

Governmental Units

Governmental Units-  
Consolidation

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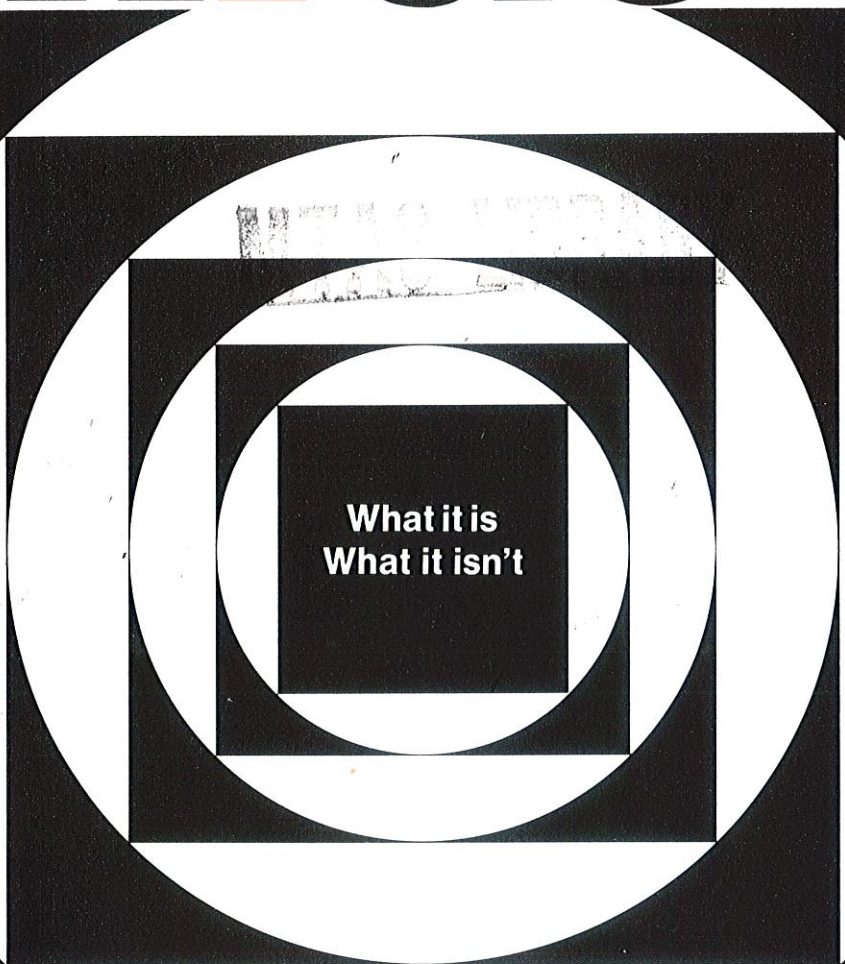
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# UniGov



What it is  
What it isn't

# UNIGOV: WHAT IT IS - WHAT IT ISN'T /

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## I. WHAT EVERYBODY IS ASKING ABOUT UNIGOV

Most people know that in 1970 metropolitan Indianapolis made a dramatic jump in its size ranking among America's cities. Standing for many years at 26th in population, Indianapolis suddenly became 11th in size among the nation's municipalities.

This, of course, was not due to a massive gain in the number of people migrating here. It was due to expansion of the geographic boundaries of the city as it was restructured under a governmental consolidation commonly called UNIGOV. This was a move with little or no parallel nationally, and it has attracted the attention of America's cities.

The citizens of Indianapolis have welcomed the spirit of change, but they, and many others, are asking for answers about the performance of UNIGOV in its early years.

They are asking: Has efficiency been increased? (And how can one measure efficiency?) Is the cost of local government lower? (Is the cost of anything lower?) Have dollar savings been made? If so, how much, and in what areas? Have any such dollar savings been made at the cost of decreased services? Or, are services better? Are more services being offered to more citizens? Is the tax burden spread more equitably? Is local government more responsive to the citizen?

January 1, 1972 marked the real beginning of UNIGOV. At that time, the Mayor, elected by all the voters of Marion County, and the 29-member City-County Council took office. It is obviously too early to make any firm judgment on what UNIGOV holds for the future of Indianapolis and Marion County.

Commitment on the part of public officials and citizens can make many of the things that UNIGOV isn't into things that UNIGOV could be. On the other hand, public apathy and lack of vision could result in leaving UNIGOV as it now stands — a beginning, but with a number of possibilities for better local government largely unrealized.

To assist in answering these questions, to promote the public knowledge and understanding necessary for the successful functioning of local government in general and UNIGOV in particular, and to give a picture of UNIGOV as it exists on October 1, 1972, the Indianapolis

## II. INDIANAPOLIS-MARION COUNTY LOCAL GOVERNMENT IN TRANSITION

Laws substantially changing the local governmental structure of Indianapolis and Marion County were enacted by the Indiana General Assembly in 1969 and amended in 1971 and 1972. The UNIGOV law and amendments are intended to consolidate some major local governmental functions into a metropolitan area unit with clear executive and legislative accountability to the voters. This unit is known as UNIGOV.

The transition to UNIGOV was begun during 1970 and 1971. The Mayor of the "old city" of Indianapolis (elected in 1967) became Mayor of the new Consolidated City of Indianapolis. An interim City-County Council was formed by combining the 9-member City Council (elected by the voters of the "old city" in 1967) with the 5-member City Council (elected by all Marion County voters in 1968).

In November 1971 the Mayor of the Consolidated City and a 29-member City-County Council were elected under the provisions of the UNIGOV law. When the Mayor and the City-County Council took office on January 1, 1972, the structural transition to UNIGOV was complete.

## III. GEOGRAPHIC AREAS OF UNIGOV: SOME DEFINITIONS

All of Marion County is included in some departments and divisions of departments of UNIGOV. But, there are important differences in the ways in which various sub-areas are served by and participate in UNIGOV. Several kinds of governmental units, defined by area, were continued or created by the UNIGOV law.

**County-wide jurisdictions**, such as the Consolidated City Department of Transportation and the Division of Flood Control of the Department of Public Works, encompass all of Marion County in their service areas.

**Consolidated City of Indianapolis.** On January 1, 1970 the city increased in area from 81 to 388 square miles, and in population from 475,000 to 750,000. The Consolidated City includes within its boundaries all of Marion County with the exception of four "excluded cities." The UNIGOV law excluded from the Consolidated City all cities in the County except Indianapolis and all towns of more than 5,000 population.

The **Excluded Cities** are Beech Grove (13,832 population; 3.28 square miles), Lawrence (16,646; 6.48), Speedway (15,056; 4.44), and Southport (2,317; 0.62). Southport was incorporated as a city a short time before January 1, 1970, the effective date of the UNIGOV law.

Although excluded cities are served by some departments of UNIGOV, they are basically municipal islands surrounded by the Consolidated City. Each retains its own distinctive executive and legislative structure and a degree of autonomy almost as great as it had before UNIGOV.

**Included Towns** are the fourteen towns with less than 5,000 population which are now included in the Consolidated City. They continue to function as municipal governments much as they did before UNIGOV, but the City-County Council must approve issuance of their general obligation bonds. Their town ordinances must not conflict with the ordinances of the Consolidated City, and must require a standard at least as high as ordinances of the Consolidated City.

A **Special Service District** is a district within the Consolidated City or the County formed for the purpose of providing the taxpayers there-

in with a specific service or services. It is financed by a special tax levy or levies for the service rendered. The former Indianapolis Fire and Police Departments have become the Fire Special Service District and the Police Special Service District, respectively. These districts may be enlarged, or new service districts may be created, by action of the City-County Council and the Mayor, and subject to provisions of the UNIGOV law.

The "old city" is Indianapolis before UNIGOV, with boundaries substantially the same as those of the Fire Special Service District.

A **Special Taxing District** is a means for taxpayers of such district to tax themselves to pay for construction, operation, and maintenance of local public improvements for their benefit and use. There are a number of such districts. Some are larger than the Consolidated City (e.g., the Department of Transportation, which is county-wide). Some are smaller than the Consolidated City (e.g., the Indianapolis Sanitary District). At present only one, the Urban Renewal Division of the Department of Metropolitan Development, has boundaries coinciding with those of the Consolidated City.

The Marion County Health and Hospital Corporation, the Indianapolis Airport Authority, and the Indianapolis-Marion County Library District are special taxing districts outside the UNIGOV structure except for City-County Council review of their budgets.

## IV. WHAT UNIGOV IS

### AN OVERVIEW OF UNIGOV

This overview attempts to sketch in broad strokes some of the major accomplishments of UNIGOV as a new local governmental structure. Although the section, UNIGOV Explained in More Detail, might have been combined with the broad picture as documentation of the statements made, a separate section dealing in an orderly manner with structure seems likely to be more useful to those seeking to understand UNIGOV.

**UNIGOV is a first step toward well-defined and separate executive, legislative, and judicial branches** in the local governmental structure of Indianapolis and Marion County.

One executive, the Mayor of the Consolidated City, is given a much wider responsibility and more power than was formerly exercised by the Mayor of Indianapolis.

One legislative body, the City-County Council, has major legislative power and increased fiscal powers over the entire County.

The executive powers formerly exercised by the county commissioners have been transferred to the Mayor, the legislative powers to the City-County Council.

Under state law, county commissioners are responsible for appointments to certain boards, etc., and for operation of the Marion County Home for the Aged and Indigent. In Marion County the County Auditor, Treasurer, and Assessor now serve ex-officio as county commissioners for the purpose of performing these duties. The office of county commissioner as such is no longer on the ballot.

The courts and judicial officers are not affected by the UNIGOV law; however, some appointments to County administrative bodies are still made by members of the judiciary.

**UNIGOV is a major reorganization on a functional basis** (under six administrative departments of the Consolidated City) of a number of pre-UNIGOV local governmental agencies and services covering varied territories. Control over these departments is concentrated in the hands of the Mayor, as is responsibility for delivery of services. The Mayor and City-County Council share responsibility for the amount, kind, and cost of services furnished by Consolidated City departments.

**UNIGOV is a consolidation** of such functions as purchasing, legal services, and buildings control which previously had been performed by separate city and county agencies.

**Under UNIGOV the jurisdiction of a number of "old city" agencies has been extended.** Among these are the Urban Renewal Division of the Department of Metropolitan Development, the Air Pollution Control Division of the Department of Public Works, and the Indianapolis Human Rights Commission.

**UNIGOV has brought under direct control of the Mayor and the**

**City-County Council** several major agencies which previously had operated with a large degree of autonomy under appointed boards which selected the administrative officers. This was accomplished by making them departments, or divisions of departments, of the Consolidated City. Among these are the Mass Transportation Authority, Sanitary District, Flood Control District, Park Department, Redevelopment Commission, Metropolitan Development Commission, and Human Rights Commission.

**UNIGOV** is an approach to fiscal integration in that all budgets, appropriations, and tax levies for the total local expenditures of the Consolidated City and the County functions outside its structure are presented as a single unit to the City-County Council and the Mayor for action. The city controller and the county auditor prepare these ordinances, with the aid of the legal division.

The budget for the Consolidated City, after approval by the Mayor, comes through the controller. Budget requests from the nine township assessors, all County officers and agencies not under the Consolidated City departments, and the courts come through the county auditor. Except for the special service district budgets (police and fire), the City-County Council has power over all expenditures of both the County and the Consolidated City, subject to review by the County Board of Tax Adjustment and the State Board of Tax Commissioners. The police and fire service budgets are controlled by the Special Service District Council.

## **UNIGOV EXPLAINED IN MORE DETAIL**

### **THE LEGISLATIVE BRANCH**

The City-Council is the legislative body of both Marion County and the Consolidated City of Indianapolis. It is composed of twenty-nine members. Four are elected by all the voters of the County; twenty-five are elected from single-member geographic districts by the voters of the district in which the member resides.

Legislative powers previously exercised by the Marion County com-

missioners, the Indianapolis City Council, and the Marion County Council have been transferred to the City-County Council. The Council has exclusive general ordinance powers.

The **City-County Council** elects a clerk (not a member of the Council) for a one-year term. (Previously "old city" voters had elected a city clerk for a four-year term.) Committees of the City-County Council, which are set up, to correspond with Consolidated City departments, hold hearings on ordinances affecting the operation and financing of those departments and the general government of the Consolidated City and of the County.

Within the City-County Council is the Special Service District Council, which has exclusive power to adopt a budget, appropriations, and tax levy ordinance for the Fire and Police Special Service Districts.

The **Special Service District Council\*** is composed of City-County Council members from districts having 50% or more of their population within the special service districts, plus the four at-large members (as long as 60% or more of the population of the County resides in the special service districts). Since the areas of the Fire and Police Special Service Districts are nearly the same, one Special Service District Council serves both.

The Mayor of the Consolidated City has veto power over most City-County Council ordinances, but his veto may be overridden by a vote of two-thirds of the members of the Council. He has power to veto single items within the budget ordinance of the Consolidated City and County (including the special service districts); however, he cannot veto budgets and appropriations for the courts, the sheriff, auditor, treasurer, recorder, coroner, or surveyor, or for the Indianapolis Airport Authority, the Indianapolis-Marion County Library District, or the Marion County Health and Hospital Corporation.

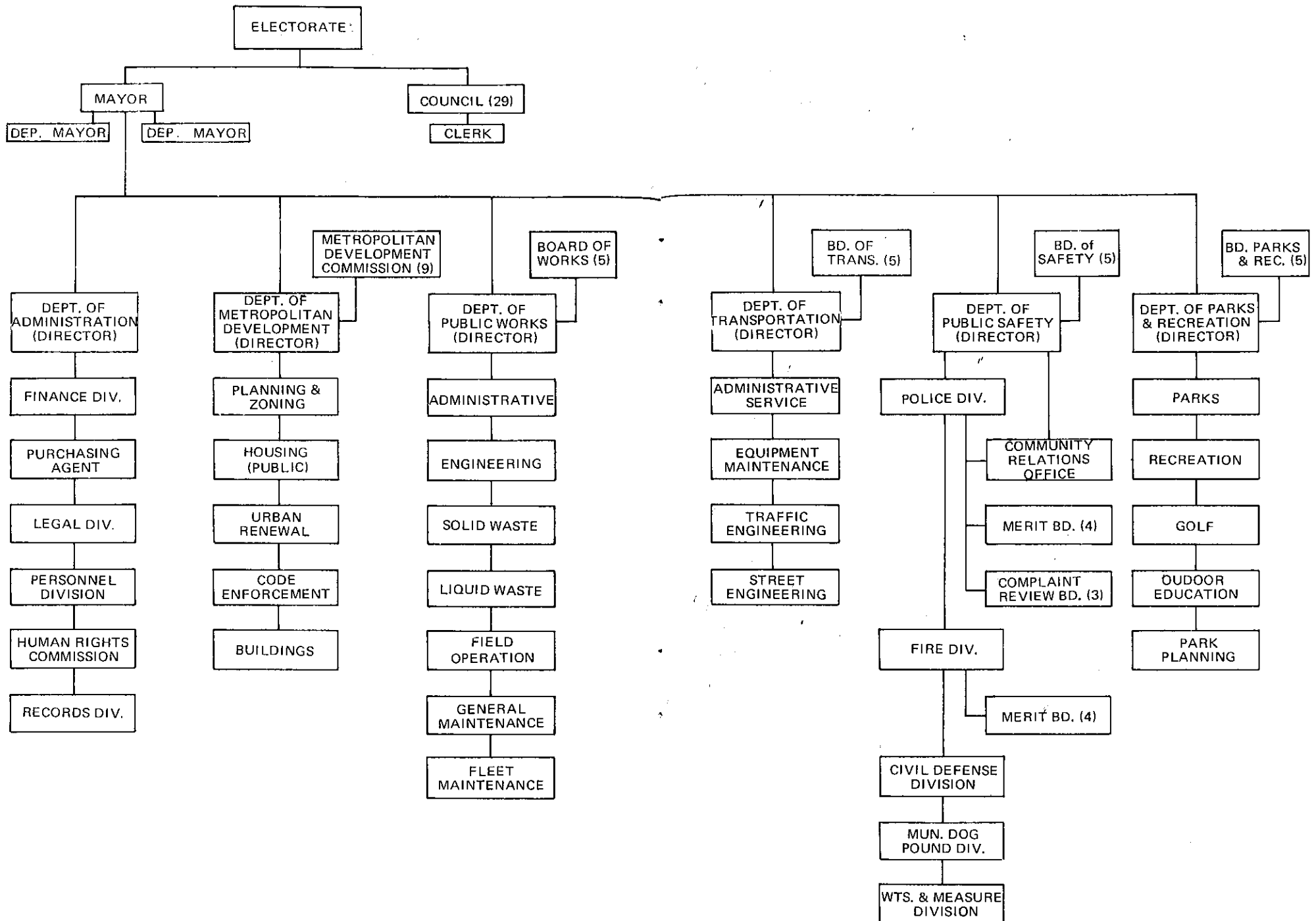
### **THE EXECUTIVE BRANCH**

The Mayor, who is elected by all the voters of the county, is the chief executive officer of the Consolidated City. The county has no

\*See Councilmanic District Map.

ORGANIZATION CHART: CONSOLIDATED

GOVERNMENT FOR INDIANAPOLIS – MARION COUNTY



chief executive officer with corresponding powers.

Subject to the approval of a majority of the members of the City-County Council, the Mayor appoints deputy mayors (two at the present time). One heads the Office of Department and Intergovernmental Relations, the other the Office of Community Development and Services.

The Mayor also appoints the controller and the head of legal counsel (commonly called corporation counsel), for the Consolidated City, (These two appointments do not require approval of the Council.) The deputy mayors, controller, and legal counsel of the Consolidated City serve as general officers of the City.

Within the Mayor's office is a service, information, and complaint bureau. Also attached to his office are the Community Services Program (which includes the model cities organization), the Community Addiction Services Agency, and the Metropolitan Manpower Commission, all of which rely primarily on federal funding. In close liaison with the Mayor's office is the Greater Indianapolis Progress Committee, a private not-for-profit corporation.

The major administrative functions of the Consolidated City are directly under the Mayor. They are organized into six departments: Administration, Transportation, Parks and Recreation, Public Works, Public Safety, and Metropolitan Development. Each department is headed by a director appointed by the Mayor, subject to the approval of a majority of the City-County Council.

The Departments of Transportation, Parks and Recreation, Public Works, and Public Safety have advisory boards. Each consists of the director (who serves as chairman), two members appointed by the Mayor, and two members appointed by the City-County Council.

The Department of Administration has no board. The Metropolitan Development Commission is the board for the Department of Metropolitan Development and is described in more detail under that department.

In addition to the directors of the departments, the Mayor appoints the fire and police chiefs. He appoints division heads of the Department of Metropolitan Development (with the exception of the housing administrator), subject to the approval of the Metropolitan Development Commission. Other division Heads within the Consolidated City depart-

ments are appointed by their respective directors, subject to the approval of the Mayor.

**The Department of Administration** is responsible for general administrative functions: finance, legal, purchasing, personnel, and records. In addition to the director, the Mayor appoints the head of the finance division (controller) and of the legal division (corporation counsel).

The formerly separate city and county purchasing agencies have been consolidated into one purchasing division which serves all County and Consolidated City officers and agencies. Legal services for both City and County are performed by the legal division. Attorneys in this division serve on a part-time basis.

In addition to his general fiscal duties, the controller oversees the licensing activities of the Consolidated City.

Although not an administrative function in the same sense as the divisions listed above, the Indianapolis Human Rights Commission also is under the Department of Administration. Its executive director is employed by the 25-member bipartisan commission. Fifteen members of the Commission are appointed by the Mayor; ten members are appointed by the City-County Council. Only one commission member may be appointed from each City-County Council district. The jurisdiction of the Commission was expanded by the City-County Council in 1970 to cover the entire county.

The Department of Administration agencies are financed primarily from the city general fund. The Human Rights Commission is funded from the consolidated county levy, a new (1972) property tax levy for funding county-wide functions of Consolidated City departments. Legal services are paid for by the department or agency using them.

**The Department of Transportation** is a county-wide agency responsible for roads, streets, bridges, thoroughfares, sidewalks, street lighting, traffic engineering, parking, and related services, e.g., road drainage. The duties of the department include those of its predecessor agencies, the Metropolitan Thoroughfare Authority and the Mass Transportation Authority. In addition, all road functions previously exercised by the Park Department, the county commissioners, and the Indianapolis Police Department have been transferred to this department.

The department has no responsibility for construction and mainte-



nance of federal and state highways or for maintenance of streets in the included towns and excluded cities, since these receive Motor Vehicle Highway Fund distributions directly from the state.

State distributions have been the major source of funds for the department. One Motor Vehicle Highway Fund distribution is based on the number of miles of county roads outside the boundaries of the excluded cities, the included towns, and the Fire Special Service District. A second such distribution is based on the population of the Fire Special Service District.

The Department of Transportation also receives the Cumulative Capital Improvement Fund distribution from the state cigarette tax, except for the first \$350,000 (which goes to the Capital Improvements Board for the new civic center). The amount of this distribution is based on the population of all cities and towns within the county, plus the population of the Fire Special Service District. It was formerly distributed to the individual cities and towns and to the Indianapolis "old city" for general capital improvements.

Some special projects are funded from the state Arterial Roads and Streets Fund. Money from this Fund, produced by the last two cents added to the state gasoline tax, is available for specific projects if application is approved by its board.

Other sources of funds include state distributions of inheritance tax and intangibles tax revenues.

The department is authorized to issue bonds for the construction, operation, and maintenance of thoroughfares. The total amount of bonded indebtedness may not exceed 4% of the assessed valuation of taxable property in the county. Bonds in the amount of \$26,600,000 were issued in 1971, but no tax levy was made in that year for their retirement or for the department's use.

**The Department of Parks and Recreation** offers facilities and programs throughout the County (although Beech Grove and Speedway also have separate recreational programs). This department, successor to the semi-autonomous Indianapolis Park Department, continues to be a county-wide special taxing district. It has tax levies for operating expenses and for bond retirement. The department may issue bonds up to 2% of the county's taxable assessed valuation. In addition, a cumulative building levy of 10c per \$100 of assessed valuation is authorized

by state law; 3.5c was levied in 1969 and in 1970, but there was no levy in 1971. User fees (golf, swimming, etc.) and federal money add to funds available to the department.

**The Department of Public Works** has as its major function operation of the Indianapolis Sanitary District waste collection and disposal services, including construction of sewers. This district is larger than the "old city" and smaller than the Consolidated City. Its territory is not required to be compact or contiguous, which has resulted in some "islands" surrounded by territory not served by the district.

The Indianapolis Sanitary District is a special taxing district. Waste disposal is financed by levies on taxpayers of the district for operating expenses and for bond retirement. Some areas outside the district are connected to the sewers and pay the district tax levies as service charges. Connection charges, user charges paid by tax-exempt organizations such as churches, sur-charges paid by industrial users, and charges for sewage treatment (e.g. Beech Grove) provide additional revenues. Bonds up to 12% of assessed valuation are authorized for the district.

The Flood Control Division of the department is a county-wide operation and is financed by two flood control tax levies (operating and bond).

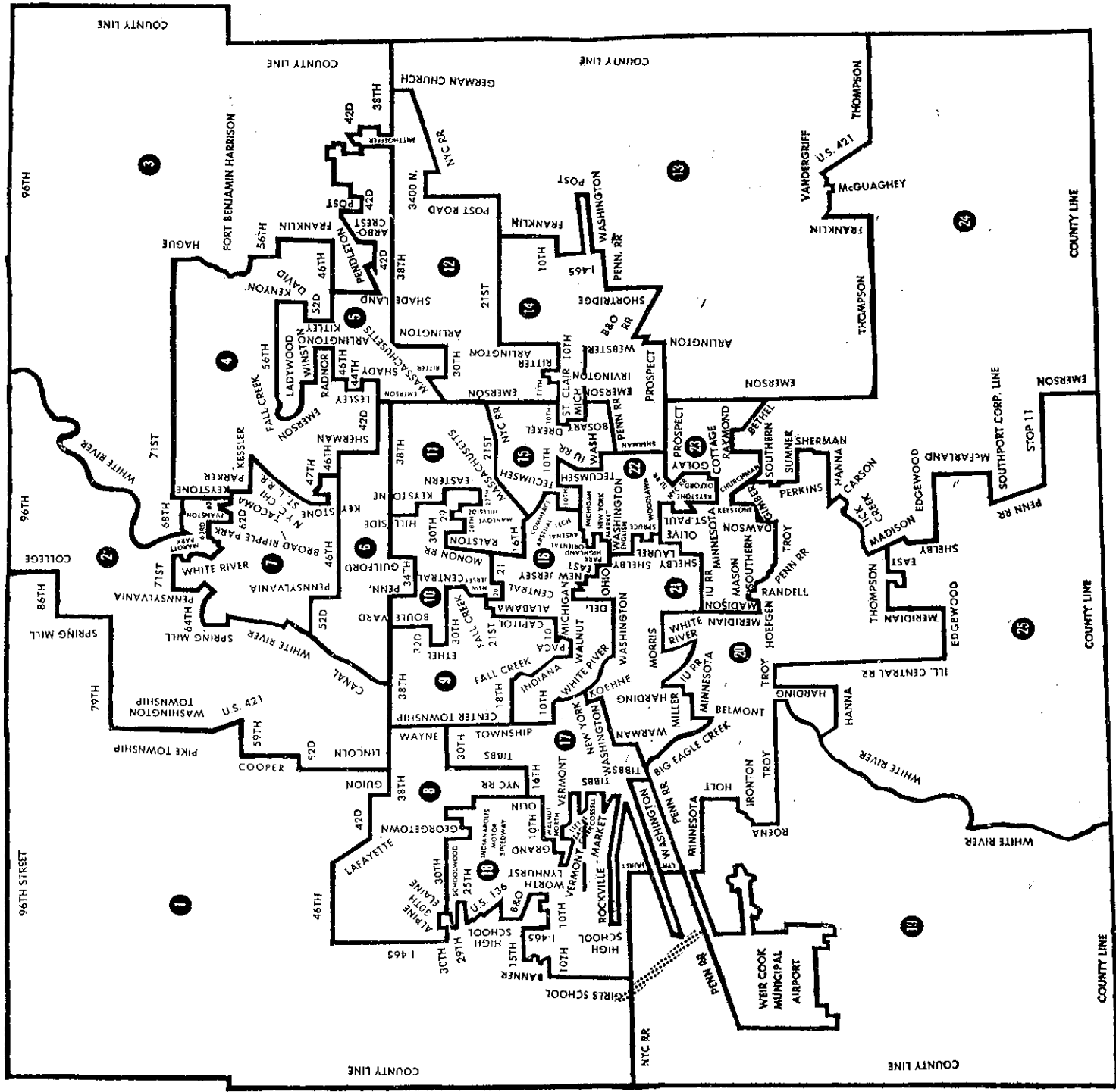
The Air Pollution Division is also county-wide. Local financing is through the new consolidated county tax levy, but a major portion of its funds comes from the federal government.

Another division of the department is the City Market, which is presently self-supporting. The Department also operates the sanitary garage, the city garage, and a general and building maintenance division. Much of the cost of the garage is recovered by charging users (other agencies) for its services. The garage is used primarily for servicing cars of the Police Special Service District.

**The Department of Public Safety's** major responsibilities are the Police Department and Fire Department of the "old city." Under the director and board of the Department of Public Safety, the Fire and Police Departments are headed by their respective chiefs, who are appointed by the Mayor.

The areas receiving fire and police services through the department are designated as special service districts. Each has two property tax levies, one for operating expenses, and one for pensions. The Fire Spe-

# CITY-COUNTY COUNCIL DISTRICTS



Area bounded on the south by the Penn RR, on the east by Tibbs Ave., on the north by Washington St., and on the west by Lynhurst Drive is in District 18.

Special Service District Council: four at-large members and the 16 members from Districts 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 20, 21, 22, and 23. (Or from Districts 5 through 17, and 20 through 23, if you prefer that way of listing.)

cial Service District receives a small amount of income from fire service contracts with industries outside the District. The Police Special Service District receives some income from traffic fines.

Because the two districts cover almost the same area, one special service district council, as explained above, serves both.

The Civil Defense Division, the Weights and Measures Division, and the Municipal Dog Pound are county-wide divisions of this department. They are financed from the consolidated county levy.

**The Department of Metropolitan Development** includes the formerly autonomous Marion County Metropolitan Plan Commission, the city and county buildings commissioners, the Indianapolis Housing Authority, and the Indianapolis Redevelopment Commission.

This department has a 9-member bi-partisan commission instead of a 5-member board. The Mayor appoints four members, the City-County Council appoints three, and the county commissioners two. The director of the department, appointed by the Mayor, is not a member of the commission.

The department has county-wide jurisdiction over planning and zoning, building (permits, plats, codes, contractor licensing, etc.), and code enforcement. In 1972 the boundaries of the department's Urban Renewal Division were extended to include the entire Consolidated City. (This was the Redevelopment Commission of the "old city.")

The Buildings Division is a consolidation of former city and county offices and functions.

The area of operation of the Indianapolis Housing Authority (public housing) includes the Consolidated City and can extend five miles beyond its boundaries. The five members of the Housing Authority board are appointed by the Mayor for 4-year staggered terms but are also subject to removal by the Mayor. The board appoints the Housing Authority administrator. The Authority is financed by its rents and by federal funds.

General administration of the Department of Metropolitan Development and its planning and zoning, code enforcement, and buildings divisions are financed from three sources: federal funds (approximately 95% of the total), self-generated revenues (fees, licenses, etc.), and the consolidated county tax levy.

## V. WHAT UNIGOV ISN'T

No one regards UNIGOV in its first full year, 1972, as the final structure of Indianapolis-Marion County local government. This booklet is in the nature of a progress report on the development of UNIGOV at this point in time, October, 1972.

This chapter is not intended to set forth what UNIGOV should be but isn't. It does not attempt to measure UNIGOV against a model, nor to describe what the present or future goals of UNIGOV are or should be.

It must be kept in mind that some of what UNIGOV isn't, UNIGOV was never meant to be. Also, some of what UNIGOV isn't is a result of restrictions imposed by the Indiana Constitution, which is not quickly or easily changed.

### **UNIGOV isn't a finished product.**

The Indiana Constitution provides for the elected administrative officers of sheriff, auditor, treasurer, recorder, coroner, and surveyor for each county. Their duties are set by state law, and UNIGOV has made little or no change in these; the officials themselves remain outside the Consolidated City structure. The same is true of the county assessor, whose office and duties are statutory.

The assessing function remains fragmented among the nine township assessors, the county assessor, and the State Board of Tax Commissioners.

The nine township governmental units are unaffected by UNIGOV.

Although changes have been made in the Marion County court structure, these changes were not made by the UNIGOV legislation. No courts are covered by the UNIGOV law.

The eleven school districts remain separate, distinct, and untouched by the UNIGOV framework. Like the townships, the school districts have different elected officials, different tax bases, different levels of services.

**UNIGOV isn't a federation of the cities and towns within the County** in the pattern of the Toronto or similar plans. The four excluded cities and the fourteen included towns, like townships and school dis-

tricts, continue to have separate elected officials, different tax bases, different levels of service.

**UNIGOV isn't a completely centralized city-county government.** Some basic services of civil government remain fragmented, and some areas are without needed services, e.g.:

1. **Fire service** (seventeen units). The Indianapolis Fire Special Service District serves the "old city." Beech Grove, Lawrence, and Speedway have their own fire departments. The remainder of the Consolidated City and County is served by thirteen volunteer fire departments.
2. **Police service** (five major units). The Police Special Service District, the "old city" with some UNIGOV annexations, is served by the Indianapolis Police Department. Beech Grove, Lawrence, and Speedway also maintain police departments. The sheriff's patrol polices areas of the county outside the departments named. Furthermore, included towns may (at their own expense) employ their own constables, marshals, etc.
3. **Library service** (three units). Beech Grove and Speedway maintain separate library systems. The Indianapolis-Marion County Library District serves the remainder of the County. The City-County Council reviews its budget, but no other control over the Library District is exercised by the Consolidated City.
4. **Health services.** The Marion County Health and Hospital Corporation serves as the county health department and operates the Marion County General Hospital. It divides responsibility for inspection and condemnation of buildings with the Consolidated City Department of Metropolitan Development, and for sanitary services with the Department of Public Works. Except for budget review and control by the City-County Council, it is independent of UNIGOV.
5. **Sanitary services** (five units). The Consolidated City Department of Public Works (as the Indianapolis Sanitary District) is the major agency in sewage and trash disposal. Its territory is greater than that of the "old city." It serves some areas not in the district, and some areas in the district are not served by it.  
  
Beech Grove, Lawrence, Speedway, and the Ben Davis Conservancy District (an area in the southwest part of the County) oper-

ate separate waste disposal districts. A loose arrangement for Indianapolis to treat Beech Grove sewage is in existence, and discussions for a similar arrangement with Lawrence are under way. There are also some private sewage treatment plants and a number of private trash removal services in the County. Some areas are still served by individual septic tanks, in spite of many instances in the past ten years of poor soil percolation and tank failures.

6. **Welfare services** (twelve units). The Marion County Department of Public Welfare operates under supervision of the Indiana Department of Public Welfare. Its board is appointed by the Marion County Circuit Judge. The board employs the director and other personnel under state merit personnel procedures. Federal-state-local public assistance programs, child welfare services, services to crippled children, operation of the Marion County Children's Guardian Home, and administration of the food stamp program are the department's major responsibilities.

The county commissioners operate the Marion County Home for the Aged and Indigent. The Health and Hospital Corporation provides clinic and hospital services for the medically indigent.

In each of the nine townships of the County, a township trustee administers poor relief, Indiana's program of local "in-kind" general assistance.

**UNIGOV does not provide an integrated fiscal system for Indianapolis and Marion County local governmental units.**

1. **Most fiscal powers and offices are not centralized.** The county auditor and treasurer do serve all governmental units in the County. They share, or divide between them, responsibilities in property tax collection and distribution, and distribution of state-shared taxes.

There is no provision for centralized fiscal control of budgets and expenditures for County offices and agencies and the courts. Although the county auditor compiles their budgets for submission to the City-County Council, he has no power to modify them. The city controller serves only the Consolidated City. His chief functions are in the areas of budgeting and controlling expenditures. He is the disbursing agent and bookkeeper for the

City; the auditor and treasurer perform these services for the County.

2. **Multiple property tax levies complicate the financial structure.** In 1972 a taxpayer in the "old city" pays a tax bill composed of 26 different levies. There are state, county, special taxing district, special service district, school, and township levies of varying numbers for varying purposes, and in varying amounts. Most of these governmental units have more than one tax levy; e.g. the Police Special Service District has an operating levy and a pension levy.

Although the number of local governmental units in the County has been reduced under UNIGOV from 58 to 50, the auditor's 1972 notice of tax rates has 75 separate total tax district rates in place of the 61 district rates in 1970. New overlaps or separations in the areas of the functional taxing districts have caused this: e.g. Indianapolis-Perry Township Special School of 1970 has been succeeded by Indianapolis-Perry Township Police Special Service District Outside Sanitary District, Indianapolis-Perry Township Police Special Service District Inside Sanitary District, and Indianapolis-Perry Township Police and Fire Special Service District Inside Sanitary District.

3. **It is difficult to obtain a clear picture of total spending, from what sources, by whom, and for what services or functions.** Expenditures of federal funds and grants are not included in annual budgets and reports. Thus it is impossible to find in any central place or in any one report the **TOTAL** expenditures of local government. Ordinances, records, reports, etc., relating to federal funds are kept on a project basis rather than on a departmental function or service basis. These are not integrated with or attached to the accounting of expenditures of local funds for similar or related functions.

Under UNIGOV tax inequities still exist. Conspicuous examples of this existed before UNIGOV. Some of these continue to exist, and new ones have been added.

1. **Taxpayers of the Indianapolis Police Special Service District and of the excluded cities maintaining police departments pay the major portion of the tax levy for the sheriff's patrol but are not served by the patrol.** Their police service comes from city police

departments paid for only by the taxpayers of the city or service district.

2. **Taxpayers of the Indianapolis Sanitary District receive unequal treatment.** Present taxpayers of the sanitary district are paying now for construction of main line sewers to serve areas not presently in the district (and with no firm commitment by property owners of the areas to be annexed to the district). In effect, present taxpayers are subsidizing for several years probable future residential and commercial development by paying for construction of sewers outside the district.

At the same time some taxpayers pay the full sanitary district tax levies but do not receive trash collection service. Others have paid these levies for many years but have no access to sewers and little prospect for gaining this service.

3. **Costs of fire protection services are not levied on taxpayers in an equal manner.** Businesses and industries outside the Indianapolis Fire Special Service District are taxed to support volunteer, town, etc., fire departments. Because of the inadequacy of these services, some companies find it necessary to maintain their own fire protection services. Many also feel the need to have Fire Special Service District protection available to them in event of a major fire.

In 1972 twenty-two such businesses and industries outside the Fire Special Service District are covered by fire service contracts. Under these contracts they pay for fire service 25c per \$100 of their assessed valuations. In contrast, taxpayers located within the district pay (for comparable service) \$1.168 per \$100 of assessed valuation.

The situation with regard to fire service for "outside industry" is due at least in part of the difficulties under the UNIGOV law of expanding the boundaries of the Fire Special Service District.

4. **State distributions of cigarette tax, alcoholic beverage taxes, and motor vehicle highway funds, which were intended to assist in providing urban services are no longer being used strictly for this purpose.** Taxpayers of the "old city" must pay, through the Fire and Police Special Service District tax levies, most of the costs of fire services, traffic control, and other police services for

persons working in the service districts but living outside, and for large amounts of federal, state, and local government property.

The state aid distributions, which are based on the population of the Fire Special Service District, were intended to help bear the cost of these services. However, for the most part, these funds have been used to provide property tax relief and services for all taxpayers of the Consolidated City and County. They have been used for the general government of the Consolidated City and for the Department of Transportation.\* This practice has allowed the City-County Council to avoid levying property taxes for these purposes.

#### **UNIGOV isn't "home rule" for Indianapolis and Marion County.**

The state still controls sources of revenue and taxing powers. State law still determines the duties of County officials, and the state constitution determines the offices and the method of selection of the officers.

The whole structure of UNIGOV is set out in detail by state law. Any major changes, and most minor ones, in many areas will still be "at the pleasure of" the Indiana General Assembly.

\*The Department of Transportation also receives a second motor vehicle highway fund distribution based on miles of roads outside the Fire Special Service District and outside any city or town.

## **VI. MONEY TALK: OF BUDGETS, BONDS, AND TAXES — AND UNIGOV**

The property tax is the only source of substantial amounts of local tax revenue available to local governmental units in Indiana. Indianapolis and Marion County have the problem (common to most urban areas) of a taxable assessed valuation which fails to keep pace with rising local governmental expenditures.

On December 31, 1969 the County assessed valuation was \$1,819,266,000, an increase of \$181,763,000 and over the assessed valuation on December 31, 1968. This increase was due largely to the general reassessment (state-wide) of property in 1969. On December 31, 1970 the County assessed valuation had decreased by almost \$50,000,000 from the 1969 figure. Most of this decrease was no doubt due to the fact that personal automobiles were removed from the property tax rolls in 1970. An increase in 1971 of \$19,027,000 brought the net gain in the County's assessed valuation over the 1968-1971 period of \$152,000,000.\*

The Consolidated City, by reason of the expansion of its boundaries on January 1, 1970 and the 1969 reassessment, showed a net increase in assessed valuation of \$758,380,000 from December 31, 1968 to December 31, 1971.\*

The problems of urban dependence on the property tax are shown most clearly by the dilemma of the Fire Special Service District. This district, primarily the territory of pre-UNIGOV Indianapolis, has boundaries which are very difficult to expand under the UNIGOV law. For the year 1970 more than \$41,000,000 of the \$50,000,000 net decrease in the County's assessed valuation was in the Fire Special Service District.\*\*

Much of the County's \$99,000,000\*\*\* (1970) exempt property, used for educational, charitable, and religious purposes, is in the Fire

\*Deprived from figures in Indianapolis, Indiana, Controller, Annual Report, 1971, 79p, page 66.

\*\*Indianapolis Chamber of Commerce. Total Expenditure Budgets: 1969-71, Indianapolis-Marion County. 4 p mimeo, page 4.

\*\*\*Indiana Auditor, Annual Report 1969/70. 118 p, page 96.

Special Service District. In addition, property used for federal, state, and local governmental purposes is concentrated there, and under state law this is not even assessed. Its valuation does not appear in the valuations of exempt property. Thus it is impossible to determine the total value of property that is not taxed.

The 1970 drop in assessed valuation in the Fire Special Service District was a major factor in the 5c (per \$100 assessed valuation) increase in the tax rate for the District. The Police Special Service District, which had major annexations in 1970, had an assessed valuation of \$1,072,261,000 for that year. (This was nearly \$130,000,000 more than the 1970 assessed valuation of the Fire Special Service District.) For this reason, in spite of increased costs, the tax rate for the Police Special Service district remained at \$1.26 per \$100.\*

Automobile excise taxes are returned by the state to the taxing district of the owner's residence, and the money is used by local governments. However, Marion County taxing units suffered a loss in tax revenue from automobiles because the property tax rate fixed as a base for levying the excise tax is much lower than the average property tax rate in the County. This has resulted in shifting a further burden onto property still subject to the property tax. It has also reduced the ceiling on the amount of bonds that may be issued by the taxing units, as well as the assessed valuation available for taxation for current expenditures.

Although during the past two years the Consolidated City has greatly increased its income from licenses, fees, and service charges, total revenue from these local sources is still comparatively small.

Direct salary payments are made by the state to the county prosecutor and to judges of the courts of the County. Local civil government agencies also receive some monies from distributions of state-collected taxes (gas, motor vehicle, cigarette, and alcoholic beverage). However, the major amount of state aid goes to local school corporations, not to civil government agencies.

The state also spends both state and federal money for local benefit. Examples of this are federal and state highways and Medicaid payments. In addition, the state passes on some federal money it receives,

\*Indianapolis Chamber of Commerce. Total Expenditure Budgets: 1969-71, Indianapolis-Marion County. 4 p mimeo, page 4.

notably for welfare, to be spent at the local level.

During recent years, increasing millions of federal dollars have financed Indianapolis-Marion County local government activities in a variety of fields. Among these are drug abuse, sewer construction, public housing, alcoholism, employment, and community services. Most of these federal funds have been expanded on an application-grant, special project basis.

The following table shows expenditures for Indianapolis — Marion County civil government for three years. In evaluating these figures, it should be kept in mind that:

1. 1969 city expenditures were for the "old city" only; budgets of the Indianapolis Airport Authority, Marion County Health and Hospital Corporation, and Indianapolis-Marion County Library District were not subject to review or modification by either city or county council; and city and county budgets were adopted separately by the two councils.
2. The 1970 and 1971 city government expenditures, under UNIGOV, are for the Consolidated City; budgets of the three municipal corporations named above were reviewed by the City-County Council; and a combined Indianapolis-Marion County budget was adopted by the City-County Council.

This table does **not** include expenditures of the nine townships, nor of the excluded cities and included towns of the UNIGOV structure.

It is noteworthy that while total expenditures for civil government rose 30% during the period, property tax expenditures rose only 4%. Expenditures from state, federal, and other revenue sources rose 80% during the period.

Expenditures financed by the property tax for the Consolidated City in 1971 had dropped 2% from "old city" expenditures from this source in 1969; but expenditures from state, federal, and other sources had more than doubled (110%) in the period. Total expenditures had increased slightly less than 30%.

For general County government, expenditures from property tax increased 30%; state, federal, and other revenues increased almost 80%; total County general expenditures increased almost 50%.

TOTAL EXPENDITURES AND SOURCES OF INCOME, INDIANAPOLIS-MARION COUNTY, INDIANA\*

|  | 1969          | 1970          | 1971          |
|--|---------------|---------------|---------------|
| General County Government  |               |               |               |
| Property Tax .....   | \$ 19,070,627 | \$ 22,617,770 | \$ 24,704,689 |
| Federal, state, other - .....  | 13,294,195    | 11,206,234    | 23,389,416    |
|  | \$ 32,364,822 | \$ 33,824,004 | \$ 48,095,105 |
| Municipal Corporations (Marion County Health and Hospital Corporation, Indianapolis Airport Authority, Indianapolis-Marion County Library) |               |               |               |
| Property tax - .....   | \$ 17,356,299 | \$ 15,591,670 | \$ 15,988,443 |
| Federal, state, other - .....  | 9,391,869     | 14,749,018    | 13,309,469    |
|  | \$ 26,748,168 | \$ 31,340,688 | \$ 29,297,912 |
| General City Government  |               |               |               |
| Property tax - .....   | \$ 46,979,610 | \$ 41,084,734 | \$ 46,024,919 |
| Federal, state, other - .....  | 19,875,320    | 37,387,007    | 40,001,262    |
|  | \$ 66,854,930 | \$ 78,471,741 | \$ 86,026,181 |
| Totals for civil government purposes   |               |               |               |
| Property tax - .....   | \$ 83,406,536 | \$ 79,294,174 | \$ 86,718,051 |
| State, federal, other - .....  | 42,561,384    | 63,342,259    | 76,700,147    |
|  | \$125,967,920 | \$143,636,433 | \$163,419,198 |

\* Figures from the Indianapolis Chamber of Commerce. Op. Cit.

The Consolidated City taxpayer, whether a business or an individual, has experienced little change in total tax rate for civil government under UNIGOV. The Consolidated City taxpayer of the "old city" area is located within all special service and special taxing districts of the civil government. His tax rate for County and full Consolidated City services was \$6.276 per \$100 assessed valuation in 1970, \$6.275 in 1971, and \$6.367 in 1972.\*

The taxpayer of the Consolidated City outside the fire, police, and sanitary districts, outside any town and inside the library district, paid \$2.659 per \$100 assessed valuation in 1970, \$2.662 in 1971, and \$2.767 in 1972 for County and limited Consolidated City services.\*

The tax rates compared above do not include town, township, or school corporation rates. They are limited to county-wide and applicable Consolidated City rates.

While tax rates make easy comparisons, they do not tell the whole story. *Tax levy* is the most important tax term, and *tax levy* = tax rate x assessed valuation.

BONDS AND DEBTS

Municipal corporations (counties, cities, etc.) are restricted by the Indiana Constitution to a bonded debt equal to 2% of the assessed valuation of property in the corporation. The amount of money available under this 2% restriction has proved inadequate to finance the construction of necessary capital improvements, particularly in urban areas. In order to meet this problem, special taxing districts have been established by state law, each of which then has its own bonding power of 2% (unless otherwise specified by state law).

In apparent contradiction to the 2% constitutional limit are the 12% bonding power of the Indianapolis Sanitary District and the 4% bonding power of the Consolidated City Department of Transportation. However, their bonds are considered to be special purpose bonds rather than general obligation bonds and, therefore, not subject to constitutional limitation.

\* Figures from: Marion County Auditor. Notice to Taxpapers of Marion County, 1970, 1971, 1972 (Broadside).



**OUTSTANDING BONDED INDEBTEDNESS — INDIANAPOLIS AND MARION COUNTY  
CIVIL GOVERNMENTAL UNITS**

|   | 12/31/69             | 12/31/70             | 12/31/71             | 6/30/72              |
|---|----------------------|----------------------|----------------------|----------------------|
| Indianapolis-Marion County Building Authority ....            | \$ 25,550,000        | \$ 24,980,000        | \$ 23,685,000        | \$ 23,035,000        |
| Marion County (including \$15,500,000 for Civic Center) ..... | 21,680,000           | 20,731,000           | 22,806,000           | 22,351,000           |
| Marion County Health and Hospital Corporation.....            | 14,115,600           | 19,180,000           | 18,245,000           | 17,010,000           |
| Indianapolis Airport Authority .....                          | 13,125,000           | 21,740,000           | 20,895,000           | 20,850,000           |
| Indianapolis-Marion County Library District .....             | 500,000              | —                    | 1,750,000            | 1,575,000            |
| Consolidated City General .....                               | 17,556,000           | 16,596,000           | 27,636,000*          | 27,076,000**         |
| Consolidated City Special Taxing Districts                    |                      |                      |                      |                      |
| Urban Renewal .....   | 2,270,000            | 2,075,000            | 1,880,000            | 3,535,000            |
| Sanitary District .....                                       | 87,804,500           | 84,112,000           | 79,921,500           | 82,892,000           |
| Park District .....   | 7,147,000            | 6,738,000            | 10,969,000           | 18,970,000           |
| Flood Control .....   | 19,855,000           | 19,185,000           | 18,510,000           | 17,830,000           |
| Department of Transportation .....                            | —                    | —                    | 26,600,000           | 26,600,000           |
| <b>TOTALS .....</b>   | <b>\$209,603,100</b> | <b>\$215,337,000</b> | <b>\$252,897,500</b> | <b>\$261,724,000</b> |

\* Includes \$12,000,000 bond issue for sports arena.

\*\* An additional \$4,000,000 bond issue authorized in June 1972 by the Consolidated City for the purchase of Lincoln Square, a block near the Civic Center, is not included in this total.

The Indianapolis-Marion County Building Authority illustrates another way in which extra bonding power has been acquired. The Building Authority sold bonds to finance construction of the City-County Building. The bonds are to be retired by rent paid by local governmental units for space in the City-County building. These bonds are not usually listed with the bonded debt of the county. But, because rent payments to retire them come from property tax revenues, they are included in the preceding table showing amounts of outstanding bonds of the civil government of Marion County and of the Consolidated city of Indianapolis and its agencies. The figures are from the Marion County Auditor, Consolidated City Controller, and individual agencies. (See table on page 28)

Bonded debt (excluding the Indianapolis-Marion County Building Authority) of Indianapolis-Marion County local government increased approximately 30% between December 31, 1969 and June 30, 1972. However, as of October 1, 1972 the impact of the substantial increase in bonded debt had not hit the local taxpayer.

Neither the Consolidated City nor its Department of Transportation (a county-wide special taxing district) has levied any property taxes to date. An increase of 5.5c per \$100 assessed valuation in the Park Bond levy (for retirement of the 80% increase in 1972 of bonded debt of the Department of Parks and Recreation) has been included in the 1973 budget. The County has not yet levied a property tax for repayment of the \$15,500,000 Convention Center bonds (if other revenues for payment of principal and interest on the bonds prove inadequate). In the final analysis, both general obligation and special purpose bonds must be paid by property taxpayers of the governmental unit issuing them.