

LWVBC Fiscal Study **DRAFT 4/19/17**

Executive Summary

At their 2013 Annual Meeting, members of the League of Women Voters of Brown County discussed the need for a study of the fiscal management and developmental decision-making provided by Brown County's elected officials, in order to define a League position on the county's fiscal health and economic development management. Their concerns were phrased as a Study Question: **How is Brown County's fiscal viability advanced or hindered, based on the accountability, transparency and coordination with which the County's elected and appointed officials approach financial and developmental decision-making?**

Members of the Study Committee interviewed key officials, employees and appointed board members, attended meetings of county elected and appointed boards and commissions, sat in on budget hearings, and reviewed in depth the reports provided by county officials to the State of Indiana. We identified key revenues and costs of local government, as well as critical gaps in planning and development.

In the time since LWVBC began this study, there has been significant improvement in fiscal management and accountability, and to some extent in the approach to development on the part of county officials and employees. While very welcome, this improvement has also highlighted the dependence of proper management and planning on the individuals who hold specific jobs or seats on boards and commissions. One of the two key take-aways from our study and the position drawn from it is the need for county offices and bodies to have mechanisms to ensure that as people come and go, basic levels of expertise and accountability are maintained. The second key conclusion is that, too often overwhelmed by day-to-day crisis management, our elected officials have not developed nor executed an actionable strategic development plan rooted in the needs of the community as set forth in a number of existing documents. Instead, they rely on appointed Boards that meet only periodically, have not taken a vision-driven approach to their responsibilities, are often personality-driven (for good or ill), and have often neglected to either report to the elected officials or to request continued guidance.

The membership is asked to review the questions at the end of this study. We will hold a membership meeting to discuss the study and questions in depth and to achieve consensus on the answers. This consensus will determine the wording of our position on the county's fiscal and developmental health, which will be submitted to the membership for final concurrence.

Introduction

Brown County, Indiana, is a rural county of about 15,000. Over 50% of land in the county is untaxed (or taxed at a nominal rate) due to being federally- or state-owned, owned by private NGOS or religious organizations, or in "Classified Forest" status. The primary business driver

within the county is tourism, with little light and no heavy industry. Many working residents (as many as 60%) commute to jobs outside the county. Median household income is about \$48,000. As of the most recent census, 13% of residents are under poverty level, and over 50% of school children are on free/ reduced lunch. The county is a draw for retirees due to its quality of life, and while the overall population total has changed little over the last couple of decades, the average age has slightly increased, and the number of families with school-aged children has slightly decreased.

Several problems led our membership to request this study in 2013. Well-reported incidents and practices suggested that some county officials seemed not to understand and/or did not follow the laws and regulations on local government finance (e.g., zeroing out the bridge fund, not holding proper township budget hearings). Problems with property tax collection led to several years of arrears and a negative impact on services across the board until the issue was fixed. Local legal representation was dropped in favor of an expensive Indianapolis firm. The Commissioners in 2012-13 wanted to borrow significant funds for a Courthouse addition without consensus on the part of taxpayers that this was necessary or desirable. Officials said in public that the county was on the verge of running out of money, but figures were hard to come by and county financial officials periodically “found” previously overlooked accounts with unused available funds.

With regard to development, turmoil and confusion reigned at that time, as the County Economic Development Commission was suspended and replaced by the County Redevelopment Commission. The latter also had its internal obstacles, when members appointed by the County were let go due to disagreements. Cooperation between the county and Town of Nashville appeared inadequate, especially as Nashville contemplated creating, and eventually did establish, a TIF (Tax Increment Financing district), leading to heightened concerns about annexation of county land. While the county has adopted periodic Comprehensive Plans for zoning and development (the most recent adopted in 2012), they are not very detailed, and the county zoning ordinance is a patchwork of amendments that has seen no complete overhaul since the 1960’s (note: the Area Plan Commission is working on remedying this, beginning in July 2016).

Study

The Committee agreed that the basic financial questions to be pursued were: what are the county’s revenues, where do they come from and what is our tax policy, what can they legally be spent on, how are county budgets determined, how are income and expenditures tracked against the budget, what is our debt, what grants do we have, are there other sources of revenue? With regard to financial management, further questions included what fiscal responsibilities rested with which county officials, how these officials learned their jobs, what standard procedures were followed, and what checks and balances assured avoidance of the possibility of fraud, waste and/or mismanagement of public funds.

The Committee met with county officials and departments across the board. In particular, we interviewed the President of the County Council (the county's fiscal body), the Auditor, the Treasurer and all department heads. We reviewed budgets, sat in on all budget hearings in 2014-2016, and retrieved large amounts of data from the Department of Local Government Finance, the State Board of Accounts and, especially Indiana Gateway for Government Units, which aggregates all required county financial reporting. Each member of the Study Committee took responsibility for reviewing the budgets and practices of particular departments, seeking to understand the role and responsibilities of each department, the source of funds for the department, and whether the budgets and expenditures seemed to be in line with what we'd expect or if there were anomalies or red flags.

Note: We have not at this time studied the finances of the Town of Nashville, the School Corporation, the Townships or the other entities that receive tax dollars, although they are cited as recipients of distributions that flow through County accounts.

With regard to development, the Study Committee reviewed the various bodies and commissions that should contribute to a healthy development strategy and program. In addition to the County Commissioners and Council, the County and Town Redevelopment Commissions, the Area Plan Commission and the Board of Zoning Appeals are key players. Given infrastructure needs, there are also critical contributions from our local Highway Department, INDOT, the water utilities, our Health Department, and the Brown County Sewer District. Finally, as the Town of Nashville is our county seat, its economic development bodies are crucial partners, as is the Indiana Department of Natural Resources, given the major role Brown County State Park and Yellowwood State Forest play here.

It is important to flag that, with regard to county employees across the board, personnel policies have historically been weak. While a pay schedule is maintained and there is a binder of job descriptions, the latter is woefully out of date. In recent months, the County has worked with legal advice to pull together a personnel policy for all county employees that includes state and federally mandated provisions. In the past, some elected officials took the position that they had autonomy within their own departments, but that is no longer the case.

Due regard for consistent, regular performance review has been lacking. Too much training is primarily on-the-job (including for the elected officials themselves). The State has some guidance and training available, but only in the case of Assessors is there a mandated certification process based on phased training. Because competence, expertise and ethics are all critical to proper fiscal management, some of the consensus questions address this point.

County Finances

Revenues:

Local government services are financed primarily through a combination of local and state taxes. Traditionally, property taxes, motor vehicle, gasoline and other excise taxes, and local option income taxes have been the primary sources of revenue.

All figures included in this study are taken from county internal tracking reports and from reports to the State, available to the public on www.in.gov/dlgr or www.gateway.ifionline.org. Please note that although transfers of sums into various accounts are tracked by both the Treasurer and the Auditor, and these accounts are reconciled daily, **there is actually no single figure for all revenues received net of the various transfers and distributions**, nor does the State's reporting system require any such summary total. Reports required by the State are formatted to track flows of funds, but these include transfers (often inadequately identified) between accounts, and reimbursements from governmental and private sources. A full-scale audit could perhaps disentangle the numbers, but that is not the scope of this study.

As set forth in Attachment A, the approximate amount of all tax (property, excise, local option) and fee/penalty moneys coming into county coffers in 2016 was over \$14.2 million, not including collected amounts that were promptly transferred on to other taxing entities (Schools, Townships, CVB, etc). In addition, grants totaled \$1,692,970, including the \$1,000,000 Road grants through the 2016 State Road Funding Bill. There is also some revenue that is either hard to determine from the format of State-required reporting (many but seemingly not all of the sums shown flowing into accounts as "other" are transfers from other accounts) or are smaller amounts we did not track. There is also a Clerk's general account that takes in most of the moneys that the Clerk collects; of this, most is passed on to non-county recipients, whether the State or individuals (e.g., civil and criminal penalties, child support payments made through the Clerk).

Property taxes on land and buildings (real property) are an important source of funding for the budgets of Brown County and other taxing units in the county. All property owners pay levies for the county itself, the School Corporation, the Public Library and the Solid Waste District. In addition, the Town of Nashville, the townships and the conservancies also add a levy, the rate for which varies among them. All rates are approved on an annual basis by the State Department of Local Government Finance. Thus, property tax rates vary depending on what township you live in, or if you live in the Town of Nashville, and in 2016 ranged from \$1.021 to \$1.3404 per hundred dollars of assessed valuation (higher in the Conservancy Districts).

Although property tax collections are a key source of revenue, reliance on them by local governments has decreased over the years with the introduction of local option income taxes and state property tax replacement credits. In 2016, less than 50% of the county's general fund came from property taxes. The Treasurer collected roughly \$11.5 million in real property taxes during

2016, to be divided among the various entities entitled to tax levies (the county's own share, including internal department/accounts, per Attachment A, was just over \$4.45 million).

Indiana law permits a County Council to adopt ordinances imposing a **local option income tax (LOIT)**. Brown County has adopted both a County Adjusted Gross income Tax (CAGIT) and a County Economic Development Income Tax (CEDIT). CAGIT levies generate new revenue, including for public safety, and also replace property taxes that would otherwise be allowable. This transfers some of the burden of local government finance from property owners to any resident who pays income tax. Brown County has a lower property tax rate than most Indiana counties but assesses income tax at a higher rate than most counties. In Brown County, through 2016, we have had CAGIT levies for Certified Shares (general County purposes), Public Safety (for law enforcement and public safety purposes only), Levy Freeze Relief (the County taxes income so property taxes don't have to rise more than they do), Property Tax Replacement Credit, and Homestead Credit. LOIT levies are collected along with your state income tax, and then remitted to the county.

Note: The State General Assembly adopted a new structure that will provide for some consolidation of the various LOIT categories in order to give local governments more flexibility, although CEDIT and Public Safety will continue to be separate for the time being. For one instance, CAGIT Certified shares will no longer be carried as a separate account, but as part of the General Fund, thus avoiding the current problem of, e.g., county employees being split between the two accounts. The new structure has been implemented beginning in 2017, but additional provisions and changes remain under consideration in Indianapolis.

In 2016, CAGIT was assessed at a total rate of 2.1455%, and CEDIT at .25%. Total sums generated, including all property tax replacement and relief, were about \$6,585,871 in CAGIT (certified share, public safety and various property tax credits), and \$770,448 in CEDIT. Some of these monies are distributed to other entities including the townships, the Town of Nashville and the School Corporation (thus amounts in Attachment A, which reflects only the county government itself, are lower). Note: In addition, 2016 saw a one-time special LOIT distribution of \$823,103, which was authorized by the State Legislature as part of road funding legislation.

In addition to property taxes and LOIT taxes, the county receives and must track and account for a variety of local, state and federal fees, taxes, grants, reimbursements and investment income.

As to debt, the county owed \$2,159,000 in debt as of the end of 2016, most of which was the \$2,000,000 2-year Road Loan rolled over in the spring of 2016, along with the remainder of a County Fair Board Loan. The jail is carried as a lease, not debt, and it has its own property tax levy; payment on this lease will terminate in 2029.

Some revenues are restricted as to use, including not just debt and grants, but also CAGIT Public Safety, CAGIT Homestead Credit, Motor Vehicle and Highway, Road and Street funds, and

many of the excise taxes, fees and penalties assessed under law. This means that there are carry-over balances in many of these accounts, as moneys accrue awaiting a permitted usage. Property tax revenues, most of the LOIT tax revenues, and portions of the many fees, penalties and excise taxes flow into (or if segregated, are still allowably treated as supporting) the county's General Fund to pay for any authorized county expense. CEDIT funds were at one time restricted to economic development uses, but can now be spent on all county expenses; the county has taken full advantage of lifting this restriction, and essentially treats CEDIT like any other unrestricted revenue stream.

We have not included the Innkeepers Tax/CVB expenditures, both amounting to around \$800,000 in Attachment A, but these are well worth exploring in future.

Finally, the county has access to its Rainy Day Fund, established under State law to permit saving some excess funds for the needs of the county. This is not new revenue and there are strict rules for what moneys can be deposited. While it provides an emergency "savings account," it should not be relied on except in emergencies. As of the end of 2016, its balance stood at just over \$1 million.

Expenditures:

As set forth in Attachment A, the major costs of running the county exceeded \$13.5 million in 2016. As was the case with revenues, this figure does not reflect every line item, but does cover the primary costs. Note: Highway Department expenditures were down in 2016 vs 2015, and some amounts that came in, e.g. the special LOIT distribution, were not spent but are carrying over to contracts let for 2017.

On the expenditure side, the fundamental tool for planning and management of expenditures is the annual budget. State law prescribes the steps to approving a budget at both the county and state level. The County Commissioners, as county executive body, propose the budget, with input from all departments, and the County Council, as fiscal body, holds public hearings on each segment and approves it before it goes to the State Department of Local Government Finance.

The Auditor tracks all expenditures, making bill payments and cutting checks, ledgering disbursements and ensuring that budgets for each office are not overspent. The Auditor's office prepares and distributes periodic Budget Status Reports showing what has been spent to date for each line item and what remains in the budget. Over the course of the fiscal year, the budget is subject to revision and amendment according to need and availability of resources; should a department require additional funds for some unforeseen need (or if there was an error), the Council must approve the amended appropriation before such funds can be spent. If there are excess funds in an account, the Council can also amend the budget to decrease the allotment, freeing those funds for use elsewhere.

Key expense categories of the county (see Attachment A for figures) are personnel (including salaries, benefits and health coverage, which the county self-insures against), supplies (especially for roads and bridges), capital, maintenance and repair and professional services (attorney and other expert costs, e.g.). In addition, there is a large category of “Other Charges and Costs” in State reporting that includes, if one reviews the departmental budgets, items from the ambulance contract to the Fair Board Loan (which is now paid off). Of interest, the three biggest functional costs in 2016 were roads and bridges at \$2.59 million, law enforcement at about \$2.5 million and group health care at \$1.84 million in 2016 – *please note, however, that with regard to health coverage, the county maintains a reinsurance policy that reimbursed the county \$645,000 of that, leaving the final cost at something around \$1.2 million.* According to county officials, it is health care costs accruing during the year that have frequently upended the budget, requiring a scramble to identify funds not otherwise locked in for expenditure. In an effort to better track and manage health insurance expenses, the commissioners recently established a Health Insurance Trust Fund. Pursuant to this, all moneys budgeted for health insurance will be held in this trust fund, and all reimbursement moneys coming from the county’s reinsurance contract will be deposited there as soon as received.

Key County officials on Finance:

The central finance team for the county comprises the officers below. Attachment B includes fuller job descriptions for these various officials.

The County Council is the fiscal body of the county, and has decision-making power on finance, setting policies and priorities for allocation and expenditure of funds.

The County Commissioners are the executive body of the county and, sharing with the Council, perform most legislative duties as well. They determine the needs, requirements and wishes of the county, and prepare (with department input) the annual budget for discussion and approval by the Council.

The Auditor is one of two primary day-to-day money managers for the County, although several other offices take in fees and penalties, or manage grants and borrowed funds. The Auditor tracks all funds received into County accounts, authorizes bill payment, write checks, and maintains ledgers of receipts, disbursements and balances. The role of the Auditor’s Office in ensuring that the County knows what funds it has on hand, what category they fall into, and what they can be spent on cannot be over-emphasized.

The second primary day-to-day manager is the Treasurer, who collects taxes, maintains and balances the actual bank accounts, manages any investment under State law, and receives all moneys for deposit into County bank accounts. While the Auditor and Treasurer are both constitutionally-mandated offices for a county, the Assessor is a statutory office. S/he

determines the value of real property in the county and certifies this assessed value to the Auditor. This office is also critical to proper tracking and management of county funds.

Finally, the Property Tax Assessment Board of Appeals (PTABOA) is an appointed board (members selected by the Commissioners and the Council) that reviews and rules on appeals of the assessments made by the Assessor.

Key points on county finances:

- Substantively, the question of tax policy, ie, the best balance between property taxes and income taxes, has not been thoroughly reviewed for some time, if ever. There are pros and cons to emphasizing either of these that need to be periodically discussed in a public forum with expert input.
- While there is some training available and we need to encourage our officials to take better advantage of it, there could be more.
- Key offices, like the Auditor's Office and the Treasurer's Office do not have manuals of Standard Operating Procedures, nor is there a consolidated job description collection for all county employees. Most learning, especially for the elected officials who run key departments, is on-the-job. Even if SOPs and Best Practices manuals and additional training are eventually made available, much depends on the competence and commitment of the officials in place.
- Communication among all departments and with and among the Commissioners and Council is critical. Constant and consistent communication is particularly critical between the Auditor and Treasurer.
- There was an alarming lack of reconciliation of data and figures between the Auditor and Treasurer in the past, a critical deficiency flagged by the State Board of Accounts in 2013. There is now a daily reconciliation between the two offices, but this needs continued attention to ensure the practice continues in future administrations.
- With few exceptions, our county officials and employees are very willing to talk about their departments' budgets, and to provide documents and information when asked. They are citizens and taxpayers of the county too, and want our support in doing their jobs.
- The State is strict about reporting revenues and expenditures. Both the Department of Local Government Finance and Indiana Gateway for Government Units have deadlines for getting the numbers input, and there are penalties for non-compliance. At this point in time, the county is making its deadlines in this regard.
- The State Board of Accounts audits the County periodically and makes recommendations for improvement and correction. However, the county has not always been diligent in making the corrections and reporting to the SBOA/community as to steps taken. The Commissioners have approved an Internal Controls Ordinance, and will proceed with training on internal controls as provided by SBOA.

DEVELOPMENT AND PLANNING

Tracking the numbers, while important and illuminating, begs some larger questions this study is aimed at: how are our scarce resources managed strategically over time, is the size of county government correct for the services the county offers (by choice or by mandate), how can we grow our revenues without necessarily raising taxes, and how are Council/Commissioner decisions rooted not simply in mandated services but in a vision for where the County needs to go. The foregoing section has raised questions that go to how the community can be confident enough in the basic management practices so that we can concentrate on the political issue of how we should raise and spend our money, ie, with what goals and objectives for the county.

How we raise and spend money is, after all, a series of political decisions based on legal mandates but also on perceived needs, beliefs about what government can/should do, and available revenues. The answers to these questions in turn feed into questions of economic development, what its citizens want the county to be and how/whether they would like to see its revenues enhanced.

Economic development and planning have undergone a recent influx of new energy and focus in Brown County, and in the Town of Nashville as well. County and Town elected officials and boards and commissions have taken some promising steps. The community, while not always in agreement about directions, has been more vocal in calling for initiatives that will 1) provide more and better-paying local jobs and a more robust tax base to support both property and local income tax assessments, and 2) attract a demographically and age-diverse population that supports our schools. The League would add that we want also to attract residents and tourists who appreciate and seek to preserve our natural, historic, cultural and artistic assets. **More succinctly, the citizens of Brown County want to live in an economically healthy community that celebrates its natural beauty and cultural strengths while offering a good standard of living to its residents and open, accountable government.**

There are two general approaches providing impetus for planning and development in a given unit like Brown County. These are economic development and community development. Definitions (both from Wikipedia):

Economic development improves the economic, political, and social well-being of the community. It is a policy intervention endeavor with aims of economic and social well-being, as contrasted with economic growth, which is one of its hoped for results.

Community development is a process where community members come together to take collective action and generate solutions to common problems. It is a broad term given to the practices of civic leaders, activists, involved citizens and professionals to improve various

aspects of communities, typically aiming to build stronger and more resilient local communities.

While these two approaches come from different directions (policy-driven, i.e., top-down, and community-driven, i.e., grassroots), they are not opposed and should, in a small county like this one, work in tandem. The community should be involved in thinking through and advocating where it needs/wants to go, and the organs of local government should work to build the necessary policies to succeed.

The League has conducted myriad Community Conversations over its decades here, aimed at generating community discussion and development. Visions 2010 and 2020 and the citizen involvement in them are prime examples of community development because they drew from the input of citizens of Brown County. Other organizations have also contributed in this realm – in fact, many private organizations (from our churches to Rotary to the Brown County Community Foundation to Concerned Citizens to Peaceful Valley Heritage to the Partnership to the Backpack Program) aid in community development by investing their time and energy in some or many aspects of community well-being.

There have been many important successes over the years when private and private/public groups have spearheaded the effort:

- the Library
- the YMCA
- Solid Waste District and recycling
- the Playhouse
- the History Center and improvements to Pioneer Village
- the Nashville Review Commission, Arts and entertainment Commission and Arts Village
- development of Four Corners and the old town pump
- the Salt Creek Trail and its planned extension to the State Park
- Salt Creek Preservation
- Salt Creek Landing at Deer Run
- Adopt a Road, Garden Club clean-up of local roads

Despite these individual successes, however, there has been little improvement in the overall economic health of Brown County. How can we measure that? Indiana's Office of Community and Rural Affairs has enumerated five Community Vitality Indicators (CVIs) that give a general picture of the health of a community:

•**Assessed Value** The total dollar value assigned to all real property and improvements and personal property subject to taxation. In Brown County, this has trended slightly up over the last three years, but is not keeping pace with inflation.

•**Per Capita Income** The mean money income received in the past 12 months computed for every man, woman, and child in a geographic area, derived by dividing the total income of all people 15 years old and over in a geographic area by the total population in that area. In Brown County, this also trended slightly up, did keep pace with inflation.

•**Population Growth** The change in the population, resulting from a surplus (or deficit) of births over deaths and the balance of residents entering and leaving a geographic area. In brown County, essentially flat since mid-80's, but aging population.

•**Educational Attainment Rate** Changes in the educational status of each community by age and by level of education completed. BC somewhat positive compared with rest of Indiana.

•**Public School Enrollment** The total number of children (k-12) enrolled in public schools in a geographic area. BC saw a downward trend from 2006, though slightly up in 2014-15.

What the CVIs do not show is what a healthy baseline looks like, so while improvement is always welcome, the existing trend lines show the patient is still alive, not how healthy s/he really is. Given that Brown County, like many small and rural counties, will be squeezed financially for the foreseeable future, long-range strategic action rooted in solid fact-based planning is critical to economic health, and attraction of a diverse and energetic workforce. And attraction of that diverse and energetic workforce, along with the development of jobs and infrastructure to support them, is critical to growing our revenue base.

County weaknesses are well-known. For example, infrastructure needs have repeatedly been identified (high speed internet, stronger wider cell coverage, fire protection, and adequate water and sewer service) but we are very little closer in resolving these than we were ten years ago.

In 2016, county officials and others participated in the Community Readiness Initiative (CRI), an OCRA program that applied some general principles to questionnaire responses they submitted. These principles can be summarized to conclude that in last ten or more years, people have been more apt to move into a community based on schools, public services and amenities, not jobs. The OCRA team determined that Brown County should focus its efforts on housing and recreation, as opposed to local officials' assumption that retail should come first. The RDC has recruited a team to pursue a follow-on program, the Hometown Collaborative Initiative (HCI), sponsored by OCRA, Purdue and Ball State. If Brown County is accepted, the team will work to gather data and input for a data-driven analysis of what development needs are and what solutions might be applied.

Since this Study is focused on the viability and effectiveness of county planning and development, we must look more closely from the perspective of the county's tools for economic development. The County Commissioners are ultimately responsible for the county's planning and development issues -- their tools for implementation and action are the appointment of individuals onto various county boards and commissions, the feedback from these individuals to the Commissioners and Council (see attachment), and in some cases, the enactment of

ordinances and policies formulated to further planning goals. The two critical bodies for planning and development are the Area Plan Commission and the County Redevelopment Commission. Joining them in key roles are the Brown County Sewer District, the Board of Zoning Appeals and the Health Board (see attachment for job descriptions).

Why have we not made more progress (always admitting that progress is really hard when you are playing catch-up)? Key planning and visioning documents exist:

-- The 2009 Community Report "Brown County 2020: A Vision for the Future" which was based on the 2007-08 Needs Assessment. (Note: The LWV picked two sections out of the report - History and Heritage and Health and Wellness - and sponsored a number of Community Conversations on these two topics, yielding our initiative on Wellness and Heritage Tourism and our Assessment and Inventory of Brown County's Rich Heritage. In June of 2014 the Nashville Redevelopment Commission picked up on the Inventory. Dan Snow of the Commission used it to compile a 10,000 word eBook titled "Brown County Indiana: a Beautiful Place to Live, Work or Visit," available at: <https://www.smashwords.com/books/view/473734>

--"Leading Brown County: A Strategic Renewal of "Brown County 2020 - A Vision for the Future", the 2014 update of Vision 2020

-- The County's Comprehensive Plan, approved by the Commissioners in 2012 (Note: the League was instrumental in the development by professional planners in 1993 of a Comprehensive Plan that was much longer and detailed than what is now used. It was not approved by the Commissioners of the time, and was abandoned, although subsequent plans have drawn on it for summary statements.)

Unfortunately, the implementation of the various visioning and other documents through action has been sporadic and it is not widely known in the community that they even exist. Initiatives coming from these or other planning documents, in order to succeed, need to be defined through a process that identifies how they further community objectives, what assets we have to support them, what obstacles need to be removed, and who is accountable for executing the steps necessary to implement a plan for making the initiative actually happen.

Vision 2010 was a great planning and development tool, and yielded some significant accomplishments and additions to our community. Vision 2020 and Leading Brown County can and should have been likewise a guiding mechanism for action but have not. With Vision 2010, the Plan Commission Director was co-chair, and the CVB, the County Commissioners and Town Council were directly involved. We have not seen that direct and energetic involvement with Vision 2020 and Leading Brown County. (Note: we do not promote Vision 2020 and its more recent companion Leading Brown County simply because the League was involved in their development. They represented the input and work of many public officials and employees as

well as private individuals and experts in the sectors covered, and were rooted in a Needs Assessment that collated the responses of over 500 Brown County residents.) It is possible, if Brown County is selected for HCI, that we may see actionable planning that is in fact implemented.

Several other practical and institutional obstacles have been in the way of success:

-- membership on the various boards and commission is limited by the pool of applicants, and the appointers do not always have a sufficient number of qualified residents to choose from. While some members work hard, the appointive bodies tend to meet only once or twice a month.

-- the feedback loop that should exist is lacking between county officials and the APC, the county and town Economic Development/Redevelopment Commissions, and the Sewer District and Health Board. We see very little reporting back so that the Commissioners and the public can weigh in, and while some Commissioners and Council members attend commission/board meetings, there is little guidance given, at least as far as the public is aware.

-- although the Redevelopment Commission and Sewer Board have in recent months begun attending one another's meetings, there is a lack of coordination and cooperation amongst all these organs, to delineate what their responsibilities are, where there is overlap and how they can further needed initiatives together.

-- the Plan Commission until very recently has not tackled the outdated zoning ordinances for the county. In the past few years, the APC has acted largely on rezoning requests, rather than on larger planning for the future based on the Comprehensive Plan, and other documents like Vision 2020 and Leading Brown County. Additionally, when the Comprehensive Plan was adopted in 2012, it would have been highly desirable for the APC to present it to the community, to explain its purpose, its importance to the planning process and how it functions in tandem with the Indiana Code.

-- in a small rural county with limited communication and only a handful of civically active people, concerns over conflicts of interest, suspicion of motives and even personal dislike have sometimes combined to undermine trust and thus block initiatives. The issue of how to reduce distrust must be addressed or we risk chilling even good ideas for development.

That said, there have been some positive changes more recently. After a period of inaction, the County Redevelopment Commission in 2016 defined both short-term and long-term initiatives to make Brown County more attractive to potential employers and employees. Individual members have been assigned coordinative functions with other boards key to development (e.g., the Brown County Sewer Board) and issues to track (e.g., broadband). There is increasing

cooperation between the County and Town of Nashville economic development boards, with cross attendance at one another's meetings and coordination of key projects.

Proper management of zoning is critical to Brown County's development. In 2012, the Plan Commission approved the most recent revised Comprehensive Plan, but the county's zoning ordinance has been revised only in a piecemeal fashion since the 1960's, and has been called out-of-date by the Plan Commission's own attorney. The new Planning Director is now ready to proceed to a full rewrite and update of the zoning ordinance, aiming to complete this task in 2017, and the Plan Commission is now working actively to further this project. The Town of Nashville falls under the Area Plan Commission, but has its own zoning ordinance.

Key points on Development and Planning:

- Continuity on key boards has been an ongoing obstacle to strategic planning. Redevelopment Commission members are appointed only for one year (per state statute) and at the pleasure of the appointing body.
- There is a need for appointees to these key boards who have relevant experience and expertise. County officials agree in principle, but there are not always or even frequently applicants who have the expertise, and there are fewer applicants than would be optimal for bringing in new voices.
- Boards and commissions tend to meet once or twice a month. Time and focus given to problems are both insufficient.
- In a small county with a limited number of people stepping forward to serve, there are sometimes real or perceived conflicts of interest. Full transparency and accountability on issues of conflict of interest must be publicly addressed when appointing members of Boards and when discussing economic initiatives. When personality conflicts erupt, the appointive bodies must take action.
- A continuous and transparent feedback loop must be established between the elected officials and their appointive bodies, to include both reporting back of progress and obstacles, and guidance about next steps and overall vision and strategy.
- The Town and County are inextricably linked in development, both strategically and in practice, and should work even more closely together.
- The Area Plan Commission should set up a citizens' advisory committee to assist with updating the zoning ordinance. It is more important to get it right, with wide community buy-in, than to get it done quickly. Vision 2020 and Leading Brown County should play an important role. A consultant could be useful once there is community understanding and buy-in on the components.
- A wider citizens' advisory committee or other public-private structure would be a useful addition to planning and strategizing for the county on an array of development issues.

QUESTIONS FOR CONSENSUS:

1. What should the county do to ensure elected and appointed officials, as well as employees, fully understand their jobs and that there is continuity in procedures when personnel change? *Which should be considered appropriate and which (if any) inappropriate?*
 - a. Establish updated and detailed job descriptions
 - b. Maintain SOP and Best Practices manuals for every department
 - c. Define training requirements and ensure training is completed
 - d. Define Employee Qualifications and Selection process
 - e. Define Performance Review Process

2. How can the public be sure that our funds are accurately tracked and accounted for? What needs to be done to improve the public's understanding of county finances? *Which should be considered appropriate and which (if any) inappropriate?*
 - a. Periodic (quarterly?) publication or posting of balance sheets and Budgetary Status reports for each department
 - b. State of the County report partway through each fiscal year (6 months?)
 - c. Published net figures on revenues/expenditures

3. What information should be available from the county to guide understanding of and debate on size, cost and scope of county government? *Which should be considered appropriate and which (if any) inappropriate?*
 - a. Information on what county services are mandated/which are discretionary
 - b. Public debate on "right-sizing" of government?
 - c. Assessment of current tax policy, pros and cons?
 - d. Office staffing charts/salary schedules
 - e. Data on use of outside contracts and consultants.
 - f. Replacement schedules for equipment
 - g. Other?

4. What do we want to see the Commissioners and Council do on strategic development planning? *Which should be considered appropriate and which (if any) inappropriate?*
 - a. Utilize Vision 2020 more?
 - b. Develop new vision or strategic planning documents (Vision 2030?) with county/town playing full partnership role in both visioning and implementation processes?
 - c. Develop a joint County-Town 5 year action plan?
 - d. Public-private cooperation, including investment from private interests to assist with development?
 - e. Employ an economic development expert to manage the process on day-to-day basis?
 - f. Other

5. What can the Commissioners and Council do to improve membership and management of key boards and commissions? What can we do, as citizens? *Which should be considered appropriate and which (if any) inappropriate?*

- a. Enhance recruitment of qualified applicants?
- b. Identify weaknesses in statutory terms (ie, on year for Redevelopment) and advocate with State Legislature?
- c. Require periodic public reports from each board/commission, provide written responses to include guidance, address conflicts if board cannot resolve?
- d. Each board should define qualifications of membership and participation
- e. Boards should develop 5 year plans
- f. Boards should report quarterly (or 6 months) on issues and progress to plans

6. The zoning ordinances should be updated in concert with the Comprehensive Plan with full public discussion and input. *Which should be considered appropriate and which (if any) inappropriate?*

- a. At least two public discussions should be held in 2017
- b. Other?

7. How can the Commissioners and Council (and Town) better ensure efficient and effective use of available resources? *Which should be considered appropriate and which (if any) inappropriate?*

- a. Health insurance and defined benefits for employees should be further studied to minimize indefinite liabilities?
- b. Respect the individual accounts' stated purpose (ie, no shifting of employees to different accounts each year wherever there is some unused money)?
- c. Explore Unigov with costs/benefits analyzed and presented for public discussion
- d. The county and town councils should study further ways for the various departments and offices to work together to save money?

8. What, if any, gaps exist in ethics training/certification for county employees and appointees and what should be done to address?

9. What should be the role of non-government groups like the League, Concerned Citizens, the Partnership, the Brown County Community Foundation, etc, in ensuring public input in planning and strategy?

Members of the Study Committee:

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Susanne Gaudin

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Mary Perez

Pam Raider

Robyn Rosenberg-Bowman

Cathy Rountree

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Bill Todd

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Julie Winn

ATTACHMENT A (2 pages)

REVENUES: The below figures are intended to give a general picture of county revenues. Permit sales, fees and charges for services that are not set out separately, reimbursements from state/federal govt, earnings on bank balances all contribute additional revenue of several hundred thousand dollars. The below figures are accurately sourced to county and Gateway reports but are meant for snapshot purposes, do not reflect the entirety of county revenues and should not be considered complete or official.

	AMOUNT	COMMENT
TAXES		
Property Tax	4,455,668	County share of tax levy goes to several county accounts in addition to the General Fund. Total levy certified for all taxing units in Brown County was \$14,641,162. Percentages go to the School Corporation, the Townships, the Conservancies, the Hamblen Fire District, the Library and the Solid Waste District. Included in the sum listed to the left is a special levy of about \$478,000, authorized by the State to make up for zeroing out the bridge fund some years ago. This amount was deposited into the Rainy Day Fund. A like amount will be permitted in 2017 as well.
Local Option Income Tax:		
CAGIT Certified Shares	1,787,470	These figures show county share of Local Option Income Taxes (LOIT), which are imposed by county and collected with your State income tax. These also are distributed to other taxing entities in the county. Public Safety collections are solely for that purpose. CEDIT funds are no longer reserved to economic development purposes by law. Certified Shares are used for general purposes from a separate account; the rest of the county share of LOIT goes to the General Fund.
CAGIT Levy Freeze/ Property Tax Replacement	1,340,801	
CAGIT Homestead Credit	1,534,809	
CAGIT Public Safety	699,515	
CEDIT	713,475	
Special LOIT Distrib.	823,103	
Gas tax (transfer from State)	1,380,253	In reports to Indiana Gateway, gas tax transfers from State for Highway Dept are lumped in with Veh/Acrft Excise, but Auditor records separate them. All gas tax to Highway Dept, A/V to others. Sur tax and Wheel Tax also go to the Highway Dept. Commerc. Veh and FIT go to several accounts including General Fund The Riverboat Gambling distribution accrued for many years unused but in 2015, about \$719,000 from that account was used to cover healthcare costs.
Vehicle/Aircrft Excise	399,998	
Sur Tax (Cty Motor Veh)	271,835	
Riverboat Gambling Dist.	90,292	
Commerc. Veh Excise	86,690	
Wheel Tax	69,003	
Financial Inst. Tax	50,106	
FEES/PENALTIES	504,665	
GRANTS	1,692,970	Mostly ongoing state/federal grants under justice, homeland security and health, plus \$1,000,000 road grant made as part of 2016 roads funding bill.

EXPENDITURES: The below figures are intended to give a general picture of county expenditures. We have not tried to capture all expenditures, but have provided the big ticket categories, and have also estimated the cost of some functions the county performs. The below figures are accurately sourced to Gateway reports but do not reflect the entirety of county expenses and should not be considered complete or official.

	Total	By Fund:
By Kind across all accounts:		
Salaries, wages, personal services	5,373,236	General Fund – 2,127,092 Certified Shares – 1,585,584 Hwy Depr– 461,918 Remainder (1,198,632) spread over 19 accounts.
Benefits (SS, PERF, Unemployment, Health care)	2,697,742	General Fund – 1,440,885 Hwy Dept – 241,675 Rainy Day – 400,000 CEDIT 305,000 Riverboat – 135,000. Remainder spread over 12 accounts. Note: Health ins = \$1,838,304 paid out, but reinsurance reimbursements were about \$645,000 (mostly reabsorbed by General Fund), so net payout of benefits was just over \$2 million
Supplies, all	1,476,161	Hwy Dept – 1,266,386 Remainder all non-highway supplies. Note: included here is \$458,000 road supplies billed 12/16 but not paid till 1/17. Also included is \$344,006 booked in Other Charges that was CEDIT money used for road supplies
Capital (bldgs., equipment, vehicles)	1,413,405	Jail Lease 565,000, Cumm Cap 412,548, remainder largely under Hwy Dept and Public Safety
Maintenance and Repair	232,799	\$196,764 goes to Highway Department.
Professional Services	794,228	Of this, \$454,869 covered by GenFund/CertSh. Rest to 21 other accounts
Other Charges and Services	1,531,501	Includes ambulance and \$344,006 from CEDIT that was actually road supplies
By function (including all costs, so includes elements of above categories):		
Law Enforcement/Public Safety	2,498,000	Includes the Sheriff Department, jail operations, animal control, 911 (mostly funded from CAGIT, but 911 paid through customer fees on phone service)
Roads and Bridges	2,594,705	Includes all accounts used by Highway Dept (includes the \$458,000 accrued late 2016 and the \$344,006 from CEDIT). Note: 2016 road loan and state grant moneys contracted but not yet spent.

ATTACHMENT B

County Commissioners

The Board of County Commissioners is the executive of the county and shares legislative powers with the County Council. It enacts ordinances and administers all county business.

Powers and authorities include but are not limited to:

- Controlling, maintaining and supervising all county-owned real property, including specifically the Courthouse, the jail and offices.

- Supervising construction and maintenance of county roads and bridges.

- Developing economic development programs to attract and retain jobs.

- Developing and administering personnel policies for county employees, including recommendations for salaries.

- Administering elections in conjunction with the County Election Board.

- Establishing minimum housing standards, and building regulations.

- Auditing and authorizing payments on behalf of the county.

- Receiving bids and authorizing contracts.

- Exercising the power of eminent domain.

- Adopting fire prevention ordinances and contracting for ambulance service.

- Providing parks and recreation facilities.

- Selecting and appointing members to fill positions on boards, commissions and committees, and appointing certain department heads.

- Borrowing money for county purposes, but only after authorization by the County Council.

- Serving, with the addition of the County Treasurer, as a Board of Finance for purposes relating to designating banks as depositories of county funds.

County Council

The County Council's responsibilities are confined almost exclusively to fiscal matters of the county, such as approving the budget and appropriating money from the county treasury. Thus it serves as a check on the Board of County Commissioners. Specific authorities and responsibilities include, but are not limited to:

- Approving and fixing annual operating budgets of all county government offices and agencies.
- Establishing salaries, wages, per diem and other compensation for all county officials and

employees.

- Fixing property tax rates and establishing levies; establishing rates for the Local Option Income Tax, and establishing a County Wheel Tax.
- Authorizing the borrowing of money through bonds or notes.
- Making appropriations of public funds.
- Authorizing purchase or sale of certain county property.
- Non-binding review of budgets for certain non-elected boards and other civil units.
- Selecting and appointing members to certain boards and commissions.

Auditor

- Acts as fiscal officer of the county, attends and prepares minutes of meetings of the County Commissioners and County Council.
- Keeps the books, tracking income and disbursements against all budgets, and writing/signing all checks for county government business except school and library boards, town and townships.
- Prepares annual accounting of expenses and income, including submitting required reports to the State, and balances accounts regularly with the Treasurer.
- Provides taxing entities with estimates of assessed valuation and tax monies to be received; prepares tax duplicates of valuation and taxes assessed; maintains property records and handles property tax exemptions; distributes tax funds after collection; compiles tax delinquency lists; works with the Treasurer on selling delinquent properties at tax sale.
- Maintains all real property records through deeds, plats and other conveyances in order to assure correct current ownership data.

Treasurer

- Collects, retains custody of and distributes county funds.
- Sends annual statement to each taxpayer of tax owed; collects state and local general property taxes, including delinquent taxes, inheritance taxes, innkeepers tax and taxes on certain capital stock and bank deposits.
- Works closely with the Auditor to ensure proper balancing of ledgers and accounts.
- Serves ex officio as member of the County Board of Finance.

Assessor

The only elected office not required by the State Constitution, the Assessor works under the direction of the state board of tax appeals, and determines the assessed value of property, certifying these values to the Auditor; is county inheritance tax appraiser; oversees any general reassessment; uses modern technology for appraisal purposes and must have Level III certification. Serves as secretary of the Property Tax Adjustment Board of Appeals (PTABOA). County Office Building, 812-988-5466, or email assessor@browncounty-in.us.

Property Tax Assessment Board of Appeals (PTABOA)

Composed of the assessor (as voting secretary), one member appointed by the county commissioners and one member appointed by the county council, the Property Tax Assessment Board of Appeals reviews complaints of taxpayers and corrects errors in assessments.

ATTACHMENT C

These are the key county Boards. However, the Town also has similar Boards, and many County Boards, Commissions and Departments also have contributions to make in both strategy and implementation of development initiatives.

Brown County Redevelopment Commission

A five member board appointed by the Commissioners and Council, authorized to promote the best use of land in the county to the benefit of the county and its inhabitants, and to renew blighted areas. Has wide authority to buy, sell and renovate property, to impose taxes and to borrow, and to accept and expend grants, but does not have eminent domain authority. The current RDC has identified high speed internet and adequate sewerage as key needs to address, and has embarked on outreach to better market Brown County to potential businesses and employers.

Area Plan Commission

Seven members, including two citizens appointed by the county commissioners, a member each appointed by the town of Nashville and a county council, and the superintendent of schools or school board designee, the county surveyor or designee, and the county extension educator comprise this board, which hires and supervises the county's Planning Director, recommends adoption of a county master plan, authorizes surveys and maps, approves or denies subdivision proposals, and administers the zoning ordinances for the County and the Town of Nashville.

Board of Zoning Appeals (BZA)

Two members of the plan commission (one appointed from plan commission membership by the plan commission itself, and one from that membership by the County Commissioners), two members appointed by the County Commissioners, and one citizen member appointed by the town council make up this board which rules on appeals for variances and special exceptions to the zoning ordinance.

Brown County Sewer District

A five-member Board, formerly the Beanblossom Sewer District, this body has the mandate to identify and address sewerage needs throughout the county, through designing and obtaining financing for construction/installation of new sewer systems or expanding existing systems. In a county where most rely on septic systems despite the terrain being inappropriate for them, inadequate sewerage has been identified as a critical obstacle to economic development and particularly to adequate housing growth.

Convention and Visitors Bureau (CVB)

The CVB is a marketing and service organization administered by a Board of Directors. The CVB contracts with the county's Tourism Commission, a panel of five members appointed by the Commissioners and Council to promote tourism in Brown County. Funding comes from assessment of the Innkeepers Tax on those who overnight in Brown County, which is collected by the county Treasurer and administered by the Tourism Commission.