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A Publication of Governmental Consulting Services



### From the Director's Desk .....

## Circuit Breaker and Local Option Income Tax Analysis

In our May publication, we provided a brief legislative update, which included comments on Circuit Breaker and Local Option Income Taxes, "LOIT," as passed in HEA1001-2008. Since that time, we have worked with some taxing units to better understand the impact on a taxing district and taxing unit level. The purpose of the analysis is to provide taxing units with the ability to be proactive, rather than reactive, to potential revenue losses. The analysis also provides an update to the March report issued by Legislative Services Agency and allows local officials the opportunity to have an updated snapshot of potential impacts. Although in some cases, revenue losses are likely to be less in 2009, many taxing units find themselves already thinking about what to do in 2010 when the circuit breaker caps drop to 1%, 2%, and 3% and initial or larger revenue losses are likely to happen.

There are multiple strategies for dealing with potential revenue losses from the circuit breaker, ranging from a "do-nothing" approach to taking steps to evaluate, both internally and externally, other alternatives. It is safe to say that internal and external adjustments will be necessary, although the timing of such adjustments varies by area. What fiscal bodies choose to do now will have an impact on other taxing units in the county. Implementation of circuit breaker caps requires all taxing units in the county to increase communication with one another to better monitor future capital projects and operating needs as well as potential revenue sources. School corporations, local officials, and economic development leaders should strive to develop partnerships aimed at growing the local economy and tax base. If your county is interested in determining potential impacts resulting from the circuit breaker and/or implementation of a LOIT, we can help. GCS is prepared to analyze both issues and provide your county with information with which to make an informed decision. Contact Melissa at [mambre@govtconsultingserv.com](mailto:mambre@govtconsultingserv.com) for further details.

## Governmental Consulting Services "GCS" & Educational Services Company "ESC" Join Forces with RevTrak

Have you experienced these or other issues as noted in State Board of Accounts audit reports?

"A comparison of receipts collected to the amounts remitted indicates that fees are not being remitted timely or intact" for one local officials.

"Bank reconciliation statements also contained unidentified items, with no documentation, resulting in various cash longs and shorts" for another local official.

"In numerous instances, receipts were deposited later than the next business day," creating problems for a clerk.

“Collections from XXXX2006 through XXXX2006 were transferred twice to the wrong fund.” Sound familiar?

Don't let this happen to you! Local officials find themselves doing more with less as they try to create effective and efficient work environments. To assist in this endeavor, GCS and ESC have partnered with RevTrak to assist local officials with tracking revenues from various sources such as property tax payments, court fines, park and recreation activities, planning and zoning, and animal control fees, to name a few. RevTrak enhances revenue collection systems at the local level using a turnkey eCommerce solution through web stores, eCommerce listing, payment getaways, and merchant accounts--all designed to save you time and money. RevTrak's electronic transaction record for audit purposes reduces the possibility of accounting errors or theft and lets you focus on other matters.

Paying local fees through the Internet, using either a VISA or MasterCard account, results in a more secure and accurate record keeping system. RevTrak is certified by the Payment Card Industry (PCI), the standard enforced and created by major credit card associations for data security standards. This system provides you with a high level of comfort and security that the transactions conducted by your office will be timely and accurately recorded. RevTrak offers flexible choices for collecting payments at the local level. If you are interested in having your own 24/7 cashier through RevTrak, contact Melissa Ambre or Doug Cassman at [mambre@govtconsultingserv.com](mailto:mambre@govtconsultingserv.com) or [dcassman@govtconsultingserv.com](mailto:dcassman@govtconsultingserv.com)

## Employer Benefits and You

It seems the national news now through the presidential elections has a focus on health care coverage for all US citizens. Statistics from a national news source (Centers for Medicare and Medicaid Services and Kaiser Family Foundation) state the following:

- “Today, we spent about 16% of the Gross Domestic Product on health care.”
- “Health care costs are rising nearly twice that of wages and general inflation and have done so for nearly 25 years.”
- “As of the early 2007, approximately 5% of those enrolled in employer plans are enrolled in Consumer-driven health plans.”
- “It seems that the United States has finally reached the health reform tipping point,” an individual said in reaction to the two main presidential candidates having a health care plan.

If you are experiencing rising insurance costs, balancing multiple plans, and juggling funds to cover expenses, we have consultants who can analyze your plan(s) and provide options to address your concerns. Contact Doug Cassman at [dcassman@govtconsultingserv.com](mailto:dcassman@govtconsultingserv.com) for more information.

## Across Indiana

Dan Eggermann and Melissa Ambre assisted multiple units of government this summer with the 2009 budget process. Additionally, Dan and Melissa are working with some counties and an Indiana city on their Financial Health Analysis. Denny Deeter recently worked on Local Option Income Tax analysis and Circuit Breaker analysis for 2009 and 2010.

## Training Activities

Mike Reuter and Melissa Ambre will participate in training classes for the Indiana Library Federation in November. Melissa will be a presenter at the School Finance Seminar in December. She recently participated in a workshop on HEA1001 for the Association of Indiana Counties. Dan Eggermann has been providing budget training to various taxing units around the State. Jim Steele continues to provide assistance to Madison and Marion County officials.