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PRELIMINARY FINANCIAL IMPACT ANALYSIS

The Proposed Bristol-Washington Township Fire Protection Territory (Elkhart County, Indiana)

June 13, 2023

FIRE TERRITORY FINANCIAL IMPACT ANALYSIS TABLE OF CONTENTS

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June 13, 2023

Members of the Town Council Town of Bristol 303 E Vistula St Bristol, IN 46507 Members of the Township Board Washington Township 405 E Elkhart St Bristol, IN 46507

CONSULTANTS' FINANCIAL MANAGEMENT REPORT

This report is directed toward providing information for your review and consideration relative to the proposed Bristol-Washington Township Fire Protection Territory. The report is designed to provide information that may be helpful to the Town of Bristol and Washington Township officials in their role as managers of the Town of Bristol and Washington Township of Elkhart 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.

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SCHEDULE OF ASSUMPTIONS

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

Year	Factor
2024	1.040
2025	1.040
2026	1.049
2027	1.048

2.) Certified and estimated net assessed values:

	2024 Est.		2025 Est.		2026 Est.		2027 Est.
		(1)					
Town of Bristol Washington Township	\$	241,522,326 395,971,267	\$	241,522,326 395,971,267	\$	241,522,326 395,971,267	\$ 241,522,326 395,971,267
Totals	\$	637,493,593	\$	637,493,593	\$	637,493,593	\$ 637,493,593

(1) 2024 Estimated is based upon 2023 Certified NAV.

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

	2024 Est.	2025 Est.	2026 Est.	2027 Est.
	(2)			
Fire Territory	N/A	2.3%	2.3%	2.3%
Town of Bristol	2.3%	2.3%	2.3%	2.3%
Washington Township	0.3%	0.3%	0.3%	0.3%

(2) 2024 Estimated is based upon the 2023 Elkhart County Circuit Breaker Report.

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

		Operating*	<u>Capital</u>	<u>Totals</u>
Year 1 (2025)	\$	3,969,710	\$ 222,915	\$ 4,192,625
Year 2 (2026)		4,124,529	222,915	4,347,444
Year 3 (2027)		4,285,386	222,915	4,508,301
Annual growth factor for operating b		ıdget:	4%	

* Operating budgets are assumed to grow by 4% each year. Capital budgets are based on the maximum rate for the Equipment Replacement Fund.

5.) Auto excise, CVET, and FIT as a percentage of levy:

	2024 Est.	2025 Est.	2026 Est.	2027 Est.		
Fire Territory	N/A	5.0%	5.0%	5.0%		
Town of Bristol	3.8%	3.8%	3.8%	3.8%		
Washington Township	10.3%	10.3%	10.3%	10.3%		
6.) Fire Territory cash reserve percentage raised in Year 1: 15.0%						

7.) Provider Unit - Town of Bristol

SCHEDULE OF BUDGETED RECEIPTS AND DISBURSEMENTS - 2023 FIRE SERVICES

<u>Index</u>

Index			
1	BUDGETED RECEIPTS:	Town of Bristol	Washington Township
2	Property Tax Levy - General	\$ 269,082	\$ -
3	Property Tax Levy - Cumulative Fire	φ 203,002 64,245	φ 112,456
4	Property Tax Levy - Ambulance/Med Services - Fire	-	20,986
5	Property Tax Levy - Fire	_	366,669
6	Less Estimated Circuit Breaker Credits	(7,598)	(1,444)
7	Less Estimated Orean Dicarer Oreans	(1,550)	(1,+++)
8	Net Property Tax	325,729	498,667
9	LIT Certified Shares	109,284	150,000
10	LIT Public Safety	105,347	_
11	Financial Institution Tax Distribution	2,207	455
12	Vehicle/Aircraft Excise Tax Distribution	9,146	49,828
13	Commercial Vehicle Excise Tax Distribution (CVET)	1,231	984
14			
15	Total Budgeted Receipts	552,944	699,934
16			<u>,</u>
17			
18	BUDGETED DISBURSEMENTS:		
19	General		
20	Fire Contract	406,166	-
21			
22	Subtotal General	406,166	-
23			
24	Local Income Tax		
25	Contractual Services - Fire Dept	205,347	
26			
27	Subtotal Local Income Tax	205,347	
28			
29	Township Operating		
30	Contractual Payments - Fire	-	100,000
31	Contractual Payments - EMS	-	50,000
32			
33	Subtotal Township Operating		150,000
34			
35	Ambulance/Med Services - Fire		10,000
36 37	Contractual Payments		40,000
38	Subtotal Ambulance/Med Services - Fire		40,000
38 39	Subtotal Ambulance/Med Services - File		40,000
40	Fire		
41	Contractual Payments	_	380,000
42			
43	Subtotal Fire	_	380,000
44			
45	Cumulative Fire		
46	Fire Dept - Partial Contract	100,000	-
47	Computer/Phone System	20,000	-
48	Fire Equipment	35,000	150,000
49			
50	Subtotal Cumulative Fire	155,000	150,000
51			
52	Total Budgeted Disbursements	766,513	720,000
53			
54	Budgeted Surplus (Shortfall)	(213,569)	(20,066)
55			
56			
57	Property tax levy allocated to fire services	333,327	500,111
58	Divided by net assessed value (2023)	241,522,326	395,971,267 (1)
59			
60	Subtotal	0.001380	0.001263
61	Times \$100	100	100
62		•	L
63	Tax Rate Attributable to Fire Services (2023)	\$ 0.1380	\$ 0.1263
64			
65			
66	Notes:		
67	(1) The NAV corresponding to the Emergency Ambulance/M	led Services - Fire, Fire, and	d Cumulative Fire funds.

(Subject to the attached letter of Baker Tilly Municipal Advisors dated June 13, 2023)

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ESTIMATED LEVY AND RATE ATTRIBUTABLE TO FIRE SERVICES (2023) TOWN OF BRISTOL

General Fund Budget for Fire Services (2023) Divided by Total General Fund Budget	\$ 406,166 2,551,230
% Fire Budget to Total General Fund Budget Times 2023 Certified Levy for the General Fund	 15.9% 1,690,173
General Fund Tax Levy Applicable to Fire Services Divided by Certified 2023 Net Assessed Value	 269,082 241,522,326
Subtotal Times 100	 0.001114 100
Estimated Property Tax Rate Attributable to Fire Services (2023)	\$ 0.1114

Proposed Fire Territory Operating and Capital Budget

PERSONAL SERVICES	Amount
Medical/Dental/Vision	\$100,000
Payroll Taxes	176,760
PERF	355,950
Wages	2,098,000
Volunteer	269,000
TOTAL PERSONAL SERVICES	2,999,710
SUPPLIES	
Clothing Allowance	24,000
EMS Supplies	100,000
Fire Supplies	100,000
Fuel	50,000
Office	25,000
Operating	25,000
Supplies	5,000
TOTAL SUPPLIES	329,000
OTHER SERVICES AND CHARGES	
Advertising	6,000
Bank Fees	3,000
Donations	3,000
Dues	3,000
Education	50,000
Equipment Repairs & Maintenance	10,000
Internet	5,000
Liability Insurance	75,000
Licenses and Fees	5,000
Other Insurance	5,000
Other Repairs	5,000
Outside Services	25,000
Postage	1,000
Professional Services	110,000
Taxes Taxes	10,000
Radio Maintenance	25,000
Repair and Maintenance - Building	75,000
Repair and Maintenance - Vehicles	75,000
Telephone	15,000
Utility Services	75,000
Worker's Compensation	60,000
TOTAL OTHER SERVICES AND CHARGES	641,000
TOTAL OPERATING BUDGET	\$3,969,710

EQUIPMENT REPLACEMENT FUND						
CAPITAL OUTLAYS						
Command Vehicles (2)	\$150,000					
Other Capital Outlays	72,915					
TOTAL CAPITAL OUTLAYS	222,915					
TOTAL EQUIPMENT REPLACEMENT FUND	\$222,915					
GRAND TOTAL OPERATING AND CAPITAL	\$4,192,625					

CALCULATION OF ESTIMATED FIRE TERRITORY LEVY AND TAX RATE

Index			2025		2026		2027
	OPERATING FUND						
1	Funding Requirements:						
2	Estimated Budget	\$	3,969,710	\$	4,124,529	\$	4,285,386
3	Cash Reserve		595,457				
4							
5	Total Funding Requirements - Fire Operating		4,565,167		4,124,529		4,285,386
6							
7	Less Est. Miscellaneous Revenues						
8	Vehicle Excise Tax		(211,600)		(190,500)		(198,000)
9	Ambulance Billing		(125,000)		(125,000)		(125,000)
10							
11	Estimated property tax to be levied (Operating)	\$	4,228,567	\$	3,809,029	\$	3,962,386
12							
13	EQUIPMENT REPLACEMENT FUND						
14	Funding Requirements:						
15	Capital Outlays	\$	222,915	\$	222,915	\$	222,915
16							
17	Less Est. Miscellaneous Revenues						
18	Vehicle Excise Tax		(10,615)		(10,615)		(10,615)
19							
20	Estimated property tax to be levied (ERF)	\$	212,300	\$	212,300	\$	212,300
21							
22	Total Estimated Tax Rate for Fire Services						
23	Total Est. Levies for Fire Services	\$	4,440,867	\$	4,021,329	\$	4,174,686
24	Divided by Est. Net Assessed Value		637,493,593		637,493,593		637,493,593
25							
26	Subtotal		0.0069661		0.0063080		0.0065486
27	Multiplied by 100		100		100		100
28							
29	Total Est. Property Tax Rate	\$	0.6966	\$	0.6308	\$	0.6549
30							
31	Estimated Increase/(Decrease)				-9.4%		3.8%
32							
33							
34	Notes:						
35	Line 3 - Cash reserves are based on 15% of the estimate		0				
36 27	Line 8 - Includes FIT, Auto Excise and CVET estimated		•				
37 38	Line 18 - Includes FIT, Auto Excise and CVET estimate Line 20 - Equipment Replacement Fund tax levy is bas		•	sulati	on rounded to th	o no	arest \$100
30 39	Line 20 - Equipment Neplacement Fund tax levy IS Das		2025	Juidi	2026	ie ne	<u>2027</u>
40	Maximum statutory rate	\$		9		9	\$ 0.0333
40 41	times NAV per \$100	Ý	6,374,935.93	•	6,374,935.93		6,374,935.93
42			5,01-7,000.00		0,01-1,000.00		5,51-1,000.00
-74	-						

Total estimated tax levy -Equip. Replacement Fund \$212,300 \$212,300 \$212,300

(Subject to the attached letter of Baker Tilly Municipal Advisors dated June 13, 2023)

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PROPOSED FIRE TERRITORY - RECEIPTS AND DISBURSEMENTS

	F :-	• On exeting	(E	Capital quipment placement		Totolo
	FIR	e Operating		Fund)		Totals
Receipts:	•		•		•	
Property Tax (1)	\$	4,228,567	\$	212,300	\$	4,440,867
Circuit Breaker Tax Credits		(96,391)		(4,839)		(101,230)
Vehicle Excise		211,600		10,615		222,215
Ambulance Billing		125,000		-		125,000
Total Receipts		4,468,776		218,076		4,686,852
		,		<u> </u>		
Disbursements:						
Personal Services		2,999,710		-		2,999,710
Supplies		329,000		-		329,000
Services and Charges		641,000		-		641,000
Capital Outlays		-		222,915		222,915
Budget Adjustments due to Circuit				·		
Breaker Credits				(4,839)		(4,839)
Total Disbursements		3,969,710		218,076		4,187,786
Net Cash Flow		499,066		_		499,066
Beginning Cash		-		-		
Ending Cash	\$	499,066	\$	-	\$	499,066
Operating Balance		12.6%		0.0%		11.9%

Notes:

(1) Property tax for Fire Operating based on the budget plus a 15% cash reserve less miscellaneous receipts other than property tax. Property tax for Cumulative Fire based on the maximum statutory rate of \$.0333.

SUMMARY OF ESTIMATED TERRITORY TAX RATE IMPACT

	Bristol (031)		Washington (030)	
<u>District Tax Rate Impact - Fire Territory (2025):</u>				
(1) Current District Tax Rate	\$	2.2702	\$	1.5368
Estimated Increase/(Decrease) Due to Fire Territory:				
Minus 2023 fire property tax rates		(0.1380)		(0.1263)
Plus Fire Territory property tax rate		0.6966		0.6966
Net Impact Due to Fire Territory		0.5586		0.5703
Estimated District Tax Rate - 2025	\$	2.8288	\$	2.1071
Estimated Percentage Increase/(Decrease)		24.6%		37.1%
	Bri	stol (031)	Washi	ington (030)
District Tax Rate Impact - Fire Territory (2026):			- Tuoni	
Estimated District Tax Rate - 2025	\$	2.8288	\$	2.1071
Minus reduction for cash reserve levy		(0.0934)		(0.0934)
Plus levy to cover budget growth		0.0276		0.0276
This levy to cover budget growth		0.0270		0.0270
Estimated District Tax Rate - 2026	\$	2.7630	\$	2.0413
Estimated Percentage Increase/(Decrease)		-2.3%		-3.1%
	Bristol (031)		Washington (030)	
District Tax Rate Impact - Fire Territory (2027):				
Estimated District Tax Rate - 2026	\$	2.7630	\$	2.0413
Plus Annual Levy Growth		0.0241		0.0241
Estimated District Tax Rate - 2027	\$	2.7871	\$	2.0654
Estimated Percentage Increase/(Decrease)		0.9%		1.2%

Notes:

(1) 2024 District rates are based on 2023 Actual.

ILLUSTRATIVE SUMMARY OF ESTIMATED TAX LIABILITY IMPACT

Bristol (031) Taxing District

		Illustrative Annual Impact				
			\$144,200		1 Acre	\$100,000
	Property	\$100,000	Median Home	\$200,000	Agricultural	Commercial/
	Tax Rate	Home Value	Home Value	Home Value	Land	Industrial Value
		(1)	(1)(2)	(1)	(3)	(4)
Year 1 of Fire Territory (2025)						
Current District Tax Rate (5)	\$2.2702	\$672.49	\$1,244.11	\$1,965.75	\$38.52	\$2,155.43
Illustrative Tax Rate - Assumes Fire Territory is established (6)	2.8288	837.96	1,457.80	2,024.96	38.52	2,685.78
Difference	\$0.5586	\$165.47	\$213.68	\$59.21	\$0.00	\$530.35
% Change	24.6%	24.6%	17.2%	3.0%	0.0%	24.6%
Year 2 of Fire Territory (2026)						
Year 1 Tax Rate (6)	\$2.8288	\$837.96	\$1,457.80	\$2,024.96	\$38.52	\$2,685.78
Illustrative Tax Rate - Assumes Fire Territory is established (7)	2.7630	818.47	1,457.80	2,024.96	38.52	2,623.31
Difference	(\$0.0658)	(\$19.49)	\$0.00	\$0.00	\$0.00	(\$62.47)
% Change	-2.3%	-2.3%	0.0%	0.0%	0.0%	-2.3%
Year 3 of Fire Territory (2027)						
Year 2 Tax Rate (7)	\$2.7630	\$818.47	\$1,457.80	\$2,024.96	\$38.52	\$2,623.31
Illustrative Tax Rate - Assumes Fire Territory is established (8)	2.7871	825.61	1,457.80	2,024.96	38.52	2,646.19
Difference	\$0.0241	\$7.14	\$0.00	\$0.00	\$0.00	\$22.88
% Change	0.9%	0.9%	0.0%	0.0%	0.0%	0.9%

Notes:

(1) Includes standard deduction at the lesser of \$48,000 or 60% of home value and the 40% supplemental homestead deduction. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a homestead residential parcel, is applied.

(2) Represents the Median Home Value for the Town of Bristol, per the 2021 American Community Survey 5-year estimates of the U.S. Census Bureau.

(3) Assumes the 2023 pay 2024 assessment for one acre of agricultural land of \$1,900 as provided by the DLGF, and no deductions or exemptions. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 2% of gross assessed value for agricultural land, is applied.

(4) Assumes no exemptions or deductions for commercial property. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial parcel, is applied.

(5) Based upon 2023 certified, per the 2023 Elkhart County Budget Order.

(6) Estimated 2025 district tax rate assuming establishment of the Bristol Fire Protection Territory. See page 8.

(7) Estimated 2026 district tax rate assuming establishment of the Bristol Fire Protection Territory. See page 8.

(8) Estimated 2027 district tax rate assuming establishment of the Bristol Fire Protection Territory. See page 8.

(9) Residential homestead property valued at \$221,500 and above are at the tax caps for 2023. All agricultural, non-homestead residential, and residential rental property values are at the 2% tax caps for 2023.

ILLUSTRATIVE SUMMARY OF ESTIMATED TAX LIABILITY IMPACT

Washington (030) Taxing District

		Illustrative Annual Impact				
				1 Acre	\$100,000	
	Property	\$100,000	Median Home	\$200,000	Agricultural	Commercial/
	Tax Rate	Home Value	Home Value	Home Value	Land	Industrial Value
		(1)	(1)(2)	(1)	(3)	(4)
Year 1 of Fire Territory (2025)						
Current District Tax Rate (5)	\$1.5368	\$455.24	\$970.89	\$1,330.71	\$27.72	\$1,459.11
Illustrative Tax Rate - Assumes Fire Territory is established (6)	2.1071	624.18	1,331.18	1,824.53	38.01	2,000.58
Difference	\$0.5703	\$168.94	\$360.29	\$493.82	\$10.29	\$541.47
% Change	37.1%	37.1%	37.1%	37.1%	37.1%	37.1%
Year 2 of Fire Territory (2026)						
Year 1 Tax Rate (6)	\$2.1071	\$624.18	\$1,331.18	\$1,824.53	\$38.01	\$2,000.58
Illustrative Tax Rate - Assumes Fire Territory is established (7)	2.0413	604.69	1,289.61	1,767.55	36.82	1,938.10
Difference	(\$0.0658)	(\$19.49)	(\$41.57)	(\$56.98)	(\$1.19)	(\$62.47)
% Change	-3.1%	-3.1%	-3.1%	-3.1%	-3.1%	-3.1%
Year 3 of Fire Territory (2027)						
Year 2 Tax Rate (7)	\$2.0413	\$604.69	\$1,289.61	\$1,767.55	\$36.82	\$1,938.10
Illustrative Tax Rate - Assumes Fire Territory is established (8)	2.0654	611.83	1,304.84	1,788.42	37.26	1,960.98
Difference	\$0.0241	\$7.14	\$15.23	\$20.87	\$0.43	\$22.88
% Change	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%

Notes:

(1) Includes standard deduction at the lesser of \$48,000 or 60% of home value and the 40% supplemental homestead deduction. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a homestead residential parcel, is applied.

(2) Represents the Median Home Value for Washington Township (excluding the Town of Bristol portion), per the 2021 American Community Survey 5-year estimates of the U.S. Census Bureau.

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- (6) Estimated 2025 district tax rate assuming establishment of the Bristol Fire Protection Territory. See page 8.
- (7) Estimated 2026 district tax rate assuming establishment of the Bristol Fire Protection Territory. See page 8.
- (8) Estimated 2027 district tax rate assuming establishment of the Bristol Fire Protection Territory. See page 8.

(9) No property types or values are currently at the tax caps for 2023.