

# TAX



# TOPICS

A Publication of the Taxpayers Association of Vigo County, Inc. Spring 2009

## **TAXPAYERS ASSOCIATION ANNUAL MEETING – APRIL 21, 2009**

Idle Creek Banquet Center  
11:45 AM – Sign-in  
12:00 Noon – Meal/Meeting

**Please join the Taxpayers Association members at their Annual Meeting  
Bring a Guest (Potential Member)!**

### **Agenda:**

Speaker:

Dr. Dan Bradley

President, Indiana State University

Approval of 2008 Minutes  
TA Contest Winner Presentation  
Election of the Board of Directors

### **Menu:**

Choice of prepared sandwich and sides

**\$15.00 (includes tax and gratuity)**

**Reservations are required**

**Please pay in advance**

**There will be door prizes!**

RSVP to Bernard Ridens by Tuesday, April 21st  
taxtopics@aol.com or 235-1361

## **UNION HOSPITAL TOUR**

There will be a tour for Taxpayers Association members of the new Union Hospital building on Tuesday, April 14<sup>th</sup> from 3:30-4:30 pm. RSVP by April 13<sup>th</sup> so Tom Woodason will know how many hardhats and safety glasses to provide.

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**PROPERTY TAX CAPS?**

The 2009 Assembly will be considering the governor's proposed property tax caps. Serious questions must be answered before the issue is placed on the 2010 General Election ballot as a public question. The cap concept could be a good thing, provided it is thoroughly studied and doesn't have a score of loopholes. The proposed idea is to limit homestead taxes to one percent of the fair market appraised value, rental property to two percent of the fair market appraised value and business property to three percent of fair market appraised value. This system classifies property, which is said to be unconstitutional in the state of Indiana, and thus the reason is may be a question of the 2010 ballot.

Since the majority of voters are homeowners (as opposed to business and industry owners), the question must be clearly defined. If not, the results are easy to predict. The electorate will vote to have apartment owners and businesses pay the greater percentages of taxes.

Here are a few of many questions to consider:

1. Must the percentages be one, two or three percent, respectively? What about 1.5, 2, 2.5, etc?
2. If classifying property becomes legal, how long will it be before more classifications are proposed? For example, will we have retail business capped differently from construction warehousing or manufacturing, for example?
3. A person only qualifies for one homestead. If this person provides a home for others to live in (such as their children or elderly parents), is it fair that this house be taxed at the 2% rate?
4. Is the proposed spread of one, two and three percent fair? Are government-provided services equally fair?
5. In the future, how many new taxes will be sought to make up for lost revenue due to fixed cap rates?

**ISTEP TESTING**

One of the greatest wastes to tax dollars ever contrived is currently being spent to test our children's learned skills. Now, please don't misunderstand me on this topic. Accountability of the educational system is of great importance and can be done. However, the methods currently used are not the best. One

size does not fit all and never will. The annual results continue to be predictable and show minimal change from year to year. For illustrative purposes, you can review the actual Indiana tenth-grade mathematics graduation qualifying exam:

[http://www.doe.in.gov/istep/docs/Applied Skills/2008-Fall/04498\\_AS-MATH-Released\\_v03.pdf](http://www.doe.in.gov/istep/docs/Applied_Skills/2008-Fall/04498_AS-MATH-Released_v03.pdf)

It is my opinion that this 2008 exam is easier than previous years, and scores remain about the same. After many years of testing, it is very clear that at least 25 percent of Indiana’s tenth graders do not have the cognitive ability to pass this level of mathematics, and

thus they are the students not acquiring a diploma as expected. The dollars spent on this false goal are so outlandish that no responsible person or entity has been able to provide me a good documented answer.

Testing/accountability should be geared toward “end of course” exams where certain courses are required for specific career tracks such as college preparation.

Here is a table summary of the percentage of correct answers for the tenth-grade math test (79,565 students):

Question	0 points	1 point	2 points	3 points
<i>Test 1</i>				
Q1	33%	42%	23%	
Q2	65%	15%	14%	
Q3	44%	35%	18%	
Q4	33%	39%	12%	13%
Q5	41%	6%	49%	
Q6	63%	7%	27%	
Q7	37%	27%	31%	
Q8	65%	10%	21%	
<i>Test 2</i>				
Q1	68%	8%	17%	
Q2	43%	7%	47%	
Q3	57%	11%	19%	
Q4	43%	24%	28%	
Q5	48%	10%	18%	20%
Q6	47%	33%	18%	
Q7	15%	40%	42%	
Q8	57%	3%	32%	

[Question #1, Test #2, Page 15](#) is an excellent example of meaningless testing. However, the question does clearly show what 68% of the Indiana tenth-graders can’t do. How did you do on the question? The answer is -5.9.

Governor Daniels states early on his State of the State address (enclosed in today’s mailing) that Indiana must stop

spending taxpayers’ dollars on “programs that have fulfilled their purpose, or are failing to accomplish their purpose, or were never essential public purposes in the first place.” Bill 1072 (found at <http://www.in.gov/legislative/bills/2009/IN1072.1.html>), if passed, will reveal how many millions are wasted on testing.

**CAPS – TAKE IT TO A REFERENDUM – NOT A GOOD IDEA!**

There has been discussion by several legislators concerning taking the property tax caps issue to a statewide referendum. This is not a good idea! Serious issues are involved in this action.

- ✚ The CAPS would need to be set before the referendum vote occurs – currently noted as 1%, 2%, and 3% for residential, non-residential (rentals and farmland), and business respectively
- ✚ Since the homestead owner receives the smallest cap, and the homestead owner is also the voter, the issue would surely pass since most voters would be looking out for their best interest.
- ✚ The CAP values have not been tested in actual practice; there may be a need to revise the limits
- ✚ The legislators are bucking the issue and transferring responsibility to the voter when the voter elected the legislator as their representative

As stated above, there is no evidence that the values of 1%, 2%, and 3% are the best CAP limits. Maybe there should be CAPS, but at different rates, such as 2% for all, or 2%, 2 ½ %, and 3%. The verdict on the best set of CAP values is not out at this time. A business, which most likely will not be represented as a voter in the referendum vote, also does not receive exemptions similar to the homestead owner. The homestead owner pays 1% on a portion of their assessed value (the portion could be near the 50% level), while the business owner pays 3% (on about 100% of their assessment). With the home exemption in place, the business owner CAP is about 6 times the homeowner's CAP, much greater than the 1% to 3% ratio appears to indicate.

**VIGO COUNTY SHERIFF'S REPORT – 2008**

The Vigo County Jail, built in 1981, and renovated in 2001, has a capacity of 268 beds. It consists of 5 isolation cells and 2 hospital cells with the remainder for the general population. Under an agreement with the Civil Liberties Union, anytime the population exceeds 268, the

inmate count must be brought back down to 268 within 5 days.

A total of 5493 inmates were processed in 2008 with an average daily booking of 15.5 and an average daily book-out of 15. The average daily population was 298.

The top 10 offenses of those booked into the Vigo County Jail for 2008 is as follows with the numbers of bookings for each category.

Failure to Appear	986	Probation Violation	237
Operating While Intoxicated	822	Bond Revocation	190
Public Intoxication	396	Criminal Conversion	168
Court Order	339	Theft	167
Battery-Domestic	261	Battery-Minor Injury	130

There were no escapes from custody and no deaths while in custody in 2008.

The following programs were available in the Vigo County Jail: GED, religious programs, on-site medical needs, and alcohol/drug rehabilitation programs.

A staff of 48 shares jail duties. Two officers provide Courthouse security when the courthouse is open; one officer is assigned to the Juvenile Court on a daily basis for courtroom security. One officer is in Central Control at all times, and the remaining forty-four members of the staff are split into three shifts to provide security at the jail and transport duties to and from the six Superior Courts. Three of the forty-four are Jail Administration employees. The jail also provides at least one transport officer who travels to other jails and

penal institutions for the purpose of transporting offenders under court orders.

Jail problems include the faulty ceilings in the new jail addition, demands related to overcrowding, and a shortfall of jail staff.

The information above was provided in a release by Sheriff Jon Marvel titled “2008 Vigo County Sheriff’s Department Annual Jail Report.”

**The question to you as a member of the Taxpayers Association is “how can the expenses related to the Sheriff’s Department be reduced?” If you have a suggestion, please relay it to Bernard Ridens, and he will investigate your proposal.**

**TERRE HAUTE POLICE AND FIRE DEPARTMENTS – ANNUAL REPORT**

Mayor Duke Bennett presented the following information at the State of the City 2009 Update. The information given below is taken directly from the slides shown in his address.

**TERRE HAUTE POLICE DEPARTMENT**

**DEPARTMENTAL IMPROVEMENTS**

- Re-Established Street Crimes Unit
- Re-Established the School Safety Specialist
- Re-Established the Hostage Negotiation Team
- Re-Established Bike Patrol
- Added a 4<sup>th</sup> K-9 Dog Unit
- Added a Medic position to SRT team
- Created a Serious Accident Investigator position
- CID Restructured

- Increased Required Officer Training

**EQUIPMENT CHANGES**

- 30 new squad cars
  - Received
- SRT transport vehicle
  - THFD ambulance
- Taser Units
  - 25 units in Service
  - 30 Additional Units Received/Officer training in progress

**2008 YEAR END UNIFORM DIVISION**

- 55,405 Calls for Service

- 21,396 Reports Taken
- 8,891 Total Arrests
  - 3,177 Traffic Arrests
  - 2,839 Misdemeanor Arrests
  - 1,530 Warrant Arrests
  - 1,345 Felony Arrests
- 3,057 Parking Citations

**2008 PROPERTY CRIMES**

Burglary, Theft and Auto Theft

- Reports
  - 2007 4,948
  - 2008 5,017

**1.38% Increase in reporting**

- Arrests
  - 2007 490
  - 2008 600

**18.33% Increase in arrests**

**VIOLENT CRIME – 2008 TOTALS**

Homicide, Robbery, Assaults and Rape

- Reports
  - 2007 1,626
  - 2008 1,620

**0.37% Decrease in reporting**

- Arrests
  - 2007 448
  - 2008 513

**12.67% Increase in arrests**

**CRIMINAL INVESTIGATION DIVISION (CID) SUMMARY**

Investigations 2007 4,557  
 Investigations 2008 5,873

**22.4% Increase in assignments**

Recovered Property 2007  
 \$511,185  
 Recovered Property 2008  
 \$939,269

**45.58%** Increase in recovered property

**TASER STATISTICS**

2008 TOTALS

- Drawn 36 times July-Nov 2008
- Used 12 times
- 36% Decrease in officer use of force
- Significant Decrease in Physical Confrontation and Resisting Arrest Incidents

**CODE ENFORCEMENT**

- 2008 Calls for Service 14,067
- Citations Issued 5,715
- Vacant Lots mowed 1,054

**2009 GOALS AND OBJECTIVES**

- Mobile dispatch installed in all squad cars
- Upgrade communications system/Linked with State
- Upgrade records management system
- Expand bike patrol to six officers
- Expansion of DNA evidence collection/submission in burglary cases
- Expansions in technologies for property crimes investigations

**TERRE HAUTE FIRE DEPARTMENT**

**FIRE AND EMS DISPATCHES\***

	2007	2008	% Change
Fire Runs	1,336	1,345	.7%
Fire w/EMS Runs	3,202	3,762	15%
EMS Runs	6,717	7,122	5.7%
EMS Runs w/Transport	5,097	5,553	8.2%

\*From Jan. 1<sup>st</sup> to Dec. 31<sup>st</sup> of each year

**FIRE OPERATIONS**

- New Fire Engine and Ambulance in Service
- New Diesel Exhaust Systems in Fire Stations (Completed)
- Reviewed and Updated Computer Automated Dispatch System
- Reviewed and Updated Standard Operating Guidelines

**EMS DIVISION**

- Partnership with Lifeline Air Ambulance Service
- Community CPR Program
- EMT Training in:
  - PHTLS
  - Autism
  - Smart Triage
- Large Scale Disaster Training with
  - Federal Prison
  - Local Hospitals
  - Private Ambulance Services
  - Local Emergency Management Agency
- Local EMS protocols completed
- Computers upgraded for ambulances

**IPI DIVISION**

- 124 Working Fires Investigated in 2008
- 53 fires ruled as Arson
- 21 Arson Fires Cleared by 8 Arrests
- 32 Active Criminal Investigations

**TRAINING FACILITY - REGION 7  
EMERGENCY RESPONDER  
TRAINING ACADEMY**

- Fire Suppression and Live Burn Training
- \$50,000 Grant for Swede Flashover Chamber
- Finalized \$100,000 Grant for Propane Burn Prop
- Confined Space Training Prop Lumber Donated by Cross Tabernacle Church

**2009 GOALS AND OBJECTIVES**

- New PPE (Fire Gear) for all Firefighters
- New Support/Rescue Truck
- New Fire hose for Fire Apparatus
- 8 Firefighters in Paramedic Training

**QUOTE**

“There is a speculation that we may be approaching an inflection point where the rate of technology advancements is accelerating at an exponential rate, and machines could even overtake humans in their ability to reason in the non-so-distant future.”

Justin Ratner  
Intel Corp. Chief Technology Officer

(Taken from BizVoice Magazine, January/February 2009)

**FARMLAND ASSESSMENTS WILL KEEP INCREASING**

*By Larry DeBoer*  
Capital Comments  
January 22, 2009  
[deboer@purdue.edu](mailto:deboer@purdue.edu)

My mom used to tell me that sometimes you've got to brag on yourself, or no one else will. So, one year ago I predicted that the base rate assessment of farmland would be \$1,250 per acre for property taxes in 2010. And, a couple of months ago, the Department of Local Government Finance announced that the base rate for 2010 taxes would, in fact, be \$1,250 per acre. Thank you. Thank you very much.

Actually, that's not so marvelous a prediction. The base rate for 2010 taxes is calculated with numbers from 2001 through 2006. By last January, all those numbers were already known. Predicting the base rate was a matter of plugging the numbers into the state's base rate formula.

The statewide base rate is the starting point for the assessment of farmland for property taxes. To get the assessed value of an acre, the base rate is multiplied by a productivity factor, which is higher for soils that are better for growing corn. Some assessments also are adjusted downward by an influence factor, for reasons like forest cover or frequent flooding.

The state recalculates the base rate every year, using a capitalization formula. A measure of income is divided by an interest rate to get a land value. The results are averaged over six years to iron out fluctuations. The rate for 2009 taxes is \$1,200, based on numbers from 2000 through 2005. The rate for 2010 is \$1,250, based on numbers from 2001 through 2006. The base rate went up when the calculation dropped figures for 2000 and added figures for 2006.

Why? Land rent is one of the factors that determines income in the formula's numerator. In 2000 the average rent for an acre was \$101. In 2006 it was \$110. Income depends on commodity prices, too. The price per bushel of corn was \$1.87 per bushel in 2000 and \$2.47 in 2006. The price for beans was \$4.71 in 2000 and \$5.90 in 2006. Income also depends on yields of corn and soybeans. The yields for both

corn and beans were higher in 2006 than in 2000. Finally, the interest rate in the denominator of the formula was 9.56 percent in 2000 and 8.17 percent in 2006.

The income measures in the numerator were bigger in the year that was added, and smaller in the year that was dropped. The interest rate in the denominator was smaller in the year that was added, and bigger in the year that was dropped. The formula dropped a smaller land value, and added a bigger land value. The base rate had to rise.

The most recent numbers used for the 2010 base rate are from 2006. We know the numbers for 2007, and we've got a pretty good idea about the numbers for 2008. Commodity prices went up a lot in 2007 and 2008, much higher than earlier in the decade. Yields are up, and the interest rate is lower too.

With figures from 2007 and 2008, we can predict the base rates for 2011 and 2012. The base rate is likely to rise to \$1,400 for taxes in 2011 and to \$1,690 for taxes in 2012.

Now costs are rising and commodity prices are dropping. If these trends hold in 2009, they could reduce the base rate—for taxes in 2013, at the earliest. The two years with really high commodity prices, 2007 and 2008, won't drop out of the base rate calculation until 2018. The base rate is likely to be high throughout most of the coming decade.

Higher base rates mean higher property taxes on farmland. The new property tax caps won't stop tax bills from rising. The caps are a percentage of assessed value. As assessed value goes up, so do the caps.

These base rate predictions will hold as long as the state uses the same data with the same formula. You can be sure that agricultural interests are working hard to find a different



formula, friendlier to land. That might be a tough sell in the Indiana Legislature, though. Lower farmland assessments would shift taxes to

homeowners. And higher taxes for homeowners are not on the General Assembly's agenda.

### KOKOMO BEGINS PRODUCING K-FUEL

The city of Kokomo has launched the first phase of its Renewable Energy Partnership by producing its own biofuel. The city is collecting waste cooking oil from area restaurants and converting it into a fuel that helps reduce Kokomo's carbon footprint and diesel costs. Kokomo Sustainability Manager David Galvin says the aim is to produce 30,000 gallons of biofuel a year, which would be about 20 percent of the city's annual consumption. He believes it is the largest such system in the state. Galvin says the entire system cost the city approximately \$60,000 and the plan is to pay it off within 10 to 12 months.

*Source: Inside Indiana Business*

#### Press Release

Kokomo, Indiana – Today, Mayor Greg Goodnight unveiled his first sustainability program in the bio-diesel processing room of the City's Waste Water Treatment Plant. The biodiesel program, K-Fuel, is the first in a number of projects designed to reshape the economic environment of Kokomo, Indiana.

"I knew that if we could find a way of making our own fuel, the City would save money and reduce our use of foreign oil," Mayor Goodnight explained at today's press conference. "What we created was a bio-fuel program that will immediately begin to reduce our energy and maintenance costs, and shrink the City's carbon footprint."

"If we only produced 55 gallons of K-FUEL a day the City would save, at today's fuel prices, \$25,000 during the first 12 months of operation. That, is good for the city's budget and the city's taxpayers," Goodnight said.

"This program will eliminate about half a million pounds of carbon dioxide and several hundred pounds of diesel ash from our atmosphere every year," stated the Mayor. "This reduces our impact on our environment, and improves the air quality of our community."

"We call the initiative Kokomo's Renewable Energy Partnership, and is about sustainable development," stated Goodnight. "We are taking our first steps towards a local economy that is more diverse, competitive, and rooted in

sustainable practices. We want to be a hub of the renewable energy industry."

Paul Munoz, Kokomo's Bio-Fuels Manager, detailed how waste cooking oil is processed into bio-diesel. "The City will collect used cooking oil from participating restaurants, businesses, and a residential collection program. At this time, we are collecting about 1500 gallons of used cooking oil from 12 participating businesses each month; and anticipate the collection of about 300 gallons from our residents in the first couple of months of operation. These amounts will increase over time, as businesses partner with the City, and as our production and collection methods improve."

"This program will help reduce the amount of fats and oils that disrupt our waste water system, and will reduce the amount of money the city spends on sewer maintenance," concluded Munoz. "Nearly 50% of the maintenance and repair costs on sewer and lift stations is caused by the build up of fats, oils, and grease that enter into our sewer and treatment facility."

"We can't wait for stimulus money," stated David Galvin Kokomo's Sustainability Manager. "We have to act now. Kokomo's Renewable Energy Partnership is designed to find ways to convert our City's waste into forms of renewable energy products. We can save taxpayers' money, create alternative streams of revenue, improve our City's image, and be more competitive for the jobs of the 21st century."

“Our founding renewable energy partners are the locally owned and operated restaurants and food related businesses in our city. We are excited about this program and look forward to

unveiling the second phase of Kokomo’s bio-fuel program later this year,” concluded Galvin.

*Source: City of Kokomo*

**TOWNSHIP TRUSTEE REPORT**

The Accounting and Uniform Compliance Guidelines Manual for Townships is a 223-page document that describes the numerous responsibilities that township trustees have or had. It can be found at [www.in.gov/sboa](http://www.in.gov/sboa).

There is a list of 37 duties, listed as the most important and most frequently performed duties, indicating that it is a sub-list of all duties.

A few of these are:

- 1) Keep a written record of official proceedings
- 2) Manage all township property interest
- 3) Keep township records open for public inspection
- 4) Attend all meeting o the township board
- 5) Receive and pay out township funds
- 6) Examine and settle all accounts and demands chargeable against the township
- 7) Administer township assistance
- 8) Perform the duties of fence viewer
- 9) Act as township assessor when the population in the township is eight thousand or less
- 10) Provide and maintain cemeteries
- 11) Provide fire protection
- 12) Provide and maintain township parks and community centers
- 13) Destroy detrimental plants, noxious weeds, and rank vegetation
- 14) Provide insulin to the poor
- 15) Enter into certain oil and gas leases of township property

The following table was compiled from all the township annual financial reports that were published in the *Tribune-Star*. The population of the federal penitentiary was subtracted from the Honey Creek township figure, so the expenditures per person listed better reflects that township.

**VIGO COUNTY TOWNSHIP TRUSTEE STUDY**

TOWNSHIP	TRUSTEE	BOARD	TRIBUNE AD DATE	YR. END BALANCE	TOWNSHIP POPULATION	2008 EXPEND	EXPEND PER PERSON	TOWNSHIP RATE
FAYETTE	PAUL ALLSUP	LARRY DAVISON VIRGINIA DUNKLEY DON VERMILLION	2.10.09	40,809.74	2,611	84,093.82	\$32.21	0.0823
HARRISON	DEBRA KIRK PETERS	JOHN BRENTLINGER BARBARA FORD	1.26.09	1,693,346.00	50,447	588,372.32	\$11.66	0.0404

TOWNSHIP	TRUSTEE	BOARD	TRIBUNE AD DATE	YR. END BALANCE	TOWNSHIP POPULATION	2008 EXPEND	EXPEND PER PERSON	TOWNSHIP RATE
<b>HONEY CREEK</b>	CHARLES E. BECKWITH	JOSEPH KENWORTHY JON FORD STEVEN SHROEDER	2.04.09	118,575.63	10,627	24,625.56	\$2.32	0.0036
<b>LINTON</b>	BIONCA GAMBILL	JEFF GORMONG JANICE HARTMANN DEBRA HASKELL	2.16.09	22,366.63	1,301	99,200.41	\$76.25	0.0550
<b>LOST CREEK</b>	RICK D. LONG	THOMAS NICOSON ROBERT ALL DAVID MASON	1.28.09	332,818.58	10,508	314,863.37	\$29.96	0.0222
<b>NEVINS</b>	CARL H. GREGORY	MARIETTA COOPER ROBERT MORELAND KELLY HARTZLER	1.29.09	135,245.00	2,258	77,772.29	\$34.44	0.0814
<b>OTTER CREEK</b>	ROBERT D. SALMON	BETTY EASTHAM JOHN MEYERS J. MICHAEL SMITH	2.16.09	215,299.99	8,859	533,940.52	\$60.27	0.0619
<b>PIERSON</b>	ROBIN BROWN	DUANE DALTON DIANA BROWN DONNA McCOSKEY	2.05.09	62,730.47	1,353	84,772.36	\$62.66	0.1036
<b>PRAIRIE CREEK</b>	C. DOYLE PIETY	ALLAN HODGES REX SWALLS	1.26.09	69,818.74	1,323	78,425.90	\$59.28	0.0873
<b>PRAIRIETON</b>	DAVID F. PHELPS	WARREN PIGG DAN SHIELDS	2.02.09	45,536.63	1,354	13,072.04	\$9.65	0.0354
<b>RILEY</b>	ROBERT F. FLESHER	ERNEST WEDDLE ROBERT ROGERS	2.06.09	42,630.13	2,857	28,240.97	\$9.88	0.014
<b>SUGAR CREEK</b>	JAMES CHRISMAN	CHARLES STRANAHAN LEWIS BRACKA MIKE ANDERSON	1.30.09	422,222.84	8,017	267,027.74	\$33.31	0.0923
<b>TOTALS</b>				3,201,400	101,515	2,194,407	\$21.62	
					51,068			

And there are many more. With all the talk of possibly merging assessor and trustee duties into multi-county zones, do we really need someone from outside Vigo County to take on these responsibilities?

**LEGISLATIVE ACTION NETWORK**

Are you interested in what is happening in the Indiana Senate and House? If so, you can watch the sessions that are held on Monday and Tuesday at <http://www.in.gov/legislative/session/video.html>

The committees have met and the remaining bills that have passed out of committee will now be heard and debated on Monday and Tuesday by the full House and Senate. Those that pass the house of origin will be assigned to committee in the opposite legislative body and the process will begin again.

**INDIANA GRAD REQUIREMENTS – HB 1581 (A GOOD IDEA)**

Finally, something good is in the making for Indiana K-12 education. It is proposed that a course in financial responsibility be required for graduation. This makes a lot of sense and would be a tremendous substitution for the algebra course currently required. More students have the potential to meet this requirement and be better prepared to live with economic circumstances than they do with algebra preparation.

Full article by Inside Indiana Business –

[www.insideindianabusiness.com/newsitem.asp?id=34208](http://www.insideindianabusiness.com/newsitem.asp?id=34208)

House Bill 1581 latest information –

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&session=1&request=getBill&docno=1581>

**HONEY CREEK – VIGO CONSERVANCY DISTRICT PLAN**

The preliminary evaluation of the district plan for the Honey Creek – Vigo Conservancy District is now available. The analysis was done by Christopher B. Burke Engineering, LTD. – Indiana. The complete report, presented at the February 3<sup>rd</sup> meeting of the conservancy district and approved by its board of directors, is available at the following web address: <http://mywabashvalley.com/media/pdf/HoneyCreekCD-PlanEvaluation2009-02-18-1234991493.pdf>. It is a 14-megabyte Adobe Acrobat document.

**FLOOD NOTES AND TAXES**

*This was originally published in the August 7, 2008 issue of Tax Matters as well as the Fall 2008 issue of TAX TOPICS. We are publishing this again due to the recent increased interest in flood planning and logjam clean-up. The March 22, 2009 issue of the Tribune-Star had a feature article on the subject of flood clean-up and preparation.*

Now that the flood water has diminished, and dusty yards are returning, it's time to give serious thought to the possibilities of future flooding in Vigo County. The impact of flooding should be a serious concern to each and every citizen of Vigo County and our neighboring counties. Economic causes are the reasons why. The many properties

damaged or totally destroyed will reduce the total assessed value of the county and if spending remains constant, taxes will be higher for all property owners. It is imperative that all Vigo County elected and appointed officials begin to work together and find solutions that will minimize future damage due to heavy rainfall.

Here is a table of Wabash River flood crest records sorted three ways:

a) ranked by feet				b) ranked by month of the year			
RANK	FEET	MONTH	YEAR	RANK	FEET	MONTH	YEAR
1	31.10	3.27	1913	12	26.08	1.02	1991
2	30.50	5.20	1943	20	22.84	1.08	2005
3	28.00	3.15	1828	5	27.65	1.16	1950
4	27.70	2.18	1883	7	27.38	1.16	2005
5	27.65	1.16	1950	16	25.14	2.10	2008
6	27.60	6.16	1958	8	26.90	2.15	1959
7	27.38	1.16	2005	4	27.70	2.18	1883
8	26.90	2.15	1959	14	25.30	2.21	1867
9	26.70	8.03	1875	10	26.60	2.26	1985
10	26.60	4.15	1858	3	28.00	3.15	1828
10	26.60	2.26	1985	1	31.10	3.27	1913
12	26.08	1.02	1991	13	25.70	3.27	1904
13	25.70	3.27	1904	10	26.60	4.15	1858
14	25.30	2.21	1867	2	30.50	5.20	1943
15	25.16	6.08	2008	15	25.16	6.08	2008
16	25.14	2.10	2008	6	27.60	6.16	1958
17	25.03	7.13	2003	18	23.89	6.17	1998
18	23.89	6.17	1998	19	22.98	6.18	2004
19	22.98	6.18	2004	17	25.03	7.13	2003
20	22.84	1.18	2005	9	26.70	8.03	1875

c) ranked by year

RANK	FEET	MONTH	YEAR
3	28.00	3.15	1828
10	26.60	4.15	1858
14	25.30	2.21	1867
9	26.70	8.03	1875
4	27.70	2.18	1883
13	25.70	3.27	1904
1	31.10	3.27	1913
2	30.50	5.20	1943
5	27.65	1.16	1950
6	27.60	6.16	1958
8	26.90	2.15	1959
10	26.60	2.26	1985
12	26.08	1.02	1991
18	23.89	6.17	1998
17	25.03	7.13	2003
19	22.98	6.18	2004
7	27.38	1.16	2005
20	22.84	1.18	2005
15	25.16	6.08	2008
16	25.14	2.10	2008

It should be noted that 13 of the 20 record flood stages have occurred since 1943, with two in 2005 and two in 2008. It should also be noted that the recent flood encountered a 25-foot river. Could it be that the river could have handled more of this water if all ditches, channels and creeks were fully functional?

**CURRENT INFORMATION**

An analysis of the last page of the Christopher B. Burke Engineering report prepared for the Honey Creek-Vigo Conservancy District graphically shows the following:

Flood Period	Average feet of water above the Honey Creek Bed (bottom of creek)
10-year	10 feet
50-year	10.5 feet
100-year	11 feet
500-year	12 feet

A 10-year flood event yields potential water levels about two feet less than the event Vigo County endured in 2008. QUESTION – ARE WE PREPARED?

**DUMP TRUCKS**

Here is the summary report on the purchase of two dump trucks for the city of Terre Haute by way of an internet reverse auction bid which took place March 12, 2009 at 2:00 p.m. There were 135 bids and 37 first-place turnovers. The average time between bids was 22 seconds. The original allotted time for bidding was 30 minutes, but a 39-minute extension occurred due to bids being placed in the ending three minutes. The minimum bid increment was \$250, and the average bid increment was \$1,840.88. The two trucks were ultimately bid at \$125,158.99 each. The low bidder out of eight was Meyer Truck Equipment. The company managing the sale was BidBridge. You can acquire complete details on BidBridge at <http://www.bidbridge.net/doc/BidBridge%20Getting%20Started%20Guide.pdf>

The following is the BidBridge Frequently Asked Questions page:

**How much does this service cost?**

There is no direct cost to the buyer. A small transaction fee is paid by the winning bidder.

**Is a buyer obligated to accept the lowest bid?**

No, each buyer may evaluate the online bids against their own criteria for value, price and supplier qualifications.

**Is the buyer obligated to award the bid?**

No, if the buyer is not satisfied with the bids, they are free to reject all bids and there is no cost to anyone.

**Do suppliers have to lower their bids?**

No, they are required to submit their bids online by the deadline but are under no obligation to lower their bids.

**Who invites and approves suppliers?**

The buyer provides a preferred supplier list. However, BidBridge offers the buyer the option to supplement the list with additional suppliers from the BidBridge database and those that result from our sourcing efforts. The buyer ultimately approves all suppliers that are invited to bid.

**What if problems occur during the online event?**

During the training of all suppliers, a toll free telephone number is provided allowing for “off site” assistance, up to and including suspension of the event until corrections are made.

**What if the prospective supplier’s company does not have internet access?**

Since the entire BidBridge bidding process utilizes the internet, the supplier can access the bid package from libraries, schools, home or anywhere internet access is offered.

**What is the length of the BidBridge event?**

The buyer determines the length of the event. Most events are planned to run 30 minutes long and extensions are allowed as competitive bidding continues.

**Where is the BidBridge event viewed?**

Just as sealed bids are opened in a public venue, BidBridge Electronic Sealed Bid events are viewed in a public setting determined by the buyer.

**TEN INVESTMENT RULES**

**IT’S IRONIC** that the information and wisdom that’s necessary to help one be a successful investor is so freely available, yet so few people actually use it. One reason why is during difficult times, those pesky emotions cloud our judgment. As an example of some great investment wisdom that’s freely available, a June 2008 *MarketWatch* article published the following 10 investment rules developed by Bob Farrell over his many decades in the investment business:

1. Markets tend to return to the mean over time.
2. Excesses in one direction will lead to an opposite excess in the other direction.
3. There are no new eras – excesses are never permanent.
4. Exponential rapidly rising or falling markets usually go further than you think, but they do not correct by going sideways.
5. The public buys the most at the top and the least at the bottom.
6. Fear and greed are stronger than long-term resolve.
7. Markets are strongest when they are broad and weakest when they narrow to a handful of blue-chip names.
8. Bear markets have three stages: sharp down, reflexive rebound, and a drawn-out fundamental downtrend.
9. When all the experts and forecasts agree, something else is going to happen.
10. Bull markets are more fun than bear markets.

These are good rules to remember especially during these tumultuous times.

*Source: Sammons Securities Weekly Market Commentary e-newsletter*

**Table of Contents of Tax Matters Issues 09-01 through 09-11**

Just in case you wish to refer to a previous issue of Tax Matters and need some help locating a particular topic, you may refer to the table below. Many of the topics are also included in an issue of Tax Topics. This issue of Tax Topics includes Tax Matters through March 19, 2009 and this table does the same. The next issue will continue from this point.

Topic	Issue	Topic	Issue
Property Tax Caps?	09-01, 09-03	Kokomo Begins Producing K-Fuel	09-06
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State Legislative Info	09-04	Foreclosures, Ecosystems, and the Economy	09-07
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Vigo County Sheriff's Report	09-04	Legislative Action Network	09-08
T.H. Police and Fire Depts. Annual Report	09-05	Indiana Grad Requirements	09-09
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Public Library System	09-06	The Inmates Are Out...	09-10
Farmland Assessments	09-06	Flood Notes and Taxes	09-11

**IMPORTANT DATES**

Please plan to attend. A packed house is much more effective than a single representative. Having served eight years on the Area Planning Commission, I am aware that petitions and those representing a group are not nearly as effective as a large number of individuals expressing their opinions. Attend even if you wish to be a silent participant.

**Saturday, April 11 – Legislative Crackerbarrel, County Library – Main Branch, 10:00 AM – 12:00 noon**

**Tuesday, April 14 – Union Hospital Tour, 3:30-4:30 PM**

**Tuesday, April 21 – TA Annual Meeting, Idle Creek, 12:00 noon**

**Tuesday, May 19 – TA Board Meeting, 12:00 noon**

**Tuesday, July 21 – TA Board Meeting, 12:00 noon**

**Tuesday, September 15 – TA Board Meeting, 12:00 noon**

**Tuesday, November 17 – TA Board Meeting, 12:00 noon**