

Executive Summary of the Plan of Reorganization

The Communities of Zionsville Area for Better Government (the “Reorganization Committee”) consists of nine (9) members: three (3) from Eagle Township; three (3) from Union Township; and three (3) from the Town of Zionsville. The Reorganization Committee was established to study and explore efficiencies in governance for the citizens of Eagle Township, Union Township, and the Town of Zionsville. After gathering information from a variety of public officials and sources, consulting with citizens of Eagle Township, Union Township, and the Town of Zionsville, and conducting eight (8) public meetings, the Reorganization Committee respectfully submits the following Executive Summary of the Plan of Reorganization to the legislative bodies that appointed this Reorganization Committee.

Authority and Procedure

In 2006, the Indiana General Assembly enacted the Government Modernization Act. Ind. Code § 36-1.5. The Government Modernization Act authorizes political subdivisions, after careful study and consideration, to reorganize or consolidate in an effort to operate more efficiently and cooperatively and, in doing so, reduce the reliance on property taxes. Ind. Code § 36-1.5-1-1. Specifically, the Government Modernization Act authorizes the unincorporated portions of Eagle Township, Union Township, and the Town of Zionsville to reorganize or consolidate into one political subdivision. Ind. Code § 36-1.5-4-1. After the Government Modernization Act was enacted, the legislative bodies of Eagle Township, Union Township, and the Town of Zionsville authorized the creation of the Reorganization Committee for the purpose of studying the opportunities provided under the Government Modernization Act.

The Government Modernization Act requires the Reorganization Committee to prepare and issue and comprehensive plan of reorganization (“Plan of Reorganization”). Ind. Code §

36-1.5-4-18. The Plan of Reorganization, among other things, must include at least the following:

- (1) The name and a description of the reorganized political subdivision that will succeed the reorganizing political subdivisions.
- (2) A description of the boundaries of the reorganized political subdivision.
- (3) A description of the taxing areas in which taxes to retire obligations of the reorganizing political subdivision will be imposed.
- (4) A description of the membership of the legislative body, fiscal body, and executive body of the reorganized political subdivision, a description of the election districts or appointment districts from which officers will be elected or appointed, and the manner in which the membership of each elected or appointed office will be elected or appointed.
- (5) A description of the services to be offered by the reorganized political subdivision and the service areas in which the services will be offered.
- (6) The disposition of the personnel, the agreements, the assets, and the liabilities of the reorganizing political subdivisions, including the terms and conditions which the transfer of property and personnel will be achieved.
- (7) Any other matter that the Reorganization Committee or the legislative bodies from Eagle Township, Union Township, or the Town of Zionsville deem necessary or appropriate.

Ind. Code § 36-1.5-4-18(b).

Once finalized, the Plan of Reorganization must be delivered to the legislative bodies of Eagle Township, Union Township, and the Town of Zionsville for review, consideration, and official action. Ind. Code § 36-1.5-4-18(d), Ind. Code § 36-1.5-4-19, and Ind. Code § 36-1.5-4-20. If the legislative bodies of Eagle Township, Union Township, and the Town of Zionsville approve the Plan of Reorganization, then the voters from Eagle Township, Union Township, and the Town of Zionsville determine whether the reorganization or consolidation contemplated by the Plan of Reorganization shall be approved. Ind. Code § 36-1.5-4-32.

Reorganization

The Reorganization Committee recommends that the unincorporated portions of Eagle Township, all of Union Township, and the current Town of Zionsville (the “Old Town of Zionsville”) be consolidated into one governmental entity known as the Town of Zionsville (the “New Town of Zionsville”). A map describing the boundaries of the New Town of Zionsville is attached hereto as Exhibit A. The consolidation shall be effective on January 2, 2010. (the “Effective Date”). As of the Effective Date, the offices described in Ind. Code § 36-6 including, but not limited to, the township trustee, the township assessor, and the township board shall be terminated, and the powers, rights, and duties described in Ind. Code § 36-6 shall be transferred in the manner set forth in the Plan of Reorganization.

The Reorganization Committee further recommends that as of the Effective Date there be two (2) districts in the New Town of Zionsville, a town district and a rural district. The primary difference between these two (2) districts will be the level of services provided, the application of ordinances, and property tax rates. As of the Effective Date, the town district will consist of property within the current boundaries of the Old Town of Zionsville, and the rural district will consist of the property outside of the current boundaries of the Old Town of Zionsville. Two years after the Effective Date and depending on factors such as the availability of certain utilities such as water and sewer, property currently within the rural district may be reclassified as part of the town district. A description of the reclassification process is attached hereto as Exhibit B.

Existing Debt

Under the law authorizing this Plan of Reorganization, the unincorporated portions of Eagle Township, Union Township, and the Old Town of Zionsville (collectively, the “Reorganizing Political Subdivisions”) are each required to retire their existing financial obligations. Ind. Code § 36-1.5-4-40. A map describing the boundaries of the Reorganizing

Political Subdivisions is attached hereto as Exhibit C. As of the summer of 2007, the existing financial obligations of the Reorganizing Political Subdivisions are as follows: (a) Eagle Township - \$1,200,000.00; (b) Union Township - \$1,711,000.00; and (c) the Old Town of Zionsville - \$14,420,000.00. With two (2) levels of service and the obligation to retire existing financial obligations, the New Town of Zionsville could have multiple taxing rates.

The Reorganized Town of Zionsville

As of the Effective Date, the Reorganization Committee recommends that the New Town of Zionsville be governed and administered as a “town” as that term is defined under Indiana law. As such, the Reorganization Committee recommends that the New Town of Zionsville be governed in a manner consistent with Ind. Code § 36-5-2, Ind. Code § 36-5-3, Ind. Code § 36-5-4, Ind. Code § 36-5-5, Ind. Code § 36-5-6, Ind. Code § 36-5-7, and all other laws applicable to the governance and administration of a town.

Town Council

As of the Effective Date, the Reorganization Committee recommends that the legislative body of the New Town of Zionsville consist of seven (7) members. Until the next regularly scheduled election, those seven (7) members shall consist of the five (5) existing members of the legislative body of the Old Town of Zionsville, the current township trustee for Eagle Township, and the current township trustee for Union Township. At the next regularly scheduled election following the Effective Date, five (5) members of the legislative body shall be elected, one (1) from each of the five (5) legislative districts in the New Town of Zionsville with each one (1) elected by the voters of their district only. The remaining two (2) members shall be elected at large by all of the voters of the New Town of Zionsville. A map describing the five (5) legislative districts is attached hereto as Exhibit D (the “Legislative District Map). The

Legislative District Map was prepared from information provided as a result of the 2000 Census. As such, the Reorganization Committee recognizes and acknowledges that the Legislative District Map must be redrawn as soon as information from the 2010 Census is available.

Study Committees

After its initial meeting, the Reorganization Committee created six (6) study committees to facilitate the study of those issues critical to the Plan of Reorganization. Those study committees include (a) Finance, (b) Health Safety and Welfare, (c) Parks and Recreation, (d) Planning and Land Use, (e) Infrastructure, and (f) Governance. Since June of 2006, the study committees have been gathering information in an effort to identify all of the issues and answer many of the questions important to the Plan of Reorganization. For purposes of this Executive Summary, the study committees have provided the following summaries:

a. Finance

The Finance Committee recommends consolidation. Early in this process, the Finance Committee concluded that consolidation would not necessarily provide any significant short-term savings. On the other hand, rapidly expanded services would dramatically increase costs. The solution that makes consolidation financially feasible is a two-district approach, each with different service levels and tax rates.

The Finance Committee notes that short-term spending plans are the result of the various reports issued by other study committees. For example, governance and land use and planning lay the groundwork for administrative costs, which fall slightly. The elimination of township trustees and their boards offset the cost of a larger town council. Rising permit revenue offsets planning staff increases. The assessor duties, which are paid for by the county, should be assigned to the Boone County Assessor's Office. Parks and recreation budgets are unchanged.

Infrastructure and health and safety budgets will not change until portions of the rural district are reclassified to the town district.

Over the longer term, consolidation provides the town council with several tools that can be used to control costs including, but not limited to, the following: (a) the orderly approach to expanded services; (b) an expanded and growing net assessed valuation base; (c) local planning of land use and development; and (d) economies of scale.

b. Health Safety and Welfare

The Health Safety and Welfare Committee recommends consolidation. Under the Plan of Reorganization, police service will be provided to the town district by the Zionsville Police Department and to the rural district by the Boone County Sheriff Department (“BCSD”). Residents within the town district will receive police coverage consistent with the current level of service provided by the Zionsville Police Department. Residents in the rural district will receive police coverage consistent with the current level of service provided by the BCSD. Because there is no interlocal agreement currently in place between the Old Town of Zionsville and the BCSD, the Health Safety and Welfare Committee recommends a memorandum of understanding or an interlocal agreement between the New Town of Zionsville and BCSD to clarify the new coverage arrangements for the rural district. The Zionsville Police Department will continue to report to the town council as well as the public safety board.

The Zionsville Fire Department currently provides fire protection to Eagle Township and the Old Town of Zionsville, both of which are part of a fire territory. The Zionsville Fire Department also currently provides fire protection to Union Township pursuant to a contract. As such, consolidation of Eagle Township, Union Township, and the Old Town of Zionsville does not impact the delivery of fire protection. As of the Effective Date, the board governing the fire

territory will be dissolved and oversight of the Zionsville Fire Department transferred or assigned to the town council and the public safety board.

Eagle Township residents within municipal boundaries of the Town of Whitestown will continue to receive fire protection and emergency medical services from the Zionsville Fire Department. The current fire territory levy is in its first of three years. This levy will continue until the Effective Date. Further, as of the Effective Date all assets of Zionsville Fire Department shall be transferred or assigned to the New Town of Zionsville.

There are a variety of other issues relating to health and safety that merit consideration. First, the Health Safety and Welfare Committee recommends that the cemeteries be maintained by the Zionsville Parks Board or its designee. Second, the Health Safety and Welfare Committee recommends that all township assistance responsibilities be transferred or assigned to the Office of Clerk Treasurer for the New Town of Zionsville. Third, the Health Safety and Welfare Committee recommends that weed control responsibilities be transferred to the New Town of Zionsville or its designee.

c. Parks and Recreation

The Parks and Recreation Committee recommends consolidation. Under the Plan of Reorganization, the Parks and Recreation Committee recommends that the Eagle Township Parks Board and the Union Township Parks Board be dissolved as of the Effective Date. Thereafter, the Zionsville Parks Board will oversee the development of parks and recreation in the New Town of Zionsville. Further, as of the Effective Date the existing members of the Zionsville Parks Board will continue to serve in the same capacity. As positions become available, the Parks and Recreation Committee recommends that consideration be given to

diversifying the membership of the Zionsville Parks Board with representation from both the town district and the rural district.

The financial assets of the Eagle Township Parks Board and the Union Township Parks Board, anticipated to be approximately \$50,000 each, shall be transferred or assigned to the Zionsville Parks Board, which will determine the best use of these funds. The Parks and Recreation Committee further recommends that as much of these funds as is determined to be reasonable be earmarked for future park development in Eagle Township and Union Township. The Parks and Recreation Committee also recommends that the Zionsville Parks Department assume the responsibilities of maintaining the cemeteries located within Eagle Township and Union Township.

d. Planning and Land Use

The Planning and Land Use Committee recommends consolidation for several reasons. First, it assures that development will be overseen by those most impacted. Second, it builds our community in the geographic area served by the Zionsville Community School Corporation. And third, through various permits and fees, the responsibilities associated with planning and land use should generate the necessary revenue to cover all expenses of its operation, including compensating individuals to serve on the various commissions or boards.

The Planning and Land Use Committee recommends that planning and land use functions be the responsibility of the New Town of Zionsville Planning Office and be administered by two appointed boards or commissions, the Planning Commission (“PC”) and the Board of Zoning Appeals (“BZA”). The PC would review all proposals for modifications in land use for concurrence with a comprehensive land use plan and the applicable zoning ordinances. It also would assure that all construction projects conform to the standards provided in the subdivision

control ordinances. The BZA, on the other hand, would review requests for variances from various development standards, primarily building and construction regulations.

The Planning and Land Use Committee recommends that membership on the PC, to the extent possible, be apportioned based on geography instead of population. Specifically, the Land Use and Planning Committee recommends a seven (7) member PC, with representatives from Union Township and Eagle Township (including the Old Town of Zionsville). For the BZA, the Land Use and Planning Committee recommends a five (5) member board, again with geographic apportionment which would call for members from both Union Township and Eagle Township (including the Old Town of Zionsville).

Because the New Town of Zionsville will be divided into a town district and a rural district, the Land Use and Planning Committee recommends that the PC and the BZA initially adopt the zoning and subdivision control ordinances of Boone County to govern development in the rural district and the zoning and subdivision control ordinances of the Old Town of Zionsville to govern development in the town district. The Land Use and Planning Committee also strongly recommends that maintaining the agricultural uses and zoning classifications and flexibility of the Boone County ordinances be a priority in all decisions relating to development in the rural district. Specifically, it is critical that such development must respect the right to farm by neighbors, precluding complaints about noxious noises, lights, and/or smells emanating from nearby agricultural operations. This “right to farm” covenant must be written into all development standards in the rural district. The other zoning classifications – residential, equestrian, commercial, industrial, etc. – would continue to be managed within the two sets of ordinances. Both the Old Town of Zionsville and Boone County limit the construction and operation of small, proprietary, stand-alone sanitary waste water treatment facilities. The Land

Use and Planning Committee further recommends that all new multi-user sanitary waste water treatment facilities be approved by and operated under contracts negotiated by the town council.

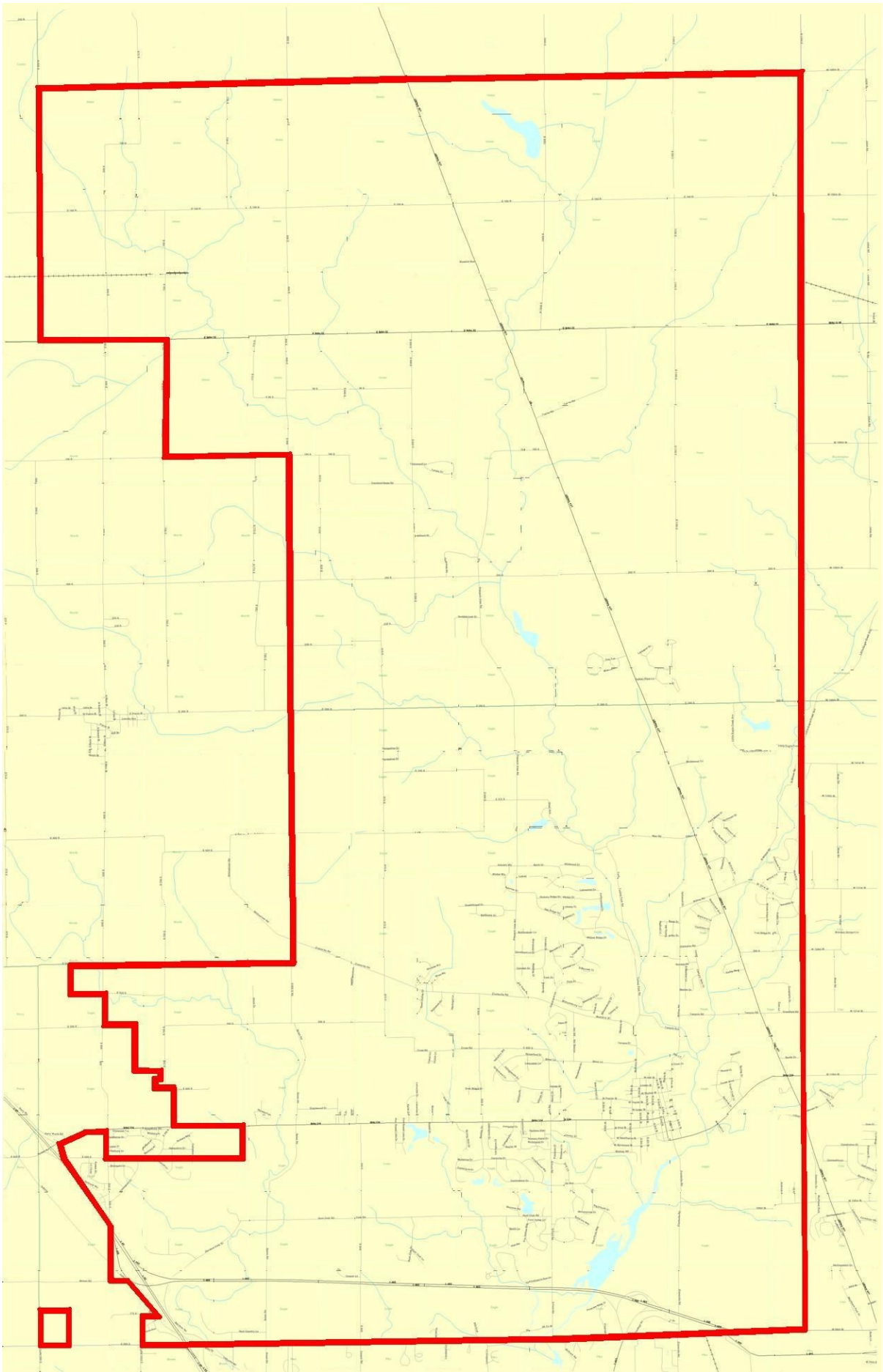
e. Infrastructure

The Infrastructure Committee recommends consolidation. The Infrastructure Committee recommends that the legislative bodies of the New Town of Zionsville and Boone County enter into interlocal agreements to provide road improvements, snow removal, grading, and maintenance for roads and streets (particularly in the rural district) because as of the Effective Date the New Town of Zionsville will not have sufficient manpower, equipment, or funds over the short term to provide these essential services. The Infrastructure Committee further recommends that the New Town of Zionsville aggressively pursue and develop a plan of action to facilitate the ability to provide sanitary sewer service to those areas of growth and development so identified and designated by the PC, the BZA, and the town council.

f. Governance

The Governance Committee recommends consolidation. First and foremost, the Governance Committee believes that that citizens of Eagle Township, Union Township, and the Old Town of Zionsville will benefit from a unified and consolidated government that is, to a large extent, consistent with the boundaries of the Zionsville Community School Corporation. Consolidation will provide the citizens of our community with an opportunity to participate in governance issues such as land use and planning that currently do not exist. Just as important, consolidating the unincorporated portions of Eagle Township, all of Union Township, and the Old Town of Zionsville into one (1) governmental unit is consistent with the goals of the Government Modernization Act because, over the course of time, it should both promote efficiency and reduce the reliance on property taxes.

Proposed New Unit of Government



Town / Rural Districts

The New Town of Zionsville will be made up of two districts: the town district and the rural district. Because the normal development process is to convert rural to town, we need both a definition of a town district and a mechanism to convert rural to town when the definition is satisfied. The purpose of the definition that follows is to convert rural to town. There is no intent to convert town to rural. The language also assures that the new districts can be efficiently served through the contiguous rule, that the town has adequate time to plan for expanded services during a two year planning cycle, and that decision makers have the ability to preserve rural areas.

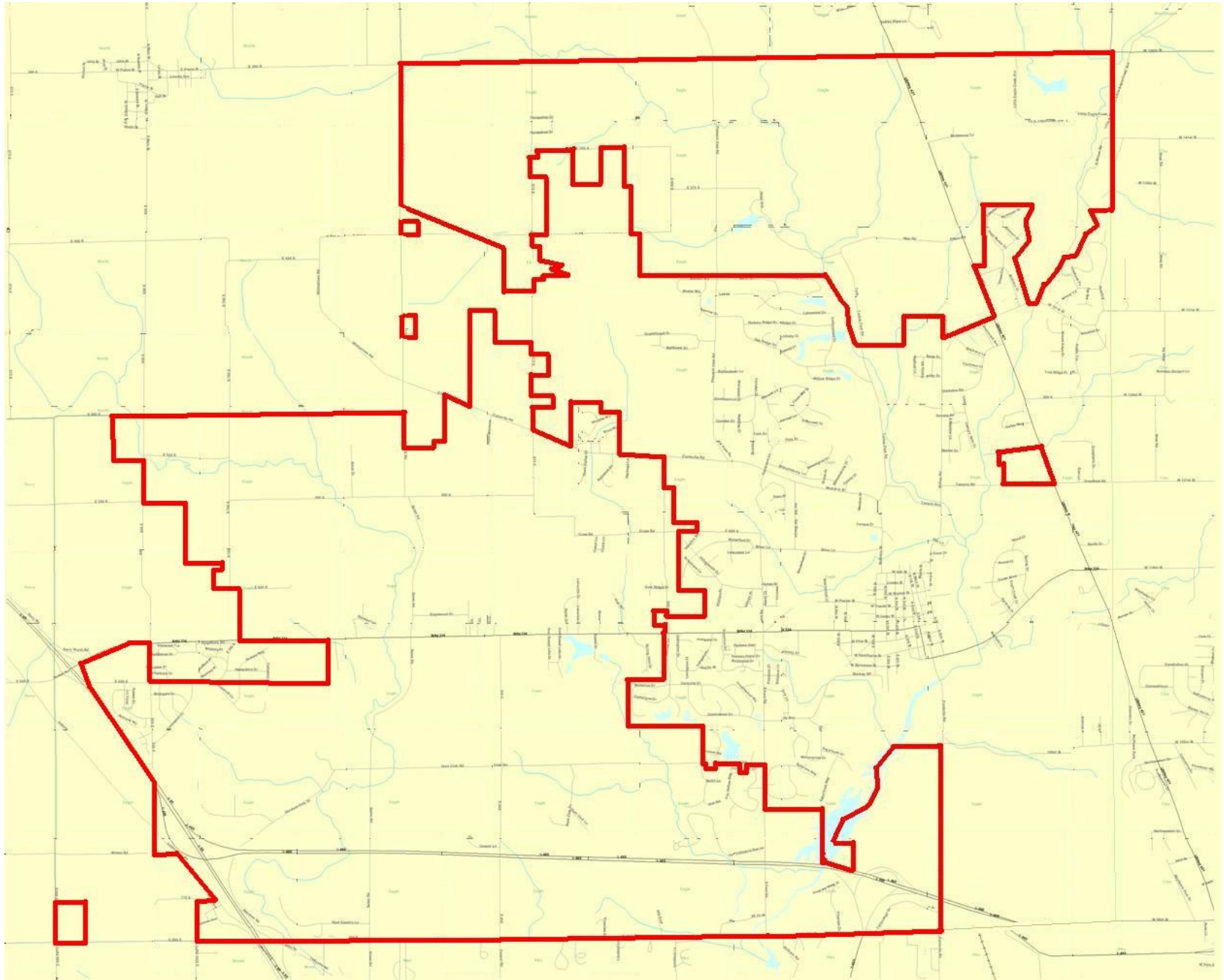
Definition -- The town district will be a contiguous area, which contains all zoning classifications, except Agriculture and Rural Equestrian, where development served by water and sewer utilities (regardless of source) has occurred.

As of the Effective Date, the town district will consist of property within the boundaries of the Old Town of Zionsville. In the future, property within the rural district will be reclassified to the town district as follows:

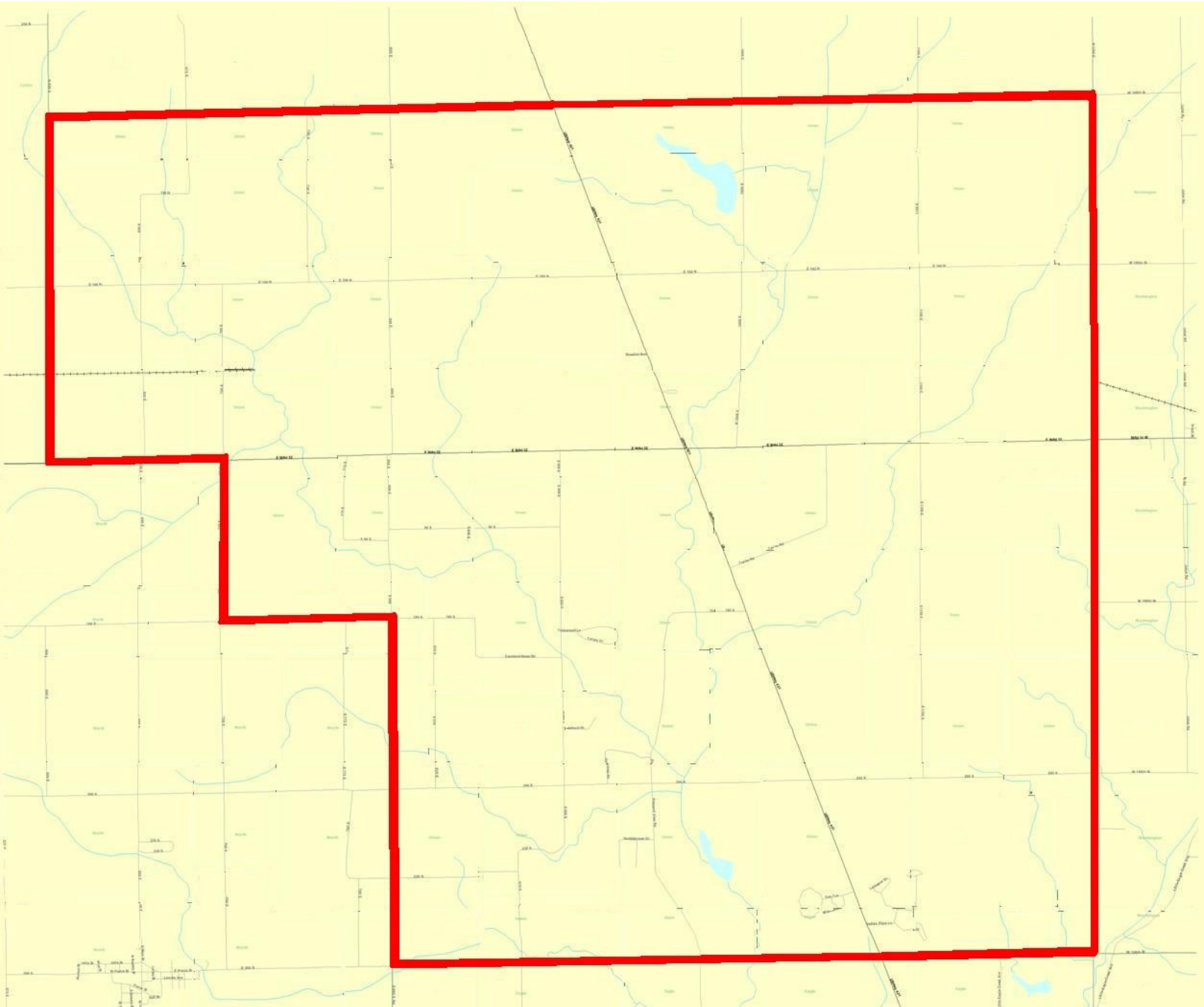
- 1) New developments, which meet the definition, will be brought into the town district as they occur.
- 2) Existing developments, which meet the definition, will be brought in on January 1, two years following the Effective Date. Thereafter, a biannual review of town/rural districts and their boundaries will be conducted.
- 3) Existing developments, which do not meet the definition but voluntarily wish to have town services, will also be brought into the town district on the next service review date.

Finally, the town council will have the ability to waive the contiguous requirement for new, large developments where their size allows services to be supplied efficiently despite the separation.

Eagle Township - Unincorporated



Union Township



Town of Zionsville

