



County of Hamilton State of Indiana

Tuesday, June 18, 2024

Dear Sheridan Reorganization Committee Members and Impacted Hamilton County Residents,

Under our existing governance structure, Hamilton County provides several government services to the residents of unincorporated Adams Township. These services include policing and public safety, road maintenance and construction, local funding matches for federal and state funding aid, etc.

If a Sheridan/Adams Township reorganization takes place, Hamilton County would no longer provide these services to the previously unincorporated Adams Township. The County, outside of limited circumstances via interlocal agreements, does not provide policing or other general municipal services within a city's or town's jurisdiction. No such agreement has been discussed between the proposed new entity and the County.

As you plan for a potential reorganization, we want to ensure you and impacted residents have a full picture of the financial impacts that could result if Hamilton County no longer provides these services to unincorporated Adams Township.

We have concerns that the reorganization proposal in its current form does not account for several of the costs associated with servicing this area, and consequently is projecting much lower tax rates than would be needed to maintain coverage.

By our analysis, we estimate at least \$2.5 million in public safety and infrastructure costs are not reflected in the proposal. Additionally, the County has initiated four active federally funded projects occurring within Adams Township. These projects in total require a nearly \$16 million local match which, under the new jurisdiction, the Town/Township will either need to provide or forgo nearly \$23 million in federal funding for road improvement.

Based on these costs, we believe the tax rates the Town/Township are projecting will not be able to keep up with the infrastructure and public safety needs of the community. **This could result in either a reduction in services provided to the area or increased tax rates to residents.**

Hamilton County stands ready to participate in this process and ensure residents are provided the information they need to make an informed decision on this matter.

Below is a breakdown summarizing these unaccounted-for financial impacts.

Public Safety

The Hamilton County Sheriff's Office provides police patrols and public safety services to unincorporated Adams Township. The reorganization proposal does not include any additional costs for public safety after it assumes jurisdiction of this area.

The Sheriff's Office responds to approximately 2,178 calls for service within this jurisdiction annually and estimates the costs of providing these services at \$599,000 per year. Because these costs are not reflected, that would mean the existing Sheridan police force would have to significantly increase its services and coverage without additional funding.

To adequately service this area and uphold public safety, the Sheriff's Office estimates the actual cost to the Town/Township would be within the range of \$599,000-\$774,000 to hire the needed staff to serve the community.

The Hamilton County Sheriff's Office has historically supplemented the Town of Sheridan's own police presence within Town limits due to staffing shortages. The Sheriff's Office also regularly assists with incident response due to these limitations.

Without additional budget incorporated for the proposed new entity, we're very concerned about the impacts to public safety in the area.

Road Maintenance and Construction

Additionally, we believe significant costs for road maintenance and construction are not reflected in the proposal.

The Hamilton County Highway Department estimates that at least \$1.9 million in additional funding will be needed to continue adequately servicing roads in unincorporated Adams Township. These conservative costs estimates include:

- \$281,900 per year for routine road maintenance
- \$456,000 per year for chip sealed materials not included in routine maintenance costs
- \$1,129,503 for resurfacing contracts not included in maintenance costs
- \$36,000 per year for roadway striping and weed control

Additional funding may be needed for maintenance and capital projects.

Local Match for Federal Projects

In addition, the reorganization proposal does not address active federally funded projects that will need a local funding match to proceed. **These are critical road construction and improvement projects for the area that represent nearly \$23 million in federal funding.**

The County previously estimated it would contribute \$16 million for the local match for these projects in Adams Township. Under a reorganization, the Town/Township would need to provide the local match or lose out on the federal funding for the following projects:

- Lamong (SR38-246th) road construction – Fall 2025
 - Federal funds involved – \$5,779,200
 - Local costs – est. \$2,764,000
- 236th (Sheridan to Br 201) reconstruction – Fall 2025
 - Federal Funds involved – \$3,330,400
 - Local costs – est. \$4,363,000
- Dunbar Road (rehab/reconstruction SR38-226th) – Summer 2028
 - Federal Funds involved – \$7,248,000
 - Local costs – est. \$4,395,000
- Dunbar Road (rehab/reconstruction 226th to 236th) – 2028-2030
 - Federal funds involved – \$6,544,176
 - Local costs – \$4,232,400

Impacts to Tax Rate

Because the outlined costs are not accounted for in the reorganization proposal, we expect the actual needed tax rates will be higher than projected.

For the “Rural District,” the reorganization proposal projects the rate at 0.2462. With additional costs incorporated, we project the rate at 0.8534. For the “Town District,” the proposal projects a 1.2243 rate and we project a 1.8315 rate. This represents a difference of 0.6072 needed to adequately cover expenses for public safety and infrastructure. This assumes the proposed new entity will not provide any local match for the federal projects, losing out on millions in funding.

In addition to not incorporating these public safety and infrastructure costs, the proposal uses the Town’s current cash balance to artificially lower the rate for the “Rural District.” While this may be possible in year one, it is not sustainable and will further impact rates in the future.

According to the Sheridan Reorganization Plan, taxpayers in unincorporated Adams Township may pay the “Town District” rate for additional public safety services within two years of the reorganization date if certain criteria are met. **This rate is five times higher than the rate they currently pay.**

Attached are the County’s fiscal projections summarized in this letter. Please reach out if we can provide any additional information or clarification as you proceed.

Sincerely,

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

Christine Altman
Hamilton County Commissioner

Steve Dillinger
Hamilton County Commissioner

Dennis Quakenbush
Hamilton County Sheriff

Bradley Davis
Hamilton County Highway Director