

10/10/2018



Reuter, Michael  
Michael A. Reuter Consulting Services, Inc.  
14108 Waterway Blvd.  
Fortville, Indiana 46040

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

Dear Mr. Swanay,

I am providing you a summary of my comments related to the fiscal plan presented on September 24, 2018. They are as follows:

1. The budget included in the fiscal plan is no longer based on assumptions. It reflects the administration's request for 2019.
2. The revenue has been updated for the 1<sup>st</sup> six months actual 2018 and re-forecasted through 2022.
3. The total 2019 LIT collections have been certified by the Department of Revenue and Department of Local Government Finance (DLGF). Collections from July 1, 2017 to June 30, 2018 are only up 2.0%. On the surface this does not make sense. We are looking in to the matter with the Department of Revenue.
4. The Maximum levy for 2019 has been certified by the DLGF and it was exactly as previously projected, a 3.4% increase.
5. The 2019 assessed valuation has been certified with an increase of 4.36% from 2018. This is very strong compared to the previous year increase of 3.18% increase.
6. The General Fund budget has more than sufficient revenue to support the forecasted expenditures through 2022. Overall the library is in a very strong cash position. The 2019 revenue will exceed the General Fund estimated expenses by approximately \$2.6 million.
7. The Debt Service levy will increase in 2019 to maintain a flat total tax rate (.0760) in 2019.
8. In the fiscal plan, no new debt has been assumed, however, plans are being made to replace a portion of the Debt Service levy in 2020.
9. The library may want to consider getting their 2019 budget approved by the Carmel City Council to approve the funding for the new building project. This would allow the library more flexibility with their appropriation in future years.

Michael A. Reuter Consulting Services, Inc.



Please call if you have questions or concerns.

Sincerely,

Michael A. Reuter  
President  
Cc:  
Dan Kramer