

Gary W. Moody

Franklin, IN 46131

March 22, 2010

TO: Johnson County Board of Commissioners

RE: Appointment to the Johnson County Public Library Board of Trustees

Dear Commissioners:

Last August, Johnson County citizens and officials witnessed odd behavior on the part of the Director of JCPL, the President of JCPL's Board of Trustees, and JCPL's attorney, among others, in that they shopped around between the Franklin City Council and the Johnson County Council for approval of a \$2,000,000 bond issue having to do with the construction of a new downtown Franklin library branch and headquarters. During those meetings, JCPL officials made strange statements, claiming in part that they were not sure of the history of the library district, how a new state law applied to the approval process for the bond issue, and therefore which fiscal body had oversight of the matter. Those meetings took place on Aug. 3, Aug. 10, and Aug. 17, 2010, and are of course public record.

An investigation subsequently discovered documents (at the Recorder's office) which clearly showed that JCPL is a county, not a city, library district, and that in fact JCPL's attorney was a party to the creation of the district in 1977. We therefore concluded that fraud had been committed. We also found that a similar incident had occurred in 2004, when JCPL's director obtained approval of a property tax increase from the Franklin City Council who, as in the 2009 case, had no authority to approve that tax increase.

Complaints have been made to local, state, and federal authorities. The matter has been under investigation by the State Librarian, and Governor Daniels recently received a petition from 116 Hoosiers, mostly from Johnson County, demanding a more thorough investigation of the possible criminal acts involved. That petition has been acknowledged by the Governor's office. Furthermore, in my complaint to the State Librarian, I asked that the state withhold payments to JCPL until such time as investigations are complete, and every person tainted by illegal acts or scandal has been disassociated from JCPL by authorities and our community - including, possibly, the replacement of the JCPL Board of Trustees.

Because the President of the JCPL Board of Trustees, Tom Armor, was directly involved in the incidents last August, and because other board members are undoubtedly aware of the facts of these matters to some extent, and because the nomination of James Admire for a seat on the JCPL Board was actually put forth by members of the board and perhaps others involved with JCPL, and because the various investigations into JCPL's actions are at this point still incomplete, it would be prudent for the County Commissioners to table for the time being any new appointments to the Johnson County Public Library Board of Trustees.

Sincerely,
Gary W. Moody



RESOLUTION OF MERGER

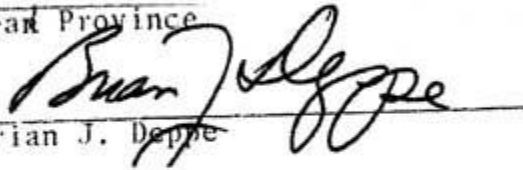
THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE JOHNSON COUNTY CONTRACTUAL PUBLIC LIBRARY THAT:

1. The Johnson County Contractual Public Library hereby elects and resolves to merge said library with the Franklin Public Library to form a new county library district to be known as "The Franklin-Johnson County Public Library", effective April 2, 1977.

6. When the merger authorized by this resolution is completed the Johnson County Contractual Public Library shall be considered dissolved.

Jean Province

Brian J. Deppe



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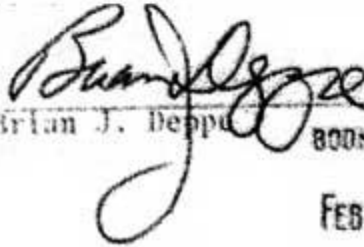
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THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE FRANKLIN PUBLIC LIBRARY THAT:

1. The Franklin Public Library hereby elects and resolves to merge said library with the Johnson County Contractual Public Library to form a new county library district to be known as "The Franklin-Johnson County Public Library", effective April 2, 1977.

6. When the merger authorized by this resolution is completed, the Franklin Public Library shall be considered dissolved.

Brian J. Deppe



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IC 6-1.1-17-20 Circumstances under which a taxing unit's proposed budget and levy must be reviewed by the city, town, or county fiscal body

Sec. 20. (a) This section applies to each governing body of a taxing unit that:

(1) is not comprised of a majority of officials who are elected to serve on the governing body; and

(B) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of: (i) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year;

(c) If: the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town; the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least thirty (30) days before the county fiscal body is required to hold budget approval hearings under this chapter.

As added by P.L.25-1995, SEC.26. Amended by P.L.1-2004...

JCPL Director Beverly Martin at Franklin City Council, July 26, 2004: "In years up until this year, public libraries and school corporations that had appointed boards were not subject to review. Due to some unhappiness with a couple of libraries in the state, some of our senators saw it in their purview to make this change [SB 1]. What it does, and it means for us, that we come before the city council because we were originally a city library. The history of the Johnson County Public Library is, basically in the sixties when the federal government was offering money for expansion, Franklin saw the possibility of giving service to the entire county, and so took upon what was at that time called a contractual library agreement with all parts of the county. Mainly the city of Greenwood and the city of Edinburgh were served, and so the Franklin library took on the rest of the county. Over time we've merged, we've become a county system, and the map sort of shows you our locations and the communities that we serve. So it does seem sort of an irony of this law that we are coming to you when the residents of Franklin represent only about twenty percent of the people that are served by the county library system. But it's just, probably something that we'll get cleared up.

IC 6-1.1-17-20.5

Circumstances under which a taxing unit's proposed bonds or lease must be reviewed by the city, town, or county fiscal body

Sec. 20.5. (a) This section applies to the governing body of a taxing unit unless a majority of the governing body is comprised of officials who are elected to serve on the governing body.

(c) If: the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town; the governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the city or town fiscal body.

(d) This subsection applies to a taxing unit not described in subsection (c). The governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the county fiscal body in the county where the taxing unit has the most net assessed valuation.

As added by P.L.146-2008, SEC.164. Amended by P.L.182-2009(ss), SEC.125.

CITY COUNCIL 8/3/09 Brian J. Deppe: "One of the requirements to issue general obligation bonds is approval by the overseeing governmental entity. Frankly, there is some question of what that entity is. I was on the library board a long time ago, and if you had asked me who'd formed the original Franklin Public Library, I would have said the City of Franklin. We recently got into the history of that, and it appears that it was formed by Johnson County. Strangely enough. We haven't nailed that down, but that's what it appears to be. So in an excess of caution, rather than going only before the Johnson County Council for authorization for these bonds, we are coming to both bodies, so if there's any question later about which body is the correct body, we will have been to both."

COUNTY COUNCIL 8/10/09 Brian J. Deppe: "Essentially... for issuing bonds, we are supposed to come before the authority who approves our budget. The interesting question is, if a library's boundaries are outside of a city itself, one of the issues is, **who created the library?** And if you had asked me two weeks ago, I would have said, Franklin created the library. We have some information that the County Commissioners created the Franklin

library. Contrary to what I would have thought. And **because of our own uncertainty about whether the library was created by the City of Franklin, or by Johnson County**, we filed and presented this petition to both bodies. The last thing we wanted to do, assuming we presented it to only one body, and it said yes, and we get halfway down the road and somebody says stop, you went to the wrong body. Which is why we came both here and to the City of Franklin."

Beverly Martin: "I've had this conversation with a couple of you that yes, it doesn't make any sense that just because we were created by a city, that the city would be approving our budgets, or our bonding ability, but that appears to be the way the law is written. **We are trying to get that clarified.** Because personally I think, and when we're looking at a county situation, where everyone in the county is gonna have an input on this decision, and final outcome of the project, it should be this body that has final approval... [After Council refuses the total \$2,000,000:] I think it might be better if we table it, and let the [Library] Board have their hearing on the 18th [of Aug.] and then we can come back... When it comes right down to it, they're [the Board] not gonna sell bonds until they've got both city and county approval. Because we don't know whose approval we should be getting. [Councilman Canary: Who can tell you that?] I'm going to have to go through the County Commissioner's records **and see if we can find something that states that the county formed the library.** If we can't find that, then it's the city, and the city approves it."

CITY COUNCIL 8/17/09 Brian J. Deppe: "When we were here before, we mentioned to you some uncertainty about whether the library was a city library or a county library. Because of that we were going before both bodies with the petition to issue general obligation bonds. Since that time, we have researched some old records, and we have satisfied ourselves and bond counsel that **the library is a city library**, notwithstanding its name. And that county approval for the bond issue is not needed."