

9/17/2014

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Dear Board Members,

At the last board meeting Ms. Phillips asked that I provide you with an executive summary of my comments related to the fiscal plan. They are as follows:

1. The total COIT has been certified to county, but has not been certified by the individual unit. Based on the latest certification, I am estimating Hamilton County will have a \$53 million COIT balance beyond the amount allocated in 2015. That is using very conservative estimate of a 1% increase in collections from 2012 to 2015. If collections exceed 1%, the balance will be even larger. It is possible in the next few years the state will be making special distributions to Hamilton County.
2. The assessed valuation has declined from 2011 to 2013. In 2014, it grew 1.45%. For the 2015 budget I am assuming no growth in the assessed valuation.
3. The 2015 maximum levy (property tax) is increasing 2.7% in 2015. If the property tax levy increases 2.7% and the assessed valuation remains the same the General Fund tax rate will increase.
4. The fiscal plan assumes no increase in the total rate which means we would lower the Debt Service rate to offset the increase in the General Fund rate. The Debt Service Fund will be using cash balance to fund the future Debt payments.
5. The General Fund budget has more than sufficient cash to support the 2015 budget presented by the administration.

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6. The board can adopt the 2015 budget as presented and pass a resolution to limit the total tax rate at a later meeting sometime before December 2014.

Please call if you have questions or concerns.

Sincerely,



Michael A. Reuter

President

Cc:

Wendy Phillips