STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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Review of Fiscal Impact Analysis
Concerning the Town of Sheridan and Adams Township, Hamilton County, Indiana

Pursuant to Ind. Code § 36-1.5-4-18(e), the legislative bodies of reorganizing political subdivisions preparing a plan of reorganization after December 31, 2013, must submit a fiscal impact analysis ("Analysis") to the Department of Local Government Finance ("Department") at least three (3) months before the election in which the public question will be on the ballot. The Department must do the following within a reasonable time, but not later than 30 days before the date of the election in which the public question will be on the ballot:

A. Review the Analysis;

B. Make any comments concerning the Analysis that the Department considers appropriate;

C. Provide the Department's comments to the legislative body of the reorganizing political subdivisions; and

D. Post the Department's comments on their website.

The Analysis submitted to the Department must contain the following information:

A. The estimated effect of the proposed reorganization on taxpayers in each of the political subdivisions to which the proposed reorganization applies, including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service payments in those political subdivisions.

B. A description of the planned services to be provided in the reorganized political subdivision and the method or methods of financing the planned services. The fiscal impact analysis must:
   a. Present itemized estimated costs for each department or agency of the reorganized political subdivision; and
   b. Explain how specific and detailed expenses will be funded from taxes, fees, grants, and other funding.

C. A description of the capital improvements to be provided in the reorganized political subdivision and the method or methods of financing those capital improvements.

D. Any estimated effects on political subdivisions in the county that are not participating in the reorganization and on taxpayers located in those political subdivisions.

BACKGROUND INFORMATION

In 2006, the Indiana General Assembly adopted the Government Modernization Act, codified under Ind. Code § 36-1.5-1-1, et seq., (the "Act"). The Act was written to "grant broad powers to enable political subdivisions to operate more efficiently by eliminating restrictions under existing law that:

(A) impede the economy of operation of;
(B) interfere with the ease of administration of;
(C) inhibit cooperation among; and
(D) thwart better government by; political subdivisions."[1]

In addition, the Act encourages "efficiency by and coordination among political subdivisions to:

(A) reduce reliance on property taxes;
(B) enhance the ability of political subdivisions to provide critical and necessary services; as well as
(C) strengthen the financial condition of state government."[2]

The Act grants political subdivisions the authority to reorganize and to use cooperative agreements to achieve government functions or transfer responsibilities between offices.[3]

On May 10, 2024, the Town of Sheridan ("Town") and Adams Township ("Township"), collectively "Units", by and through their legal counsel, submitted their respective resolutions to the Department. Each resolution attaches and incorporates by reference a document entitled "Fiscal Impact Analysis: Report on the Proposed Reorganization of the Town and Township" (the "Analysis"). The Analysis is represented to have been drafted on May 3, 2024, and prepared by London Witte Group ("LWG"). The Analysis is attached and incorporated by reference into this Review.

Subsequent to the Units' submission, the Department received from the Hamilton County Board of Commissioners ("County Board"), by and through their legal counsel, the following to the Department:

- A letter from Mark Heirbrandt, President of the County Board, dated May 20, 2024.
- A document entitled "Comparison of Adams of Rural Taxing District Expenditures Payable with Property Tax – Revised May 23, 2024."
- A document entitled "Comparison of Proposed Town Expenditures per Fiscal Impact Statement to Town Expenditures after County Quality Control Adjustments – Revised May 23, 2024."

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[1] Ind. Code § 36-1.5-1-1(1).

[2] Ind. Code § 36-1.5-1-1(2), (3).

[3] Ind. Code § 36-1.5-1-3; see also Ind. Code § 36-1.5-4-1 et seq. (reorganization by referendum) and Ind. Code § 36-1.5-5-1 et seq. (cooperative agreements and transfer of responsibilities).

- A document entitled "Additional Information regarding Maintenance, and Capital Projects - Adams Township," dated May 16, 2024 ("Additional Information").
- The following email correspondence:
    - Email from Dennis Quakenbush, Hamilton County Sheriff, to Connor Sullivan, Hamilton County Attorney, dated May 16, 2024.
    - Screenshots from a presentation by LWG.
    - Email from Bradley Davis, Hamilton County Highway Director to Ben Roeger, financial advisor from Coonrod Financial Group, dated May 22, 2024.
    - An excerpt of the Analysis entitled "Purpose of the Report."
    - Email from Oscar Gutierrez, financial advisor from Bondry Consulting, to Department, dated May 28, 2024.
    - Email from Connor Sullivan to Department and Oscar Gutierrez, dated May 29, 2024.

COMMENTS FROM THE DEPARTMENT REGARDING SUBMITTED ANALYSIS

The comments provided in this financial analysis review are not intended, nor should they be construed as financial or legal advice. The Department recognizes that the reorganization of governmental units is a complex undertaking. The assumptions provided in the Analysis should continue to be monitored and reconciled.

The Department's review below references some of the information and comments provided by the County. The Department also drafted and attaches herein the following appendices to supplement this Review:

Appendix A – Analysis of Expenditures
Appendix B – Analysis of Miscellaneous Revenues
Appendix C – Analysis of Property Tax Levy

Following its review of the Analysis submitted by the Units, as well as supplemental information provided by officials and representatives from the Units, the Department offers the following comments:

Reorganization Boundaries & New Service Districts

1. According to the Analysis, adopted on May 9, 2024, the Units propose a reorganized local government unit formed through the consolidation of the Township with the existing Town political subdivision (the "New Town"). The boundaries of the New Town shall consist of the boundaries of the Town as of December 31, 2024, and all the areas of the unincorporated Township, which equates to approximately 48.36 square miles. Following the consolidation and as currently written in the Analysis, the Township will cease to exist on December 31, 2024, and the New Town government

structure will then supersede the existing Town structure, as provided for in the Analysis.[4]

Property taxes are paid and collected in arrears based on the assessed value of property in the political subdivision as of January 1 of the immediately preceding year. Therefore, with the assumption that the effective date of the reorganizations would be January 1, 2025, property taxes will be first due and payable for the New Town starting in 2026.[5] However, the Department notes that the Analysis did not indicate whether the Units will have an agreement for the Pay-2025 budget and tax year regarding settlement distributions and transferring cash balances within and between funds.[6]

2. As identified in the Analysis, the New Town identifies two service districts (the "Town District") and (the "Rural District"). The primary difference between the Town District and the Rural District is the level of municipal services provided, the application of ordinances, and property tax rates.[7] The reorganization plan that must be prepared by the Units is statutorily required to include a "description of the services to be offered by the reorganized political subdivisions and the service areas in which the services will be offered."[8]

<u>Annexation</u>

3. As of the effective date of the proposed reorganization, the Town District will consist of the original Town before the Reorganization. The Rural District will include the unincorporated area of the Township. According to the Analysis, "the Town annexed portions of the Township (the "Annexation Area") on November 6, 2023, for property assessed on January 1, 2024, for taxes payable in 2025."[9] The Analysis provides that the Annexation Area will be included in the Town District.

4. The Analysis is based on Pay-2024 information; therefore, any impacts to tax rates and levies as a result of the Annexation Area are not included. Additionally, the Analysis states:

> "…the parcels contained in the Annexation Area are exempt from municipal property taxes under the provisions of Ind. Code § 36-4-3-4.1. So long as the

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[4] Analysis, pg. 4.

[5] See Analysis, pg. 4 ("Following consolidation and as currently written in the Plan, the Township will cease to exist on December 31, 2024."). Ind. Code § 36-1.5-4-5 provides that a reorganization takes effect after (1) the date the voters approve the reorganization (as required by Ind. Code § 36-1.5-4-32(b), in the case of a reorganization between a municipality and a township after December 31, 2013) and the date specified in the reorganization plan, whichever is later; and (2) the appointed or elected officers of the reorganized unit are elected or appointed.

[6] Compliance regarding cash balance transfers is overseen by the State Board of Accounts ("SBOA").

[7] Analysis, pg. 4.

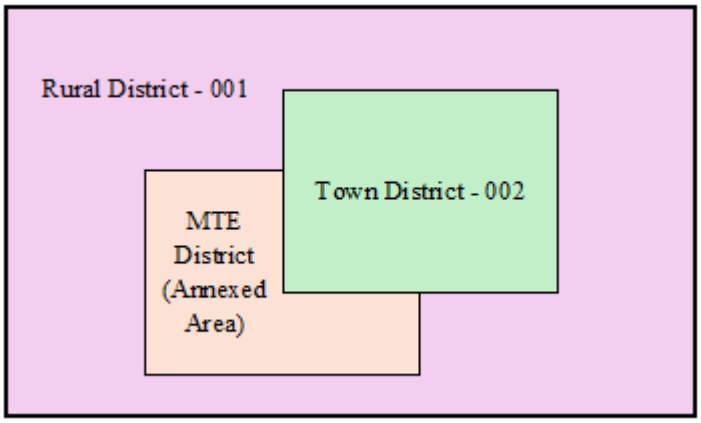
[8] Ind. Code § 36-1.5-4-18(b)(5). Analysis, pg. 5.

[9] Analysis, pg. 4.

Annexation Area remains assessed, the exemption shall apply. As of January 1, 2024, the Annexation Area remained assessed agricultural."[10]

Accordingly, the Annexation Area will not be subject to municipal taxation for Pay 2025, but it will be designated as a separate Municipal Tax Exempt ("MTE") Taxing District by the Hamilton County Auditor for purposes of certifying net assessed values ("CNAV") within the MTE separately. As a result, the MTE will have a separate tax rate exempt from municipal taxation for taxes first due and payable in 2025. It is unknown if the Town plans to submit an excess levy appeal due to increased costs associated with this annexation.[11] It is also unknown how an increased levy for the Town would impact the levy for the New Town post-reorganization.

Diagram (not to scale):



Costs for Road Improvements & Maintenance

5. According to the Analysis, "it is the intention of the reorganization that there would be no net tax impact on taxpayers within the current Town and Township due to the reorganization. However, the issue of maintenance of the roads within the unincorporated area of the township has yet to be resolved."[12] As elaborated on below, the Analysis represents the Units intention to enter into an interlocal agreement with the County Board regarding the maintenance of the roads, improvement of roads, and snow removal within the unincorporated area of the Township. To date, such an interlocal agreement has not been reached. Additionally, correspondence from the County indicates that the County does not intend to enter into an interlocal agreement with the

[10] Analysis, pg. 4.

[11] An excess levy appeal is a request by civil taxing unit to the Department to increase its maximum levy to meet increased costs due to an annexation, consolidation, or extension of services into additional geographic areas. Ind. Code §§ 6-1.1-18.5-12 & 13(a)(1). The civil taxing unit must demonstrate with reasonably detailed statements of fact that it will be unable to carry out its government functions without an excess levy. Ind. Code § 6-1.1-18.5-12(a). The Department must make a final determination on the merits of the appeal. See Ind. Code § 6-1.1-18.5-12(b) & 6-1.1-18.5-15.

[12] Analysis, pg. 5.

New Town regarding road maintenance.[13] If the New Town is unable to enter into an interlocal agreement with the County, the New Town may have to seek other sources of revenue or an excess levy appeal.[14] The Analysis projected additional costs for road improvements and maintenance; however, aside from a levy increase, the Analysis did not provide an additional source of revenue that would be used to cover the additional costs.[15]

Summary of Tax Levy & Tax Rate Creation

6. The Analysis represents that the expenditures will be broken out into four categories: (1) Personal Services; (2) Supplies; (3) Other Supplies and Services; and (4) Capital Outlays. The Analysis does not break out Township Assistance and Debt Service as separate expenditure categories.[16]

Analysis of Expenditures

7. The Department is responsible for ensuring property tax assessment and local government budgeting are carried out in accordance with Indiana law. The responsibility for appropriately allocating and managing expenses to provide the planned services lies with the respective departments or units at the local level.

   The Analysis provides the sum of expenditures funded by property taxes applicable to the various districts allocated based on Pay 2024 AV with anticipated known adjustments.[17]

   As shown in Appendix A of this Review, the additional anticipated expenditures total $1,414,664. The Analysis assumes the creation of a Town Police Fund and a Town Fire Fund to tax the Town District at a higher rate than the Rural District.[18]

   Indiana Code § 36-1.5-3-5 requires that a reorganization plan "specify the adjustments that the [Department] shall make to the [maximum levies, rates, and budgets] of the reorganized political subdivision to: (1) eliminate double taxation for services or goods provided by the reorganized political subdivision; or (2) eliminate any excess by which the amount of property taxes imposed by the reorganized political subdivision exceeds the amount necessary to pay for services or goods provided under [Ind. Code. § 36-1.5-1-

[13] E-mail from Connor Sullivan, May 29, 2024.

[14] See footnote 11, above.

[15] See generally Analysis, pg. 10.

[16] Analysis, pg. 7. Ind. Code § 36-1.5-4-40.5(2) requires the New Town to continue providing township services in all areas of the township except as transferred by interlocal agreement or cooperative agreement. The Analysis represents Debt Service expenses as being included under Other Supplies and Services.

[17] Analysis, pg. 10.

[18] See Analysis, pg. 5 ("The existing Township fire budget will be transferred to the New Town General Fund tax rate."). Table 6 of the Analysis represents the General Fund rate for the Rural District is expected to be $0.1160, the Town Police Fund rate to be $0.4589, and the Town Fire Fund rate to be $0.4326. The Act allows creation of territories or districts with varying level of services as well as of fees, charges, and taxes imposed for those services. See Ind. Code § 36-1.5-4-39.5.

1 et seq.]." For Pay 2024, the Town budgeted for police and fire services in the General Fund. The proposed allocated expenditure in the Analysis deducts $584,151 and $550,672 from the General Fund for police and fire protection, respectively, and reallocates the expenses to the Town District only.[19] This allocation could create a higher burden of taxation for those services within the Town District. Additionally, the Annexation Area is referenced but not considered in the fiscal estimates portion of the Analysis; however, this could impact the tax rates and circuit breaker credits. The Annexed Area will be a separate MTE District.

Officials from the County report an estimated cost of $500,000 for additional police officers and protection to patrol the currently unincorporated Adams Township.[20] This is also not reflected in the Analysis. Additionally, the Analysis does not indicate to what extent police protection will be provided by the New Town to the Rural District. Indiana Code § 36-1.5-4-39.5 provides that the Units may establish in the reorganization plan districts or territories in the reorganized political subdivision with different levels of services.

The County also projects the following estimates for annual road maintenance in the current unincorporated Adams Township:

- An additional $281,900 annually for normal routine road maintenance costs over the estimated costs provided in the Analysis.[21]
- An additional $456,000 annually for chip-sealed materials not included in the Analysis.[22]
- An additional $1,129,503 for 2025 resurfacing contracts not included in the Analysis.[23]
- An additional $36,000 annually for roadway striping and weed control not included in the Analysis.[24]

The estimates above are also not reflected in the Analysis.

The Analysis indicates there are no new capital projects identified at the time the Plan was approved. The County indicates the County Unit has contemplated an investment of $23 million as a local match for capital infrastructure improvement projects in the unincorporated Adams Township.[25]

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[19] See Analysis, pg. 10.

[20] See e-mail from Sheriff Dennis Quakenbush to Connor Sullivan, May 16, 2024, at 10:36 a.m., attached herein.

[21] Comparison of Proposed Town Expenditures.

[22] Additional Information, pg. 3.

[23] Additional Information, pg. 5.

[24] Comparison of Proposed Town Expenditures.

[25] Comparison of Proposed Town Expenditures.

The potential for additional increased expenditures that have not been accounted for could have an impact on the overall levy, tax rates, other services provided, and taxpayers and political subdivisions participating and not participating in the reorganization.

Analysis of Available Revenues

8. The Analysis indicates transferring current Township Fire and Cumulative Fire cash balances to the Town Municipal Fire Fund (newly created as a result of the reorganization) while the Town District will fund the newly proposed creation of the Town Municipal Fire Fund.[26]

   As shown in Appendix B of this Review, the miscellaneous revenue estimate provided in the Analysis is $139,436 less than the combined total for the Town and Township as shown in the totals used to certify the 2024 Budget Order.

   The revenue overall is projected to remain steady. The Analysis did not include projections for Financial Institution Tax Distribution ("FIT") and Vehicle/Aircraft Excise Tax Distributions ("Excise"). The certified shares calculation of the Local Income Tax distribution was not contemplated in the Analysis. The Department will allocate certified shares based on Ind. Code § 6-3.6-6-12.[27]

   Receipts to the Motor Vehicle Highway Fund are displayed to decrease in the Analysis; however, the revenue would be expected to increase due to the Township population being factored into the road funding formula. No population analysis or road mileage calculation was provided.[28]

Analysis of Fund Levies

9. The Analysis estimates the proposed fund levies but does not indicate if the intent is to take the maximum allowable or seek an excess levy appeal due to increased costs resulting from the reorganization.[29] The Analysis also does not indicate an estimated maximum levy for the New Town or describe the mechanism by which the maximum levy is determined.[30] The Analysis, however, acknowledges that the levies ultimately

[26] Analysis, pg. 12. Table 4 of the Analysis indicates the Township's December 31, 2023, cash balance of the Township Fire and Cumulative Fire Funds to be $312,885 and $185,016, respectively.

[27] Ind. Code § 6-3.6-6-12 provides that certified shares are distributed on the basis of certified levies imposed by each civil taxing unit in the county in the year prior to the distribution year (adjusted, as necessary, for debt issued before June 30, 2005, and whether the unit participates in a fire protection territory).

[28] Ind. Code § 8-14-1-3 states that after an initial distribution of $325,000 to the Motor Carrier Regulation Fund, 12.13% of the revenue in the state Motor Vehicle Highway Account is distributed to each municipality by the proportion of the municipality's population to the total population of all municipalities in the state.

[29] See Analysis, pg. 13. See footnote 11, above, for a brief summary on the excess levy appeals process for reorganizing units.

[30] The Act does not provide the manner by which the maximum levy is determined for the New Town, although it provides that the Department must decrease the New Town's maximum levy by an amount specified in the

imposed by the Units' legislative bodies may differ from what is estimated. The maximum levy growth quotient ("MLGQ") is the rate at which the maximum levy a unit is able to receive may grow from the previous year.[31] A unit is not required to impose the maximum allowable levy for a given year, although the maximum levy will continue to be adjusted by the MLGQ in the following year. As shown in Appendix C of this Review, the Analysis projects an overall combined levy increase of $719,998 compared to the pay-2024 certified levies of the Town and Township, respectively.[32]

The Analysis proposed a levy for fire services and police services from both the General Fund and Town District (municipal-only fund). The assessed value base of the General Fund would include all property in the New Town, while the assessed value base of the Municipal Funds would just comprise the existing incorporated taxing district. In addition, an estimated $118,000 is expected to be generated from a cumulative capital development fund tax rate imposed on both the Rural District and Town District.[33]

Analysis of Tax Rates

10. The Analysis uses the CNAV for the Units for 2023 Pay 2024 prior to the Annexed Area and proposed Reorganization. The study did not include estimates based on projected 2024 Pay 2025 gross assessed values, historical data, or parcel-level data.

11. Estimated effects on political subdivisions in the county that are not participating in the reorganization and on taxpayers located in those political subdivisions per Ind. Code § 36-1.5-4-18(d)(4).

Circuit Breaker Impact

12. The Analysis does provide an estimated circuit breaker impact by Unit.; however, the Analysis does not describe any other effects. In particular, the Analysis does not discuss whether the reorganization will change the local income tax and road funding distributions.

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reorganization plan to eliminate double taxation and any excess taxes needed to pay for services or goods provided by the New Town. Ind. Code § 36-1.5-3-5(a).

Ind. Code § 6-1.1-18.5-13(a)(1) provides that a civil taxing unit may increase its maximum levy due to increased costs "resulting from annexation, consolidation, or other extensions of governmental services by a civil taxing unit to additional geographic areas." Such an increase must be reviewed and approved by the Department under Ind. Code § 6-1.1-18.5-12.

[31] See Ind. Code § 6-1.1-18.5-2.

[32] The Town's Notice of Final Budget Recommendations ("1782 Notice"), issued by the Department pursuant to Ind. Code § 6-1.1-17-16(g) for pay-2024 indicates the Town's pay-2024 maximum levy is $1,541,582. Town 1782 Notice, issued January 2, 2024. Likewise, the Township's pay-2024 1782 Notice shows the Township's pay-2024 maximum levies are $122,241 (for its General and Township Assistance Funds) and $268,973 (for its Township Fire Fund). Township 1782 Notice, issued December 12, 2023.

[33] Ind. Code § 36-9-15.5-6(a) provides that a "municipal fiscal body may provide money for the cumulative capital development fund by levying a tax . . . on the taxable property in the municipality." The maximum tax rate for a cumulative capital development fund provided by Ind. Code § 36-9-15.5-6(b).

Motor Vehicle Highway Fund

13. Distributions for the Motor Vehicle Highway Fund are based on: (1) the proportion of a municipality's population compared to other municipalities in the county; and (2) the proportion of the road mileage maintained by the municipality compared to road mileage maintained by the county.[34] Accordingly, these distributions are expected to increase for the New Town. The New Town will have more population and roads to maintain but will add that there will likely be reduced distributions to other municipalities in the county (due to the reorganized Town having a larger share of the population compared to the other municipalities) and to the county (due to the reorganized Town having a larger share of road mileage).

[34] Ind. Code § 8-14-1-3(1), (2).

Appendix A - Analysis of Expenditures

Unit - (before Reorganization) Certified Budget

Sheridan Civil Town

Fund	Personal Services	Supplies	Services & Charges	Capital Outlay	Township Assistance	Debt Services	Certified Budget
General - Council/Board	$ 63,928	$ 2,500	$ 486,550	$ -	$ -	$ -	$ 552,978
General - Clerk Treasurer	$ 346,689	$ 12,000	$ 64,500	$ -	$ -	$ -	$ 423,189
General - Fire Department	$ 1,370,697	$ 94,500	$ 248,500	$ -	$ -	$ -	$ 1,713,697
General - Planning & Zoning	$ 168,036	$ 3,000	$ 1,500	$ -	$ -	$ -	$ 172,536
General - Police Department	$ 892,731	$ 104,000	$ 63,000	$ -	$ -	$ -	$ 1,059,731
General - Public Works Service (3)	$ 411,170	$ 33,250	$ 53,150	$ 50,000	$ -	$ -	$ 547,570
Subtotal: General Fund	$ 3,253,251	$ 249,250	$ 917,200	$ 50,000	$ -	$ -	$ 4,469,701
Rainy Day (2)	$ -	$ -	$40,605	$ -	$ -	$ -	$ 40,605
Debt Service	$ -	$ -	$ -	$ -	$ -	$ 171,660	$ 171,660
Lease Rental Payment	$ -	$ -	$ -	$ -	$ -	$ 29,806	$ 29,806
Local Road & Street	$ -	$ 20,000	$ 80,000	$ -	$ -	$ -	$ 100,000
Motor Vehicle Highway	$ -	$ 31,500	$ -	$ 7,500	$ -	$ -	$ 39,000
Park	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Capital Imp (Cig Tax)	$ -	$ -	$ 10,000	$ -	$ -	$ -	$ 10,000
Cumulative Capital Development	$ -	$ -	$ 100,000	$ -	$ -	$ -	$ 100,000
Unit Total	$ 3,253,251	$ 300,750	$ 1,147,805	$ 57,500	$ -	$ 201,466	$ 4,960,772

Adams Township

Fund	Personal Services	Supplies	Services & Charges	Capital Outlay	Township Assistance	Debt Services	Certified Budget
General	$ 153,000	$ 6,500	$ 88,600	$ 375,000	$ -	$ -	$ 623,100
Township Assistance (4)	$ 24,000	$ -	$ 150,408	$ -	$ -	$ -	$ 174,408
Township Fire & EMS	$ -	$ -	$ 131,090	$ 150,000	$ -	$ -	$ 281,090
Cumulative Fire (Township)	$ -	$ -	$ -	$ 83,500	$ -	$ -	$ 83,500
Unit Total	$ 177,000	$ 6,500	$ 370,098	$ 608,500	$ -	$ -	$ 1,162,098
Combined Total	$ 3,430,251	$ 307,250	$ 1,517,903	$ 666,000	$ -	$ 201,466	$ 6,122,870

Unit - (after Reorganization) Allocated Expenditures

New Town

Fund	Rural District	Town District	Town Debt	Total	Difference +/- Total
General - Council/Board	$ 579,828	$ -	$ -	$ 579,828	$ 26,850
General - Clerk Treasurer	$ 423,189	$ -	$ -	$ 423,189	$ -
General - Fire Department	$ 1,163,025	$ -	$ -	$ 1,163,025	$ (550,672)
General - Planning & Zoning	$ 172,536	$ -	$ -	$ 172,536	$ -
General - Police Department	$ 475,580	$ -	$ -	$ 475,580	$ (584,151)
General - Public Works Service	$ 547,570	$ -	$ -	$ 547,570	$ -
General - Township (5)	$ 313,513	$ -	$ -	$ 313,513	$ 313,513
General - Township Assistance	$ 150,408	$ -	$ -	$ 150,408	$ 150,408
Subtotal: General Fund	$ 3,825,649	$ -	$ -	$ 3,825,649	$ (644,052)
Rainy Day (2)	$ 40,605	$ -	$ -	$ 40,605	$ -
Debt Service	$ -	$ -	$ 171,660	$ 171,660	$ -
Lease Rental Payment	$ -	$ -	$ 29,806	$ 29,806	$ -
Local Road & Street (2)	$ 100,000	$ -	$ -	$ 100,000	$ -
Motor Vehicle Highway	$ 318,841	$ -	$ -	$ 318,841	$ 279,841
Park	$ -	$ -	$ -	$ -	$ -
Cumulative Capital Imp (Cig Tax) (2)	$ 10,000	$ -	$ -	$ 10,000	$ -
Cumulative Capital Development	$ 100,000	$ -	$ -	$ 100,000	$ -
Town Police (1)	$ -	$ 584,151	$ -	$ 584,151	$ 584,151
Town Fire (1)	$ -	$ 550,672	$ -	$ 550,672	$ 550,672
New Unit Total	$ 4,395,095	$ 1,134,823	$ 201,466	$ 5,731,384	**$ 1,414,664**

Information provided by the Fiscal Impact Analysis, Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County, Indiana, prepared by LWG CPAs & Advisors ("LWG")

(1) Analysis proposes the creation of a new fund to tax the Town District at a higher rate for police and fire services.

(2) Fund amount not included on Table 1, Appendix A, or Appendix B, but included in the review based on assumption to continue unless otherwise noted in Table 1 Per Analysis.

(3) Budget certified amount as debt service category, not capital outlay; Analysis displayed as capital outlay.

(4) Original adopted budget total $176,800; certified was $174,408; the difference applied to services and charges; amounts not applied to Township Assistance category by Unit.

(5) Difference of $2,924 in original adopted budget.

Unit - (before Reorganization) Estimates of Misc Revenue

Sheridan Civil Town

Fund	Column A 07/01-12/31/23	Column B 01/01-12/31/24
Rainy Day - R902 (1)	$ -	$ -
Subtotal: Rainy Day	$ -	$ -
General - R110	$ 16,000	$ 16,000
General - R111	$ 762	$ 1,524
General - R112	$ 7,484	$ 16,180
General - R114	$ 56,633	$ 119,700
General - R134	$ 213,825	$ -
General - R135	$ 543	$ 1,237
General - R136	$ 3,563	$ 7,126
General - R138	$ 549,306	$ 1,204,787
General - R202	$ -	$ 250
General - R203	$ 25,000	$ 50,000
General - R209	$ 100	$ 1,800
General - R210	$ -	$ 1,300
General - R406	$ 5,000	$ 20,000
General - R408	$ 12,000	$ 21,000
General - R409	$ 5	$ 10
General - R410	$ 70,818	$ 141,636
General - R425	$ -	$ 73,937
General - R505	$ 6,000	$ 6,000
General - R902	$ 125,000	$ 250,000
Subtotal: General	$ 1,092,039	$ 1,932,487
Debt Service - R112	$ 691	$ 1,183
Debt Service - R114	$ 5,224	$ 8,754
Debt Service - R135	$ 50	$ 90
Subtotal: Debt Service	$ 5,965	$ 10,027
Lease Rental Payment - R112	$ 164	$ 254
Lease Rental Payment - R114	$ 1,244	$ 1,879
Lease Rental Payment - R135	$ 12	$ 19
Subtotal: Lease Rental Payment	$ 1,420	$ 2,152
Local Road & Street - R113	$ 38,678	$ 77,356
Local Road & Street - R406	$ 250	$ 500
Subtotal: Local Road & Street (1)	$ 38,928	$ 77,856
Motor Vehicle Highway - R112	$ 312	$ -
Motor Vehicle Highway - R114	$ 2,366	$ -
Motor Vehicle Highway - R116	$ 29,562	$ 59,123
Motor Vehicle Highway - R135	$ 23	$ -
Motor Vehicle Highway - R910	$ 150,000	$ -
Subtotal: Motor Vehicle Highway	$ 182,263	$ 59,123
Park - R112	$ 676	$ -
Park - R114	$ 5,114	$ -
Park - R135	$ 49	$ -
Park - R411	$ -	$ 5,000
Park - R413	$ 1,500	$ 10,000
Park - R908	$ 500	$ 1,000
Subtotal: Park (1)	$ 7,839	$ 16,000
Cum Cap Imp (Cig Tax) - R111	$ 2,794	$ 5,587
Subtotal: CCI (Cig Tax) (1)	$ 2,794	$ 5,587
Cum Cap Dev - R112	$ 382	$ 830
Cum Cap Dev - R114	$ 2,892	$ 6,139
Cum Cap Dev - R135	$ 28	$ 63
Subtotal: CCD	$ 3,302	$ 7,032
Unit Total	$ 1,334,550	$ 2,110,264

Unit - (after Reorganization) Estimates of Misc Revenue - 1-Year

New Town

Fund	Rural District	Town District	Town Debt	Total
Rainy Day - R902 (1)	$ -	$ -	$ -	$ -
Subtotal: Rainy Day	$ -	$ -	$ -	$ -
General - R110		$ -	$ -	
General - R111		$ -	$ -	
General - R112		$ -	$ -	
General - R114		$ -	$ -	
General - R134		$ -	$ -	
General - R135		$ -	$ -	
General - R136		$ -	$ -	
General - R138		$ -	$ -	
General - R202		$ -	$ -	
General - R203	$ 2,180,294	$ -	$ -	$ 2,180,294
General - R209		$ -	$ -	
General - R210		$ -	$ -	
General - R406		$ -	$ -	
General - R408		$ -	$ -	
General - R409		$ -	$ -	
General - R410		$ -	$ -	
General - R413		$ -	$ -	
General - R425		$ -	$ -	
General - R505		$ -	$ -	
General - R902		$ -	$ -	
Subtotal: General	$ 2,180,294	$ -	$ -	$ 2,180,294
Debt Service - R112	$ -	$ -	$ 1,183	$ 1,183
Debt Service - R114	$ -	$ -	$ 8,754	$ 8,754
Debt Service - R135	$ -	$ -	$ 90	$ 90
Subtotal: Debt Service	$ -	$ -	$ 10,027	$ 10,027
Lease Rental Payment - R112	$ -	$ -	$ 254	$ 254
Lease Rental Payment - R114	$ -	$ -	$ 1,879	$ 1,879
Lease Rental Payment - R135	$ -	$ -	$ 19	$ 19
Subtotal: Lease Rental Payment	$ -	$ -	$ 2,152	$ 2,152
Local Road & Street - R113	$ -	$ -	$ -	$ -
Local Road & Street - R406	$ -	$ -	$ -	$ -
Subtotal: Local Road & Street	$ -	$ -	$ -	$ -
Motor Vehicle Highway - R112	$ -	$ -	$ -	$ -
Motor Vehicle Highway - R114	$ -	$ -	$ -	$ -
Motor Vehicle Highway - R116	$ 19,130	$ -	$ -	$ 19,130
Motor Vehicle Highway - R135	$ -	$ -	$ -	$ -
Motor Vehicle Highway - R910	$ -	$ -	$ -	$ -
Subtotal: Motor Vehicle Highway	$ 19,130	$ -	$ -	$ 19,130
Park - R112	$ -	$ -	$ -	$ -
Park - R114	$ -	$ -	$ -	$ -
Park - R135	$ -	$ -	$ -	$ -
Park - R411	$ -	$ -	$ -	$ -
Park - R413	$ -	$ -	$ -	$ -
Park - R908	$ -	$ -	$ -	$ -
Subtotal: Park	$ -	$ -	$ -	$ -
Cum Cap Imp (Cig Tax) - R111	$ -	$ -	$ -	$ -
Subtotal: CCI (Cig Tax)	$ -	$ -	$ -	$ -
Cum Cap Dev - R112	$ -	$ -	$ -	$ -
Cum Cap Dev - R114	$ -	$ -	$ -	$ -
Cum Cap Dev - R135	$ 16,093	$ -	$ -	$ 16,093
Subtotal: CCD	$ 16,093	$ -	$ -	$ 16,093
Town Police (2)	$ -	$ 58,984	$ -	$ 58,984
Town Fire (2)	$ -	$ 55,604	$ -	$ 55,604
Township Assistance	$ 670	$ -	$ -	$ 670
Township Fire & EMS	$ 75	$ -	$ -	$ 75
Cumulative Fire (Twp)	$ 9	$ -	$ -	$ 9
Subtotal: Misc.	$ 754	$ 114,588	$ -	$ 115,342
New Unit Total	$ 2,216,271	$ 114,588	$ 12,179	$ 2,343,038
			Difference	**$ (139,436)**

Revenue Code Legend

Revenue Code	Revenue Name
R108	Other Taxes
R109	ABC Excise Tax Distribution
R110	Casino/Riverboat Distribution
R111	Cigarette Tax Distribution
R112	Financial Institution Tax Distribution
R113	Local Road and Street Distribution
R114	Vehicle/Aircraft Excise Tax Distribution
R116	Motor Vehicle Highway Distribution (MVH)
R132	Federal and State Grants and Distributions - Health and Welfare
R134	Federal and State Grants and Distributions - Other
R135	Commercial Vehicle Excise Tax Distribution (CVET)
R136	ABC Gallonage Tax Distribution
R138	Local Income Tax (LIT) Certified Shares
R139	Local Income Tax (LIT) for Public Safety
R201	Electrical and Plumbing Licenses and Permits
R202	Food and Amusement Licenses and Permits
R203	Planning, Zoning, and Building Permits and Fees
R209	Other Licenses and Permits
R210	Cable TV Licenses
R406	Street Maintenance and Other Transportation Fees
R408	Emergency Medical Services Fees
R409	Document and Copy Fees
R410	Fire Protection Contracts and Service Fees
R411	Park and Recreation Receipts
R413	Rental of Property
R423	Other Charges for Services, Sales, and Fees
R425	Police Protection Contracts and Service Fees
R503	Other Fines and Forfeitures
R505	Other Court and Clerk Receipts
R902	Earnings on Investments and Deposits
R908	Donations, Gifts, and Bequests
R910	Transfers In - Transferred from Another Fund
R913	Other Receipts

Adams Township

Fund	Column A 07/01-12/31/23	Column B 01/01-12/31/24
General - R112	$ 200	$ 365
General - R114	$ 1,524	$ 3,006
General - R135	$ 214	$ 412
General - R138	$ 156,633	$ 340,086
General - R413	$ 500	$ 1,000
General - R902	$ 4,500	$ 5,000
Subtotal: General	$ 163,571	$ 349,869
Township Assistance - R112	$ 305	$ 594
Township Assistance - R114	$ 2,324	$ 4,898
Township Assistance - R135	$ 327	$ 670
Subtotal: Township Assistance	$ 2,956	$ 6,162
Township Fire & EMS - R114	$ 6,413	$ 14,442
Township Fire & EMS - R135	$ 38	$ 75
Township Fire & EMS - R902	$ -	$ -
Subtotal: Township Assistance	$ 6,451	$ 14,517
Cumulative Fire (Twp) - R114	$ 697	$ 1,653
Cumulative Fire (Twp) - R135	$ 4	$ 9
Cumulative Fire (Twp) - R902	$ -	$ -
Subtotal: Township Assistance	$ 701	$ 1,662
Unit Total	$ 173,679	$ 372,210
Combined Total	$ 1,508,229	$ 2,482,474

Information provided by the Fiscal Impact Analysis, Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County, Indiana, prepared by LWG CPAs & Advisors ("LWG"), as well as Budget Form 2 - Report of Miscellaneous Revenue, submitted separately by Town and Township for pay-2024 budget

(1) Fund amount not included on Table 3, Appendix C, or Appendix D; however, included in Review based on 1782 Notice

(2) Analysis proposes the creation of a new fund to tax the Town District at a higher rate for police and fire services

Appendix C - Analysis of Property Tax Levy

Unit - (before Reorganization) Certified Budget

Sheridan Civil Town

Fund	Certified Levy	Normal Max Levy	Minus LOIT	Minus Levy Excess	Plus Misc Changes	Working Max Levy(2)	Over/Under Max Levy(3)
General (UT)	$ 1,459,983	$ 1,441,603	$ -	$ -	$ 99,879	$ 1,541,482	$ 6,620
Cumulative Capital Dev (UT)	$ 74,879						
Local Road & Street (UT)	$ -						
Motor Vehicle Highway (UT)	$ -						
Park (UT)	$ -						
Cumulative Capital Imp (UT)	$ -						
Subtotal: Unit Levy	$ 1,534,862	$ 1,441,603	$ -	$ -	$ 99,879	$ 1,541,482	$ 6,620
Debt Service (00)	$ 106,777						
Lease Rental Payment (00)	$ 22,913						
Unit Total	$ 1,664,552	$ 1,441,603	$ -	$ -	$ 99,879	$ 1,541,482	$ 6,620

Adams Township

Fund	Certified Levy	Normal Max Levy	Minus LOIT	Minus Levy Excess	Plus Misc Changes	Working Max Levy(2)	Over/Under Max Levy
General (UT)	$ 46,318	$ 122,241	$ -	$ -	$ -	$ 122,241	$ 470
Township Assistance (UT)	$ 75,453						
Subtotal: Unit Levy	$ 121,771	$ 122,241	$ -	$ -	$ -	$ 122,241	$ 470
Township Fire & EMS (TF)	$ 267,859	$ 268,973	$ -	$ -	$ -	$ 268,973	$ 1,114
Cumulative Fire (00)	$ 30,657						
Unit Total	$ 420,287	$ 391,214	$ -	$ -	$ -	$ 391,214	$ 1,584
Combined Total (UT)	$ 1,656,633	$ 1,563,844	$ -	$ -	$ 99,879	$ 1,663,723	$ 7,090
Combined Total (TF)	$ 267,859	$ 268,973	$ -	$ -	$ -	$ 268,973	$ 1,114
Combined Total (UT,TF,00)	$ 2,084,839	$ 1,832,817	$ -	$ -	$ 99,879	$ 1,932,696	$ 8,204

Unit - (after Reorganization) Proposed Estimated Levies

New Town

Fund	Rural District	Town District	Town Debt	Total	Difference +/- Total
General (UT)	$ 259,579	$ 173,718	$ -	$ 433,297	$ (1,026,686)
Cumulative Capital Dev (UT)	$ 111,887	$ 74,879	$ -	$ 186,766	$ 111,887
Local Road & Street (UT)	$ -	$ -	$ -	$ -	$ -
Motor Vehicle Highway (UT)	$ 179,550	$ 120,161	$ -	$ 299,711	$ 299,711
Park (UT)	$ -	$ -	$ -	$ -	$ -
Cumulative Capital Imp (UT)	$ -	$ -	$ -	$ -	$ -
Police (1)	$ -	$ 687,236	$ -	$ 687,236	$ 687,236
Fire (1)	$ -	$ 647,850	$ -	$ 647,850	$ 647,850
Subtotal: Unit Levy	$ 551,016	$ 1,703,844	$ -	$ 2,254,860	$ 719,998
Debt Service (00)	$ -	$ -	$ 106,777	$ 106,777	$ -
Lease Rental Payment (00)	$ -	$ -	$ 22,913	$ 22,913	$ -
New Unit Total	$ 551,016	$ 1,703,844	$ 129,690	$ 2,384,550	**$ 719,998**
New Unit Total (by District only)	*$ 551,016*	*$1,833,534*		*$ 2,384,550*	

Information provided by the Fiscal Impact Analysis, Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County, Indiana, prepared by LWG CPAs & Advisors ("LWG")

(1) Analysis proposes the creation of a new fund to tax the Town District at a higher rate for police and fire services.

(2) Derived from 1782 Notice issued for pay-2024.

(3) Positive values in this column represent the amount by which the levy is under the maximum allowable.

Max Levy Code Legend	
Levy Code	Levy Code Control Description
UT	Civil Unit Maximum Levy Control
TF	Township Fire Maximum Levy Control
00	Outside Maximum Levy Control

Materials Submitted by:

Town of Sheridan & Adams Township
Hamilton County

KROGER GARDIS & REGAS, LLP
ATTORNEYS

May 10, 2024

Daniel Shackle, Commissioner
Department of Local Government Finance
100 N. Senate Avenue Room N1058
Indianapolis, IN 46204

Via email to dshackle@dlgf.in.gov
and by Federal Express

RE: Town of Sheridan/Adams Township
Reorganization Fiscal Impact Analysis

Commissioner Shackle:

Pursuant to the provisions of the Indiana Government Modernization Act, Ind. Code 36-1.5 *et seq.,* we are forwarding to the Department of Local Government Finance (the "DLGF") the attached Resolutions passed on May 9, 2024, which preliminarily approved a Fiscal Impact Analysis of the proposed reorganization of Adams Township of Hamilton County and the Town of Sheridan, Indiana. Under Ind. Code §36-1.5-4-18(e), reorganizing political subdivisions are required to submit a Fiscal Impact Analysis of any proposed reorganization to the DLGF for review and comment.

While the DLGF has up to 30 days prior to the date of the November 5, 2024 referendum to conduct its review under the statute, we have been informed by Hamilton County election officials that final approval of a Plan of Reorganization and the attendant referendum question must be submitted to the County Election Board in early July. Consequently, Adams Township and Sheridan are currently scheduled to finally approve a proposed Plan of Reorganization on June 18, 2024. We ask that the DLGF expedite its review so that the legislative bodies of the reorganizing political subdivisions have sufficient time to amend the Plan to reflect any comments or concerns by the DLGF.

Thank you and please let us know if our firm or Jim Higgins of London Witte Group can answer any questions.

Very truly yours,

KROGER, GARDIS & REGAS, LLP
Attorneys for the Town of Sheridan

Brian C. Bosma

Brian C. Bosma

cc: Elected Officials of Town of Sheridan, Indiana
and Adams Township of Hamilton County, Indiana
Jim Henderson, LWG CPAs & Advisors

RESOLUTION NO. 2024-05

A RESOLUTION PRELIMINARILY APPROVING A FINANCIAL IMPACT ANALYSIS FOR THE PROPOSED REORGANIZATION OF THE TOWN OF SHERIDAN, INDIANA AND ADAMS TOWNSHIP OF HAMILTON COUNTY, INDIANA

The Town Council (the "Council") of the Town of Sheridan, Indiana (the "Town") met at a duly called and authorized meeting of the Council on the date set forth below, such meeting being called pursuant to a notice stating the time, place and purpose of the meeting received by all the Council members, and the following resolutions were made, seconded, and adopted by those present at the meeting, which constituted a majority of the Council:

WHEREAS, on September 28, 2023 the Township Board (the "Board") of Adams Township of Hamilton County, Indiana (the "Township") adopted Resolution 2023-01 expressing the Board's proposal to enter into a reorganization of the Township with the Town under Ind. Code 36-1.5 *et seq.* (the "Act"), fulfilling the requirements under Ind. Code §36-1.5-4-10 to initiate a proposed reorganization under the Act; and

WHEREAS, the Trustee of the Township certified a copy of Resolution 2023-01 to the Clerk Treasurer of the Town as required by Ind. Code §36-1.5-4-10(b) and evidenced by the Certificate of Township Trustee attached hereto as Exhibit "A"; and

WHEREAS, upon receipt of the certified copy of Township Resolution 2023-01, on October 3, 2023 the Council adopted Resolution 2023-20, a substantially identical resolution proposing to participate in the proposed reorganization of the Town with the Township, fulfilling the requirement of Ind. Code §36-1.5-4-13(a)(2); and

WHEREAS, The Clerk-Treasurer of the Town certified a copy of Resolution 2023-20 to the Trustee of the Township as required by Ind. Code §36-1.5-4-13(b) and evidenced by the Certificate of Clerk-Treasurer attached hereto as Exhibit "B"; and

WHEREAS, the Town and the Township appointed a cross section of citizens as members of a Reorganization Committee (the "Committee") to make recommendations regarding the potential reorganization of the Town and the Township into a single political subdivision; and

WHEREAS, the Committee directed London Witte Group LLC, d/b/a LWG CPAs & Advisors ("LWG") to prepare a Financial Impact Analysis meeting the requirements of Ind. Code §36-1.5-4-18(d) for review and preliminary approval by the legislative bodies of the Town and the Township and for submittal to the Indiana Department of Local Government Finance (the "DLGF") for review in accordance with the Act; and

WHEREAS, at the request of the Reorganization Committee, LWG has submitted the Fiscal Impact Analysis attached hereto as Exhibit "C" to the legislative bodies of the Town and Township for preliminary approval and submittal to the DLGF for review in accordance with the Act; and

WHEREAS, the Town has been informed that the deadline for submitting public question ballot language for approval to the Hamilton County Election Board is July 16, 2024, and the Council hereby requests the DLGF to expedite its review of and comments on the Fiscal Impact Analysis to facilitate the final approval of the Plan of Reorganization by the Town and the Township no later than June 18, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE SHERIDAN TOWN COUNCIL AS FOLLOWS:

Section 1. The above recitals are incorporated herein as if set out in full.

Section 2. The Council confirms its intent to participate in a reorganization under the provisions of the Act with Adams Township of Hamilton County, Indiana.

Section 3. The Council preliminarily approves the Fiscal Impact Analysis attached hereto as Exhibit "C" and incorporated herein, subject to such further revisions which are adopted as part of the final approval of the Plan of Reorganization by the legislative bodies of the Town and the Township.

Section 4. LWG and the Clerk-Treasurer of the Town are hereby authorized, empowered and directed to submit the Fiscal Impact Analysis to the DLGF and to further request that the review by the DLGF be expedited so that the final adoption of the Plan of Reorganization is sufficient to meet the deadline for the Circuit Court Clerk of Hamilton County to convene a County Election Board meeting no later than July 16, 2024 for the approval of the public question ballot language.

ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF SHERIDAN, INDIANA this 9th day of May, 2024.

SHERIDAN TOWN COUNCIL

FOR:		AGAINST:
	Silas DeVaney, III, President	
	Eric Gifford, Vice President	
	Daniel Bragg, Member	
	David Kinkead, Member	
	Levi Schrock, Member	

ATTEST:

Elizabeth Walden, Clerk-Treasurer

RESOLUTION 2024-05
Exhibit "A"

CERTIFICATE OF THE TRUSTEE OF
ADAMS TOWNSHIP OF HAMILTON COUNTY, INDIANA

RE: Delivery and Certification of Resolution

STATE OF INDIANA)
) **SS:**
HAMILTON COUNTY)

I, Michelle Junkins, the duly chosen, qualified and acting Trustee of Adams Township of Hamilton County, Indiana (the "Township") hereby certify that as of the date below, I personally delivered to the Clerk-Treasurer of the Town of Sheridan, Indiana the attached copy of Resolution 2023-01 duly adopted by the Adams Township Board on September 28, 2023. This certification is being made in accordance with Ind. Code §36-1.5-4-10(b).

IN WITNESS WHEREOF, I have hereunto set my hand effective as of the 28th day of September, 2023.

ADAMS TOWNSHIP OF HAMILTON COUNTY, INDIANA

(Seal)

By: Michelle Junkins
Michelle Junkins, Township Trustee

Resolution 2023-1

A RESOLUTION TO EXPLORE A REORGANIZATION WITH THE TOWN OF SHERIDAN, HAMILTON COUNTY, INDIANA

WHEREAS, Adams Township, Hamilton County, Indiana (the "Township"), is a political subdivision existing under the provisions of Ind. Code § 36-4-1. et. seq.;

WHEREAS, the Adams Township Board (the "Board") is the fiscal body of the Township that oversees the operations of the Township's business within its jurisdictional boundaries;

WHEREAS, the jurisdictional boundaries of the Township are currently bordered by the Town of Sheridan (the "Town"), to the north, west, east, and south;

WHEREAS, the Township and the Town are separate and distinct governmental bodies; however, the residents of the Township and the Town live as one community;

WHEREAS, both the Township and the Town recognize that their shared community is now a targeted destination for economic growth and development as a result of the continued upgrades to US 31, including the establishment of water and wastewater utilities along the corridor;

WHEREAS, both the Township and the Town understand and appreciate the opportunity to be part of the economic growth and development and ensure their residents continue to be part of the same community, decision-making, and overall sustainability;

WHEREAS, to ensure this occurs, the Township desires to explore a reorganization with the Town, to at least some degree, to formally determine whether this is in the bests interests of the community;

NOW, THEREFORE, BE IT RESOLVED by the Adams Township Board as follows:

The Board hereby proposes that Adams Township explore a reorganization with the Town of Sheridan, Hamilton County, Indiana.

The Board directs the Township Trustee to certify this Resolution and send it to the Sheridan Town Council to take action under Indiana Code§ 36-1.5-4-13.

This Resolution shall be in effect immediately.

ADOPTED by the Board of Adams Township, Hamilton County, Indiana, this 28 day of September 2023.

ADAMS TOWNSHIP BOARD

Attest:

Michelle Junkins,
Adams Township Trustee

RESOLUTION
2024-05 Exhibit "B"

CERTIFICATE OF THE CLERK-TREASURER OF THE TOWN OF SHERIDAN

RE: Delivery and Certification of Resolution

STATE OF INDIANA)
) SS:
HAMILTON COUNTY)

I, Elizabeth A. Walden, the duly chosen, qualified and acting Clerk-Treasurer of the Town of Sheridan, Indiana (the "Town") hereby certify that as of the date below, I personally delivered to the Trustee of Adams Township of Hamilton County, Indiana the attached copy of Resolution 2023-20 duly adopted by the Sheridan Town Council on October 3, 2023. This certification is being made in accordance with Ind. Code §36-1.5-4-10(b).

IN WITNESS WHEREOF, I have hereunto set my hand effective as of the 4th day of October, 2023.

TOWN OF SHERIDAN, INDIANA

(Seal)

By: Elizabeth A Walden
Elizabeth A. Walden, IAMC, CMC, CMO
Clerk-Treasurer

Resolution 2023-20

A RESOLUTION TO EXPLORE A REORGANIZATION WITH ADAMS TOWNSHIP, HAMILTON COUNTY, INDIANA

WHEREAS, the Town of Sheridan (the "Town") is a political subdivision existing under the provisions of Ind. Code § 36-4-1, *et. seq.*;

WHEREAS, the Sheridan Town Council (the "Council") is the fiscal body of the Town that oversees the operations of the Town's business within its jurisdictional boundaries;

WHEREAS, the jurisdictional boundaries of the Town are currently bordered by Adams Township, Hamilton County (the "Township") to the north, west, east, and south;

WHEREAS, the Town and the Township are separate and distinct governmental bodies; however, the residents of the Town and the Township live as one community;

WHEREAS, both the Town and the Township recognize that their shared community is now a targeted destination for economic growth and development as a result of the continued upgrades to US 31, including the establishment of water and wastewater utilities along the corridor;

WHEREAS, both the Town and the Township understand and appreciate the opportunity to be part of the economic growth and development and ensure their residents continue to be part of the same community, decision-making and overall sustainability;

WHEREAS, to ensure this occurs, on September 28, 2023, the Township adopted Resolution 2023-1 (Ex. A), agreeing to explore a reorganization with the Town;

WHEREAS, the Town also desires to explore a reorganization with the Township, to at least some degree, to formally determine whether this is in the bests interests of the community;

NOW, THEREFORE, BE IT RESOLVED by the Sheridan Town Council as follows:

1. This Council hereby proposes that the Town of Sheridan explore a reorganization with Adams Township, Hamilton County, Indiana.

2. The Council directs the Sheridan Clerk-Treasurer to certify this Resolution and send it to the Adams Township, Hamilton County Trustee pursuant to Indiana Code § 36-1.5-4-13(b).

3. This Resolution shall be in effect immediately.

[The remainder of this page is blank.]

ADOPTED BY THE COUNCIL OF THE TOWN OF SHERIDAN, INDIANA this 3rd day of October, 2023.

SHERIDAN TOWN COUNCIL

FOR:		AGAINST:
	Silas DeVaney	
	David Kinkead	
	Darryl Waters	
	Daniel Bragg	
	Eric Gifford	

ATTEST:

Elizabeth Walden, Clerk-Treasurer

TOWN OF SHERIDAN SEAL SHERIDAN, IND.

RESOLUTION 2024-05
Exhibit "C"

FISCAL IMPACT ANALYSIS

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County, Indiana

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Draft Dated: May 3, 2024

CPAS ▲ ADVISORS

Fiscal Impact Analysis: Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County, Indiana

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PURPOSE OF THE REPORT

Under the authority granted by Indiana Code (IC) 36-1.5, *et seq.*, (the "Reorganization Statute") the Town of Sheridan, Indiana (the "Town") and Adams Township of Hamilton County, Indiana (the "Township") have taken the initial necessary actions by adoption of substantially similar resolutions to explore reorganization of the Town and Township into one governmental unit (the "New Town"). The Reorganization Statute defines reorganization as "a change in the structure or administration of a political subdivision described in IC §36-1.5-4-3 and IC §36-1.5-4-4". LWG CPAs & Advisors ("LWG") has been engaged by the Town to provide a Fiscal Impact Analysis (the "Report") as required by the Reorganization Statute, specifically, IC §36-1.5-4-18 (the "Fiscal Analysis Requirement"). This Report addresses, at a minimum, the following four (4) items as mandated by the Fiscal Analysis Requirement:

(1) The estimated effect of the proposed reorganization on taxpayers in the Town and Township including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service;

(2) A description of the planned services to be provided in the New Town and the method or methods of financing the planned services including (a) itemized estimated costs for each department or agency of the New Town and (b) explanations as to how specific and detailed expenses will be funded from taxes, fees, grants, and other funding;

(3) A description of the capital improvements to be provided in the New Town and the method or methods of financing those capital improvements. (There are no new capital improvements identified at the time of this Report; however, future improvements are possible); and

(4) Any estimated effects on political subdivisions in Hamilton County that are not participating in the reorganization and on taxpayers located in those political subdivisions.

This Report is to be included as part of the Plan of Reorganization prepared by the legislative bodies of the Town and Township as further described in the Report. The Report must be submitted to the Indiana Department of Local Government Finance (DLGF) at least three (3) months before the election in which a public question will be on a ballot as required by IC §36-1.5-4-18(e). This Report is based on estimates, assumptions and other data developed by LWG from data provided by the Town, Township, DLGF, and other sources deemed to be reliable.

In the course of preparing this Report, we have not conducted an audit, review or compilation of any financial or supplemental data or any of the assumptions identified and/or used in the Report. We have made certain projections of tax rates, tax levies, expenditure levels, and service levels which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Report for events or circumstances occurring after the date of this Report.

If you have questions regarding this Report, please contact Jim Higgins at jim.higgins@lwgpca.com.

GOVERNMENT MODERNIZATION ACT AND REORGANIZATION STATUTE

In 2006, the Indiana General Assembly adopted the Government Modernization Act (the "Act"), codified under Indiana Code (IC) 36-1.5, *et seq.*, (the "Reorganization Statute"). The Reorganization Statute was written to "grant broad powers to enable political subdivisions to operate more efficiently by eliminating restrictions under existing law that (a) impede the economy of operation of; (b) interfere with the ease of administration of; (c) inhibit cooperation among; and (d) thwart better government by; political subdivisions." In addition, the Reorganization Statute encourages "efficiency by and coordination among political subdivisions to: (a) reduce reliance on property taxes; and (b) enhance the ability of political subdivisions to provide critical and necessary services as well as strengthen the financial condition of state government." The Reorganization Statute grants political subdivisions the authority to reorganize and to use cooperative agreements to achieve government functions or transfer responsibilities between offices.

The Reorganization Statute allows for a wide range of reorganizations dependent on the type of political subdivisions participating in the process. Included (and relevant to this Report) is the authority for a township to reorganize with a municipality that is located in any part of the township. IC §36-1.5-4-1(a)(7). The Town and Township are located within Hamilton County (the "County") and the Town is located entirely within the Township. Under the Reorganization Statute, the participating political subdivisions may consolidate into a single new political subdivision or as applicable here, can consolidate into one of the participating political subdivisions, in this case the reorganized Town of Sheridan (the "New Town"). IC §36-1.5-4-3(b). At the effective date of reorganization, all of the participating subdivisions cease to exist except the reorganized political subdivision. IC §36-1.5-4-6(1). At the same time, the responsibilities, assets and liabilities (excluding existing debt service obligations and pension obligations) of the original political subdivision are transferred to the reorganized political subdivision. IC §36-1.5-4-6(5).

The process of reorganization can be initiated in one of two ways: (1) initiation by legislative body (applicable and discussed herein) or (2) initiation by voters. A legislative body of a political subdivision may initiate a proposed reorganization by adopting a resolution that (1) proposes a reorganization, and (2) names the political subdivisions that would be reorganized in the proposed reorganization. IC §36-1.5-4-10. Furthermore, the clerk of the political subdivision adopting the resolution shall certify the resolution to the clerk of each political subdivision named in the resolution. The steps associated with the initiation by voters can be found at IC §36-1.5-4-11 of the Reorganization Statute.

After adoption of a resolution indicating the desire to participate in reorganization, the resolution is forwarded to the other affected political subdivisions. The other political subdivisions must adopt their own resolution proposing to participate in a reorganization or declining to participate. Participating political subdivisions must ultimately adopt substantially identical resolutions. The Township Board and the Township Trustee of the Township adopted Resolution No. 2023-1 on September 28, 2023, and the Council of the Town adopted Resolution No. 2023-20 on October 3, 2023, proposing reorganization between the Town and Township.

The legislative bodies of the Town and Township shall next prepare a comprehensive Plan of Reorganization (the "Plan"). The Plan will govern the actions, duties, and powers of the New Town that are not specified by law. The specific items, including the fiscal impact analysis required to be included in the Plan are described in IC §36-1.5-4-18. The fiscal impact analysis must be submitted to the Indiana Department of Local Government Finance (DLGF) at least three (3) months before the election in which a

public question will be on a ballot. The DLGF must respond no later than thirty (30) days before the date of the election. IC §36-1.5-4-18(e).

The legislative bodies of the Town and Township shall consider the Plan in a form of a resolution incorporating the Plan and read at no less than two separate meetings and must conduct a public hearing on the resolution and the Plan no sooner than five (5) days after a notice of the public hearing is published and before the legislative body takes final action on the resolution to adopt the Plan. No later than thirty (30) days after the public hearing, the legislative bodies may (1) adopt the Plan as presented, (2) adopt the Plan with modifications, or (3) reject the Plan. IC §36-1.5-4-20. Any modifications in the Plan must be adopted by all participating legislative bodies. IC §36-1.5-4-21. The legislative bodies shall certify the final action on the Plan to the clerk of each participating political subdivision, the County fiscal officer (the "Auditor"), the County Recorder, the County Voter Registration Office, the County Clerk and the DLGF. IC §36-1.5-4-23 and 24. Certain administrative tasks as outlined in the Reorganization Statute will follow in order to move the Plan to ballot where a public question will be placed on the next regularly scheduled election ballot that includes all precincts in the participating political subdivisions. The question will ask if the political subdivisions should be reorganized into a single political subdivision. Assuming a majority of the voters in each participating subdivision approves the public question, the reorganization is adopted. In the event the voters approve the reorganization, the reorganized political subdivision becomes effective according to the process and timing identified in the Plan.

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SHERIDAN AND ADAMS TOWNSHIP, HAMILTON COUNTY, INDIANA REORGANIZATION EFFORTS

Plan of Reorganization Proposal

The Township Board and the Township Trustee of Adams Township, Hamilton County, Indiana adopted Resolution No. 2023-1 on September 28, 2023 and the Sheridan Town Council adopted Resolution No. 2023-20 on October 3, 2023 proposing to explore reorganization between the Town and Township. The substantially similar Resolutions adopted by the Town and Township are attached as exhibits to the Plan.

The Plan provides for a reorganized local government through the consolidation of the Township into the existing Town political subdivision (the "New Town"). The boundaries of the New Town shall consist of the boundaries of the Town as of December 31, 2024, and all of the areas of the unincorporated Township, which equates to approximately 48.36 square miles. Following consolidation and as currently written in the Plan, the Township will cease to exist on December 31, 2024, and the New Town government structure will then supersede the existing Town structure as provided for in the Plan.

The Town currently provides for those services administered by a town including, but not limited to, police protection, fire protection and emergency response, parks and recreation, planning and land use, and road maintenance. In regards to the provision of services by the New Town, the Plan identifies two service districts (the "Town District" and the "Rural District"). The primary difference between the Town and Rural District is the level of municipal services provided, the application of ordinances, and property tax rates.

Currently, the Pay 2024 Budget for the Town includes only one (1) taxing district with a Pay 2024 Net Assessed Value of $149,757,254. Furthermore, all property tax owners in all taxing districts (including the Township after reorganization) pay a share of expenditures such as General Fund, Motor Vehicle Highway and Cumulative Capital Development that are spread over the consolidated assessed value of $373,532,166 which will consist of the Pay 2024 Rural District AV (the "Rural District"). Lastly, the 2024 Budget Order provides a separate AV for debt obligations including $657,806 for the General Obligation Debt and Equipment Lease issued by the Town prior to the Reorganization. For purposes of this Report and in order to allocate expenditures to the various assessed values, LWG will address the two (2) taxing districts below.

As of the effective date of the proposed reorganization, the Town District will consist of the original Town prior to the Reorganization. The Rural District will include the unincorporated area of Adams Township.

The Town annexed portions of Adams Township (the "Annexation Area") on November 6, 2023 for property assessed January 1, 2024 for taxes payable in 2025. The Plan provides that the Annexation Area will be included in the Town District. This analysis is based on Pay 2024 information; therefore, any impacts to rates and levies as a result of the Annexation Area are not included. However, the parcels contained in the Annexation Area are exempt from municipal property taxes under the provisions of IC 36-4-3-4.1. So long as the Annexation Area remains assessed agricultural, the exemption shall apply. As of January 1, 2024, the Annexation Area remained assessed agricultural. Accordingly, the Annexation Area will not be subject to municipal taxation for Pay 2025 and will have no material impact on post reorganization tax rates and levies.

As stated previously, the Rural District consists of the unincorporated area of the Township. The Rural District will be subject to the current rural ordinances and with all processes, responsibilities, and protections of those ordinances, as amended from time to time, unless specifically stated in the Plan.

The following services will be provided by the New Town to the Rural District:

- The cemeteries currently owned, maintained or managed by the Township shall be transferred to, maintained and managed by the Administration Department of the New Town ("Administration Department") and expenses will be transferred to the New Town General Fund tax rate;
- Weed control responsibilities shall be transferred to the Administration Department and expenses will be transferred to the New Town General Fund tax rate;
- All Township assistance responsibilities shall be transferred to the Administration Department, and expenses transferred to the New Town General Fund tax rate;
- The existing Township fire budget will be transferred to the New Town General Fund tax rate. The Sheridan Fire Department currently operated by the Town shall provide fire, rescue, and emergency medical services throughout the entire New Town jurisdiction;
- Road improvements, snow removal, grading and maintenance for roads and streets throughout the entire New Town jurisdiction will be transferred to the New Town provided that an interlocal agreement is not negotiated with Hamilton County as discussed below. All such expenses will be paid by the New Town. In the event that no agreement is reached on the interlocal agreement with Hamilton County, those expenses will be paid from a Motor Vehicle Highway (MVH) tax rate levied on the entire New Town jurisdiction.

It is the intention of this reorganization that there would be no net tax impact to taxpayers within the current Town of Sheridan and Adams Township due to the reorganization. However, the issue of maintenance of the roads within the unincorporated area of Adams Township has yet to be fully resolved.

Interlocal Agreement

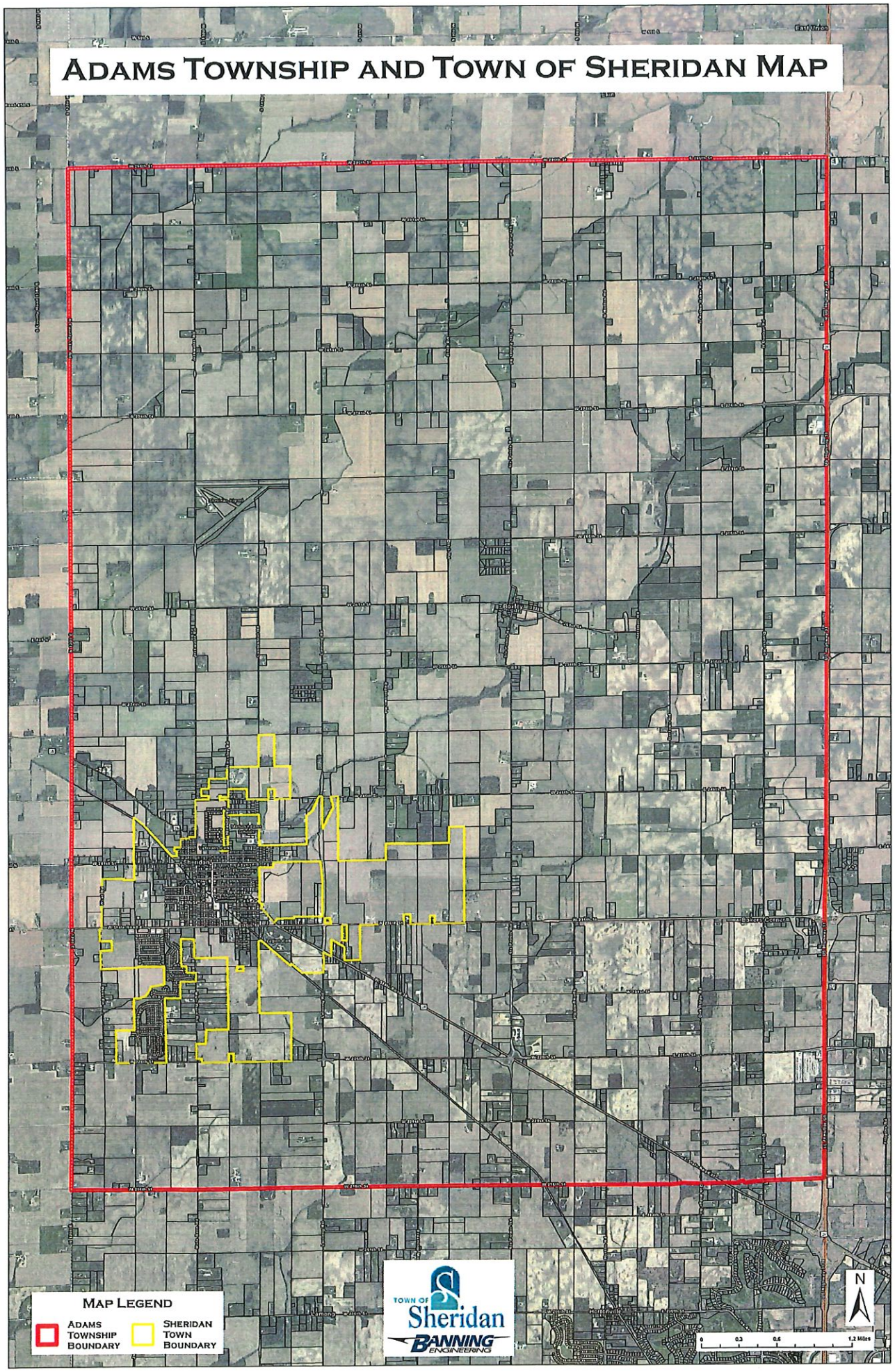
Officials of the Town and Township are desirous of working with the Board of County Commissioners of Hamilton County to enter into an interlocal agreement pertaining to the road improvements, snow removal, grading and maintenance of the roads and streets within the current, unincorporated area of Adams Township (the proposed "Rural District"). However, as of the date of this report an agreement has not yet been reached. Accordingly, the projected additional cost of road improvements and maintenance has been included in this Fiscal Analysis.

As a result of the reorganization, the elected offices of Township Board (three (3) positions) and the Township Trustee will be abolished. All responsibilities under Indiana law and all budgeted expenses associated with township government would be transferred to the Town (as provided for above), and the Town will assume their functions through the newly created Administration Department. All assets of the Township will be transferred to the New Town. Please refer to the Plan for detailed discussion regarding planning and zoning.

Map of the Town and Township

Maps of the Town and Township appear on the following page.

Adams Township and Town of Sheridan Map



FINANCIAL ANALYSIS OF REORGANIZATION

Process for Financial Analysis

The financial analysis has been based on the proposed reorganization structures currently identified by the Town and Township. In order to complete this analysis, LWG has performed the following tasks:

- Analysis of budgeted expenditures for Pay 2024, as adjusted for anticipated changes, of the Town and Township as provided by the Town and Township, Indiana Department of Local Government Finance (DGLF) 1782 Fund Reports, and Budget Form 1's prepared by both the Town and Township.

- Analysis of outstanding debt of the Town and Township. Note that all debt on December 31, 2024, shall not be imposed on taxpayers on or after January 1, 2026, that were not responsible for those obligations prior to reorganization. Those obligations must be paid by the taxpayers that were responsible for those obligations on December 31, 2024.

- Analysis of cash balances as of December 31, 2023, per the Annual Financial Reports of both the Town and Township.

- Analysis of anticipated revenues based on 2024 budget information for the Town and Township as obtained from the DLGF 1782 Fund Reports.

- Calculation of estimated tax levies and tax rates for the New Town based on the budgeted expenditures and revenues.

- Comparison of estimated calculated tax rates to Pay 2024 tax year actual tax rates.

The financial analysis is supported by the attached appendices which are summarized in the following narrative of this Report.

Summary of Tax Levy and Tax Rate Creation

In order to understand the results of the Report, it is first necessary to understand the process by which tax levies and tax rates are created. This section provides a short summary of this process. While this is a simplified summary of the process, it provides certain key equations which are critical to the financial impact analysis.

Each year, taxing units use a statutorily required budgeting process for setting their budgets for the next year. During this process, taxing units must identify their proposed budgeted expenditures for various services. These expenditures are broken into four (4) categories:

- Personal Services (100)
- Supplies (200)
- Other Supplies and Services (300)
- Capital Outlay (400)

Salaries, wages and employee benefits are included within the Personal Services category. Supplies primarily include general office supplies, certain tools necessary, or other consumable items for operation of a particular department. Other Supplies and Services is a catch-all for many other expenditures and includes any contractual services employed by a department, such as lease payments (other than equipment leases) and debt service payments. Capital Outlay includes any expenditures of a capital nature. This could include building improvements, vehicle or equipment purchase, and other capital items.

As part of the budget process, units also must estimate miscellaneous revenues anticipated to be received by the taxing unit in the next year. These revenues do not include property taxes as those will be captured through the tax levy. Rather, miscellaneous revenues include, but are not limited to, local option income tax revenue, excise tax revenue, grants, riverboat revenue allocations, fee revenue, reimbursements, licensing revenue, rental income, permit revenue, and interest income. In addition, cash balances for each fund of the taxing unit will be identified on the budget form, as a taxing unit could utilize available cash balances to fund budgeted expenditures. For the purposes of this Report, we have included cash balances as of December 31, 2023, and operating balances based on the 2024 Fund Report in our consideration for property tax levies. Finally, desired operating balances are identified in order to produce a final proposed property tax levy. Both cash balances and operating balances, however, primarily serve as cash flow management tools in the budget. On a continuing annual basis, structural budget balance can only be achieved by annual revenues equaling or exceeding annual expenditures. After subtracting the estimated miscellaneous revenues from the estimated expenditures, the remainder of the expenditures would be funded through a property tax levy for those funds which are allowed to levy a property tax. The property tax levy is therefore calculated according to the following equation:

Estimated Expenditures	-	Estimated Miscellaneous Revenues	-	Cash Balance	+	Operating Balance	=	Property Tax Levy

After the calculation of the property tax levy for each fund of the taxing unit, it is necessary to calculate the tax rate that will be needed to fulfill the tax levy. To do this, the net assessed value of taxable property within a particular taxing district for which the fund is applicable is calculated. The property tax levy is then spread across this net assessed value to calculate the tax rate. The tax rate is typically expressed in dollars and cents per $100 of net assessed value. The formula for the calculation of the tax rate is:

$$\text{Property Tax Levy} \div \frac{\text{Net Assessed Value}}{100} = \textbf{Tax Rate}$$

Analysis of Expenditures

As the summary above describes, the budget process is often initiated by evaluating expenditures for the services to be provided. For the purposes of this Report, LWG started with analyzing the budgeted expenditures for the Town and the Township for the 2024 budget year. To do this, LWG identified the expenditures associated with each department or fund by the expenditure category for the Town and the Township separately. The Town's expenditures are identified in Appendix A and the Township's expenditures are identified in Appendix B. For purposes of the financial analysis, expenditures associated with these departments or funds are assumed to continue unless otherwise noted in Table 1.

After detailing out the various expenditures by proposed reorganization department or fund, LWG assigned each department or fund to a particular district. LWG used a similar approach to the service districts identified in the Plan and has categorized expenditures into a Rural District, a Town District, and a Town Debt District.

Appendix A and Appendix B include all of the budgeted departments or funds of the Town and Township supported by property tax revenues and miscellaneous revenues. Appendix A and Appendix B allocate the budgets between each of the service districts based on the level of services provided to each respective district.

Appendix E and Appendix F identify outstanding debt for which the Town or Township levy a property tax or are secured by property tax revenues.

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Table 1: Analysis of Proposed Town Expenditures – Property Tax Funds Only

Table 1 below provides the sum of expenditures funded by property taxes applicable to the various districts allocated based on Pay 2024 AV with anticipated known adjustments as noted.

Town Expenditures	Rural District	Town District	Town Debt
Expenditures			
Town General	$ 4,469,701	$ -	$ -
Town General Adjustments:			
Add: 2 Town Council Members	24,942	-	-
Add: FICA Adjustment	1,908	-	-
Add: Costs from Township General	313,513	-	-
Add: Costs from Township Assistance	150,408	-	-
Less: Transfer to Town Police	(584,151)	-	-
Less: Transfer to Town Fire	(550,672)	-	-
Total Adjusted Town General	3,825,649	-	-
Lease Rental Payment	-	-	29,806
Debt Service	-	-	171,660
Cumulative Capital Development	100,000	-	-
Motor Vehicle Highway (1)	318,841	-	-
Town Police	-	-	-
Transfer from General Fund	-	584,151	-
Total Town Police	-	584,151	-
Town Fire	-	-	-
Transfer from General Fund	-	550,672	-
Total Town Police	-	550,672	-
Total Town Expenditures	$ 4,244,490	$ 1,134,823	$ 201,466

(1) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

Miscellaneous revenue-supported expenditures are assumed to be fully funded by miscellaneous revenues and cash on hand; therefore, these expenditures are excluded from Table 1. Table 2, as shown on the following page, provides a summary of remaining Township expenditures after the proposed reorganization. As noted above, the Township will cease to exist; however, certain functions will continue and be carried out by the Town.

Table 2: Analysis of Existing Township Expenditures – Property Tax Funds Only

	Adams Township
Township Expenditures	
Township General	$ 623,100
Removal of General Fund Costs	(312,511)
Total Costs Shifted to Town General Fund	310,589
Township Assistance	174,408
Removal of Township Assistance Costs	(24,000)
Total Costs Shifted to Town General Fund	150,408
Fire Fund	281,090
Removal of Fire Costs	(281,090)
Total Costs Shifted to Town	-
Cumulative Fire Fund	83,500
Removal of Cumulative Fire Costs	(83,500)
Total Costs Shifted to Town	-
Total Remaining Township Expenditures	$ -

Analysis of Outstanding Debt

In addition to the budgeted expenditures for the provision of services, the Town has outstanding debt obligations. The Township does not have any outstanding debt obligations. The bond issues or loans are detailed in Appendix E for the Town and Appendix F for the Township. The Town currently has one (1) bond issue and one (1) equipment lease outstanding (see Appendix E) which are paid from property taxes and included in this financial analysis.

The distinction between these bonds and which taxing units are responsible for the repayment of the bonds is important due to certain provisions of the Act. The Act requires that indebtedness incurred by the Town prior to the reorganization may not be imposed on taxpayers that were not responsible for the debt prior to the reorganization and must only be paid by those taxpayers that were originally responsible. This also applies to pension obligations. This means that all Town debt service must remain with the same taxpayer base as the Town prior to reorganization.

Analysis of Available Revenues

After calculation of the expenses to be paid, LWG then analyzed the available revenues that would be available to fund the proposed expenditures. The data for available revenues has been obtained from cash balances as of December 31, 2023, and the 1782 Fund Reports for the 2024 budget year for the Town and the Township. Based on this information, the various revenue sources have been broken into the various service districts in a manner that correlates the revenues with the applicable expenditures. This process has been done for both the Town and the Township.

Table 3 provides the allocation of miscellaneous revenues per the 1782 Fund Reports to each service district for property tax levied funds. Please refer to Appendix C for a detailed allocation of the Town's miscellaneous revenues and Appendix D for the Township's allocation of miscellaneous revenues. Miscellaneous revenue supported expenditures are assumed to be fully funded by miscellaneous revenues and cash on hand.

Table 3: Analysis of Proposed Miscellaneous Revenue

	Rural District	Town District	Town Debt
Town of Sheridan - Misc. Revenue	$ 1,869,019	$ 114,588	$ 12,179
Adams Township - Misc. Revenue	347,252	-	-
Total	$ 2,216,271	$ 114,588	$ 12,179

Table 4 provides the cash balances per fund as of December 31, 2023, per the Annual Financial Reports of both the Town and Township.

Table 4: Analysis of Cash Balances as of December 31, 2023

Town	Cash Balance
General	$ 1,938,793
Lease Rental Payment	4,584
Debt Service	73,676
Cumulative Capital Development	126,367
Motor Vehicle Highway (3)	9,845
Total Town	$ 2,153,264

Township	Cash Balance
General (1)	$ 1,101,072
Township Assistance (1)	223,806
Fire (2)	312,885
Cumulative Fire (Township) (2)	185,016
Total Township	$ 1,822,780

(1) Township General and Assistance fund cash balance will be shifted to Town General fund cash balance.
(2) Township Fire and Cumulative Fire cash balance will be shifted to Town Fire fund cash balance.
(3) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

Calculation of Estimated Property Tax Levies and Tax Rates

Based on the above analyses, it is possible to calculate an estimated property tax levy for the Rural District, the Town District and the Town Debt District. As identified above in the "Summary of Tax Levy and Tax Rate Creation" section, to compute the property tax levy, the estimated revenues for a particular area are subtracted from the estimated expenditures. The net amount of the revenues and expenditures represents the portion of the expenditures that must be funded through the property tax levy.

Although estimated property tax levies and tax rates are provided in this section for purposes of estimating baseline financial impacts of the Plan, it is important to note that actual property tax levies, tax rates and allocation of revenues will be subject to statutory adoption processes by the legislative bodies of the participating political subdivisions (the Town and Township) and may materially differ from those provided in this section and the accompanying appendices.

Table 5 provides the estimated fund levies per fund for the Rural District, Town District and Town Debt District.

Table 5: Proposed Estimated Fund Levies

	General (1)	Cumulative Capital Development (1)	Motor Vehicle Highway (1) (3)
Total Estimated Expenditures	$ 4,794,687	$ 100,000	$ 318,841
Less: Cash Balance	(3,263,671)	(126,367)	(9,845)
Less: Estimated Misc. Revenues	(2,180,964)	-	(19,130)
Add: Operating Balance	1,083,245	213,133	9,845
Total Estimated Property Tax Levy	$ 433,297	$ 186,766	$ 299,711

	Police (2)	Fire (2)	Town Debt Service (2)	Lease Rental Payment (2) (4)
Total Estimated Expenditures	$ 63,647	$ 102,137	$ 171,660	$ 29,806
Less: Cash Balance	-	(497,901)	(73,676)	(4,584)
Less: Estimated Misc. Revenues	(58,984)	(55,604)	(10,027)	(2,152)
Add: Operating Balance	682,573	1,099,219	18,819	(157)
Total Estimated Property Tax Levy	$ 687,236	$ 647,850	$ 106,777	$ 22,913

(1) Levies are funded by tax rates applied to both the Town and the Rural Districts (see Table 6).
(2) Levies are funded by tax rates applied to the Town District only (see Table 6).
(3) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.
(4) Final Lease Rental Payment 01/15/2025.

Once the estimated property tax levy is calculated, it is then possible to compute an estimated tax rate. To do this, the property tax levy is compared to the net assessed value of property within each of the service districts. Table 6 on the following page provides these calculations based on Pay 2024 Net Assessed Value (NAV).

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Table 6: Proposed Estimated Tax Rates (per $100 of NAV) by Fund

Rural District

	General	Cumulative Capital Development	Motor Vehicle Highway (1)	Rural District Total
Estimated Property Tax Levy	$ 259,579	$ 111,887	$ 179,550	551,016
Divided by: Net Assessed Value	223,774,912	223,774,912	223,774,912	223,774,912
Total Estimated Tax Rate	$ 0.1160	$ 0.0500	$ 0.0802	$ 0.2462

Town District

	General	Cumulative Capital Development	Motor Vehicel Highway (1)	Police	Fire
Estimated Property Tax Levy	$ 173,718	$ 74,879	$ 120,161	$ 687,236	$ 647,850
Divided by: Net Assessed Value	149,757,254	149,757,254	149,757,254	149,757,254	149,757,254
Total Estimated Tax Rate	$ 0.1160	$ 0.0500	$ 0.0802	$ 0.4589	$ 0.4326

	Town Debt Service	Lease Rental Payment	Town District Total
Estimated Property Tax Levy	$ 106,777	$ 22,913	$ 1,833,533
Divided by: Net Assessed Value	149,757,254	149,757,254	149,757,254
Total Estimated Tax Rate	$ 0.0713	$ 0.0153	$ 1.2243

Proposed District Rate Summaries

	Town	Rural	Total	Current	Difference
Existing Adams Township Residents	$ -	$ 0.2462	$ 0.2462	$ 0.1660	$ 0.0802
Existing Town of Sheridan Residents	1.2243	-	1.2243	1.1441	0.0802

(1) See page 5 for information concerning a potentia road maintenance interlocal agreement with Hamilton County.

The calculation of the estimated tax rates requires a few additional comments. The tax rates above represent the estimated tax rate that would be applicable for the proposed service districts of the New Town as well as existing property tax supported debt. Secondly, all taxpayers would also be responsible for the tax rate associated with the Town District. These taxpayers would be receiving the benefit of the general administration of the New Town. Finally, these estimated tax rates are based on the Pay 2024 AV for the Town and the Township prior to reorganization.

Comparison to Current Tax Rates

A primary consideration of the legislative bodies is the impact that the proposed reorganization would have on taxpayers in the Township and the Town. In order to consider this impact, Appendix G provides a side-by-side comparison of the current 2024 tax rates compared to what the tax rates may be under the proposed reorganization including the tax rates for the other taxing units (the school, county, and library).

As Appendix G demonstrates, the estimated impact to both existing taxing districts is an additional $0.0802 per $100 of NAV for additional road maintenance cost (see page 5 for information concerning a

As Appendix G demonstrates, the estimated impact to both existing taxing districts is an additional $0.0802 per $100 of NAV for additional road maintenance cost (see page 5 for information concerning a potential interlocal agreement for road maintenance with Hamilton County which may mitigate this increase). Though the Rural District will see a benefit of the NAV of the Township, the additional costs will be shifted to the Town. It is important to note that both the existing debt service fund levies may increase as shown in Appendix G as a result of lower cash balances than originally budgeted during the 2024 budget process, not as a result of reorganization.

Circuit Breaker Tax Credit

The Indiana General Assembly enacted legislation which provides taxpayers with a tax credit for all property taxes in an amount that exceeds a percentage of the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit"). A taxpayer is entitled to the Circuit Breaker Tax Credit against the taxpayer's property tax liability for property taxes first due and payable after 2009 in the amount by which the taxpayer's property tax liability is attributable to the taxpayer's:

(1) homestead property would otherwise exceed 1%;

(2) residential rental property would otherwise exceed 2%;

(3) long term care property would otherwise exceed 2%;

(4) agricultural land would otherwise exceed 2%;

(5) nonresidential real property would otherwise exceed 3%; or

(6) personal property would otherwise exceed 3%;

of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

The DLGF recently released the anticipated 2024 circuit breaker credits by fund for all taxing units in the State. Pursuant to the DLGF report for Hamilton County taxing units as of April 11, 2024, the estimated Circuit Breaker Tax Credit allocable to the Town and Township for budget year 2024 is shown in the following table.

Taxing Unit	2024 Circuit Breaker Credits
Town of Sheridan	$226,191.24
Adams Township	$7,036.13

As shown in Appendix H, the total estimated circuit breaker impact for all taxing units in Hamilton County (including the Town and Township) after reorganization is approximately $94,208. Table 7 provides the estimated circuit breaker impact for those units including the Township, though no impact is anticipated for the Township.

Table 7: Estimated Circuit Breaker Impact by Unit

Taxing Unit	Estimated Circuit Breaker Impact
Hamilton County	$ 8,076.00
Adams Township	**956.00**
Town of Sheridan	**51,062.00**
Sheridan Community Schools	31,915.00
Sheridan Public Library	2,165.00
Solid Waste Management	34.00
Total Circuit Breaker Credits	$ 94,208.00

As shown on the previous page, the Township is not expected to be impacted by the estimated increase in tax rates due to the proposed reorganization. Of the total estimated circuit breaker, approximately 55.2% is allocated to the Town itself.

Summary of Financial Analysis

The financial analysis provided above, as well as the accompanying Appendices, is designed to provide a baseline scenario for the proposed reorganization. As the legislative bodies continue to explore options for reorganization or if significant assumptions change, the impact to property tax levies and tax rates would need to be updated in order to provide a clear picture of how such changes would impact taxpayers.

LWG recognizes the reorganization of governmental units is a complex undertaking. This Report should be considered by the reader as a first step in understanding the baseline. For questions related to this Report, please contact Jim Higgins at jim.higgins@lwgcpa.com.

APPENDIX A

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

2024 Town Budget Expenditures and Allocation by Service District - Property Tax Funds Only

Department or Fund	Personal Services	Supplies	Services and Charges	Capital Outlay	Total	Amount Applicable: Rural District	Amount Applicable: Town District	Amount Applicable: Town Debt
Property Tax Supported								
General: Clerk Treasurer	$ 346,689	$ 12,000	$ 64,500	$ -	423,189	$ 423,189	$ -	$ -
General: Town Council	63,928	2,500	486,550	-	552,978	552,978	-	-
General: Planning & Zoning	168,036	3,000	1,500	-	172,536	172,536	-	-
General: Public Works Service	411,170	33,250	53,150	50,000	547,570	547,570	-	-
General: Fire	1,289,003	88,868	233,689	-	1,611,560	1,611,560	-	-
General: Police	839,113	97,754	59,216	-	996,083	996,083	-	-
Subtotal: General Fund	3,117,939	237,372	898,605	50,000	4,303,916	4,303,916	-	-
Town Police	53,618	6,246	3,784	-	63,648	-	63,648	-
Town Fire	81,694	5,632	14,811	-	102,137	-	102,137	-
Motor Vehicle Highway (1)	145,650	-	173,191	-	318,841	318,841	-	-
Lease Rental Payment	-	-	-	29,806	29,806	-	-	29,806
Debt Service	-	-	-	171,660	171,660	-	-	171,660
Cumulative Capital Development	-	-	100,000	-	100,000	100,000	-	-
Total Property Tax Supported	3,398,901	249,250	1,190,391	251,466	5,090,008	4,722,757	165,785	201,466

(1) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

APPENDIX B

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

2024 Township Budget Expenditures and Allocation by Service District - Property Tax Funds Only

Department or Fund	Personal Services	Supplies	Other Services and Charges	Capital Outlay	Total	Amount Applicable Rural District
Property Tax Supported						
General	$ 153,000	$ 6,500	$ 88,600	$ 375,000	$ 623,100	$ 623,100
Township Assistance	24,000	-	150,408	-	174,408	174,408
Fire	-	-	131,090	150,000	281,090	281,090
Cumulative Fire (Township)	-	-	-	83,500	83,500	83,500
Total Property Tax Supported	$ 177,000	$ 6,500	$ 370,098	$ 608,500	$ 1,162,098	$ 1,162,098

APPENDIX C

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Allocation of Town Miscellaneous Revenues - Property Tax Funds Only

Department or Fund	Total	Amount Applicable		
		Rural District	Town District	Town Debt
Property Tax Supported				
General	$ 1,833,796	$ 1,833,796	$ -	$ -
Town Police	58,984	-	58,984	-
Town Fire	55,604	-	55,604	-
Lease Rental Payment	2,152	-	-	2,152
Debt Service	10,027	-	-	10,027
Motor Vehicle Highway (1)	19,130	19,130	-	-
Cumulative Capital Development	16,093	16,093	-	-
Total Property Tax Supported	$ 1,995,786	$ 1,869,019	$ 114,588	$ 12,179

(1) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

APPENDIX D

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Allocation of Township Miscellaneous Revenues - Property Tax Funds Only

Department or Fund	Total	Amount Applicable Rural District
Property Tax Supported		
General	$ 346,498	$ 346,498
Township Assistance	670	670
Fire	75	75
Cumulative Fire (Township)	9	9
Total Property Tax Supported	$ 347,252	$ 347,252

APPENDIX E

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Town of Sheridan Outstanding Debt as of December 31, 2024

Bond Issue	Purpose	Final Maturity	Outstanding Principal as of December 31, 2024	Principal and Interest or Lease Payments Due in Fiscal Year 2024
General Obligation Bonds of 2022	Pay for necessary capital expenditures involving the equiping of the town's fire, police, park and street departments.	1/5/2028	$ 480,000	$ 171,660
2019 Equipment Lease	Purchase of a jet vac machine and John Deere tractor.	1/1/2025	14,743	29,806

APPENDIX F

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Adams Township Outstanding Debt as of December 31, 2024

Bond Issue	Purpose	Final Maturity	Outstanding Principal as of December 31, 2024	Principal and Interest or Lease Payments Due in Fiscal Year 2024
No outstanding debt at this time.				

APPENDIX G

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Comparison of Current Tax Rates to Reorganized Tax Rates

	Current Pay 2024 Tax Rates				Reorganized Tax Rates						
Taxing District	Township	Corporate	Other Taxing Units (1)	Total	Rural District	Town District	Town Debt (2)	New District Subtotal	Other Taxing Units (3)	Total	Net Effect of Reorganization
Adams Township	$ 0.1660	$ -	$ 1.6827	$ 1.8487	$ 0.2462	$ -	$ -	$ 0.2462	$ 1.6827	$ 1.9289	$ 0.0802
Sheridan Town	-	1.1115	1.7153	2.8268	-	1.1377	0.0866	$ 1.2243	1.6827	2.9070	0.0802

(1) Other Taxing Units included rates for Hamilton County, Hamilton County Solid Waste Management, Sheridan Community Schools, and Sheridan Public Library; however for the Town of Sheridan, Other Taxing Units also include Adams Township.

(2) Town Debt includes levies for both Debt Service ($0.0713) and Lease Rental ($0.0153).

(3) Other Taxing Units include rates for Hamilton County, Hamilton County Solid Waste Management, Sheridan Community Schools, and Sheridan Public Library.

APPENDIX H

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Circuit Breaker Analysis - District Rates

District Name	2024 Baseline Tax Rate	Reorganized Tax Rate	Tax Rate Change
Town of Sheridan	$ 2.8268	$ 2.9070	$ 0.0802
Adams Township	1.8487	1.9289	0.0802
Clay Township	1.2377	1.2377	-
Delaware Township	1.7944	1.7944	-
Fishers	2.2011	2.2011	-
Fall Creek Township	1.6876	1.6876	-
Jackson Township	1.6229	1.6229	-
Arcadia	2.4645	2.4645	-
Atlanta	2.1383	2.1383	-
Cicero	1.9036	1.9036	-
Noblesville Township	1.8361	1.8361	-
Noblesville City	2.7021	2.7021	-
Westfield Washington Township	1.9617	1.9617	-
Westfield	2.3285	2.3285	-
Wayne Township	1.6861	1.6861	-
White River Township	1.5633	1.5633	-
Carmel	2.0160	2.0160	-
Noblesville SE	2.6067	2.6067	-
Fishers FC	2.1670	2.1670	-
Noblesville FC	2.5726	2.5726	-
Noblesville Wayne Township	2.5976	2.5976	-
Carmel County TIF	2.0160	2.0160	-
Westfield Ag Abated	1.6110	1.6110	-
Carmel Washington Township	2.3893	2.3893	-
Fishers FC 02152C	2.1670	2.1670	-

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Circuit Breaker Analysis - Circuit Breaker Impacts

Taxing Unit	2024 Baseline			Reorganization Scenario			Change		
	Levy	CB	Net Levy	Levy	CB	Net Levy	Levy	CB	Net Levy
Hamilton County	$ 91,374,907	$ 4,037,507	$ 87,337,400	$ 91,374,907	$ 4,045,583	$ 87,329,324	$ -	$ 8,076	$ (8,076)
Adams Township	419,138	7,036	412,102	598,606	7,992	590,614	179,468	956	178,512
Clay Township	6,992,159	108,831	6,883,329	6,992,159	108,831	6,883,329	-	-	-
Delaware Township	1,576,716	11,396	1,565,319	1,576,716	11,396	1,565,319	-	-	-
Fall Creek Township	1,190,209	7,047	1,183,162	1,190,209	7,047	1,183,162	-	-	-
Jackson Township	1,111,894	2,905	1,108,988	1,111,894	2,905	1,108,988	-	-	-
Noblesville Township	1,594,719	23,907	1,570,812	1,594,719	23,907	1,570,812	-	-	-
Washington Township	1,701,381	74,205	1,627,176	1,701,381	74,205	1,627,176	-	-	-
Wayne Township	693,134	20,526	672,607	693,134	20,526	672,607	-	-	-
White River Township	629,342	870	628,472	629,342	870	628,472	-	-	-
Township Units Total	15,908,692	256,724	15,651,968	15,908,692	4,303,263	15,830,479	179,468	956	178,512
				-					
Arcadia Civil Town	555,451	48,978	506,473	555,451	48,978	506,473	-	-	-
Atlanta Civil Town	169,475	3,976	165,499	169,475	3,976	165,499	-	-	-
Carmel Civil City	85,510,789	1,346,593	84,164,196	85,510,789	1,346,593	84,164,196	-	-	-
Cicero Civil Town	2,181,287	38,267	2,143,020	2,181,287	38,267	2,143,020	-	-	-
Fishers Civil City	64,397,779	1,350,506	63,047,274	64,397,779	1,350,506	63,047,274	-	-	-
Noblesville Civil City	56,147,781	6,696,871	49,450,911	56,147,781	6,696,871	49,450,911	-		-
Sheridan Civil Town	1,655,965	226,191	1,429,774	1,776,070	277,253	1,498,817	120,105	51,062	69,043
Westfield Civil City	38,257,042	3,394,360	34,862,682	38,257,042	3,394,360	34,862,682	-	-	-
Civil Units Total	248,875,570	13,105,741	235,769,828	248,875,570	13,156,803	235,838,871	120,105	51,062	69,043
				-					
Carmel-Clay School Corporation	97,656,233	1,030,986	96,625,247	97,656,233	1,030,986	96,625,247	-	-	-
Hamilton Heights School Corporation	12,405,158	140,616	12,264,542	12,405,158	140,616	12,264,542	-	-	-
Hamilton Southeastern School Corporation	125,382,991	2,358,548	123,024,442	125,382,991	2,358,548	123,024,442	-	-	-
Noblesville School Corporation	67,495,276	4,323,649	63,171,627	67,495,276	4,323,649	63,171,627	-	-	-
Sheridan Community Schools	5,008,408	225,341	4,783,067	5,008,408	257,256	4,751,152	-	31,915	(31,915)
Westfield-Washington School Corporation	73,727,997	4,866,540	68,861,457	73,727,997	4,866,540	68,861,457	-	-	-
School Units Total	381,676,062	12,945,681	368,730,382	381,676,062	12,977,596	368,698,467	-	31,915	(31,915)
				-					
Carmel-Clay Public Library	6,948,390	108,149	6,840,240	6,948,390	108,149	6,840,240	-	-	-
Hamilton East Public Library	7,744,105	397,336	7,346,768	7,744,105	397,336	7,346,768	-	-	-
Hamilton North Public Library	501,193	7,090	494,103	501,193	7,090	494,103	-	-	-
Sheridan Public Library	269,859	14,929	254,930	269,859	17,094	252,765	-	2,165	(2,165)
Westfield Public Library	2,409,551	203,491	2,206,059	2,409,551	203,491	2,206,059	-	-	-
Library Units Total	17,873,097	730,996	17,142,101	17,873,097	733,161	17,139,936	-	2,165	(2,165)
				-					
Hamilton County Airport Authority	-	-	-	-	-	-	-	-	-
Hamilton County Solid Waste Mgmt District	844,701	37,090	807,611	844,701	37,124	807,577	-	34	(34)
Special Units Total	844,701	37,090	807,611	844,701	37,124	807,577	-	34	(34)
Grand Total - All Taxing Units	$ 756,553,029	$ 31,113,740	$ 725,439,289	$ 756,553,029	$ 35,253,531	$ 725,644,654	$ 299,573	$ 94,208	$ 205,365

RESOLUTION NO. 2024-01

A RESOLUTION PRELIMINARILY APPROVING A FINANCIAL IMPACT ANALYSIS FOR THE PROPOSED REORGANIZATION OF THE TOWN OF SHERIDAN, INDIANA AND ADAMS TOWNSHIP OF HAMILTON COUNTY, INDIANA

The Township Board (the "Board") of Adams Township of Hamilton County, Indiana (the "Township") met at a duly called and authorized meeting of the Board on the date set forth below, such meeting being called pursuant to a notice stating the time, place and purpose of the meeting received by all the Board members, and the following resolutions were made, seconded, and adopted by those present at the meeting, which constituted a majority of the Board:

WHEREAS, on September 28, 2023 the Board adopted Resolution 2023-01 expressing the Board's proposal to enter into a reorganization of the Township with the Town of Sheridan, Indiana (the "Town") under Ind. Code 36-1.5 *et seq.* (the "Act"), fulfilling the requirements under Ind. Code §36-1.5-4-10(a) to initiate a proposed reorganization under the Act; and

WHEREAS, the Trustee of the Township certified a copy of Resolution 2023-01 to the Clerk- Treasurer of the Town as required by Ind. Code §36-1.5-4-10(b) and evidenced by the Certificate of Township Trustee attached hereto as Exhibit "A"; and

WHEREAS, upon receipt of the certified copy of Township Resolution 2023-01 the Town Council of the Town adopted Resolution 2023-20 on October 3, 2023 expressing the Council's desire to participate in the proposed reorganization, fulfilling the requirements of Ind. Code §36-1.5-4-13(a)(2); and

WHEREAS, The Clerk-Treasurer of the Town certified a copy of Resolution 2023-20 to the Trustee of the Township as required by Ind. Code §36-1.5-4-13(b) and evidenced by the Certificate of Clerk-Treasurer attached hereto as Exhibit "B"; and

WHEREAS, the Town and the Township appointed a cross section of citizens as members of a Reorganization Committee (the "Committee") to make recommendations regarding the potential reorganization of the Town and the Township into a single political subdivision; and

WHEREAS, the Committee directed London Witte Group LLC, d/b/a LWG CPAs & Advisors ("LWG") to prepare a Financial Impact Analysis meeting the requirements of Ind. Code §36-1.5-4-18(d) for review and preliminary approval by the legislative bodies of the Town and the Township and for submittal to the Indiana Department of Local Government Finance (the "DLGF") for review in accordance with the Act; and

WHEREAS, at the request of the Reorganization Committee, LWG has submitted the Fiscal Impact Analysis attached hereto as Exhibit "C" to the legislative bodies of the Town and Township for preliminary approval and submittal to the DLGF for review in accordance with the Act; and

WHEREAS, the Township has been informed that the deadline for submitting public

question ballot language for approval to the Hamilton County Election Board is July 16, 2024, and the Board hereby requests the DLGF to expedite its review of and comments on the Fiscal Impact Analysis to facilitate the final approval of the Plan of Reorganization by the Town and the Township no later than June 18, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE ADAMS TOWNSHIP BOARD AS FOLLOWS:

Section 1. The above recitals are incorporated herein as if set out in full.

Section 2. The Board confirms its proposal to enter into a reorganization under the provisions of the Act with the Town of Sheridan, Indian.

Section 3. The Board preliminarily approves the Fiscal Impact Analysis attached hereto as Exhibit "C" and incorporated herein, subject to such further revisions which are adopted as part of the final approval of the Plan of Reorganization by the legislative bodies of the Town and the Township.

Section 4. LWG and the Trustee of the Township are hereby authorized, empowered and directed to submit the Fiscal Impact Analysis to the DLGF and to request that the review by the DLGF be expedited so that the final adoption of the Plan of Reorganization is sufficient to meet the deadline for the Circuit Court Clerk of Hamilton County to convene a County Election Board meeting no later than July 16, 2024 for the approval of the public question ballot language.

ADOPTED BY THE TOWSHIP BOARD OF ADAMS TOWNSHIP OF HAMILTON COUNTY, INDIANA this 9th day of May, 2024.

ADAMS TOWNSHIP BOARD

	AYE	NAY
Sal Sodi	✓	
Ronald D Stone	✓	
Floyd H. Barker	X	

ATTEST:

Michelle Junkins

Michelle Junkins,
Adams Township Trustee

TOWNSHIP RESOLUTION
Exhibit "A"

CERTIFICATE OF THE TRUSTEE OF ADAMS TOWNSHIP OF HAMILTON COUNTY, INDIANA

RE: Delivery and Certification of Resolution

STATE OF INDIANA)
) **SS:**
HAMILTON COUNTY)

I, Michelle Junkins, the duly chosen, qualified and acting Trustee of Adams Township of Hamilton County, Indiana (the "Township") hereby certify that as of the date below, I personally delivered to the Clerk-Treasurer of the Town of Sheridan, Indiana the attached copy of Resolution 2023-01 duly adopted by the Adams Township Board on September 28, 2023. This certification is being made in accordance with Ind. Code §36-1.5-4-10(b).

IN WITNESS WHEREOF, I have hereunto set my hand effective as of the 28th day of September, 2023.

ADAMS TOWNSHIP OF HAMILTON COUNTY, INDIANA

(Seal)

By: Michelle Junkins
Michelle Junkins, Township Trustee

Resolution 2023-1

A RESOLUTION TO EXPLORE A REORGANIZATION WITH THE TOWN OF SHERIDAN, HAMILTON COUNTY, INDIANA

WHEREAS, Adams Township, Hamilton County, Indiana (the "Township"), is a political subdivision existing under the provisions of Ind. Code § 36-4-1. et. seq.;

WHEREAS, the Adams Township Board (the "Board") is the fiscal body of the Township that oversees the operations of the Township's business within its jurisdictional boundaries;

WHEREAS, the jurisdictional boundaries of the Township are currently bordered by the Town of Sheridan (the "Town"), to the north, west, east, and south;

WHEREAS, the Township and the Town are separate and distinct governmental bodies; however, the residents of the Township and the Town live as one community;

WHEREAS, both the Township and the Town recognize that their shared community is now a targeted destination for economic growth and development as a result of the continued upgrades to US 31, including the establishment of water and wastewater utilities along the corridor;

WHEREAS, both the Township and the Town understand and appreciate the opportunity to be part of the economic growth and development and ensure their residents continue to be part of the same community, decision-making, and overall sustainability;

WHEREAS, to ensure this occurs, the Township desires to explore a reorganization with the Town, to at least some degree, to formally determine whether this is in the bests interests of the community;

NOW, THEREFORE, BE IT RESOLVED by the Adams Township Board as follows:

The Board hereby proposes that Adams Township explore a reorganization with the Town of Sheridan, Hamilton County, Indiana.

The Board directs the Township Trustee to certify this Resolution and send it to the Sheridan Town Council to take action under Indiana Code§ 36-1.5-4-13.

This Resolution shall be in effect immediately.

ADOPTED by the Board of Adams Township, Hamilton County, Indiana, this 28 day of September 2023.

ADAMS TOWNSHIP BOARD

Attest:

Michelle Junkins,
Adams Township Trustee

TOWNSHIP RESOLUTION
Exhibit "B"

CERTIFICATE OF THE CLERK-TREASURER OF THE TOWN OF SHERIDAN

RE: Delivery and Certification of Resolution

STATE OF INDIANA)
) SS:
HAMILTON COUNTY)

I, Elizabeth A. Walden, the duly chosen, qualified and acting Clerk-Treasurer of the Town of Sheridan, Indiana (the "Town") hereby certify that as of the date below, I personally delivered to the Trustee of Adams Township of Hamilton County, Indiana the attached copy of Resolution 2023-20 duly adopted by the Sheridan Town Council on October 3, 2023. This certification is being made in accordance with Ind. Code §36-1.5-4-10(b).

IN WITNESS WHEREOF, I have hereunto set my hand effective as of the 4th day of October, 2023.

TOWN OF SHERIDAN, INDIANA

(Seal)

By: Elizabeth A Walden
Elizabeth A. Walden, IAMC, CMC, CMO
Clerk-Treasurer

Resolution 2023-20

A RESOLUTION TO EXPLORE A REORGANIZATION WITH ADAMS TOWNSHIP, HAMILTON COUNTY, INDIANA

WHEREAS, the Town of Sheridan (the "Town") is a political subdivision existing under the provisions of Ind. Code § 36-4-1, *et. seq.*;

WHEREAS, the Sheridan Town Council (the "Council") is the fiscal body of the Town that oversees the operations of the Town's business within its jurisdictional boundaries;

WHEREAS, the jurisdictional boundaries of the Town are currently bordered by Adams Township, Hamilton County (the "Township") to the north, west, east, and south;

WHEREAS, the Town and the Township are separate and distinct governmental bodies; however, the residents of the Town and the Township live as one community;

WHEREAS, both the Town and the Township recognize that their shared community is now a targeted destination for economic growth and development as a result of the continued upgrades to US 31, including the establishment of water and wastewater utilities along the corridor;

WHEREAS, both the Town and the Township understand and appreciate the opportunity to be part of the economic growth and development and ensure their residents continue to be part of the same community, decision-making and overall sustainability;

WHEREAS, to ensure this occurs, on September 28, 2023, the Township adopted Resolution 2023-1 (Ex. A), agreeing to explore a reorganization with the Town;

WHEREAS, the Town also desires to explore a reorganization with the Township, to at least some degree, to formally determine whether this is in the bests interests of the community;

NOW, THEREFORE, BE IT RESOLVED by the Sheridan Town Council as follows:

1. This Council hereby proposes that the Town of Sheridan explore a reorganization with Adams Township, Hamilton County, Indiana.

2. The Council directs the Sheridan Clerk-Treasurer to certify this Resolution and send it to the Adams Township, Hamilton County Trustee pursuant to Indiana Code § 36-1.5-4-13(b).

3. This Resolution shall be in effect immediately.

[The remainder of this page is blank.]

ADOPTED BY THE COUNCIL OF THE TOWN OF SHERIDAN, INDIANA this 3rd day of October, 2023.

SHERIDAN TOWN COUNCIL

FOR:		AGAINST:
	Silas DeVaney	
	David Kinkead	
	Darryl Waters	
	Daniel Bragg	
	Eric Gifford	

ATTEST:

Elizabeth Walden, Clerk-Treasurer

TOWN OF SHERIDAN SEAL SHERIDAN, IND.

TOWNSHIP RESOLUTION
Exhibit "C"

FISCAL IMPACT ANALYSIS

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County, Indiana

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Draft Dated: May 3, 2024

CPAS ▲ ADVISORS

Fiscal Impact Analysis: Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County, Indiana

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PURPOSE OF THE REPORT

Under the authority granted by Indiana Code (IC) 36-1.5, *et seq.*, (the "Reorganization Statute") the Town of Sheridan, Indiana (the "Town") and Adams Township of Hamilton County, Indiana (the "Township") have taken the initial necessary actions by adoption of substantially similar resolutions to explore reorganization of the Town and Township into one governmental unit (the "New Town"). The Reorganization Statute defines reorganization as "a change in the structure or administration of a political subdivision described in IC §36-1.5-4-3 and IC §36-1.5-4-4". LWG CPAs & Advisors ("LWG") has been engaged by the Town to provide a Fiscal Impact Analysis (the "Report") as required by the Reorganization Statute, specifically, IC §36-1.5-4-18 (the "Fiscal Analysis Requirement"). This Report addresses, at a minimum, the following four (4) items as mandated by the Fiscal Analysis Requirement:

(1) The estimated effect of the proposed reorganization on taxpayers in the Town and Township including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service;

(2) A description of the planned services to be provided in the New Town and the method or methods of financing the planned services including (a) itemized estimated costs for each department or agency of the New Town and (b) explanations as to how specific and detailed expenses will be funded from taxes, fees, grants, and other funding;

(3) A description of the capital improvements to be provided in the New Town and the method or methods of financing those capital improvements. (There are no new capital improvements identified at the time of this Report; however, future improvements are possible); and

(4) Any estimated effects on political subdivisions in Hamilton County that are not participating in the reorganization and on taxpayers located in those political subdivisions.

This Report is to be included as part of the Plan of Reorganization prepared by the legislative bodies of the Town and Township as further described in the Report. The Report must be submitted to the Indiana Department of Local Government Finance (DLGF) at least three (3) months before the election in which a public question will be on a ballot as required by IC §36-1.5-4-18(e). This Report is based on estimates, assumptions and other data developed by LWG from data provided by the Town, Township, DLGF, and other sources deemed to be reliable.

In the course of preparing this Report, we have not conducted an audit, review or compilation of any financial or supplemental data or any of the assumptions identified and/or used in the Report. We have made certain projections of tax rates, tax levies, expenditure levels, and service levels which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Report for events or circumstances occurring after the date of this Report.

If you have questions regarding this Report, please contact Jim Higgins at jim.higgins@lwgpca.com.

GOVERNMENT MODERNIZATION ACT AND REORGANIZATION STATUTE

In 2006, the Indiana General Assembly adopted the Government Modernization Act (the "Act"), codified under Indiana Code (IC) 36-1.5, *et seq.*, (the "Reorganization Statute"). The Reorganization Statute was written to "grant broad powers to enable political subdivisions to operate more efficiently by eliminating restrictions under existing law that (a) impede the economy of operation of; (b) interfere with the ease of administration of; (c) inhibit cooperation among; and (d) thwart better government by; political subdivisions." In addition, the Reorganization Statute encourages "efficiency by and coordination among political subdivisions to: (a) reduce reliance on property taxes; and (b) enhance the ability of political subdivisions to provide critical and necessary services as well as strengthen the financial condition of state government." The Reorganization Statute grants political subdivisions the authority to reorganize and to use cooperative agreements to achieve government functions or transfer responsibilities between offices.

The Reorganization Statute allows for a wide range of reorganizations dependent on the type of political subdivisions participating in the process. Included (and relevant to this Report) is the authority for a township to reorganize with a municipality that is located in any part of the township. IC §36-1.5-4-1(a)(7). The Town and Township are located within Hamilton County (the "County") and the Town is located entirely within the Township. Under the Reorganization Statute, the participating political subdivisions may consolidate into a single new political subdivision or as applicable here, can consolidate into one of the participating political subdivisions, in this case the reorganized Town of Sheridan (the "New Town"). IC §36-1.5-4-3(b). At the effective date of reorganization, all of the participating subdivisions cease to exist except the reorganized political subdivision. IC §36-1.5-4-6(1). At the same time, the responsibilities, assets and liabilities (excluding existing debt service obligations and pension obligations) of the original political subdivision are transferred to the reorganized political subdivision. IC §36-1.5-4-6(5).

The process of reorganization can be initiated in one of two ways: (1) initiation by legislative body (applicable and discussed herein) or (2) initiation by voters. A legislative body of a political subdivision may initiate a proposed reorganization by adopting a resolution that (1) proposes a reorganization, and (2) names the political subdivisions that would be reorganized in the proposed reorganization. IC §36-1.5-4-10. Furthermore, the clerk of the political subdivision adopting the resolution shall certify the resolution to the clerk of each political subdivision named in the resolution. The steps associated with the initiation by voters can be found at IC §36-1.5-4-11 of the Reorganization Statute.

After adoption of a resolution indicating the desire to participate in reorganization, the resolution is forwarded to the other affected political subdivisions. The other political subdivisions must adopt their own resolution proposing to participate in a reorganization or declining to participate. Participating political subdivisions must ultimately adopt substantially identical resolutions. The Township Board and the Township Trustee of the Township adopted Resolution No. 2023-1 on September 28, 2023, and the Council of the Town adopted Resolution No. 2023-20 on October 3, 2023, proposing reorganization between the Town and Township.

The legislative bodies of the Town and Township shall next prepare a comprehensive Plan of Reorganization (the "Plan"). The Plan will govern the actions, duties, and powers of the New Town that are not specified by law. The specific items, including the fiscal impact analysis required to be included in the Plan are described in IC §36-1.5-4-18. The fiscal impact analysis must be submitted to the Indiana Department of Local Government Finance (DLGF) at least three (3) months before the election in which a

public question will be on a ballot. The DLGF must respond no later than thirty (30) days before the date of the election. IC §36-1.5-4-18(e).

The legislative bodies of the Town and Township shall consider the Plan in a form of a resolution incorporating the Plan and read at no less than two separate meetings and must conduct a public hearing on the resolution and the Plan no sooner than five (5) days after a notice of the public hearing is published and before the legislative body takes final action on the resolution to adopt the Plan. No later than thirty (30) days after the public hearing, the legislative bodies may (1) adopt the Plan as presented, (2) adopt the Plan with modifications, or (3) reject the Plan. IC §36-1.5-4-20. Any modifications in the Plan must be adopted by all participating legislative bodies. IC §36-1.5-4-21. The legislative bodies shall certify the final action on the Plan to the clerk of each participating political subdivision, the County fiscal officer (the "Auditor"), the County Recorder, the County Voter Registration Office, the County Clerk and the DLGF. IC §36-1.5-4-23 and 24. Certain administrative tasks as outlined in the Reorganization Statute will follow in order to move the Plan to ballot where a public question will be placed on the next regularly scheduled election ballot that includes all precincts in the participating political subdivisions. The question will ask if the political subdivisions should be reorganized into a single political subdivision. Assuming a majority of the voters in each participating subdivision approves the public question, the reorganization is adopted. In the event the voters approve the reorganization, the reorganized political subdivision becomes effective according to the process and timing identified in the Plan.

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SHERIDAN AND ADAMS TOWNSHIP, HAMILTON COUNTY, INDIANA REORGANIZATION EFFORTS

Plan of Reorganization Proposal

The Township Board and the Township Trustee of Adams Township, Hamilton County, Indiana adopted Resolution No. 2023-1 on September 28, 2023 and the Sheridan Town Council adopted Resolution No. 2023-20 on October 3, 2023 proposing to explore reorganization between the Town and Township. The substantially similar Resolutions adopted by the Town and Township are attached as exhibits to the Plan.

The Plan provides for a reorganized local government through the consolidation of the Township into the existing Town political subdivision (the "New Town"). The boundaries of the New Town shall consist of the boundaries of the Town as of December 31, 2024, and all of the areas of the unincorporated Township, which equates to approximately 48.36 square miles. Following consolidation and as currently written in the Plan, the Township will cease to exist on December 31, 2024, and the New Town government structure will then supersede the existing Town structure as provided for in the Plan.

The Town currently provides for those services administered by a town including, but not limited to, police protection, fire protection and emergency response, parks and recreation, planning and land use, and road maintenance. In regards to the provision of services by the New Town, the Plan identifies two service districts (the "Town District" and the "Rural District"). The primary difference between the Town and Rural District is the level of municipal services provided, the application of ordinances, and property tax rates.

Currently, the Pay 2024 Budget for the Town includes only one (1) taxing district with a Pay 2024 Net Assessed Value of $149,757,254. Furthermore, all property tax owners in all taxing districts (including the Township after reorganization) pay a share of expenditures such as General Fund, Motor Vehicle Highway and Cumulative Capital Development that are spread over the consolidated assessed value of $373,532,166 which will consist of the Pay 2024 Rural District AV (the "Rural District"). Lastly, the 2024 Budget Order provides a separate AV for debt obligations including $657,806 for the General Obligation Debt and Equipment Lease issued by the Town prior to the Reorganization. For purposes of this Report and in order to allocate expenditures to the various assessed values, LWG will address the two (2) taxing districts below.

As of the effective date of the proposed reorganization, the Town District will consist of the original Town prior to the Reorganization. The Rural District will include the unincorporated area of Adams Township.

The Town annexed portions of Adams Township (the "Annexation Area") on November 6, 2023 for property assessed January 1, 2024 for taxes payable in 2025. The Plan provides that the Annexation Area will be included in the Town District. This analysis is based on Pay 2024 information; therefore, any impacts to rates and levies as a result of the Annexation Area are not included. However, the parcels contained in the Annexation Area are exempt from municipal property taxes under the provisions of IC 36-4-3-4.1. So long as the Annexation Area remains assessed agricultural, the exemption shall apply. As of January 1, 2024, the Annexation Area remained assessed agricultural. Accordingly, the Annexation Area will not be subject to municipal taxation for Pay 2025 and will have no material impact on post reorganization tax rates and levies.

As stated previously, the Rural District consists of the unincorporated area of the Township. The Rural District will be subject to the current rural ordinances and with all processes, responsibilities, and protections of those ordinances, as amended from time to time, unless specifically stated in the Plan.

The following services will be provided by the New Town to the Rural District:

- The cemeteries currently owned, maintained or managed by the Township shall be transferred to, maintained and managed by the Administration Department of the New Town ("Administration Department") and expenses will be transferred to the New Town General Fund tax rate;
- Weed control responsibilities shall be transferred to the Administration Department and expenses will be transferred to the New Town General Fund tax rate;
- All Township assistance responsibilities shall be transferred to the Administration Department, and expenses transferred to the New Town General Fund tax rate;
- The existing Township fire budget will be transferred to the New Town General Fund tax rate. The Sheridan Fire Department currently operated by the Town shall provide fire, rescue, and emergency medical services throughout the entire New Town jurisdiction;
- Road improvements, snow removal, grading and maintenance for roads and streets throughout the entire New Town jurisdiction will be transferred to the New Town provided that an interlocal agreement is not negotiated with Hamilton County as discussed below. All such expenses will be paid by the New Town. In the event that no agreement is reached on the interlocal agreement with Hamilton County, those expenses will be paid from a Motor Vehicle Highway (MVH) tax rate levied on the entire New Town jurisdiction.

It is the intention of this reorganization that there would be no net tax impact to taxpayers within the current Town of Sheridan and Adams Township due to the reorganization. However, the issue of maintenance of the roads within the unincorporated area of Adams Township has yet to be fully resolved.

Interlocal Agreement

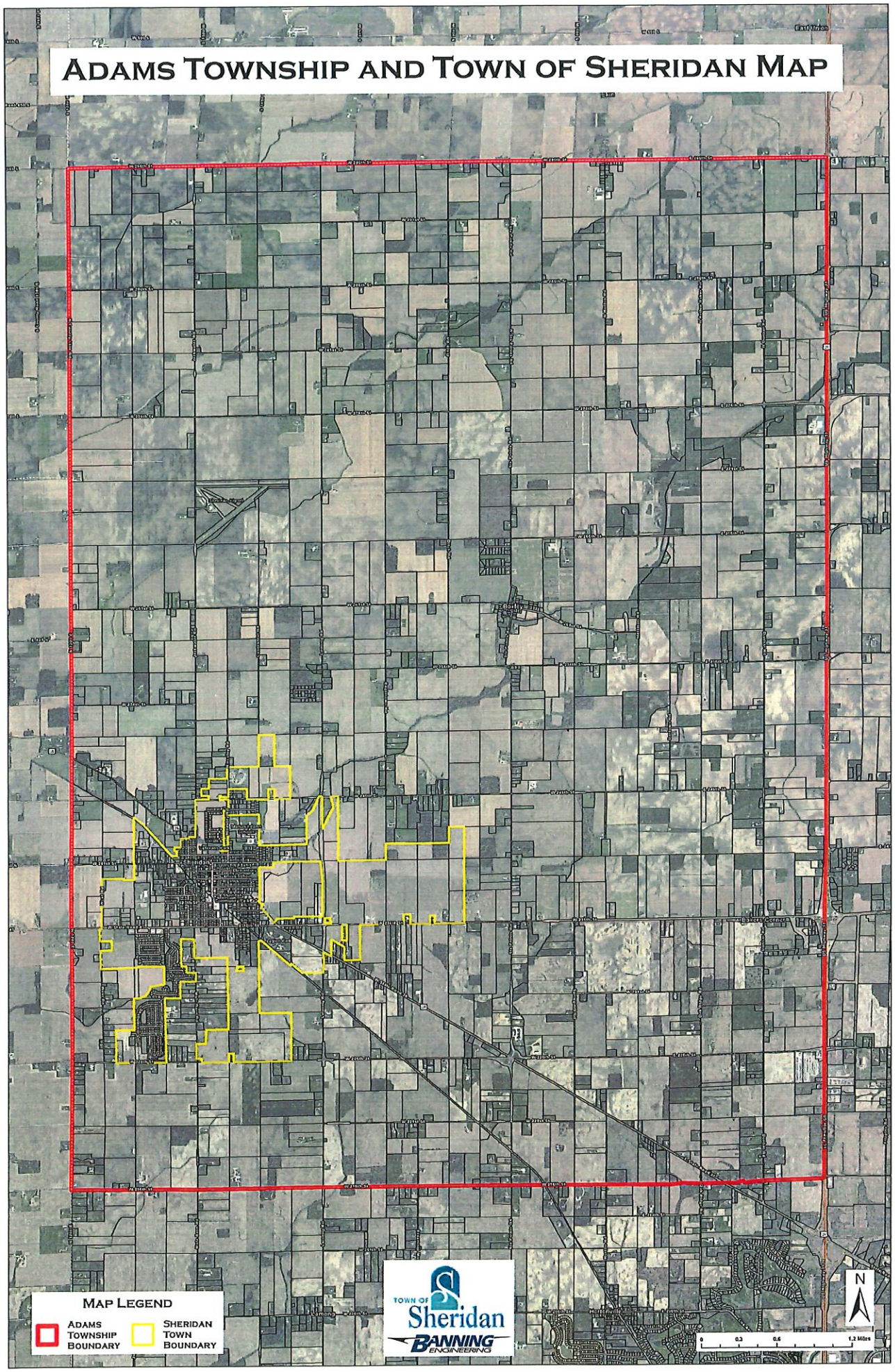
Officials of the Town and Township are desirous of working with the Board of County Commissioners of Hamilton County to enter into an interlocal agreement pertaining to the road improvements, snow removal, grading and maintenance of the roads and streets within the current, unincorporated area of Adams Township (the proposed "Rural District"). However, as of the date of this report an agreement has not yet been reached. Accordingly, the projected additional cost of road improvements and maintenance has been included in this Fiscal Analysis.

As a result of the reorganization, the elected offices of Township Board (three (3) positions) and the Township Trustee will be abolished. All responsibilities under Indiana law and all budgeted expenses associated with township government would be transferred to the Town (as provided for above), and the Town will assume their functions through the newly created Administration Department. All assets of the Township will be transferred to the New Town. Please refer to the Plan for detailed discussion regarding planning and zoning.

Map of the Town and Township

Maps of the Town and Township appear on the following page.

Adams Township and Town of Sheridan Map



FINANCIAL ANALYSIS OF REORGANIZATION

Process for Financial Analysis

The financial analysis has been based on the proposed reorganization structures currently identified by the Town and Township. In order to complete this analysis, LWG has performed the following tasks:

- Analysis of budgeted expenditures for Pay 2024, as adjusted for anticipated changes, of the Town and Township as provided by the Town and Township, Indiana Department of Local Government Finance (DGLF) 1782 Fund Reports, and Budget Form 1's prepared by both the Town and Township.

- Analysis of outstanding debt of the Town and Township. Note that all debt on December 31, 2024, shall not be imposed on taxpayers on or after January 1, 2026, that were not responsible for those obligations prior to reorganization. Those obligations must be paid by the taxpayers that were responsible for those obligations on December 31, 2024.

- Analysis of cash balances as of December 31, 2023, per the Annual Financial Reports of both the Town and Township.

- Analysis of anticipated revenues based on 2024 budget information for the Town and Township as obtained from the DLGF 1782 Fund Reports.

- Calculation of estimated tax levies and tax rates for the New Town based on the budgeted expenditures and revenues.

- Comparison of estimated calculated tax rates to Pay 2024 tax year actual tax rates.

The financial analysis is supported by the attached appendices which are summarized in the following narrative of this Report.

Summary of Tax Levy and Tax Rate Creation

In order to understand the results of the Report, it is first necessary to understand the process by which tax levies and tax rates are created. This section provides a short summary of this process. While this is a simplified summary of the process, it provides certain key equations which are critical to the financial impact analysis.

Each year, taxing units use a statutorily required budgeting process for setting their budgets for the next year. During this process, taxing units must identify their proposed budgeted expenditures for various services. These expenditures are broken into four (4) categories:

- Personal Services (100)
- Supplies (200)
- Other Supplies and Services (300)
- Capital Outlay (400)

Salaries, wages and employee benefits are included within the Personal Services category. Supplies primarily include general office supplies, certain tools necessary, or other consumable items for operation of a particular department. Other Supplies and Services is a catch-all for many other expenditures and includes any contractual services employed by a department, such as lease payments (other than equipment leases) and debt service payments. Capital Outlay includes any expenditures of a capital nature. This could include building improvements, vehicle or equipment purchase, and other capital items.

As part of the budget process, units also must estimate miscellaneous revenues anticipated to be received by the taxing unit in the next year. These revenues do not include property taxes as those will be captured through the tax levy. Rather, miscellaneous revenues include, but are not limited to, local option income tax revenue, excise tax revenue, grants, riverboat revenue allocations, fee revenue, reimbursements, licensing revenue, rental income, permit revenue, and interest income. In addition, cash balances for each fund of the taxing unit will be identified on the budget form, as a taxing unit could utilize available cash balances to fund budgeted expenditures. For the purposes of this Report, we have included cash balances as of December 31, 2023, and operating balances based on the 2024 Fund Report in our consideration for property tax levies. Finally, desired operating balances are identified in order to produce a final proposed property tax levy. Both cash balances and operating balances, however, primarily serve as cash flow management tools in the budget. On a continuing annual basis, structural budget balance can only be achieved by annual revenues equaling or exceeding annual expenditures. After subtracting the estimated miscellaneous revenues from the estimated expenditures, the remainder of the expenditures would be funded through a property tax levy for those funds which are allowed to levy a property tax. The property tax levy is therefore calculated according to the following equation:

Estimated Expenditures	-	Estimated Miscellaneous Revenues	-	Cash Balance	+	Operating Balance	=	Property Tax Levy

After the calculation of the property tax levy for each fund of the taxing unit, it is necessary to calculate the tax rate that will be needed to fulfill the tax levy. To do this, the net assessed value of taxable property within a particular taxing district for which the fund is applicable is calculated. The property tax levy is then spread across this net assessed value to calculate the tax rate. The tax rate is typically expressed in dollars and cents per $100 of net assessed value. The formula for the calculation of the tax rate is:

$$\text{Property Tax Levy} \div \frac{\text{Net Assessed Value}}{100} = \textbf{Tax Rate}$$

Analysis of Expenditures

As the summary above describes, the budget process is often initiated by evaluating expenditures for the services to be provided. For the purposes of this Report, LWG started with analyzing the budgeted expenditures for the Town and the Township for the 2024 budget year. To do this, LWG identified the expenditures associated with each department or fund by the expenditure category for the Town and the Township separately. The Town's expenditures are identified in Appendix A and the Township's expenditures are identified in Appendix B. For purposes of the financial analysis, expenditures associated with these departments or funds are assumed to continue unless otherwise noted in Table 1.

After detailing out the various expenditures by proposed reorganization department or fund, LWG assigned each department or fund to a particular district. LWG used a similar approach to the service districts identified in the Plan and has categorized expenditures into a Rural District, a Town District, and a Town Debt District.

Appendix A and Appendix B include all of the budgeted departments or funds of the Town and Township supported by property tax revenues and miscellaneous revenues. Appendix A and Appendix B allocate the budgets between each of the service districts based on the level of services provided to each respective district.

Appendix E and Appendix F identify outstanding debt for which the Town or Township levy a property tax or are secured by property tax revenues.

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Table 1: Analysis of Proposed Town Expenditures – Property Tax Funds Only

Table 1 below provides the sum of expenditures funded by property taxes applicable to the various districts allocated based on Pay 2024 AV with anticipated known adjustments as noted.

Town Expenditures	Rural District	Town District	Town Debt
Expenditures			
Town General	$ 4,469,701	$ -	$ -
Town General Adjustments:			
Add: 2 Town Council Members	24,942	-	-
Add: FICA Adjustment	1,908	-	-
Add: Costs from Township General	313,513	-	-
Add: Costs from Township Assistance	150,408	-	-
Less: Transfer to Town Police	(584,151)	-	-
Less: Transfer to Town Fire	(550,672)	-	-
Total Adjusted Town General	3,825,649	-	-
Lease Rental Payment	-	-	29,806
Debt Service	-	-	171,660
Cumulative Capital Development	100,000	-	-
Motor Vehicle Highway (1)	318,841	-	-
Town Police	-	-	-
Transfer from General Fund	-	584,151	-
Total Town Police	-	584,151	-
Town Fire	-	-	-
Transfer from General Fund	-	550,672	-
Total Town Police	-	550,672	-
Total Town Expenditures	$ 4,244,490	$ 1,134,823	$ 201,466

(1) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

Miscellaneous revenue-supported expenditures are assumed to be fully funded by miscellaneous revenues and cash on hand; therefore, these expenditures are excluded from Table 1. Table 2, as shown on the following page, provides a summary of remaining Township expenditures after the proposed reorganization. As noted above, the Township will cease to exist; however, certain functions will continue and be carried out by the Town.

Table 2: Analysis of Existing Township Expenditures – Property Tax Funds Only

	Adams Township
Township Expenditures	
Township General	$ 623,100
Removal of General Fund Costs	(312,511)
Total Costs Shifted to Town General Fund	310,589
Township Assistance	174,408
Removal of Township Assistance Costs	(24,000)
Total Costs Shifted to Town General Fund	150,408
Fire Fund	281,090
Removal of Fire Costs	(281,090)
Total Costs Shifted to Town	-
Cumulative Fire Fund	83,500
Removal of Cumulative Fire Costs	(83,500)
Total Costs Shifted to Town	-
Total Remaining Township Expenditures	$ -

Analysis of Outstanding Debt

In addition to the budgeted expenditures for the provision of services, the Town has outstanding debt obligations. The Township does not have any outstanding debt obligations. The bond issues or loans are detailed in Appendix E for the Town and Appendix F for the Township. The Town currently has one (1) bond issue and one (1) equipment lease outstanding (see Appendix E) which are paid from property taxes and included in this financial analysis.

The distinction between these bonds and which taxing units are responsible for the repayment of the bonds is important due to certain provisions of the Act. The Act requires that indebtedness incurred by the Town prior to the reorganization may not be imposed on taxpayers that were not responsible for the debt prior to the reorganization and must only be paid by those taxpayers that were originally responsible. This also applies to pension obligations. This means that all Town debt service must remain with the same taxpayer base as the Town prior to reorganization.

Analysis of Available Revenues

After calculation of the expenses to be paid, LWG then analyzed the available revenues that would be available to fund the proposed expenditures. The data for available revenues has been obtained from cash balances as of December 31, 2023, and the 1782 Fund Reports for the 2024 budget year for the Town and the Township. Based on this information, the various revenue sources have been broken into the various service districts in a manner that correlates the revenues with the applicable expenditures. This process has been done for both the Town and the Township.

Table 3 provides the allocation of miscellaneous revenues per the 1782 Fund Reports to each service district for property tax levied funds. Please refer to Appendix C for a detailed allocation of the Town's miscellaneous revenues and Appendix D for the Township's allocation of miscellaneous revenues. Miscellaneous revenue supported expenditures are assumed to be fully funded by miscellaneous revenues and cash on hand.

Table 3: Analysis of Proposed Miscellaneous Revenue

	Rural District	Town District	Town Debt
Town of Sheridan - Misc. Revenue	$ 1,869,019	$ 114,588	$ 12,179
Adams Township - Misc. Revenue	347,252	-	-
Total	$ 2,216,271	$ 114,588	$ 12,179

Table 4 provides the cash balances per fund as of December 31, 2023, per the Annual Financial Reports of both the Town and Township.

Table 4: Analysis of Cash Balances as of December 31, 2023

Town	Cash Balance
General	$ 1,938,793
Lease Rental Payment	4,584
Debt Service	73,676
Cumulative Capital Development	126,367
Motor Vehicle Highway (3)	9,845
Total Town	$ 2,153,264

Township	Cash Balance
General (1)	$ 1,101,072
Township Assistance (1)	223,806
Fire (2)	312,885
Cumulative Fire (Township) (2)	185,016
Total Township	$ 1,822,780

(1) Township General and Assistance fund cash balance will be shifted to Town General fund cash balance.
(2) Township Fire and Cumulative Fire cash balance will be shifted to Town Fire fund cash balance.
(3) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

Calculation of Estimated Property Tax Levies and Tax Rates

Based on the above analyses, it is possible to calculate an estimated property tax levy for the Rural District, the Town District and the Town Debt District. As identified above in the "Summary of Tax Levy and Tax Rate Creation" section, to compute the property tax levy, the estimated revenues for a particular area are subtracted from the estimated expenditures. The net amount of the revenues and expenditures represents the portion of the expenditures that must be funded through the property tax levy.

Although estimated property tax levies and tax rates are provided in this section for purposes of estimating baseline financial impacts of the Plan, it is important to note that actual property tax levies, tax rates and allocation of revenues will be subject to statutory adoption processes by the legislative bodies of the participating political subdivisions (the Town and Township) and may materially differ from those provided in this section and the accompanying appendices.

Table 5 provides the estimated fund levies per fund for the Rural District, Town District and Town Debt District.

Table 5: Proposed Estimated Fund Levies

	General (1)	Cumulative Capital Development (1)	Motor Vehicle Highway (1) (3)
Total Estimated Expenditures	$ 4,794,687	$ 100,000	$ 318,841
Less: Cash Balance	(3,263,671)	(126,367)	(9,845)
Less: Estimated Misc. Revenues	(2,180,964)	-	(19,130)
Add: Operating Balance	1,083,245	213,133	9,845
Total Estimated Property Tax Levy	$ 433,297	$ 186,766	$ 299,711

	Police (2)	Fire (2)	Town Debt Service (2)	Lease Rental Payment (2) (4)
Total Estimated Expenditures	$ 63,647	$ 102,137	$ 171,660	$ 29,806
Less: Cash Balance	-	(497,901)	(73,676)	(4,584)
Less: Estimated Misc. Revenues	(58,984)	(55,604)	(10,027)	(2,152)
Add: Operating Balance	682,573	1,099,219	18,819	(157)
Total Estimated Property Tax Levy	$ 687,236	$ 647,850	$ 106,777	$ 22,913

(1) Levies are funded by tax rates applied to both the Town and the Rural Districts (see Table 6).
(2) Levies are funded by tax rates applied to the Town District only (see Table 6).
(3) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.
(4) Final Lease Rental Payment 01/15/2025.

Once the estimated property tax levy is calculated, it is then possible to compute an estimated tax rate. To do this, the property tax levy is compared to the net assessed value of property within each of the service districts. Table 6 on the following page provides these calculations based on Pay 2024 Net Assessed Value (NAV).

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Table 6: Proposed Estimated Tax Rates (per $100 of NAV) by Fund

Rural District

	General	Cumulative Capital Development	Motor Vehicle Highway (1)	Rural District Total
Estimated Property Tax Levy	$ 259,579	$ 111,887	$ 179,550	551,016
Divided by: Net Assessed Value	223,774,912	223,774,912	223,774,912	223,774,912
Total Estimated Tax Rate	$ 0.1160	$ 0.0500	$ 0.0802	$ 0.2462

Town District

	General	Cumulative Capital Development	Motor Vehicel Highway (1)	Police	Fire
Estimated Property Tax Levy	$ 173,718	$ 74,879	$ 120,161	$ 687,236	$ 647,850
Divided by: Net Assessed Value	149,757,254	149,757,254	149,757,254	149,757,254	149,757,254
Total Estimated Tax Rate	$ 0.1160	$ 0.0500	$ 0.0802	$ 0.4589	$ 0.4326

	Town Debt Service	Lease Rental Payment	Town District Total
Estimated Property Tax Levy	$ 106,777	$ 22,913	$ 1,833,533
Divided by: Net Assessed Value	149,757,254	149,757,254	149,757,254
Total Estimated Tax Rate	$ 0.0713	$ 0.0153	$ 1.2243

Proposed District Rate Summaries

	Town	Rural	Total	Current	Difference
Existing Adams Township Residents	$ -	$ 0.2462	$ 0.2462	$ 0.1660	$ 0.0802
Existing Town of Sheridan Residents	1.2243	-	1.2243	1.1441	0.0802

(1) See page 5 for information concerning a potentia road maintenance interlocal agreement with Hamilton County.

The calculation of the estimated tax rates requires a few additional comments. The tax rates above represent the estimated tax rate that would be applicable for the proposed service districts of the New Town as well as existing property tax supported debt. Secondly, all taxpayers would also be responsible for the tax rate associated with the Town District. These taxpayers would be receiving the benefit of the general administration of the New Town. Finally, these estimated tax rates are based on the Pay 2024 AV for the Town and the Township prior to reorganization.

Comparison to Current Tax Rates

A primary consideration of the legislative bodies is the impact that the proposed reorganization would have on taxpayers in the Township and the Town. In order to consider this impact, Appendix G provides a side-by-side comparison of the current 2024 tax rates compared to what the tax rates may be under the proposed reorganization including the tax rates for the other taxing units (the school, county, and library).

As Appendix G demonstrates, the estimated impact to both existing taxing districts is an additional $0.0802 per $100 of NAV for additional road maintenance cost (see page 5 for information concerning a

As Appendix G demonstrates, the estimated impact to both existing taxing districts is an additional $0.0802 per $100 of NAV for additional road maintenance cost (see page 5 for information concerning a potential interlocal agreement for road maintenance with Hamilton County which may mitigate this increase). Though the Rural District will see a benefit of the NAV of the Township, the additional costs will be shifted to the Town. It is important to note that both the existing debt service fund levies may increase as shown in Appendix G as a result of lower cash balances than originally budgeted during the 2024 budget process, not as a result of reorganization.

Circuit Breaker Tax Credit

The Indiana General Assembly enacted legislation which provides taxpayers with a tax credit for all property taxes in an amount that exceeds a percentage of the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit"). A taxpayer is entitled to the Circuit Breaker Tax Credit against the taxpayer's property tax liability for property taxes first due and payable after 2009 in the amount by which the taxpayer's property tax liability is attributable to the taxpayer's:

(1) homestead property would otherwise exceed 1%;

(2) residential rental property would otherwise exceed 2%;

(3) long term care property would otherwise exceed 2%;

(4) agricultural land would otherwise exceed 2%;

(5) nonresidential real property would otherwise exceed 3%; or

(6) personal property would otherwise exceed 3%;

of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

The DLGF recently released the anticipated 2024 circuit breaker credits by fund for all taxing units in the State. Pursuant to the DLGF report for Hamilton County taxing units as of April 11, 2024, the estimated Circuit Breaker Tax Credit allocable to the Town and Township for budget year 2024 is shown in the following table.

Taxing Unit	2024 Circuit Breaker Credits
Town of Sheridan	$226,191.24
Adams Township	$7,036.13

As shown in Appendix H, the total estimated circuit breaker impact for all taxing units in Hamilton County (including the Town and Township) after reorganization is approximately $94,208. Table 7 provides the estimated circuit breaker impact for those units including the Township, though no impact is anticipated for the Township.

Table 7: Estimated Circuit Breaker Impact by Unit

Taxing Unit	Estimated Circuit Breaker Impact
Hamilton County	$ 8,076.00
Adams Township	**956.00**
Town of Sheridan	**51,062.00**
Sheridan Community Schools	31,915.00
Sheridan Public Library	2,165.00
Solid Waste Management	34.00
Total Circuit Breaker Credits	$ 94,208.00

As shown on the previous page, the Township is not expected to be impacted by the estimated increase in tax rates due to the proposed reorganization. Of the total estimated circuit breaker, approximately 55.2% is allocated to the Town itself.

Summary of Financial Analysis

The financial analysis provided above, as well as the accompanying Appendices, is designed to provide a baseline scenario for the proposed reorganization. As the legislative bodies continue to explore options for reorganization or if significant assumptions change, the impact to property tax levies and tax rates would need to be updated in order to provide a clear picture of how such changes would impact taxpayers.

LWG recognizes the reorganization of governmental units is a complex undertaking. This Report should be considered by the reader as a first step in understanding the baseline. For questions related to this Report, please contact Jim Higgins at jim.higgins@lwgcpa.com.

APPENDIX A

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

2024 Town Budget Expenditures and Allocation by Service District - Property Tax Funds Only

Department or Fund	Personal Services	Supplies	Services and Charges	Capital Outlay	Total	Amount Applicable: Rural District	Amount Applicable: Town District	Amount Applicable: Town Debt
Property Tax Supported								
General: Clerk Treasurer	$ 346,689	$ 12,000	$ 64,500	$ -	423,189	$ 423,189	$ -	$ -
General: Town Council	63,928	2,500	486,550	-	552,978	552,978	-	-
General: Planning & Zoning	168,036	3,000	1,500	-	172,536	172,536	-	-
General: Public Works Service	411,170	33,250	53,150	50,000	547,570	547,570	-	-
General: Fire	1,289,003	88,868	233,689	-	1,611,560	1,611,560	-	-
General: Police	839,113	97,754	59,216	-	996,083	996,083	-	-
Subtotal: General Fund	3,117,939	237,372	898,605	50,000	4,303,916	4,303,916	-	-
Town Police	53,618	6,246	3,784	-	63,648	-	63,648	-
Town Fire	81,694	5,632	14,811	-	102,137	-	102,137	-
Motor Vehicle Highway (1)	145,650	-	173,191	-	318,841	318,841	-	-
Lease Rental Payment	-	-	-	29,806	29,806	-	-	29,806
Debt Service	-	-	-	171,660	171,660	-	-	171,660
Cumulative Capital Development	-	-	100,000	-	100,000	100,000	-	-
Total Property Tax Supported	3,398,901	249,250	1,190,391	251,466	5,090,008	4,722,757	165,785	201,466

(1) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

APPENDIX B

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

2024 Township Budget Expenditures and Allocation by Service District - Property Tax Funds Only

Department or Fund	Personal Services	Supplies	Other Services and Charges	Capital Outlay	Total	Amount Applicable Rural District
Property Tax Supported						
General	$ 153,000	$ 6,500	$ 88,600	$ 375,000	$ 623,100	$ 623,100
Township Assistance	24,000	-	150,408	-	174,408	174,408
Fire	-	-	131,090	150,000	281,090	281,090
Cumulative Fire (Township)	-	-	-	83,500	83,500	83,500
Total Property Tax Supported	$ 177,000	$ 6,500	$ 370,098	$ 608,500	$ 1,162,098	$ 1,162,098

APPENDIX C

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Allocation of Town Miscellaneous Revenues - Property Tax Funds Only

Department or Fund	Total	Amount Applicable		
		Rural District	Town District	Town Debt
Property Tax Supported				
General	$ 1,833,796	$ 1,833,796	$ -	$ -
Town Police	58,984	-	58,984	-
Town Fire	55,604	-	55,604	-
Lease Rental Payment	2,152	-	-	2,152
Debt Service	10,027	-	-	10,027
Motor Vehicle Highway (1)	19,130	19,130	-	-
Cumulative Capital Development	16,093	16,093	-	-
Total Property Tax Supported	$ 1,995,786	$ 1,869,019	$ 114,588	$ 12,179

(1) See page 5 for information concerning a potential road maintenance interlocal agreement with Hamilton County.

APPENDIX D

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Allocation of Township Miscellaneous Revenues - Property Tax Funds Only

Department or Fund	Total	Amount Applicable Rural District
Property Tax Supported		
General	$ 346,498	$ 346,498
Township Assistance	670	670
Fire	75	75
Cumulative Fire (Township)	9	9
Total Property Tax Supported	$ 347,252	$ 347,252

APPENDIX E

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Town of Sheridan Outstanding Debt as of December 31, 2024

Bond Issue	Purpose	Final Maturity	Outstanding Principal as of December 31, 2024	Principal and Interest or Lease Payments Due in Fiscal Year 2024
General Obligation Bonds of 2022	Pay for necessary capital expenditures involving the equiping of the town's fire, police, park and street departments.	1/5/2028	$ 480,000	$ 171,660
2019 Equipment Lease	Purchase of a jet vac machine and John Deere tractor.	1/1/2025	14,743	29,806

APPENDIX F

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Adams Township Outstanding Debt as of December 31, 2024

Bond Issue	Purpose	Final Maturity	Outstanding Principal as of December 31, 2024	Principal and Interest or Lease Payments Due in Fiscal Year 2024
No outstanding debt at this time.				

APPENDIX G

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Comparison of Current Tax Rates to Reorganized Tax Rates

	Current Pay 2024 Tax Rates				Reorganized Tax Rates						
Taxing District	Township	Corporate	Other Taxing Units (1)	Total	Rural District	Town District	Town Debt (2)	New District Subtotal	Other Taxing Units (3)	Total	Net Effect of Reorganization
Adams Township	$ 0.1660	$ -	$ 1.6827	$ 1.8487	$ 0.2462	$ -	$ -	$ 0.2462	$ 1.6827	$ 1.9289	$ 0.0802
Sheridan Town	-	1.1115	1.7153	2.8268	-	1.1377	0.0866	$ 1.2243	1.6827	2.9070	0.0802

(1) Other Taxing Units included rates for Hamilton County, Hamilton County Solid Waste Management, Sheridan Community Schools, and Sheridan Public Library; however for the Town of Sheridan, Other Taxing Units also include Adams Township.

(2) Town Debt includes levies for both Debt Service ($0.0713) and Lease Rental ($0.0153).

(3) Other Taxing Units include rates for Hamilton County, Hamilton County Solid Waste Management, Sheridan Community Schools, and Sheridan Public Library.

APPENDIX H

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Circuit Breaker Analysis - District Rates

District Name	2024 Baseline Tax Rate	Reorganized Tax Rate	Tax Rate Change
Town of Sheridan	$ 2.8268	$ 2.9070	$ 0.0802
Adams Township	1.8487	1.9289	0.0802
Clay Township	1.2377	1.2377	-
Delaware Township	1.7944	1.7944	-
Fishers	2.2011	2.2011	-
Fall Creek Township	1.6876	1.6876	-
Jackson Township	1.6229	1.6229	-
Arcadia	2.4645	2.4645	-
Atlanta	2.1383	2.1383	-
Cicero	1.9036	1.9036	-
Noblesville Township	1.8361	1.8361	-
Noblesville City	2.7021	2.7021	-
Westfield Washington Township	1.9617	1.9617	-
Westfield	2.3285	2.3285	-
Wayne Township	1.6861	1.6861	-
White River Township	1.5633	1.5633	-
Carmel	2.0160	2.0160	-
Noblesville SE	2.6067	2.6067	-
Fishers FC	2.1670	2.1670	-
Noblesville FC	2.5726	2.5726	-
Noblesville Wayne Township	2.5976	2.5976	-
Carmel County TIF	2.0160	2.0160	-
Westfield Ag Abated	1.6110	1.6110	-
Carmel Washington Township	2.3893	2.3893	-
Fishers FC 02152C	2.1670	2.1670	-

Report on the Proposed Reorganization of the Town of Sheridan and Adams Township, Hamilton County

Circuit Breaker Analysis - Circuit Breaker Impacts

Taxing Unit	2024 Baseline			Reorganization Scenario			Change		
	Levy	CB	Net Levy	Levy	CB	Net Levy	Levy	CB	Net Levy
Hamilton County	$ 91,374,907	$ 4,037,507	$ 87,337,400	$ 91,374,907	$ 4,045,583	$ 87,329,324	$ -	$ 8,076	$ (8,076)
Adams Township	419,138	7,036	412,102	598,606	7,992	590,614	179,468	956	178,512
Clay Township	6,992,159	108,831	6,883,329	6,992,159	108,831	6,883,329	-	-	-
Delaware Township	1,576,716	11,396	1,565,319	1,576,716	11,396	1,565,319	-	-	-
Fall Creek Township	1,190,209	7,047	1,183,162	1,190,209	7,047	1,183,162	-	-	-
Jackson Township	1,111,894	2,905	1,108,988	1,111,894	2,905	1,108,988	-	-	-
Noblesville Township	1,594,719	23,907	1,570,812	1,594,719	23,907	1,570,812	-	-	-
Washington Township	1,701,381	74,205	1,627,176	1,701,381	74,205	1,627,176	-	-	-
Wayne Township	693,134	20,526	672,607	693,134	20,526	672,607	-	-	-
White River Township	629,342	870	628,472	629,342	870	628,472	-	-	-
Township Units Total	15,908,692	256,724	15,651,968	15,908,692	4,303,263	15,830,479	179,468	956	178,512
				-					
Arcadia Civil Town	555,451	48,978	506,473	555,451	48,978	506,473	-	-	-
Atlanta Civil Town	169,475	3,976	165,499	169,475	3,976	165,499	-	-	-
Carmel Civil City	85,510,789	1,346,593	84,164,196	85,510,789	1,346,593	84,164,196	-	-	-
Cicero Civil Town	2,181,287	38,267	2,143,020	2,181,287	38,267	2,143,020	-	-	-
Fishers Civil City	64,397,779	1,350,506	63,047,274	64,397,779	1,350,506	63,047,274	-	-	-
Noblesville Civil City	56,147,781	6,696,871	49,450,911	56,147,781	6,696,871	49,450,911	-		-
Sheridan Civil Town	1,655,965	226,191	1,429,774	1,776,070	277,253	1,498,817	120,105	51,062	69,043
Westfield Civil City	38,257,042	3,394,360	34,862,682	38,257,042	3,394,360	34,862,682	-	-	-
Civil Units Total	248,875,570	13,105,741	235,769,828	248,875,570	13,156,803	235,838,871	120,105	51,062	69,043
				-					
Carmel-Clay School Corporation	97,656,233	1,030,986	96,625,247	97,656,233	1,030,986	96,625,247	-	-	-
Hamilton Heights School Corporation	12,405,158	140,616	12,264,542	12,405,158	140,616	12,264,542	-	-	-
Hamilton Southeastern School Corporation	125,382,991	2,358,548	123,024,442	125,382,991	2,358,548	123,024,442	-	-	-
Noblesville School Corporation	67,495,276	4,323,649	63,171,627	67,495,276	4,323,649	63,171,627	-	-	-
Sheridan Community Schools	5,008,408	225,341	4,783,067	5,008,408	257,256	4,751,152	-	31,915	(31,915)
Westfield-Washington School Corporation	73,727,997	4,866,540	68,861,457	73,727,997	4,866,540	68,861,457	-	-	-
School Units Total	381,676,062	12,945,681	368,730,382	381,676,062	12,977,596	368,698,467	-	31,915	(31,915)
				-					
Carmel-Clay Public Library	6,948,390	108,149	6,840,240	6,948,390	108,149	6,840,240	-	-	-
Hamilton East Public Library	7,744,105	397,336	7,346,768	7,744,105	397,336	7,346,768	-	-	-
Hamilton North Public Library	501,193	7,090	494,103	501,193	7,090	494,103	-	-	-
Sheridan Public Library	269,859	14,929	254,930	269,859	17,094	252,765	-	2,165	(2,165)
Westfield Public Library	2,409,551	203,491	2,206,059	2,409,551	203,491	2,206,059	-	-	-
Library Units Total	17,873,097	730,996	17,142,101	17,873,097	733,161	17,139,936	-	2,165	(2,165)
				-					
Hamilton County Airport Authority	-	-	-	-	-	-	-	-	-
Hamilton County Solid Waste Mgmt District	844,701	37,090	807,611	844,701	37,124	807,577	-	34	(34)
Special Units Total	844,701	37,090	807,611	844,701	37,124	807,577	-	34	(34)
Grand Total - All Taxing Units	$ 756,553,029	$ 31,113,740	$ 725,439,289	$ 756,553,029	$ 35,253,531	$ 725,644,654	$ 299,573	$ 94,208	$ 205,365

Materials Submitted by:

Hamilton County

County of Hamilton
State of Indiana

Christine Altman
Commissioner District 1
Steven C. Dillinger
Commissioner District 2
Mark Heirbrandt
Commissioner District 3

May 20, 2024

Dear Sheridan Reorganization Committee Members,

The Hamilton County Board of Commissioners would appreciate the opportunity to meet with the Sheridan Reorganization Committee. Please consider this letter to be the Commissioners' invitation to the Committee to meet on the afternoon of May 28th. Steve Dillinger, Christine Altman, and I all have a very high level of interest and concern in the Town and Township's reorganization and would like to be involved in the meeting. With all of us involved, this would require an official public meeting take place. May 28th is a regularly scheduled Commissioner meeting date, and this meeting could be placed on the agenda as a "work session" meeting that would take place following the regular public BOC meeting. The work session meeting would be a public meeting, open to anyone who desires to join.

I and my fellow Commissioners believe it is imperative to meet sooner rather than later. The most urgent reason being that the Board of Commissioners and the County Council are going to begin the budgeting process for 2025 in mid-June. My fellow Commissioners and I need to understand what will need to be removed from the budget due to Sheridan potentially taking over jurisdiction for all of Adams Township. The County, outside of very limited circumstances (via mutually beneficial inter local agreements), does not fund roads (maintenance, snow removal, construction, local match for federal and state funding aid, etc.), and does not provide policing or other general municipal services within a cities or town's jurisdiction. We have asked county department heads to review previous expenditures within Adams Township and anticipated federal aid projects to determine normal operating expenses to assess the fiscal plans which have been developed by your committee and for our budgeting purposes. In looking at your fiscal plans, our actual costs are significantly higher, just on material costs alone. We believe that it is imperative that these differences be reviewed and reconciled before action or further publication of information is made. There are also several federal aid projects that the committee may wish to consider for local share match requirements.

After you have confirmed availability with the Committee members, we can work on finalizing an exact time for the afternoon of May 28th. The Commissioners hope to have a productive conversation and look forward to seeing the Committee on May 28th. If the 28th does not work for the Committee, please provide some alternate dates/times that will work for the Committee that will allow sufficient time for advertising of the meeting.

Thank you for your willingness to meet and discuss these important matters for the benefit of our constituents.

Sincerely,

Mark Heirbrandt
Hamilton County Commissioner
2024 President of the Hamilton County Board of Commissioners

Comparison of Adams of Rural Taxing District Expenditures Payable with Property Tax
Revised May 23, 2024

Town Expenditures- Excluding Debt Service	Town Expenditures allocable to "Rural District" per Town Fiscal Fiscal Impact Statement	Town Expenditures prior to transfer of public safety expenditures per Town Fiscal Fiscal Impact Statement	Difference
Town General Fund budget - unrelated to public safety	$ 1,696,273	$ 1,696,273	
Town General Fund budget - Police Protection	1,059,731	1,059,731	
Town General Fund budget - Fire Protection	1,713,697	1,713,697	
Town General Fund expenditures per Fiscal Impact Statement- unadjusted	4,469,701	4,469,701	
Less, Police expenditures transferred to Town District per Fiscal Impact Statement	(584,151)	-	
Less, Fire expenditures transferred to Town District per Fiscal Impact Statement	(550,672)	-	
Town General Fund expenditures per Fiscal Impact Statement- adjusted	3,334,878	4,469,701	
Township budget along with other adjustments per Fiscal Impact Statement	490,771	490,771	
General Fund budget expenditures	3,825,649	4,960,472	
Cumulative Capital Development Fund	100,000	100,000	
Motor Vehicle Highway	318,841	318,841	
Total Town Expenditures Allocable to Rural District	$ 4,244,490	$ 5,379,313	**$ 1,134,823**

Comparison of Proposed Town Expenditures per Fiscal Impact Statement to Town Expenditures after County Quality Control Adjustments
Revised May 23, 2024
Comparison of Sheridan Proposed Budget with Quality Adjustments

Town Expenditures- Excluding Debt Service	Annual Town Expenditures per Fiscal Fiscal Impact Statement	Annual Town Expenditures with Quality Control Adjustments	Explanation
General Fund expenditures per Fiscal Impact Statement- excluding police protection	$ 3,900,741	$ 3,900,741	
Town General Fund budget - Police Protection	1,059,731	1,059,731	
Less, public safety budget costs shift to special taxing district	(1,134,823)	-	
Sheriff staffing for Adams Township service runs transferred to Town after reorganization	-	500,000	See attache email from Sheriff
General Fund expenditures	3,825,649	5,460,472	
Public safety budget costs transferred to special taxing district	1,134,823	-	
Cumulative Capital Development Fund	100,000	100,000	
Road Maintenance estimate cost based on actual County expenditures per April 16th presentation	493,100	493,100	
Less, net highway revenues available for road maintenance estimated cost unrelated to property tax	(174,259)	(174,259)	
Motor Vehicle Highway expenditures per Fiscal Impact Statement	318,841	318,841	
Additioanl "normal" routine maintenance expenditures per Highway Department not included in Fiscal Impact Statement	-	281,900	See attached schedule per Highway Department
Contract Resurfacing- not included in budget number provided by Highway to Town	-	1,129,503	See attached schedule per Highway Department
Chip seal materials- not included in routine maintenance expenditures per Higheway Department	-	456,000	See attached schedule per Highway Department
Additional equipment for chip seals operations necessary for Township roads after reorganization	-	To be determined	
Roadway Striping and Weed Control	-	36,000	
Subtotal	318,841	2,222,244	
Capital Projects- local match	-	23,000,000	See note below
Total Town Expenditures	$ 5,379,313	$ 30,782,716	

Note: the County had contemplated capital projects requiring approximately $23 million of local funding in the unincorporated Adams Township service area prior to the proposed reorganization. The reorganized unit would likely require to fund the capital projects through a debt issuance (s) to complete the projects.

Additional Information regarding Maintenance. and Capital Projects – Adams Township 3 5/16/2024

RE: Capitol Projects

We currently have four active Federal Aid Capitol projects.
Charts show local costs.

1. Lamong (SR 38-246th) road construction- Fall 2025 letting
   Federal funds involved - $5,779,200
   Local costs- est. $2,764,000 (potentially $619,200 reimbursed)

PE	2022	620,000		
R/W	2024		100,000	
CN- match	2025			1,270,000
CE-front	2025			774,000
(619,200 reimbursable)				
Appropriated				

2. 236th (Sheridan to Br 201) reconstruction -Fall 2025 letting
   Federal Funds involved - $3,330,400
   Local costs – est. $4,363,000 (potentially ~$370,400 reimbursed)

PE	Prior to 2022	800,000				
PE	2022		100,000			
PE & R/W	2023/24			400,000	250,000	
CN - Match	2025					740,000
Utilities	2025					1,610,000
CE-front	2025					463,000
(370,400 reimbursable)						

NOTE: we have recently worked with INDOT to combine the two above projects into one for the letting. Phases yet to be done- R/W, Utility relocations, final design, and Inspection contracting before these go to letting.

3. Dunbar Road (rehab/reconst. from SR38-226th) -Summer 2028 letting
   Federal Funds involved -$7,248,000
   Local costs -est. $4,395,000 (potentially ~$768,000 reimbursed)

PE	2023	885,000		
R/W	2026		850,000	
Utility	2028			100,000
CN-match	2028			1,600,000
CE-front	2028			960,000
(768,000 reimbursable)				

4. Dunbar Road (rehab/reconst. From 226th to 236th) – 2028-2030 letting
   Federal funds involved - $6,544,176
   Local costs ~$4,232,400 (potentially ~$713,600 reimbursed)

PE	2024	1,000,000			
R/W	2026		760,400		
Utility	2027			152,000	
CN-match	2029				1,428,000
CE-front	2029				892,000
(713,600 reimbursable)					

5. Planned projects – Continue Dunbar Road corridor up to 276th. Intending to continue to try for federal funding for these 4 miles.
   Cost estimate per mile – like #4 above, without Federal funding and not inflated for future years – Approximately $11,000,000/mile ($44,000,000 to complete the corridor).

NOTE: Anticipating local costs being more than stated due to ongoing inflation.

- NOTE: LPA must have an ERC, (Employee in Responsible Charge who must be employed by LPA) and follow the INDOT/Federal process – The LPA guidance document identifies numerous fatal flaws. Quarterly status reports must be submitted and discussed by ERC at quarterly update meetings.

RE: Chip and Seal:

Adams Township has 64.04 miles of chip and seal roads – We chip and seal on an average four-year schedule (25% each year on average). For 2024 we budgeted ~$28,500/mile for materials only. Of that ~ $12,000 is for hot mix asphalt for preparation of the chip seal operation and $16,500 for liquid asphalt and aggregates.

Labor and equipment costs are not included as we do this with our own forces and equipment. For a similar level of service, for 16 miles, an annual budget for materials would be:

For liquid asphalt and aggregate portion only- $16,500/mi x 16 miles = $264,000 (actual 2024 bid prices are $11,171/mile). Using actual 2024 bid prices - $11,171/mi x 16 miles = $178,736.

For preparation material (asphalt mix, typically for wedge & level) -$12,000 x 16 miles = $192,000 (actual 2024 bid prices are $10,560/mile). Using actual bid prices- $10,560/mile x 16 miles = $168,960.

Programmed amount for 2024 chip seal materials was $28,500/mi.
Using actual 2024 bid prices for chip seal materials only is $21,731/mi.

For programming - to chip seal 16 miles/year: – We would budget $456,000 for materials. (we budget the year before actual prices are determined by annual bid)

Using actual 2024 bid prices for materials our current chip seal program is:

2024 & 2025 Chip Seal Material Costs				
Year	# Miles	Cost/Mile	Mat. Cost only	
2024	8.85			
		$11,170.45	$98,858.48	Liquid Asphalt and Aggregate
		$10,560.00	$93,456.00	Hot Mix Asphalt
Total 2024			**$192,314.48**	(used for prep prior to CS)
				Used actual 2024 bid prices
2025	25.84	$11,170.45	$288,644.43	2025 will probably be higher
		$10,560.00	$272,870.40	
Total 2025			**$561,514.83**	

It takes special equipment – Asphalt Distributor, Aggregate spreader, and Rubber Tired roller. Equipment costs continue to increase. At today's cost it would take ~$900,000 to purchase these three items to properly perform the chip and seal operation.

RE: Asphalt Paving:

Adams township has 36.03 miles of asphalt roadways – We typically maintain these via a "mill and fill" resurfacing contracts with some minor variations to the scope depending on the roadway. These are done per our asset management plan, with a preservation strategy.

As an example – in 2023 two resurfacing contracts cost $1,385,531 for 7.02 miles and a second contract for $1,432,069 for 9.18 miles. Average cost per mile was $173,926 per mile for contract resurfacing. We develop these in house. If a consultant were hired to put the contract documents together, etc. it would add approx. 10% to the cost.

Historically our actual costs have increased due to construction related inflation.

Recent actual costs have been:

2021 – for 17.20 miles-cost $2,295,378.81 or $133,452/mile
2022 – for 30.29 miles-cost $4,916,974.80 or $162,330/mile (21% increase from 2021)
2023 – for 20.74 miles-cost $3,792,369.86 or $182,853/mile (13% increase from 2022)
An average of $159,545/mi.

For example – placed hot mix asphalt surface costs have increased from $65/ton in 2020 to $95/ton in 2023 - a 46% increase over that period.

We do not have any asphalt pavement resurfacing planned for 2024 in Adams township.

Our 2025 program is:

2025 Contract Paving - Adams Township					
ROAD NAME	Start	END	ADT	Length	Prog. Cost Est.
Six Points Road	216th St.	226th St.	1,320	1.03	$157,832.05
Six Points Road	226th St.	236th St.	1,526	1.09	$175,817.00
Six Points Road	236th St.	246th St.	1,517	1.02	$164,526.00
Six Points Road	246th St.	256th St.	1,061	1.03	$149,525.10
Six Points Road	256th St.	266th St.	930	1.05	$169,365.00
Lafayette Road	Sherman Ave	Jerkwater Rd		0.13	$13,629.85
246th St.	664' E of Lamong	Six Points Road	502	1.39	$218,601.83
226th St.	Dunbar Road	US 31	331	0.51	$80,206.43
Totals				7.25	**$1,129,503.25**

NOTE: Adams Township would need to develop their own Asset Management Plan which it submitted to Indiana LTAP for subsequent inclusion for an overall statewide report for the General Assemble. There are two versions – one for just statewide Community Crossings projects and a more extensive one for federal aid preservation projects. We have developed our own. It is not known what a consultant may charge to put together an Asset Management Plan. Ours incorporates all our roadways so just Adams Township could not be broken out easily for a proper plan.

RE: Other Contracted work and Traffic related work:

As part of our annual bid process, we contract for some services which are included for Adams township. It is a bit difficult to separate these out, but we contract for:

- Grass growth regulation/weed control – We spent $38,102 for this service in 2023. This was amount ~ 3 townships so would estimate ~$12,000 was for Adams Township.
- Roadway striping - Costs vary/yr. but in 2023 we spent `$13,000 for centerline striping and $11,000 for edge line striping in Adams's township.
- After a paving contract, the pavement markings are done in more expensive thermoplastic which will last 4-5 years before it will then need some annual maintenance.

NOTE: - Other Traffic related cost – We spent approx. $3,600 for replacement sign materials only in 2023.

We do our own surveillance of sign and pavement retro reflectivity on an annual basis. Newer requirements will require the LPA to determine a more formal methodology to accomplish this.

NOTE: To properly follow the Indiana Manual on Traffic Control Devices, per Indiana Code, a traffic investigation would be needed for many types of traffic related inquiries. It is not known what a consultant may charge to do a study/investigation. We do these in-house.

Note: An LPA should have 24-7 On-call coverage for emergency calls, Storm response etc. This is especially critical if the issue involves a critical safety feature, such as a knocked down STOP sign.

Snow Operations is an expensive operation that is critical to the public. Since this is weather dependent it is difficult to know the exact need but, for budgeting purposes I would estimate 1000 tons of salt for a winter. At $100/ton we'd plan to budget $100,000 for treated salt for 100 miles of roadway. We also purchase other deicing materials- special salt for brine pretreatment, an additive for the brine application and liquid calcium chloride. I am not factoring in those costs which are relatively minor compared to the treated roadway salt.

Also, a snow truck(s) like what we have will cost ~ $400,000 each. Drivers, of course would need to have a CDL. Furthermore, an adequate salt storage facility would be needed. A consultant would need to be involved to estimate the cost of a storage facility.

RE: Small Structure Replacement/Program & Regulated Drain Costs:

Adams Township has approximately 35 small structures. We inspect these about once every five years and then develop a five-year program. Sometimes some are replaced because of a regulated drain project. In those cases, all capital costs within the LPA's right of way are born by the LPA. These are done on the surveyor's schedule.

Also, any regulated drain will have an annual maintenance assessment applied to it for the right of way drainage contribution. It would be best to contact the surveyor's office for an estimate of what this may be for Adams township.

Recent small structures awarded were three along Finley Creek (at Lamong, 221st and 226th), also included in the cost was some intersection work and legal drain reconstruction – cost- $3,091,434.

A single typical small structure replacement would cost ~$175,000 for design and ~$700,000-$800,000 for construction.

Normal, routine maintenance:

Based on an overall county average cost for normal maintenance by our own forces we estimate for 100 miles of roadway the cost is ~$775,000/yr. It does include snow operations done by county forces.

Note that this cost **does not** include:

- County employee benefits
- Any personnel costs associated with the Admin or Engineering sections of the Dept.
- The cost for materials for the chip and seal roadway activity

- Any Capital project costs (mainly federal aid projects and contracted resurfacing)
- Any other relatively minor contracted work – weed control, roadway striping, etc.
- Drain reconstructions/assessments
- Bridge maintenance
- Contracted small structure replacements

Ben Roeger

From: Connor Sullivan <Connor.Sullivan@hamiltoncounty.in.gov>
Sent: Thursday, May 16, 2024 11:29 AM
To: Ben Roeger; oscar@bondryconsulting.com
Subject: Fwd: Costs for Police Service in Adams Township

Get Outlook for iOS

From: Dennis Quakenbush <Dennis.Quakenbush@hamiltoncounty.in.gov>
Sent: Thursday, May 16, 2024 10:36:56 AM
To: Connor Sullivan <Connor.Sullivan@hamiltoncounty.in.gov>
Cc: Mark Heirbrandt <Mark.Heirbrandt@hamiltoncounty.in.gov>; John Lowes <John.Lowes@hamiltoncounty.in.gov>; Amy Summerfield <Amy.Summerfield@hamiltoncounty.in.gov>
Subject: Costs for Police Service in Adams Township

Connor,

There are several ways to tackle this problem. Another variable is the level of service you want to provide.

I would estimate it costs us about $500,000 to patrol Adams Township.

Thanks,
Dennis Quakenbush, Sheriff

The information in this email may contain confidential information and is intended solely for the attention and use of the named addressee(s). It must not be disclosed to any person(s) without authorization. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are not authorized to, and must not disclose, copy, distribute, or retain this message or any part of it. If you have received this communication in error, please notify the sender immediately.

Potential Additional Annual Cost - Summary

Additional Staff	$145,650	
Equipment	85,422	
Per Mile Road Cost ($4,931 x 100)	493,100	
Subtotal	$724,172	
Less Additional Revenue		
MVH Revenues	($ 98,226)	
LRS Revenue	(221,683)	
Cumulative Development Fund (partial)	(85,422)	(Equipment)
Net Additional Cost	$318,841	

LWG CPAS • ADVISORS

Cost of Road Maintenance - County

- County's 2024 Cost of Road Maintenance = $10,137 per mile
  - Based on total County Highway Budget of $5,555,000 divided by the 548 miles of County Roads
  - A review of the cost basis and elimination of unnecessary or duplicative items reduces the estimated cost per mile to $4,931

LWG CPAS • ADVISORS

Ben Roeger

Subject: RE: Adams Township Information

From: Bradley Davis <Bradley.Davis@hamiltoncounty.in.gov>
Sent: Wednesday, May 22, 2024 3:31 PM
To: Ben Roeger <roeger@coonrodcpa.com>
Cc: Dustin Teachnor <Dustin.Teachnor@hamiltoncounty.in.gov>; oscar@bondryconsulting.com; Dustin Teachnor <Dustin.Teachnor@hamiltoncounty.in.gov>; Connor Sullivan <Connor.Sullivan@hamiltoncounty.in.gov>; Lee Buckingham <Lee.Buckingham@hamiltoncounty.in.gov>
Subject: RE: Adams Township Information

Mr Roeger, The $5.55 M budget number cited by London Witte does not relate to a Highway Budget

Here is Dustin's explanation of where they got this then phrased it as the Highway Budget:

The $5.5M number was a number I gave to the Sheridan Superintendent. It definitely was not a budget number. The $5.5M represents what we spend annually on In-House Maintenance activities. The number didn't include any capital improvements, contract maintenance, or pavement preservation (such as contract resurface). Also, the number was based off of our Work Records database as well as actual costs spent on aggregates and materials for everything from road maintenance to garage supplies. Our Work Records database uses an overhead rate for equipment usage along with what is entered by the foreman for labor and activity code. The number is very accurate from year-to-year and provides me with a baseline for analyzing our activities.

PURPOSE OF THE REPORT

Under the authority granted by Indiana Code (IC) 36-1.5, *et seq.*, (the "Reorganization Statute") the Town of Sheridan, Indiana (the "Town") and Adams Township of Hamilton County, Indiana (the "Township") have taken the initial necessary actions by adoption of substantially similar resolutions to explore reorganization of the Town and Township into one governmental unit (the "New Town"). The Reorganization Statute defines reorganization as "a change in the structure or administration of a political subdivision described in IC §36-1.5-4-3 and IC §36-1.5-4-4". LWG CPAs & Advisors ("LWG") has been engaged by the Town to provide a Fiscal Impact Analysis (the "Report") as required by the Reorganization Statute, specifically, IC §36-1.5-4-18 (the "Fiscal Analysis Requirement"). This Report addresses, at a minimum, the following four (4) items as mandated by the Fiscal Analysis Requirement:

(1) The estimated effect of the proposed reorganization on taxpayers in the Town and Township including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service;

(2) A description of the planned services to be provided in the New Town and the method or methods of financing the planned services including (a) itemized estimated costs for each department or agency of the New Town and (b) explanations as to how specific and detailed expenses will be funded from taxes, fees, grants, and other funding;

(3) A description of the capital improvements to be provided in the New Town and the method or methods of financing those capital improvements. (There are no new capital improvements identified at the time of this Report; however, future improvements are possible); and

(4) Any estimated effects on political subdivisions in Hamilton County that are not participating in the reorganization and on taxpayers located in those political subdivisions.

This Report is to be included as part of the Plan of Reorganization prepared by the legislative bodies of the Town and Township as further described in the Report. The Report must be submitted to the Indiana Department of Local Government Finance (DLGF) at least three (3) months before the election in which a public question will be on a ballot as required by IC §36-1.5-4-18(e). This Report is based on estimates, assumptions and other data developed by LWG from data provided by the Town, Township, DLGF, and other sources deemed to be reliable.

In the course of preparing this Report, we have not conducted an audit, review or compilation of any financial or supplemental data or any of the assumptions identified and/or used in the Report. We have made certain projections of tax rates, tax levies, expenditure levels, and service levels which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Report for events or circumstances occurring after the date of this Report.

If you have questions regarding this Report, please contact Jim Higgins at jim.higgins@lwgpca.com.

From: Oscar Gutierrez <oscar@bondryconsulting.com>
Sent: Tuesday, May 28, 2024 1:31 PM
To: Maitland, Scott <SMaitland@dlgf.IN.gov>
Cc: Ben Roeger <roeger@coonrodcpa.com>; Mark.Heirbrandt <Mark.Heirbrandt@hamiltoncounty.in.gov>; Christine Altman <Christine.Altman@hamiltoncounty.in.gov>; Steve Dillinger <Steve.Dillinger@hamiltoncounty.in.gov>; Connor Sullivan <Connor.Sullivan@hamiltoncounty.in.gov>; German, Jacob <Jacob.German@btlaw.com>
Subject: Re: Meeting Follow Up

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Scott,

I apologize, Ben sent this out while I was out for the holiday weekend.

Please see below.

All,

Thanks for taking the time to talk with us earlier today re the fiscal impact of the proposed Sheridan/Adams Township reorganization. Below is a summary of the two attached analyses as a follow up to our earlier conversation:

Analysis # 1- The first analysis shows $1,134,823 of increased annual expenditures to be funded by general property tax revenues within the Rural Taxing District if the Town is unable to shift property levy for public safety services to a special "Town Taxing District" as shown in the Fiscal Impact. This was a legal question which we saw a couple of separate issues:

- May the reorganized unit create a special taxing district to shift property tax levy/rate from general operations maximum levy to a "police only" operations levy without an interlocal agreement with the County regarding Sheriff services?

- May the reorganized unit create a special taxing district to shift property tax levy/rate from general operations maximum levy to a "fire only" operations levy without an interlocal agreement with the County regarding Sheriff services?

Analysis # 2- The second analysis shows additional costs being provided by County Sheriff and Highway which are not currently included in the Town Fiscal Impact Statement. Below is a summary:

- $500,000 is the estimated costs for additional police officers and protection to patrol unincorporated Adams Township per Sheriff email. (See attached).

- Annual road maintenance cost estimates per the Town Fiscal Impact Statement were based on certain County Highway budget expenditures provided by the County. The

Highway Department has developed a separate summary showing additional costs of providing services to unincorporated Adams Township summarized as follows:

- $281,900/year for normal routine road maintenance costs over annual road maintenance costs shown in Fiscal Impact Statement. ($775,000 total)
- $456,000/year for chip sealed materials not included in routine maintenance costs
- $1,129,503 for annual 2025 resurfacing contracts not included in maintenance costs
- $36,000/year for roadway striping and weed contact

- The Town Fiscal Impact Statement states there are no new capital projects identified at the time of this report. Per our earlier discussion, the County had contemplated investment of $23 million for capital infrastructure improvement projects in unincorporated Adams Township which would part of the reorganized unit's service area following a reorganization.

Benjamin W. Roeger, CPA
C.L. Coonrod & Co.
Phone: 317-979-3077
Email: roeger@coonrodcpa.com

From:	Connor Sullivan
To:	Maitland, Scott; Crisler, Emily (DLGF)
Cc:	Mark.Heirbrandt; Christine Altman; Christine Altman; Steve Dillinger; Steve Dillinger; Lee Buckingham; ILI - Oscar Gutierrez; Ben Roeger; David Boyer
Subject:	FW: Fiscal Impact Analysis Concerns
Date:	Wednesday, May 29, 2024 8:01:17 PM
Attachments:	image001.png 2024-05-23 Analysis 1 to County[51][25].pdf 2024-05-23 Analysis 2 to County[77][87].pdf 240516 Adams Township 2025 Federal Projects.pdf
Importance:	High

**** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ****

Scott and Emily,

Hamilton County just sent the email below and the attached documents to the Sheridan Reorganization Committee. I wanted to make sure that you have everything that the County is sending the Town so that you are in the loop. It is similar to what we previously sent but includes a more in-depth break down of some of the expenses Sheridan did not include in their plan.

If you have any questions, comments, or concerns, please do not hesitate to reach out.

Thank you,

Connor Sullivan
County Attorney for Hamilton County

From: Oscar Gutierrez <oscar@bondryconsulting.com>
Sent: Wednesday, May 29, 2024 7:03 PM
To: Connor Sullivan <Connor.Sullivan@hamiltoncounty.in.gov>; christinealtman@me.com; Christine Altman <Christine.Altman@hamiltoncounty.in.gov>; StevenCDillinger@aol.com; Steve Dillinger <Steve.Dillinger@hamiltoncounty.in.gov>; Mark Heirbrandt <Mark.Heirbrandt@hamiltoncounty.in.gov>; Lee Graham <Lee.Graham@hamiltoncounty.in.gov>
Cc: Ben Roeger <roeger@coonrodcpa.com>; Jan Pickett <Jan.Pickett@hamiltoncounty.in.gov>; David Boyer <David.Boyer@hamiltoncounty.in.gov>
Subject: Fiscal Impact Analysis Concerns
Importance: High

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Commissioners,

Attached are 3 documents that support the following four concerns regarding the reorganization of Adams Township and Sheridan.

1. **The fiscal study provided to the Township/Town by their consultants is predicated on an interlocal agreement with the County continuing to provide services.**

2. **The fiscal study provided to the Township/Town by their consultants has two taxing districts, also based on said interlocal agreement.**

3. **The county should have concerns that the new entity will set the taxing rate too low and will not be able to keep up with infrastructure/public safety based on the low projected collections.**

4. **The study does not address capital projects, there are four active federal funded projects that will need local funding in 2025. The total projects are $38,656,176 ($22,901,776 in federal funding and $15,754,400 in local match) The new corporation will need to determine if they will move forward with these projects.**

Attachments:
Analysis 1 and 2 cover missing annual expenditures that need to be considered.
Capital plan shows the 4 federally supported projects cost breakdown.

Analysis # 1

The first analysis shows $1,134,823 of increased annual expenditures to be funded by general property tax revenues within the Rural Taxing District if the Town is unable to shift property levy for public safety services to a special "Town Taxing District" as shown in the Fiscal Impact. This was a legal question which we saw a couple of separate issues:

- *May the reorganized unit create a special taxing district to shift property tax levy/rate from general operations maximum levy to a "police only" operations levy without an interlocal agreement with the County regarding Sheriff services?*

- *May the reorganized unit create a special taxing district to shift property tax levy/rate from general operations maximum levy to a "fire only" operations levy without an interlocal agreement with the County regarding Sheriff services?*

Analysis # 2- *The second analysis shows additional costs being provided by County Sheriff and Highway which are not currently included in the Town Fiscal Impact Statement. Below is a summary:*

- *$500,000 is the estimated costs for additional police officers and protection to patrol unincorporated Adams Township per Sheriff email. (See attached).*

- *Annual road maintenance cost estimates per the Town Fiscal Impact Statement were based on*

certain County Highway budget expenditures provided by the County. The Highway Department has developed a separate summary showing additional costs of providing services to unincorporated Adams Township summarized as follows:

- *$281,900/year for normal routine road maintenance costs over annual road maintenance costs shown in Fiscal Impact Statement. ($775,000 total)*
- *$456,000/year for chip sealed materials not included in routine maintenance costs*
- *$1,129,503 for annual 2025 resurfacing contracts not included in maintenance costs*
- *$36,000/year for roadway striping and weed contact*

Please feel free to reach out with any questions you might have.

-Oscar

signature_139235041

Oscar Gutierrez
President
m: 317-720-7488
p: 317-537-9555 Ext. 1
e: oscar@bondryconsulting.com
w: BondryConsulting.com

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