

LAKE COUNTY COUNCIL

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CROWN POINT INDIANA



4th District

Thomas C. O'Donnell

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October 14, 2010

Dear City or Town Fiscal Officer:

IC 6-1.1-17-3.5 requires the Lake County Council to issue non-binding recommendations to a civil taxing unit's proposed or estimated tax rate, tax levy or budget.

As you know it is impossible to make any credible recommendation without certified "Pay 2010" collections and solid "Pay 2011" assessed valuation estimates. Furthermore, each of you has built in assumptions concerning your year-end 2010 expenditures, miscellaneous revenues and stop-gap factors to protect your maximum levies.

Thus, the Lake County Council can only provide comparative data and general non-binding recommendations. The comparative data is attached. The non-binding recommendations are provided below.

Stable Assessed Valuation, and Minimal or Non-Existent Tax Cap Liability

- Protect Maximum Levy
- Increase budget appropriations if supported by incremental miscellaneous revenue or cash position
- Offset impact of new debt service levy, on tax rate, with assessed valuation growth

Shrinking Assessed Valuation, and Significant Tax Cap Liability

- Reduce Maximum Levy by tax cap liability equivalent or seek protection as distressed political subdivision if qualified under IC 6-1.1-20.3-2.
- Reduce budget appropriations due to loss of maximum levy, or as ordered by the Distressed Unit Board under a petition to the Board as allowed by IC 6-1.1-20.3-6
- Reduce reliance on Maximum Levy through user fees or internal consolidations
- Offset new debt service levy obligation with retiring/maturing debt service levy obligations

Sincerely,

Thomas O'Donnell
President Lake County Council