

The logo for the Town of Danville features the words "TOWN OF" in a small, serif font above the word "DANVILLE" in a large, bold, serif font. The text is centered and framed by a thin, curved line above and below it.

TOWN OF DANVILLE

Town Council Agenda November 7, 2022 @ 6:00pm

*****SPECIAL CALLED MEETING*****

- I. Establish Quorum, Call Meeting to Order**
- II. Pledge of Allegiance**
- III. Public Comment – 3 minutes/person**
- IV. Public Meeting**

A. Fire Territory: Fiscal Impact Study – Baker Tilly

V. Adjournment

NOTICE: The public meetings of the Danville Town Council conducted within these chambers shall be video recorded. Said recording will be part of the public records of the Town of Danville and shall be published upon the Town of Danville's website for public access. All individuals attending public meetings hereby given to the Town of Danville, their permission for said publication, which may contain their image or statements.

TOPIC SUMMARY

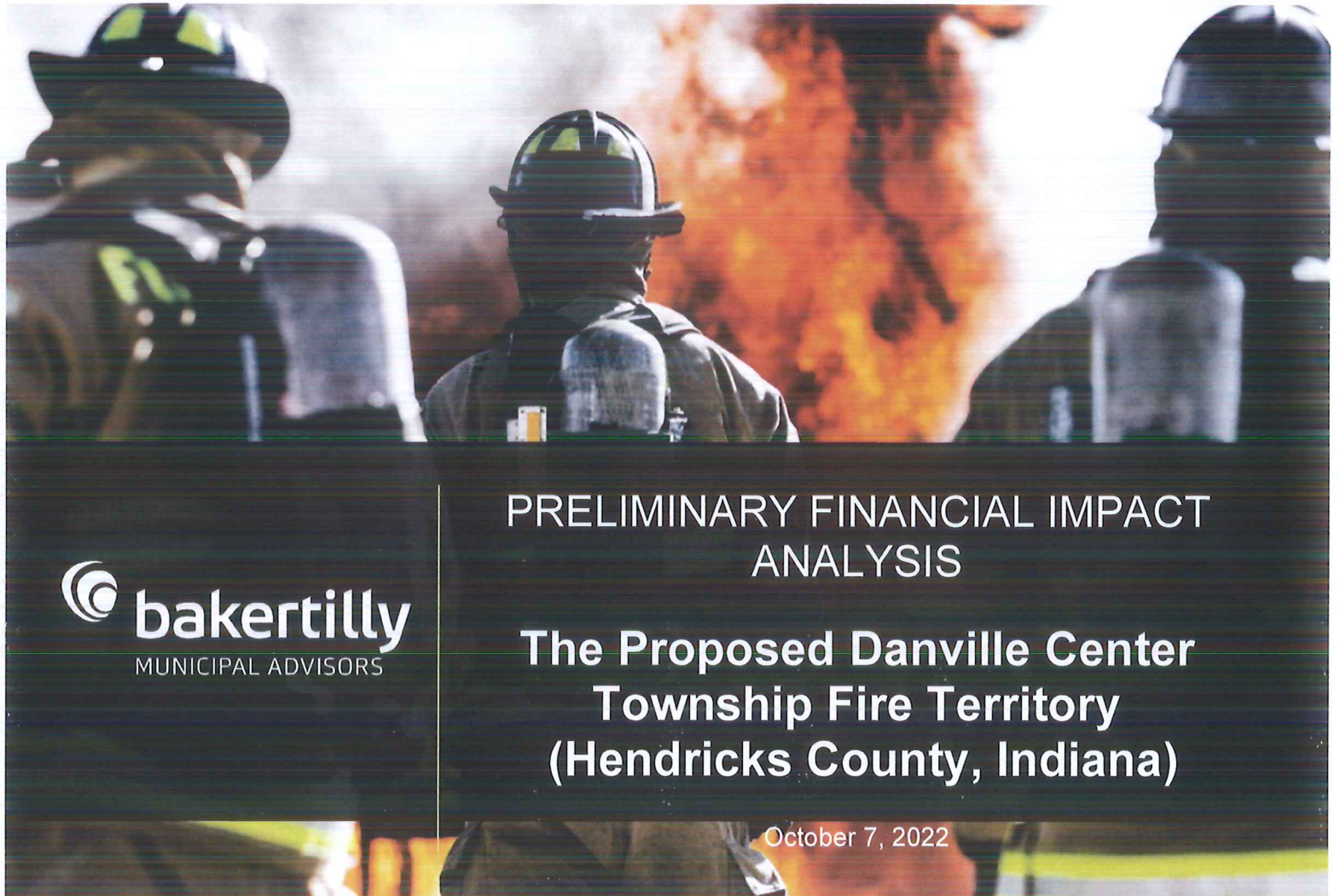
- A. Fire Territory: Fiscal Impact Study** – Representatives from Baker Tilly will present their initial findings of the Fiscal Impact Study for a Fire Territory involving the Town of Danville and Center Township. Decisions will need to be made between the two entities to determine how to move forward. *Will Require a Vote.*

Motion to Adjourn

-Bold Agenda Item

-Italicized items are for action needed

DRAFT



MUNICIPAL ADVISORS

PRELIMINARY FINANCIAL IMPACT ANALYSIS

The Proposed Danville Center Township Fire Territory (Hendricks County, Indiana)

October 7, 2022

FIRE TERRITORY FINANCIAL IMPACT ANALYSIS

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October 7, 2022

Danville Town Council
49 N. Wayne Street
Danville, IN 46122

Center Township Board
77 N. Kentucky Street
Danville, IN 46122

CONSULTANTS' FINANCIAL MANAGEMENT REPORT

This report is directed toward providing information for your review and consideration relative to the proposed Town of Danville Fire Protection Territory. The report is designed to provide information that may be helpful to the Town of Danville and Center Township officials in their role as managers of town of Danville and Center Township of Hendricks County, Indiana.

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected, and the resulting differences could be material. We have no responsibility to prepare subsequent reports or update the schedules.

DRAFT

**TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)**

SCHEDULE OF ASSUMPTIONS

- 1.) The state-wide maximum property tax levy growth rate is assumed to be:

Year	Levy Growth Factor
2023	1.050
2024	1.040
2025	1.041
2026	1.040

- 2.) Certified and estimated net assessed values:

	2022 Certified	2023 Est.	2024 Est.	2025 Est.	2026 Est.
		(1)	(1)	(1)	(1)
Town of Danville	\$514,464,023	\$584,573,333	\$584,573,333	\$584,573,333	\$584,573,333
Danville-Washington	38,479,480	51,746,561	51,746,561	51,746,561	51,746,561
Center Township	251,088,853	286,666,504	286,666,504	286,666,504	286,666,504
Town of Danville - TIF	-	24,187,351	24,187,351	24,187,351	24,187,351
Totals	\$ 804,032,356	\$ 947,173,749	\$ 947,173,749	\$ 947,173,749	\$ 947,173,749

(1) 2024 through 2026 based 2023 certified net levies as of October 7, 2022.

- 3.) Estimated Circuit Breaker Credits as a percentage of property tax levy:

	2022 Est.	2023 Est.	2024 Est.	2025 Est.	2026 Est.
		(1)	(1)	(1)	(1)
Fire Territory	N/A	10.9%	10.9%	10.9%	10.9%
Town of Danville	10.9%	10.9%	10.9%	10.9%	10.9%
Center Township	11.5%	11.5%	11.5%	11.5%	11.5%

(1) 2023 through 2026 based upon 2022 actual circuit breaker amounts.

- 4.) The Fire Territory budgets are assumed as follows:

	Operating*	Capital*	Totals
Year 1 (2024)	\$ 7,601,282	\$ 318,178	\$ 7,919,460

Annual growth factor for operating budget: 3.0%

* Operating budget for 2024 are based on the budget provided by Town of Danville. Capital budget is based on the maximum statutory rate for the Equipment Replacement Fund.

- 5.) Auto Excise, CVET, and FIT as a percentage of levy

	2023	2024 Est.	2025 Est.	2026 Est.
Fire Territory	N/A	11.8%	11.8%	11.8%
Town of Danville	11.8%	11.8%	11.8%	11.8%
Center Township	27.6%	27.6%	27.6%	27.6%

(1) Estimate is based upon 2021 actual

- 6.) Fire Territory cash reserve percentage raised in Year 1: 10%

- 7.) Provider Unit - Town of Danville

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

**TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)**

SCHEDULE OF BUDGETED FUNDING SOURCES AND REQUIREMENTS - 2022
FIRE SERVICES

<u>Index</u>		<u>Town of Danville</u>	<u>Center Township</u>
1	<u>BUDGETED FUNDING SOURCES:</u>		
2	Property Tax Levy - General	\$19,953	-
3	Property Tax Levy - Fire	-	\$1,240,630
4	Property Tax Levy- Cumulative Fire (Township)	-	34,650
5	Certified Local Income Tax	11,418	324,389
6	Reimbursement from Township	1,789,475	-
7	Contractual payment from Marion Township	14,980	-
8	Vehicle Excise Tax	2,354	351,977
9	Emergency Medical Services Fees	-	200,000
10			
11	Total Budgeted Receipts	1,838,180	2,151,646
12			
13			
14	<u>BUDGETED FUNDING REQUIREMENTS:</u>		
15	Personal Services	1,799,762	-
16	Supplies	31,125	-
17	Services and Charges	18,475	-
18	Capital Outlays	2,500	-
19	Supplies - Fire	-	25,500
20	Services and Charges - Fire	-	2,174,417
21	Services and Charges - Cumulative Fire	-	50,000
22			
23	Total Budgeted Disbursements	1,851,862	2,249,917
24			
25	Budgeted Surplus (Shortfall)	\$ (13,682)	\$ (98,271)
26			
27			
28	Property tax levy allocated to fire services	\$ 19,953	\$ 1,275,280
29	Divided by net assessed value (2022)	552,943,503	251,088,853
30			
31	Subtotal	0.000036	0.0051
32	Times \$100	100	100
33			
34	Tax Rate Attributable to Fire Services (2022)	\$ 0.0036	\$ 0.5079

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

**TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)**

ESTIMATED LEVY AND RATE ATTRIBUTABLE TO FIRE SERVICES - 2022
TOWN OF DANVILLE

General Fund Budget for Fire Services (2022)	\$ 1,851,862
Reimbursement from Township	(1,789,475)
Contractual payment from Marion Township	<u>(14,980)</u>
Subtotal Gen Fund Fire Budget	47,407
Divided by Total General Fund Budget	<u>6,535,988</u>
% Fire Budget to Total General Fund Budget	0.73%
Times 2022 Certified Levy for the General Fund	<u>2,750,894</u>
General Fund Tax Levy Applicable to Fire Services	19,953
Divided by Certified 2022 Net Assessed Value	<u>552,943,503</u>
Subtotal	0.000036
Times 100	<u>100</u>
Estimated Property Tax Rate Attributable to Fire Services (2022)	<u><u>\$ 0.0036</u></u>

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

**TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)**

Proposed Fire Territory Operating and Capital Budget

OPERATING BUDGET	
PERSONAL SERVICES	Amount
Salaries and Wages	\$ 3,532,706
HSA Contributions	60,200
PTO Buyback Voluntary	18,387
Sick Bank Buyout	169,398
Part-Time Wages	350,400
EAP Services	2,818
Health Insurance	842,695
Life Insurance	6,000
Short Term Disability	10,000
FICA/Medicare	50,144
Overtime	215,804
Longevity	30,000
Civilian PERF	90,738
Fire Pension Plan	379,441
Cell Phone Stipend	4,501
TOTAL PERSONAL SERVICES	5,763,232
SUPPLIES	
Office Supplies	5,300
Fire Operating Supplies	81,900
EMS Operating Supplies	83,000
Special Operations Operating Supplies	35,000
Prevention and Education Supplies	12,000
Uniforms	22,000
Fuel	115,000
Operating Supplies	330,500
TOTAL SUPPLIES	684,700
OTHER SERVICES AND CHARGES	
Contractual Services	134,575
Medical Services	93,500
IT Contractual Services	256,260
Postage and Shipping	4,000
Mileage and Travel Expenses	2,500
Property Insurance	40,000
Liability Insurance	33,000
Workers' Compensation and Other Ins	86,000
Water / Sewer / Stormwater	21,900
Electricity	72,000
Natural Gas	45,500
Legal Services	8,000
Vehicle Maintenance and Repair	127,000
Grounds Maintenance	23,125
Building Maintenance and Repair	94,775
Equipment Maintenance and Repair	40,500
Community Promotions	4,000
Tuition Reimbursement	20,000
Dues and Permits	8,115
Training and Continuing Education	38,600
TOTAL OTHER SERVICES AND CHARGES	1,153,350
TOTAL OPERATING BUDGET	7,601,282

(Continued on next page.)

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

**TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)**

(Cont'd)

Proposed Fire Territory Operating and Capital Budget

CAPITAL OUTLAYS

Equipment	644,000
Lease Payments	106,000

TOTAL EQUIPMENT REPLACEMENT FUND BUDGET*	750,000
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GRAND TOTAL OPERATING AND CAPITAL	\$ 8,351,282
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* The total budget for Equipment Replacement Fund cannot be funded in one year. The Fire Territory may consider lease financing to spread payments of large capital items over multiple years. The estimated annual revenue for the Equipment Replacement Fund is \$318,178.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

**TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)**

PROPOSED FIRE TERRITORY - RECEIPTS AND DISBURSEMENTS

	<u>Fire Operating</u>	<u>Equipment Replacement</u>	<u>Totals</u>
Receipts:			
Property Tax (1)	\$ 7,299,834	\$ 315,409	\$ 7,615,242
Circuit Breaker Tax Credits	(797,282)	(34,449)	(831,731)
Vehicle Excise	861,576	37,218	898,794
Contractual Payment Marion Township	14,980	-	14,980
EMS Fees	200,000	-	200,000
Total Receipts	\$ 7,579,108	\$ 318,178	\$ 7,897,286
Disbursements:			
Personal Services	5,763,232	-	5,763,232
Supplies	684,700	-	684,700
Services and Charges	1,153,350	-	1,153,350
Capital Outlays	-	318,178	318,178
Total Disbursements	7,601,282	318,178	7,919,460
Net Cash Flow	(22,174)	-	(22,174)
Beginning Cash	-	-	-
Ending Cash	(22,174)	-	(22,174)
Operating Balance	-0.3%	0.0%	-0.3%

Notes:

- (1) Property tax for Fire Operating based on the budget plus a 10.0% cash reserve less miscellaneous receipts other than property tax. Property tax for Equipment Replacement based on the maximum statutory rate of \$.0333.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

**PROPOSED FIRE PROTECTION TERRITORY
(TOWN OF DANVILLE AND CENTER TOWNSHIP)
HENDRICKS COUNTY, INDIANA**

CALCULATION OF ESTIMATED FIRE TERRITORY LEVY AND TAX RATE

<u>Index</u>		<u>2024</u>
	<u>OPERATING FUND</u>	
1	Funding Requirements:	
2	Estimated Budget	\$ 7,601,282
3	Cash Reserve	<u>760,128</u>
4		
5	Total Funding Requirements - Fire Operating	<u>8,361,410</u>
6		
7	Less Est. Miscellaneous Revenues	
8	Vehicle Excise Tax	(861,576)
9	LIT Certified Shares	-
10	EMS Fees	<u>(200,000)</u>
11		
12	Estimated property tax to be levied (Operating)	<u>\$ 7,299,834</u>
13		
14	<u>EQUIPMENT REPLACEMENT FUND</u>	
15		
16	Maximum Statutory Rate	\$ 0.0333
17	times net assessed value	<u>947,173,749</u>
18		
19	Subtotal	31,540,886
20	divided by 100	<u>100</u>
21		
22	Estimated Equipment Replacement Fund Levy	<u>\$ 315,409</u>
23		
24	<u>Total Estimated Tax Rate for Fire Services</u>	
25	Total Est. Levies for Fire Services	\$ 7,615,242
26	Divided by Est. Net Assessed Value	<u>947,173,749</u>
27		
28	Subtotal	0.0080400
29	Multiplied by 100	<u>100</u>
30		
31	Total Est. Property Tax Rate	<u>\$ 0.8040</u>
32	Notes:	
33	Line 3 - Cash reserves are 10% of the estimated budget.	
34	Line 8 - Includes FIT, Auto Excise and CVET estimated at 11.8% of levy.	
35	Line 20 - Includes FIT, Auto Excise and CVET estimated at 11.8% of levy.	

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)

SUMMARY OF ESTIMATED DISTRICT TAX RATE IMPACT - 2024

	Town of Danville (003)	Danville-Washington (033)	Center Township (002)
<u>District Tax Rate Impact - Fire Territory (2024):</u>			
District Tax Rate (based on 2022)	\$ 2.3683	\$ 2.7954	\$ 2.3372
Minus 2022 fire property tax rates	(0.0036)	(0.0036)	(0.5079)
Plus Fire Territory property tax rate	<u>0.8040</u>	<u>0.8040</u>	<u>0.8040</u>
Net Impact Due to Fire Territory	<u>0.8004</u>	<u>0.8004</u>	<u>0.2961</u>
Estimated District Tax Rate	<u>\$ 3.1687</u>	<u>\$ 3.5958</u>	<u>\$ 2.6333</u>
Estimated Percentage Increase/(Decrease)	<u>33.8%</u>	<u>28.6%</u>	<u>12.7%</u>

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)

TOWN OF DANVILLE AND CENTER TOWNSHIP
(HENDRICKS COUNTY, INDIANA)

ILLUSTRATIVE SUMMARY OF ESTIMATED TAX LIABILITY IMPACT - 2024

	What is the estimated annual change in tax liability associated with the Fire Territory in 2024?		
	Town of Danville (003)	Danville - Washington (033)	Center Township (002)
Estimated change in tax liability for properties not at the tax caps ==>>	33.8%	28.6%	12.7%
<u>Residential Homestead Properties (1% tax cap):</u>			
Property Values at the tax caps (2022)	\$158,750 and above	\$138,700 and above	\$163,800 and above
Property values at the tax caps with addition of fire territory	\$99,100 and above	\$94,350 and above	\$126,000 and above
\$50,000	\$97	\$97	\$36
\$100,000	\$252	\$205	\$93
\$150,000	\$38	\$0	\$57
\$200,000	\$0	\$0	\$0
\$250,000	\$0	\$0	\$0
\$300,000	\$0	\$0	\$0
<u>Farm Land and Other Residential (Rentals) (2% tax cap):</u>			
Property Values at the tax caps (2022)	All property values	All property values	All property values
Property values at the tax caps with addition of fire territory	All property values	All property values	All property values
\$50,000	\$0	\$0	\$0
\$100,000	\$0	\$0	\$0
\$250,000	\$0	\$0	\$0
\$500,000	\$0	\$0	\$0
\$1,000,000	\$0	\$0	\$0
<u>Commercial and all other properties (3% tax cap)</u>			
Property Values at the tax caps (2022)	No property values	No property values	No property values
Property values at the tax caps with addition of fire territory	All pushed to the caps	All pushed to the caps	No property values
\$50,000	\$316	\$227	\$148
\$100,000	\$632	\$455	\$296
\$250,000	\$1,579	\$1,137	\$740
\$500,000	\$3,159	\$2,273	\$1,481
\$1,000,000	\$6,317	\$4,546	\$2,961

Notes: All property values are gross assessed values.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated October 7, 2022)