CLASS PATROLMAN OR ABOVE / 5 YEARS ON)

IF YOU LIVE OUT OF TOWN AND CHOOSE THIS PLEASE SPECIFY HOW MANY MILES YOU RESIDE FROM THE PD ADDRESS AND YOUR WILLINGNESS OF PAYROLL DEDUCTION PER PAY PERIOD TO HELP STEM THE COST OF FUEL, INSURANCE, BASIC MAINTENANCE. *(PLEASE BE REALISTIC AS THE AVERAGE GIVEN WILL BE CALCULATED AND PROPOSED WHICH MAY BE A DECIDING FACTOR OR A POINT OF NEGOTIATION).*

TOWN / OFFICER BENEFITS

- BY HAVING MORE SQUADS FOR SPECIAL EVENTS
- NO DELAY BETWEEN SHIFTS FOR VEHICLE SWAPS
- ON-CALL EMPLOYEES CAN BETTER RESPOND TO CALL OUTS
- REGULAR EMPLOYEES COULD RESPOND QUICKER IF NEEDED FOR EMERGENCIES SUCH AS ACTIVE SHOOTERS, CIVIL UNREST, ETC.
- VEHICLES LAST LONGER AS AREN'T BEING DRIVEN AS LONG
- OFFICERS WILL HAVE SENSE OF PRIDE IN THEIR VEHICLE

VACATION/HOLIDAY/COMP TIME

*THESE MAY BE ATTAINABLE ON TOP OF A MONETARY AND/OR TAKE HOME POLICY CHOICE
AND WILL BE INCLUDED WITH OUR PROPOSAL.*

THESE WILL ONLY BENEFIT CURRENT AND FUTURE EMPLOYEES

VACATION AT 15 YEAR MARK TO BE 25 DAYS AND MAX OUT AT 30 DAYS FOR 20 YEARS
OF SERVICE.

*CURRENTLY THERE IS NO BENEFITS BETWEEN 10 YEARS SERVICE AND 20 YEARS SERVICE.
THIS WILL HELP WITH RETENTION AND MORALE.*

HOLIDAYS INCREASED. AN INCREASE IN AT LEAST 1 ADDITIONAL HOLIDAY TO
RECOGNIZE BIRTHDAY, ANNIVERSARY OR VETERANS DAY HOWEVER THE TOWN
WISHES.

*CURRENTLY VETERANS DAY IS NOT OBSERVED THROUGH THE TOWN. THIS WILL HELP
WITH MORALE.*

COMP TIME BANK INCREASE. OUR CURRENT LIMIT WITH WITH ANNUAL CARRY OVER
IS 80HRS. THIS BANK SHOULD BE INCREASED TO NO LESS THAN 120HRS.

THIS WILL HELP WITH MORALE BY CREATING MORE TIME TO SPEND WITH FAMILY.

**PLEASE USE THE BLANK PAGE TO LIST YOUR CHOICES FROM MOST
WANTED/NECESSARY TO LEAST (USING THEIR GIVEN NUMBER) AND
LIST ANY ADDITIONAL INFORMATION AND/OR STIPULATIONS**

MONETARY

#1

CURRENT 1ST CLASS SALARY - \$67,910.18

CURRENT MASTER PATROLMAN SALARY - \$74,930.39 OR \$76,989.59 WITH LONGEVITY (\$2,059.20)

PROPOSED 1ST CLASS SALARY - \$76,059.40 (12% RAISE)

THIS OPTION WILL GET US CLOSE TO SURPASSING THE MASTER PATROLMAN POSITION.

THIS OPTION WILL LEAD INTO A HIGHER AMOUNT PAID BY EMPLOYEE FOR PERF CONTRIBUTION.

THIS OPTION WILL ALSO BENEFIT ALL CURRENT AND FUTURE EMPLOYEES AS WELL AS RETIRED EMPLOYEES AND FAMILIES ON THE 25 PLAN.

-OR-

#2

CURRENT 1ST CLASS SALARY – \$67,910.18 WITHOUT DEDUCTIONS

PROPOSED 1ST CLASS SALARY - \$71,984.79 (6% OR \$4,074.61) *PLUS

TOWN PAYS EMPLOYEE PERF CONTRIBUTION (CURRENT SAVINGS \$4,631.90 AND WILL INCREASE WITH FUTURE RAISES)

BETWEEN THIS 6% RAISE (\$4,074.61) AND THE SAVINGS OF NOT PAYING PERF CONTRIBUTIONS (\$4,631.90) = \$8,706.51

EITHER CHOICE OF RAISE WILL APPLY TO DEPARTMENT PERF EMPLOYEES.

THIS OPTION DOES NOT ALLOW US TO RAISE OUR MASTER PATROLMAN SALARY.

IF OPTION 2 IS CHOSE, WE CAN APPOINT OUR MOST SENIOR PATROLMAN TO MASTER PATROLMAN WHICH WOULD ALLOW US TO RAISE OUR PERF RETIREMENT RATE. NEW MASTER PATROLMAN WITH THE 6% RAISE WOULD BE \$81,608.96 WITH LONGEVITY.

THIS WILL BENEFIT CURRENT EMPLOYEES WITH LESS THAN 32 YEARS OF SERVICE AND FUTURE EMPLOYEES. THIS WILL NOT HELP ANY RETIRED EMPLOYEES UNDER THE 25 PLAN UNLESS THE MASTER PATROLMAN SPOT IS FILLED. SO THE 4% RAISE AND FUTURE RAISES WILL INCREASE THAT MASTER PATROLMAN SALARY. IF THE MASTER PATROLMAN SPOT IS NOT FILLED THE RETIRES OR THE FAMILIES ON THE 25 PLAN WILL NOT BENEFIT UNTIL FIRST CLASS PATROLMAN SALARY SURPASSES MASTER PATROLMAN. MONEY IS ALWAYS A LARGE FACTOR FOR CURRENT EMPLOYEES AND NEW RECRUITS. ANY MONETARY CHOICE MAY TAKE AWAY FROM ANY TAKE HOME POLICY OPTIONS.



CROWN POINT POLICE
TO SERVE & PROTECT

HIRING
Indiana Academy Certified Officers
APPLICATIONS OPEN JULY 11TH - 29TH
DEADLINE 3PM ON JULY 29TH
TO APPLY VISIT - WWW.CROWNPOINT.IN.GOV

12 HOUR SHIFTS
K-9 DIVISION
MOTORCYCLE DIVISION
ACCIDENT RECONSTRUCTION

SWAT
DRONE
SRO PROGRAM
BICYCLE DIVISION

POLICE
CROWN POINT

BENEFITS

- STARTING PAY OF \$59,033.52
- ELIGIBLE PAY INCREASE TO \$67,466.88 AFTER 90 DAYS
- PERF RETIREMENT RATE OF \$79,000
- TAKE HOME VEHICLE WITH OFF DUTY DRIVING PRIVILIGES
- \$1,300 ANNUAL CLOTHING ALLOWANCE
- HOLIDAY PAY - DOUBLE TIME AND A HALF
- MEDICAL INSURANCE / CITY PAID LIFE INSURANCE

INDIANA **DYER POLICE** DEPARTMENT

BENEFITS / WAGES

- Salary \$68,870.88 Per Year Available To Those With At Least One Year Of Police Experience.
- Longevity Pay (\$1,000 - \$7,000)
- 12 Hr. Patrol Shifts
- Retirement Insurance
- Town Covers Employees 6% Pension Contribution (\$4,132.25)
- Dental / Vision
- Life Insurance
- Health Insurance
- Holiday Pay
- Paid Vacation Days
- Take Home Car
- Clothing Allowance (\$1,100.00 Per Year)



OPPORTUNITIES

- S.W.A.T.
- Investigations
- K-9 Unit
- Task Force Assignment
- Bike / A.T.V. Patrol
- School Resource Assignment
- Drone Pilot

Our Police Department will begin an EMERGENCY hiring process in an effort to fill immediate openings for the position of Probationary Police Officer.

Applications can be obtained from the Dyer Police Department via e-mail (police@townofdye.com) or by contacting the Dyer Police Department Records Division (219-865-1163). Applications will be accepted from now until August 8th, 2022 at 5:00 p.m.

Per the 2022 Salary Ordinance, St. John Police Department's Probationary Officers earn \$64,602.72 (\$29.58 hourly) during their first year. A Second Class Patrol Officer earns \$74,583.60 (\$34.15 hourly), and a First Class Patrol Officer earns \$80,458.56 (\$36.84 hourly). Annual earnings are based on 12-hour shifts working a total of 2,184 hours per year.

If there are any questions, please contact Administrative Assistant A. Gross at (219) 365-6237.

