

RESOLUTION 2006-18

**A FISCAL POLICY RESOLUTION  
FOR ANNEXING CONTIGUOUS TERRITORY  
TO THE TOWN OF WHITESTOWN, INDIANA**

**SOUTH I-65 ANNEXATION**

WHEREAS, I.C. § 36-4-3-3.1 requires that the municipality has developed a written fiscal plan and has established a definite policy, by resolution of the legislative body that meets the requirements set forth in I.C. § 36-4-3-13(d) for the area proposed to be annexed (the "Annexation Territory") into the Town of Whitestown (the "Town") pursuant to Ordinance No. 2006-20, introduced on July 24, 2006; and

WHEREAS, pursuant to Resolution No. 2004-10, adopted November 24, 2004, this Council adopted definite annexation and growth policies for future annexations of the Town and these policies are acceptable and appropriate for the Annexation Territory in addition to the policies attached and incorporated as Exhibit A; and

WHEREAS, the written fiscal plan and definite policy complies with the requirements of Indiana law to provide services of a noncapital nature to the Annexation Territory within one year after the effective date of the annexation in a manner equivalent in standard and scope to those noncapital services provided to areas within the corporate boundaries, regardless of similar topography, patterns of land use, and population density; and

WHEREAS, the written fiscal plan and definite policy complies with the requirements of Indiana law to provide services of a capital nature to the Annexation Territory within three years after the effective date of the annexation in the same manner those services are provided to areas within the corporate boundaries, regardless of similar topography, patterns of land use, and population density and in a manner consistent with federal, state and local laws, procedures, and planning criteria.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Whitestown, State of Indiana, that:

Section 1. The above recitals are incorporated herein by reference and shall be deemed part of the written fiscal plan and definite policy.

Section 2. The written fiscal plan and definite policy, as attached and incorporated herein as Exhibit A, are adopted for the annexation set forth in Ordinance 2006-20.

Section 3. Other than the annexation policies in conflict with or amended by Exhibit A, the annexation policies set forth in Resolution No. 2004-10 adopted November 24, 2004, shall apply to the Annexation Territory.

Section 4. The sections, paragraphs, sentences, clauses and phrases of this Resolution are separable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared unconstitutional, invalid or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality, invalidity or unenforceability shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution.

Section 5. This Resolution shall be in full force and effect from and after the date of its passage and such publication as is required by law.

**PASSED** by the Town Council of the Town of Whitestown, Indiana, this 25<sup>th</sup> day of September, 2006, by a vote of \_\_\_\_\_ ( ) ayes and \_\_\_\_\_ ( ) nays.

TOWN COUNCIL  
TOWN OF WHITESTOWN, INDIANA

\_\_\_\_\_  
Sam Sortor, President

\_\_\_\_\_  
Carla A. Jackson, Council Member

\_\_\_\_\_  
Celia Follmar, Council Member

ATTEST: \_\_\_\_\_  
Debi Zachelmeyer  
Clerk-Treasurer

**Whitestown, Indiana  
Boone County**

# ***Fiscal Plan: South I-65 Annexation Area***

*The Fiscal Plan may be reviewed in the offices of the Clerk-Treasurer located in Whitestown Town Hall. Copies of the Fiscal Plan are available immediately at this location for a copying fee of \$0.15 per page (black & white), OR interested parties may obtain a copy of the Fiscal Plan from the internet web page at [www.ci.Whitestown.in.us](http://www.ci.Whitestown.in.us) (this web page is not operated by the Town, however, a copy of the document has been provided to the website for public information purposes). For any questions regarding this annexation, the public should contact Debi Zachelmeyer, Clerk-Treasurer, at 317/773-8673.*

September 25, 2006

***Policy Narrative Prepared by:***

***Wabash Scientific, inc.***

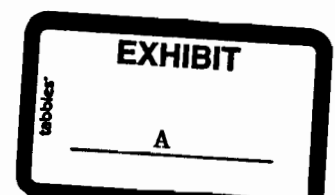
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## **Contiguity**

The South I-65 Annexation Area is more than 25% contiguous to the existing corporate limits of the Town of Whitestown.

## **Developmental Intensity is Increasing**

This Fiscal Plan expressly notes that the area along the I-65 corridor is under extreme development pressure from a broad range of developers, including residential, commercial and industrial development, and these developers are expecting the delivery of Whitestown Utility services in order for their development proposals to be viable. There are a number of developments which have been previously approved by the County, as well as other developments currently in the proposal stages.

It is important to note that *the Town of Whitestown has not initiated these development proposals*. However, in obvious and undeniable response to these development proposals, it is clear that these new residents and businesses expect municipal services as part of their development, and these new residents have signed waivers of the right to remonstrate which have been duly recorded by the Town. Therefore, the Town of Whitestown has little choice but to consider annexation of such areas as new development reaches a level where significant urbanization – and hence significant demand for municipal services – is occurring.

These developments include high-density residential development, as well as high-intensity commercial/industrial development, which will substantially increase the development density and urbanization of the area in the reasonably near future, as these developments are constructed. This increased developmental intensity will predictably increase the demand for municipal services as the annexation territory becomes more urbanized.

## **Population Growth**

The Town of Whitestown had a 2000 population of only 471 people. Since those figures were collected, one subdivision (Walker Farms) alone, has nearly tripled the 2000 population. In addition, the Boone County Area Plan Commission has approved additional subdivisions and other developments which potentially contain several thousand residences as well as commercial and industrial business. Based on existing, approved developments, as well as developments currently being considered, it is entirely possible that Whitestown will grow by more than ten times its 2000 population by the year 2015.

The reader should understand that the Town of Whitestown's package of municipal services is currently in a state of near-constant expansion as a result of existing development proposals and demands for utility services, which are derived directly from this growth. In order to comprehend the magnitude of this issue, it is noted that the Anson development, alone, has the potential to add new population equivalent to over 1,300% of the 2000 population of Whitestown. The Walker Farms development could add as many as 1,007 new homes with a

projected population of over 2,500 people. In addition, the Platinum development proposes to add 550 new homes with a projected population of more than 1,300 people. In addition to all of these, the Brenwick Development was previously approved by the County for approximately 700 home sites, which would generate another 1,750 people, if that development is implemented. The total of these developments would bring the total population of Whitestown to 10,000 to 12,000 people, not counting any further developments that might be approved. This growth, alone, represents growth of 2500% over the 2000 census population of Whitestown.

### **Population Density**

The estimated population density of the annexation area is less than 3.0 persons per acre at this time. However, it is noted that the rate of urbanization in the annexation area is substantial, and that new development has already been approved and more is in the proposal/approval process.

### **60% Subdivided**

The annexation area is less than 60% subdivided and urbanized, in accordance with statute, at this time. At the same time, the proportion of urbanized subdivisions is growing almost constantly. As new development connects to the Whitestown Utility systems, waivers of remonstrance are required by the Town.

### **Zoned for Business Use**

IC36-4-3-13(b) includes provisions that note “the territory is zoned for commercial, business, or industrial uses” as a factor that may be used in evaluating annexation. As noted previously, the annexation area is changing and developing at a dramatic pace, due largely to the actions of government entities other than the Town of Whitestown.

For example, Boone County previously approved the Anson development, which covers a substantial portion of the annexation area east of the I-65 corridor. Anson is a mixed use development with substantial commercial and industrial land use commitments, and the developer is currently having success in marketing the development. As a result, that territory is considered by the Town of Whitestown to be zoned for “commercial, business and industrial uses” in accordance with this section of the statute.

In addition, the Boone County Commissioners, as well as the Boone County Economic Development Commission recently took steps to designate a large area on the west side of I-65 as an Economic Development Area. The creation/designation of an Economic Development Area is statutorily for the explicit purpose of encouraging the growth and development of commercial and industrial land. Such a designation specifically sets the stage for offering tax increment financing to proposed new commercial and industrial development while affording no particular benefit to rural/agricultural land or residential development. Although the Boone County authorities have not stated their specific intent with regard to future development, nor has any formal re-zoning occurred as a result of the Economic Development Area designation, the

designation of an Economic Development Area, affirmed by the Boone County Area Plan Commission represents a specific declaration of intent on the part of the County with regard to future land use. The Town of Whitestown will assert that intent as part of this process.

Finally, it is noted that the Boone County Commissioners continue to pursue the development of the Ronald Reagan Parkway, which is located west of the annexation area, along the SR267 corridor. The Ronald Reagan Parkway proposals, taken in conjunction with the designation of an Economic Development Area (as noted above), clearly indicate the intent of Boone County to substantially alter and urbanize the areas west of I-65 between SR334 and SR267.

Taken en masse, there can be no mistaking the public policy intent of Boone County with regard to future development and land use in the annexation area, as well as additional areas along the proposed Ronald Reagan Parkway. For these reasons, in addition to the fact that the Town of Whitestown is expected to provide utility services to these areas as they grow, *the Town of Whitestown is left with no alternative but to consider that the County's intent is to consider these areas for commercial, business and industrial development.* In this case, the act of re-zoning individual parcels would be a mere formality at the end of a long line of preparatory actions by Boone County.

### **Waivers of Remonstrance**

The Town of Whitestown is pursuing this annexation on the basis of receipt of waivers of remonstrance in return for the provision of sewer utility service to certain portions of the annexation territory. These waivers accrue as the development parcels connect to the sewer system.

The Town does not intend to require that existing rural development connect to Whitestown Utilities immediately, however, as the area becomes increasingly urbanized, it is possible that existing residences on wells and septic tanks will request to be connected to Whitestown Utilities.

### **Deferral of Effective Date of Annexation**

The Town will *potentially consider* requests to delay the effective date of this annexation, as provided in the ordinance, under IC36-4-3-8. The purpose of this delay would be to allow the Town and the affected property owners to develop municipal service configurations in the most effective manner possible. The intent of this deferral would afford the Town and the residents of the annexation area time to identify the best and most effective method of service delivery.

The Town recognizes that deferral of the effective date of this annexation represents a substantial property tax savings to existing property owners in the annexation area. Therefore, such a deferral will only be extended if it is requested by a substantial number of property owners, and if such a deferral is accompanied by a legally-binding voluntary annexation petition.

At the same time, the Town must also consider the potential threats posed by actions of other government entities with regard to the annexation area. Therefore, Whitestown will only consider deferral of the effective date of annexation if it can be simultaneously demonstrated that the corporate interests of the Town will not be adversely affected by this deferral. Due to these competing complexities, the Town of Whitestown, *in its sole discretion*, reserves the right to determine whether a deferral of the effective date is appropriate for this annexation.

### **Growth in Assessed Value from Ongoing Development**

This Fiscal Plan notes that AV levels in the annexation territory are likely to grow substantially in the next 5 years, due to ongoing development, as well as due to new development which is being proposed. Therefore, growing AV levels are anticipated to generate enhanced property tax revenues over time. Property tax revenues are projected to provide the largest single revenue source for the administration of the town of Whitestown.

### **Whitestown Sets Tax Goals at Carmel Tax Rate**

The Town of Whitestown has performed research related to other growing municipalities in Indiana, and has decided to set its property tax rate equal to that of the city of Carmel, Indiana. While a few other municipalities have lower tax rates, Carmel is a city which has been determined to have grown through high-quality development and a sustained environment of high property values. The Town of Whitestown has a base property tax rate of approximately \$0.88 per \$100 under the rules of the Indiana Department of Local Government Finance. However, the Town of Whitestown has set its property tax rate for 2007 at \$0.53 per \$100 (the same tax rate as Carmel) with the goal of becoming cost efficient in governing, as well as encouraging high-quality development in the community at large.

### **“Needed & Can Be Used”**

The South I-65 Annexation Area is ‘needed and can be used by the Town for its development’ at this time. The Town of Whitestown took steps to affirm and verify that the area was needed and can be used for its development in several ways, including the provision of sewer and water utility services to these newly developed areas.

#### *Town Established Planning Jurisdiction*

Whitestown has developed a Comprehensive Plan for addressing future development in and near the Town, as well as participating in the Boone County Area Plan Commission (APC) for planning supervision and development control. The Town’s actions in this regard were intended to establish development policies which affirm and assure that the annexation area was needed and could be used for the development of the Town, as required by statute.

Whitestown participated in planning jurisdiction over the South I-65 area through the APC prior to any direct action to annex the area, for the express purpose of assuring that development in the

area would be ready for annexation and incorporation into the Town when it became appropriate to do so. It is further noted that the Boone County Comprehensive Plan also encouraged new development in this portion of Boone County to take place within the utility service area of Whitestown for a number of reasons. The encouragement of the Boone County Comprehensive Plan did not initially anticipate the acquisition of Boone Utilities by the Town of Whitestown, however, that acquisition simply enhanced the development policies which had already been placed in motion by Boone County authorities.

This annexation is simply the logical result of this combination of policies on the part of the County, and the renewed development pressure being brought by developers.

#### *Established Written Annexation Policies Addressing the Area*

The Whitestown Town Council also specifically undertook an effort to formally establish written Annexation & Growth Policies which were developed and passed by the Town Council several years before this annexation. These policies outlined the Town's expectations with regard to service delivery, as well as defining what services were to be delivered as a result of annexation and clearly separating "municipal services" from "development standards."

These annexation & growth policies clearly stated the intent of the Town Council that the Town was expecting to annex the entirety of the service area of Whitestown Utilities as such areas are developed. The Town is now in the process of developing a department-by-department strategic plan in order to plan for and implement the expansion of services necessary to support the incorporated area.

#### *Town Established Utility Service Area*

The Town of Whitestown purchased the assets of the bankrupt Boone Utilities, including its utility service area jurisdiction. It is the intent of the Town to annex areas served by Whitestown Utilities in accordance with relevant provisions of IC36-4-3, unless otherwise provided by prior agreement. It should be noted that the Town may, at its sole discretion, decide to alter the rate structure of Whitestown Utilities to provide for "inside/out" rates, where utility customers located outside the corporate limits of the Town are required to pay higher utility rates than customers inside the corporate limits of the Town. These "inside/out" utility rates will be established in accordance with Indiana law, and permitted as a result of the "Farley Neighborhood Association v. Town of Speedway" decision of the Indiana Supreme Court (765 N.E.2d 1226 (Ind. 2002)). The decision to implement "inside/out" utility rates may be affected by the results of annexation actions pursued as development occurs within the utility service area.

#### *Purchase of Water & Sewer Utility Assets*

The Town of Whitestown also affirmed that the South I-65 area is needed and can be used by the Town for its development by purchasing the assets of the Boone Utilities ("BU," now called Whitestown Utilities (or "WU")). The Town aggressively pursued the purchase of these assets over the objections of other competing interests in bankruptcy court. During the debates/

discussions of this purchase, the Town of Whitestown categorically stated the intent of the Town of Whitestown to use this utility service area for its future development, and that the purpose of the acquisition of the BU assets in Boone County was to protect the interests of the existing and future customers located in this area (including individual citizens, as well as businesses and other corporations), who would ultimately become citizens of Whitestown.

The Town has made a significant investment in the process of acquiring these utility company assets, as well as significant investment in planning for and executing the expansion of these utility assets. These actions serve to affirm the Town's intent with regard to 'needed and can be used by the Town for its development' in part because these areas will be served by Whitestown Utilities, as expressed in IC36-4-3.

### **Plan to Provide Municipal Services**

The Town of Whitestown recognizes the following municipal departments and agencies as providing municipal services to residents of the Town:

- Administration/Town Council (non-capital services only)
- Clerk-Treasurer (non-capital services only)
- Police Department (non capital services only)
- Street Department (capital & non-capital services)
- Whitestown Utilities (capital & non-capital services)
- Redevelopment Commission (non capital services only)
- Parks Department (capital and non-capital services)
- Town Court (non-capital services only)

#### ***Providing All Non-Capital Services***

All non-capital services will be provided to the annexed territory within one year after the effective date of annexation, and will be provided in a manner equivalent in standard and scope to the non-capital municipal services provided to the areas within the corporate boundaries of the Town with the intent for complete conformity to all requirements of IC36-4-3. The Town Council and Clerk-Treasurer have already begun the planning for extension of both capital and non-capital municipal services, and have initiated efforts to organize resources necessary to assure that the extension of services occurs in a smooth and efficient a manner. The projected effective date of the annexation, *unless a deferral is negotiated*, is likely to be between April 1 and July 1, 2007, with all non-capital services to be in place within one year after the effective date, as required by statute. For further clarification, municipal services are defined in the growth & annexation policies of the Town of Whitestown, as passed by the Town Council.

#### ***MUNICIPAL ELECTIONS***

Residents of the South I-65 area will become eligible to vote for municipal officers, including the Clerk Treasurer, Town Council, etc., in regular and special elections beginning on the effective date of the annexation.

**TOWN ADMINISTRATION**

The Town Administration develops and administers municipal policy, as well as dealing with citizen requests of various types. The elements of the Town Administration includes the Town Council, Town Clerk-Treasurer, Town Marshall and all Department leaders who work cooperatively to address issues and concerns of citizens, as well as other issues related to the execution of municipal services. However, it is the intent of the Town Council to consider various configurations and opportunities for supplementing the administrative resources of the Town with the addition of more administrative resources, possibly including the addition of a Town Manager (on either a full- or part-time basis). While the cost of this additional service is not yet completely known, the Town Council suggests that the increasing administrative duties of municipal government due to the growth of the Town is allocable to annexation, in general, and partially allocable to this annexation. Due to the size and configuration of the South I-65 Annexation Area, the consultants have agreed that it would be appropriate to allocate \$10,000-\$15,000 of new revenue to the provision of additional administrative resources, as shown in the Summary Table.

*Services of the Town Administration will be made available to the residents of the South I-65 area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town. At that time, the Town Administration will formally initiate the plans for service delivery implementation, and the Town Administration will prepare or cause to be prepared any necessary documents or other material necessary to assure that both capital and non-capital municipal services will be extended to the annexation area on a timely basis, as provided in this Fiscal Plan.*

In addition, some of the services of the Town Administration are already available to the residents of the South I-65 area by virtue of receipt of, and response to, telephone calls and requests for information related to zoning matters, development proposals, this proposed annexation, as well as other matters germane to the common interests of the residents of the annexation area, and the Town. Residents from outside of the town limits routinely appear before the Town Council to express concerns and air grievances, therefore, a significant portion of the Town’s administrative services are already afforded to residents of the annexation area.

**CLERK-TREASURER**

The Clerk-Treasurer serves as the Chief Financial Officer for the Town. The office is responsible for maintaining the Town’s financial records, receiving and paying invoices for goods and services, as well as managing and investing revenue streams received by the Town. The services of the Clerk Treasurer are provided on behalf of the residents of the Town, but do not accrue directly to the individual residents of the Town, per se. The records of the Clerk-Treasurer are public. We do not project a significant change in the services of the Clerk-treasurer as a result of this annexation.

*The services of the Clerk Treasurer's office will be available to the residents of the annexation area on the effective date of the annexation, and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.*

#### **TOWN COUNCIL**

The Town Council serves as the Executive & Legislative branches of municipal government, with 3 councilors elected by residents of the Town. The opportunity to present issues to the Town Council and other municipal offices will be extended to the residents of the South I-65 area immediately upon the effective date of the annexation. However, it must also be added that the Whitestown Town Council already extends many of the services and opportunities to be heard to the residents of the annexation area. Such services include the opportunity to testify before the Town Council at public hearings, the opportunity to address the Council at Council meetings, and the opportunity to informally discuss issues deemed important by the residents of the area with the Town Council, either individually or collectively. The Town Council has often afforded residents of this and other annexation areas the opportunity to express their views in shaping development policy for the community at large, despite the fact that annexation area residents were not residents of the incorporated Town. As such, some of the services of the Town Council have already been afforded to residents of the area. Nonetheless, *the services of the Town Council will be available to the residents of the South I-65 area on the date the annexation becomes effective, and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.*

#### **TOWN COURT**

The proposed annexation will have no projected impact on the financing of the Town Court. Currently, the County Sheriff patrols the roads in the annexation area and any traffic infractions or citations are sent to county courts in Lebanon for adjudication. After the effective date of annexation, the Whitestown Police Department will patrol the area and traffic infractions, as well as other activity, will be adjudicated in the Town Court. This is projected to increase the court case load, and the cost of operating the Town Court. The Town will work directly with the Town Judge to determine a suitable budget, however, research with a comparable court in Carmel, IN, has indicated that the increased case load should also result in increased revenues from fines and court costs, with the Town court ultimately paying for its operations through internal revenues.

*The services of the Town Court will be provided in a manner equivalent in standard and scope to services provided to the other areas within the corporate boundaries of the Town upon the effective date of the annexation. As Town Police begin to write traffic tickets in the annexation area, the services of the Town Court will be extended into the annexation area.*

#### **EMERGENCY COMMUNICATIONS**

The Town receives emergency communications services through a cooperative venture with the County. As such, emergency communications are not a municipal service of the Town of

Whitestown. This will not change as a result of annexation, and is budgeted separately.

***POLICE DEPARTMENT***

The proposed annexation includes extending the services of the Whitestown Police Department into the annexation area. The Town has begun adding to its Police force by inserting provisions for adding new police officers into the 2007 municipal budget, both in anticipation of, and in response to, the annexation of unincorporated areas.

The annexation of South I-65 is anticipated to require the addition of 1-2 new police officers, to supplement the current officers which now patrol the incorporated area. The Town will examine the cost-effectiveness of two alternatives for meeting any additional public safety needs of the annexation area, beyond the capacity of adding a new police officer. The Town will consider adding additional full-time officers in a traditional police department model, and the Town will also examine the potential for providing enhanced police protection through part-time and/or contracted police services. In all cases, it is expected that the level of police service coverage provided by the Town of Whitestown will exceed the level of police coverage currently provided by the Boone County Sheriff.

It is noted that property tax revenues generated by the AV of the annexation area at this time will only support the addition of one full-time officer. However, it is also noted that the area is rapidly urbanizing, with new residential and commercial developments proceeding. Therefore, as new AV materializes in the annexation area, the budget could provide funding for additional police personnel and equipment. Until that time, however, it is the intent of Whitestown to supplement full-time police personnel with part-time, contract and reserve personnel. The Town Marshall and the Town Council are working to develop the optimal distribution of police assets to provide the most effective public safety configuration for the Town.

The Summary Table provides a breakdown of the estimated cost of extending police service to the annexation area. The projected costs for automobiles is expected to be annualized through leasing which enables the Town to lease police cars in a fully equipped condition, thereby reducing the fiscal strain associated with large cash purchases in a single year. The Town is intensely conscious of the need for efficiency in providing all municipal services, and will seek to control costs at optimal levels of efficiency for all city departments, including police services, even to the extent of considering some level of privatization of police protection, as the Town grows.

It is expected that Town Police patrols with existing (2007) staff will begin before one year after the effective date of the annexation, and that additional personnel and equipment will be added based on call demand and experience thereafter. The Whitestown Police Department has an excellent working relationship with the County Sheriff, and the County Sheriff would be expected continue supplemental patrolling of the area during a transition period as the Town assumes responsibility.

*The Whitestown Police Department will assume jurisdiction over the South I-65 area within one year of the effective date of the proposed annexation, and services will be extended in a manner equivalent to the standard and scope of services which the Police Department provides to the other areas within the corporate boundaries of the Town.*

***FIRE DEPARTMENT***

Fire protection services are provided to the town of Whitestown through a cooperative fire service agreement in conjunction with the Worth Township Trustee. Any necessary expansions of the cooperative services will be executed through the budget of the Worth Township Trustee, rather than the Town of Whitestown. As such, fire protection is not considered to be a municipal service of the Town of Whitestown. *Fire services will be afforded to the residents of the South I-65 annexation area in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town, however, fire protection services will not be provided by the Town.* Therefore, this annexation is projected to have no impact on the services of the Fire Department.

***STREET DEPARTMENT (NON-CAPITAL SERVICES)***

The Street Department will require a full year to plan and program the extension of its services to the annexation area, with Street Department non-capital services (i.e., street and road maintenance) beginning one year after the effective date of the annexation and provided in a manner equivalent in standard and scope to the services provided by the Street Department in the other areas of the Town. The Town will explore the matter of extending street department services with two possible alternatives: using the traditional Street Department model with public/town employees; and privatization, using private sector contractors to provide street department services. In addition, the Town would also consider some hybrid of these alternatives. The Town will examine alternative methods for providing street non-capital services and will select the most effective method for delivery of said services, while noting the difficulties associated with “ramping up” service levels in conjunction with fast-growing service demands from new development.

The Town has studied the length and condition of roads in the annexation area and has developed the projected cost information contained in the Summary Table. The analysis has noted that all of the roadways in the annexation area meet the minimum standards of the Town of Whitestown, which will enable the Town to assimilate the roadways serving existing development into the Town’s roadway network over time. (The Town notes that there are gravel roadways within the existing town limits.)

The Street Department anticipates that equipment needed to serve the area will be a combination of tandem axle trucks, single axle trucks, and pick ups with attachments. The mix of equipment will be determined based on specific needs determined during the first year. These estimates include only anticipated maintenance and non-capital services and do not include any capital road

projects, and are obviously dependent upon budget allocations and approvals. New equipment will be ordered for delivery prior to 1 year after the effective date of the annexation, with anticipated staffing beginning in the 4<sup>th</sup> quarter post-annexation, and reaching full staffing at the end of the first year after the effective date of the annexation, thereby meeting the statutory requirement of providing non-capital Street Department services within one year of the effective date of the annexation.

***POSSIBLE PRIVATIZATION ALTERNATIVE***

Alternatively, the Town is actively exploring the alternative of privatizing the provision of non-capital street department services. Under this alternative, the Town would contract with a private entity to perform all non-capital street department services, committing specifically earmarked local revenues for this purpose. The contract would cover a specific period of time and be subject to renewal to assure the taxpayers that they were receiving the services at the lowest competitive price. This would include such things as snow plowing, pavement repair and other non-capital street department services. In addition, the privatization alternative would potentially reduce the cost of adding new street department equipment and personnel to the town's budget. In pursuit of this alternative, the Town's Engineer, Triad Associates, will quantify the length and condition of roads in the annexation area and will solicit unit prices for non-capital road services. This effort will begin during this annexation process.

At the same time, the Town's Financial Advisor, Reedy & Peters, will estimate the amount of funding which can reasonably be dedicated to street department services, based on existing revenues streams and projection methods acceptable to the Indiana Department of Local Government Finance (DLGF). It is anticipated that the Street Department's budget will consist of all MVH and LRS funds received by the Town.

The Town will then use the combination of findings by its Engineer and its Financial Advisor to solicit proposals for providing both non-capital and capital street services from the private sector. The Town will review these private sector proposals and compare the levels of service to be provided in each scenario (public sector services vs. privatized services) in order to determine how street department services might be most effectively delivered to the annexation territory. The final decision resulting from this process will be announced prior to the effective date of the annexation, however, it is possible that the Town could, over time, switch between privatized and public-model services or develop an effective hybrid of the two alternatives.

By exploring both alternatives for providing street department services (as well as hybrids), the Town Council will be able to determine whether the traditional public sector street department model is more cost-effective than a privatization model. Based on that analysis, the Town Council can opt for either alternative, depending upon the costs, benefits and quality of service to taxpayers.

***WHITESTOWN UTILITIES: WATER***

Whitestown Utilities provides sewer and water utility services to the Town of Whitestown, however, the development in the unincorporated areas of southern Boone County (including portions of South I-65) has not yet achieved sufficient uniformity to provide service throughout the annexation area. The bulk of new development in the South I-65 annexation area has been afforded water service by the Whitestown Utilities (“WU,” formerly Boone Utilities). Further, new development in the South I-65 area already receives water utility services which are equivalent to those afforded the residents of the incorporated Town.

There are three important premises for understanding the town’s intent with regard to providing water utility services to the South I-65 annexation area.

1. WU will extend utilities to any parcel in accordance with Town utility extension policies. It is likely that any parcel requesting WU water service will be required to pay the capital cost of extension of that water service.
  - a. However, the Town does not anticipate forcing any existing rural resident to accept water utility service, and similarly, as long as their private wells are sufficiently functional, the Town does not anticipate receiving such a request from within the service area of the WU, unless there is a demonstrated health problem with the private well(s)
2. WU will allow existing rural residences to connect to the WU water system as the system continues to develop over time, at costs prescribed by WU. As the undeveloped areas continue to develop, WU anticipates that it will become increasingly more practical to provide water service at a competitive cost to existing rural residences.
3. WU retains the right to develop and implement “inside/out” utility rates, where property outside of the corporate limits of the Town will pay higher water and sewer utility rates than property inside the corporate limits of the Town. Such “inside/out” rates will be determined by the Town and implemented in the sole discretion of the Town.

The cost of water utility service will be paid entirely by the water utility user fee system, and will not be a part of the municipal budget, per se. The capital and non-capital services of the water utility will be made available to residents of the annexation area immediately upon the effective date of annexation. However, it might behoove residents of the annexation area to consider that the growth and development near and surrounding them might ultimately bring water utility service to their property at a lower cost than paying for those service extensions privately.

***SEWER SERVICE PROVIDED BY WHITESTOWN UTILITIES (WU)***

The sewer utility services to the annexation area are generally provided WU, which has installed interceptor sewers, collection sewers and more recently a sewage treatment plant expansion serving a portion of the South I-65 area. Whitestown owns and operates the WU sewer utility and requires all connections to the WU sewer system to be accompanied by a waiver of remonstrance against annexation by Whitestown.

There are three important premises for understanding the town’s intent with regard to providing sewer utility services to the South I-65 annexation area.

1. WU will extend utilities to any parcel in accordance with Town utility extension policies. It is likely that any parcel requesting WU sewer service will be required to pay the capital cost of extension of that sewer service.
  - a. However, the Town does not anticipate forcing any existing rural resident to accept sewer utility service, and similarly, as long as their private septic fields are sufficiently functional, the Town does not anticipate receiving such a request from within the service area of the WU, unless there is a demonstrated health problem with the private septic field(s)
2. WU will allow existing rural residences to connect to the WU sewer system as the system continues to develop over time, at costs prescribed by WU. As the undeveloped areas continue to develop, WU anticipates that it will become increasingly more practical to provide sewer service at a competitive cost to existing rural residences.
3. WU retains the right to develop and implement "inside/out" utility rates, where property outside of the corporate limits of the Town will pay higher water and sewer utility rates than property inside the corporate limits of the Town. Such "inside/out" rates will be determined by the Town and implemented in the sole discretion of the Town.

Virtually all of the new development located in the annexation area has been required to provide waivers of the right to remonstrance against annexation. As new development occurs, this provision further demonstrates that the annexation area is needed and can be used by the Town for its growth and development. Sewer utility service will be paid entirely from revenues generated through sewer utility user fees and will not be part of the municipal budget, per se. The capital and non-capital services of the water utility will be made available to residents of the annexation area immediately upon the effective date of annexation. However, it might behoove residents of the annexation area to consider that the growth and development near and surrounding them might ultimately bring sewer utility service to their property at a lower cost than paying for those service extensions privately.

#### ***WHITESTOWN REDEVELOPMENT COMMISSION (WRC)***

There are no areas within the South I-65 area which are designated to be under the jurisdiction of the WRC. At least two Economic Development Areas either have been or are projected to be designated by the County and are located in part of the South I-65 annexation area. In both cases, the County created the ED Area for the express purposes of 'controlling' commercial and industrial growth. On the effective date of the annexation, the WRC can consider any request to designate an economic development area or redevelopment area within the annexation area under Indiana law, for the purposes of promoting economic development in the South I-65 area.

#### ***PARKS DEPARTMENT***

The Town's Parks Department does not retain traditional public employees, however, it does have a parks budget. The Town's park development policies require that new development set aside green spaces and public spaces for recreational purposes. The Town works directly under the park development policies of Boone County, which allocates property tax revenues toward

parks development and maintenance. As such, a part of the Park Department budget is not directly controlled by the Town.

The Parks Department also works with developers to develop and maintain park areas within new development, largely at the expense of the developer/development. The Town anticipates that the extension of non-capital parks services into the annexation area will take place one year after the effective date of the annexation in a manner equivalent in standard and scope to the parks services delivered to the incorporated portions of the town. The Town estimates that the South I-65 annexation will generate approximately \$5,000-\$10,000 per year for Parks Department services.

### *Providing Capital Services*

*All capital services of the Town of Whitestown will be extended to the South I-65 area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits, and in a manner consistent with federal, state and local laws, procedures and planning criteria. IC36-4-3 identifies capital services as street construction, street lighting, sewer facilities, water facilities and stormwater drainage facilities. (Obviously, the commencement of capital services will depend upon the final decision regarding deferral of the effective date of annexation.)*

### ***STREET DEPARTMENT (CAPITAL STREET CONSTRUCTION SERVICES)***

The Street Department also offers the capital services of road construction and re-construction which will be provided to the annexation area beginning three years after the effective date of annexation. Unless there is a decision to defer the effective date, the projected commencement of capital street services in the annexation area is projected to be 2010-11.

This does not necessarily mean that road reconstruction will begin in 2010-11. Instead, it means that the road construction needs of the annexation area will be included in the project priorities of the Town of Whitestown beginning in 2008-09 for initial capital expenditures in 2010-2011. The Capital programming of the Street Department is based on several factors:

- Road/pavement inspections;
- Existing and projected traffic volumes;
- Existing Thoroughfare Plans;
- Project Cost;
- Available Funding;
- Right of way acquisition required;
- Citizen support and
- Completed/approved engineering designs.

Current Street Department policy requires that the condition of all roads be examined approximately once annually (on multiple occasions if potholes, cracking, washboarding or other pavement deterioration is detected). The results of these inspections are then to be pooled into a comprehensive list based on condition of the roads, existing and projected traffic, extent of

repairs or reconstruction needed, cost of the project and funding available. Once the road projects are identified, organized and prioritized, the Town's Consulting Engineer will work with the Town Council and the Street Superintendent to establish a funding plan based on available funding from potential sources identified by the Town's Financial Advisor. At this time, it is anticipated that the MVH and LRS funding received from the annual budget will comprise the budget of the Street Department.

It is difficult to project when construction of any specific road project will begin, due to the excessive growth rate of the Town and the myriad of issues associated with such construction projects (right of way purchases, design/approval delays, funding cutbacks/availability, etc.). In some cases, when specific revenue streams can be identified which would pay off the debt, the Town can pursue a special road construction bond, however, it is too early to tell if such a bond is possible for this specific annexation. Some projects in other municipalities (including Indianapolis) have been on the road construction list for several years. Therefore, the need to prioritize such projects will be the same for the annexation area as for areas within the corporate limits of the Town. In addition, it appears that Boone County participates in the Indianapolis MPO, which is responsible for prioritizing federal and state funding for major road projects. Since Whitestown is so small and new to this endeavor, it is difficult for Whitestown to predict whether a major project (such as Indianapolis Road) could be funded with federal funds in the near future.

The Town recognizes that major corridors in the annexation area will require major improvements, and the Town will continue its policy of requiring right of way donations from developers to support future capital improvements. The Town also anticipates that major roadway projects will be required as a result of traffic from new development, and much of those types of capital road projects are expected to be paid by the developer. Hundreds of new homes have been built in the Whitestown Utility service area, and yet many county thoroughfares remained only 2 lanes wide with unimproved intersections. As a result of this county policy, many of the thoroughfares of Boone County within the annexation area will require major upgrades as development occurs, including major widening as funding becomes available.

Generally speaking, the Town of Whitestown expects to deal with capital street projects in two major steps. First, the Town provides for improvements to key intersections to improve the efficiency of the flow of traffic through those intersections as a result of new development. Second, the Town widens the thoroughfare between the intersections to increase the traffic-handling capacity of the roadway corridor. The entire process takes several years to complete under normal circumstances, and in most municipalities the priority list for improvements is continually updated, based on traffic levels and roadway conditions, among other things.

Projects will be pursued in accordance with the priority list. It is possible that a bond issue would be considered in order to address thoroughfare needs for the annexation area, but that

decision has not yet been made. If a bond issue is generated, the roadways will be improved earlier than if the roadway improvements must be funded through annual revenues.

***STREET LIGHTING***

Whitestown does **not** provide street lighting as a capital service of the Town. Street lighting is considered a development standard, rather than a municipal service. Street lighting differs in design between developments, depending upon the target demographic of the development and the negotiations of the developer and plan commission for approval of the subdivision/development. Since the provision of street lighting differs widely, homeowners' associations are responsible for the maintenance of street lighting in each subdivision.

In cases where there is an unusual need for street lighting, the Town's is prepared to receive and consider requests for the installation of street lighting in certain areas. The ability to present any street lighting service/request to the Town Council will be afforded to the annexation area within three years after the effective date of the annexation in the same manner as the service is afforded other areas of the incorporated Town.

***WHITESTOWN UTILITIES: WATER (CAPITAL SERVICES)***

The annexation area already receives capital water services, from Indianapolis Waterworks ("IW," previously NiSource) and from Whitestown Utilities. Any request for service which is received from the residents of the annexation area will be addressed within the statutory time frame (see water and sewer utility service explanations, above). Capital water service extensions are made at the expense of the property owner, and such capital water services will be provided to the annexation territory on the effective date of the annexation. Several developers and land owners in the annexation area have already requested the extension of capital water services.

***CAPITAL SEWER SERVICE BY WU***

Capital sewer utility services to the South I-65 area are provided by the Whitestown Utilities, which has installed interceptor sewers, collection sewers and has recently upgraded a sewage treatment plant serving a portion of the South I-65 area. Capital sewer service extensions are made at the expense of the property owner, and such capital sewer services will be provided to the annexation territory on the effective date of the annexation. Several developers and land owners in the annexation area have already requested the extension of capital sewer services.

***CAPITAL DRAINAGE SERVICES***

It is important to note that the Town of Whitestown does not provide "drainage services" as a municipal service of the Town. Traditionally, the term "drainage services" has been generally interpreted to mean the installation of storm sewers, combined sewers, drainage tiles or drainage ditches. The Town installs none of these. The only agency which provides "drainage services" in accordance with the traditional meaning is the County Drainage Board which has the statutory capacity to levy an ad valorem tax to repay the cost of the drainage installation. As such, the County Drainage Board will retain such authority in the annexation area.

Whitestown’s development policies handle drainage issues as a “development standard” rather than a municipal service, by requiring the developer to install stormwater retention facilities which retain stormwater runoff on the site of the development in order to minimize downstream flooding. These stormwater ponds are the responsibility of the development’s homeowners’ association for maintenance and the cost of constructing stormwater drainage or retention facilities is included in the cost of the development. This cost is generally conveyed to the purchasers in the price of their parcel. (Obviously, subdivisions constructed earlier than these regulations were imposed would have met a different standard of drainage performance.) Based on this definition, the Town of Whitestown already provides the annexation area with capital drainage services in the same manner as those services are provided to the property within the corporate limits.

**Fiscal Impact Projections**

The fiscal impact projections provided with this Fiscal Plan narrative were prepared by Reedy & Peters, a Certified Public Accounting firm with extensive experience in municipal budgeting, revenues and expenses. Reedy & Peters has worked with Wabash Scientific, inc., and town personnel to prepare estimates of the cost of capital and non-capital services, as well as the revenue to be generated by the annexation using the cost estimation techniques approved for municipal budgeting purposes by the Indiana Department of Local Government Finance (DLGF). The work of Reedy & Peters is not a product of Wabash Scientific, inc., however, the accounting work of Reedy & Peters has been closely coordinated with the public policy work of Wabash Scientific, inc., in performance of this Annexation Fiscal Plan.

**Summary of Projected Service Extension by Department: South I-65 Annexation (Whitestown, IN)**

*Note: additional fiscal studies and cost strategies are being developed for the Town for each department separately, as part of ongoing administration.*

Department	Personnel Needed (Min/max)		Service Commencing	est. cost/person	estimated cost (min/max)		
	Min	Max			Min	Max	
Town Council/Administration	0.3	0.5	5/07	\$60,000	\$10,000	\$15,000	
Clerk-Treasurer	0	0	5/07	\$30,000	\$0	\$0	
Town Court	0	0	5/07	\$30,000	\$0	\$0	
Fire Dept. (Worth Township)	n/a	n/a	5/07	n/a	n/a	n/a	
Police Dept.	1	2	5/08	\$80,000	\$80,000	\$160,000	
Street Department	1	1.5	5/08	30,000	30,000	45,000	
Whitestown Utilities	0	0	5/08	\$30,000	\$0	\$0	
Parks	0	0	5/08	\$75,000	\$5,000	\$10,000	
Total	2	4			\$125,000	\$230,000	
Non-personnel costs of Town Departments							\$ 25,000
Street Department: Detailed Estimate of Non-Personnel Costs							\$50,000
Total personnel and non-personnel cost estimates for annexation							\$ 370,000

**Narrative Explanation of Fiscal Plan Estimates**

- **Town Council/Administration:** the fiscal plan estimates the addition of as much as a 50% part-time equivalent (in addition to 2007 budgeted items) for Town Manager services, or other administration services to assist the Council in reviewing proposals and managing town departments.
- **Clerk-Treasurer:** the fiscal plan projects the addition of no personnel, but Clerk-Treasurer's office does expect a portion of the non-personnel costs to be allocated to the clerk's office.
- **Town Court:** the town expects the Court to implement management systems to generate revenues at least equal to the operating costs.
- **Fire Department:** to be handled through joint district, budgeted through Worth Township.
- **Police Department:** the Town Council will consider at least 3 options of providing expanded police service to the annexation area. The Town will explore the cost of privatization, contracting for private police protection services, as well as the cost of traditional public police services. In addition, the Town will examine the alternative of providing 24/7 police protection with Town police as supervisors and private security during peak crime periods in certain neighborhoods. The Town will select the most cost effective alternative from these options.
- **Street Department:** this annexation is estimated to add more than 40 miles of roadway to the Town inventory. The capital and non-capital costs of the Street Department will be paid entirely from LRS and MVH funding. The Town believes that it is unlikely that it can develop a traditional street department in the time allotted, therefore, the Town is exploring alternatives for privatization, where the Town contracts for major capital and non-capital services.
- **Whitestown Utilities:** The Utilities already serve the annexation area. Town does not expect this annexation to have any impact on WU.
- **Parks:** the Town will continue to develop and implement parks expansion through operative partnerships with developers and other interested parties. The Town has a budget allocation for parks which is paid through the County's fiscal provisions.