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Merger study final tab should be \$18,000

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A study of whether to join Greenwood and White River Township should cost taxpayers about \$18,000.

The merger study group spent \$17,969.33 putting together its plan for a new city, Greenwood Clerk-Treasurer Jeannine Myers said. State law requires Greenwood to pay the bills but that the city and White River Township government split the cost.

Greenwood property tax dollars were spent mostly on an attorney who reviewed the plan to ensure that it complied with state law and who was the only professional consultant hired to help with the work. No further costs are expected, and privately raised dollars would have to be used to promote the plan, officials said.

The plan is expected to go before voters in November, but the Greenwood City Council and the White River Township Board first must agree to revisions needed because of a delay in the referendum. Merger study group members have been working to update financial projections and other parts of the plan, but they don't expect any additional costs, merger study group chairman Pat Sherman said.

Under state law, only private funds can be used to promote the plan for the referendum, Greenwood Mayor Charles Henderson said. Merger study group members are looking into setting up a political action committee, which could raise money to promote the merger.

Most of the cost of the study went to a law firm that vetted proposals such as expanding the city council to 11 members and having the council appoint replacements to fill any vacancies. The next biggest expense was for a secretary who recorded meetings. The study group also had miscellaneous expenses, such as \$200 to rent space for public hearings at Community Church of Greenwood, according to the clerk-treasurer's office.

More than 5,000 volunteer hours went into the 53-page merger plan, Henderson said. The plan outlines how Greenwood would extend services, how much it would cost, what rules would govern the new city and how government would be set up, he said.

Study group members had expertise in areas such as accounting and engineering, so they didn't have to hire consultants, which would have driven up the cost of the study, Henderson said. A local school corporation recently

BY THE NUMBERS

About \$18,000 has been spent on a study of merging Greenwood and part of White River Township. Here is a breakdown of expenses:

\$17,969.33 Total cost of the merger study, which was turned over to elected officials last year

\$13,692.33 Total amount of bills Greenwood has paid so far for the merger study

\$2,709.33 Salary paid to secretary who kept records

\$10,823 Legal fees paid to attorney with Bose, McKinney and Evans

\$4,177 Outstanding legal bills

\$200 Rental fees for public hearings

\$60 Cost of drawing up maps

paid an accountant \$20,000 to determine what impact property tax caps revenues would have, and the more extensive merger study could have cost far more in professional expenses, he said.

White River Township has to pay part of the total expense of the study, which includes legal bills of more than \$4,000 that are still under dispute, Myers said. Under state law, Greenwood must pay the bills but the township has to contribute a prorated share based on its population relative to Greenwood.

The study group turned over a merger plan last year, but the township has not received any bill for its share of the merger study, township trustee Jay Marks said.

The township has not received any bill or indication of how much it would have to pay, Marks said. The township did not budget any money for the study last year, and Marks said he wasn't sure how it would be paid for.

A study could have been done more cheaply if the study group had used the township attorney and secretary instead of hiring its own lawyer and record keeper, he said. The budgeted money would have been better spent on financial consultants who specialize in financial planning for cities, to ensure that the projections were solid, he said.

Marks said he would pay the city back only if the township gets a detailed itemization of all expenses.

Most of the money, about \$10,823, went to law firm Bose, McKinney and Evans. The law firm checked to ensure that the plan followed the state government modernization law and that proposals such as creating a new department of finance didn't violate other state laws.

City officials are disputing parts of two legal bills that total \$4,177, Myers said.

The city originally budgeted \$20,000 for the study.

The expense was worth it because the study group gathered information that voters can use to decide in November if they want to merge Greenwood and White River Township, Henderson said. Voters will have solid information even if they decide that they don't want to merge or that the time isn't right, he said.