

8/22/2016



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Fortville, Indiana 46040

Carmel Clay Library  
55 4<sup>th</sup> Avenue SE  
Carmel, Indiana 46032

Dear Ms. Newport,

I am providing you a summary of my comments related to the fiscal plan presented on August 22, 2016. They are as follows:

1. The 2017 COIT distribution for the county has been certified and has increased 10.9%. The library's portion is 2.6% of the total which is down from 2016 at 2.7%. Still the COIT for the library increased approximately \$300,000.
2. It is good news the library is getting new money, but the library does not have the authority to spend it. The budget increases are limited to the 6-year non-farm personal income factor of the state. The factor for 2017 is 3.8%.
3. The General Fund cash balance in 2017 is expected to increase approximately \$900,000. I recommend they consider a transfer of cash balance to the Rainy Day Fund at the end of 2016.
4. The library would have two options of spending cash balance. Either go through the binding review process and have it approved by the Carmel City Council or wait until the debt is paid off in 2019 and move the appropriation to the Rainy Day Fund.
5. The assessed valuation declined from 2011 to 2013. It grew in 2014, 2015 and 2016. The fiscal plan has a built in assumption of a 1.5% increase after 2016. I anticipate the Assessed Valuation to increase over 4% for 2017 based on some preliminary information I have received.
6. The fiscal plan assumes no increase in the total rate for 2017 and is expected to decrease significantly in 2019 and 2020 when the debt is paid off. It is expected the 2017 tax rate will decrease with the higher assessed valuation.
7. Overall the library is in a very strong cash position.

Please call if you have questions or concerns.

Michael A. Reuter Consulting Services, Inc.



Sincerely,

Michael A. Reuter

President

Cc:

Dan Kramer