RESOLUTION 2020-06
ADOPTION OF FISCAL PLAN FOR ORDINANCE 2020-06, 1639 N Buck Creek Road
Annexation

WHEREAS, the Cumberland Town Council is considering the annexation of certain properties identified in Ordinance 2020-06; and

WHEREAS, a fiscal plan has been prepared by the Town that shows the following:
1. Cost estimates of planned services by each department,
2. Methods of financing the planned services,
3. Plan for organization and extension of planned services,
4. Explanation of how non-capital services will be provided within one year of the annexation in a manner equivalent in standard and scope as those currently provided to residents in Town,
5. Explanation of how capital improvements will be provided within three years in a manner equivalent in standard and scope as those currently provided to Town residents; and

WHEREAS, if the Town annexes this property this fiscal plan will serve as the Town’s policy and plan for the provision of services to the property.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CUMBERLAND, INDIANA AS FOLLOWS:

The attached Fiscal Plan titled “Annexation of Property Known as “1639 N Buck Creek Road” for Ordinance 2020-06 is hereby adopted.
This resolution is hereby passed and adopted this 14th day of March, 2020.

TOWN COUNCIL OF CUMBERLAND, INDIANA

Joe Siefker, President

Anna Pea, Vice President

Brian Gitter, Member

Edward Loud, Member

Breck Terheide, Member

ATTEST:

Clerk-Treasurer

Resolution 2020-06
ANNEXATION FISCAL PLAN
FOR THE
TOWN OF CUMBERLAND

Galbraith Annexation

February 19, 2020

Prepared by:

bakertilly
MUNICIPAL ADVISORS
now joined with
Springsted and Umbaugh
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INTRODUCTION

The following fiscal plan (the "Fiscal Plan") is for the proposed annexation of a parcel to the east of the existing corporate limits on the north side of Cumberland (the "Annexation Area"). The Annexation Area is adjacent to the Town of Cumberland (the "Town"). The requirements of the code mandate the development and adoption of a written fiscal plan and the establishment of a definite policy by resolution of the Town Council. The Indiana Code states that this fiscal plan must include and provide:

1) The cost estimates of planned services to be furnished to the territory to be annexed. The plan must present itemized estimated costs for each municipal department or agency;

2) The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants and other funding to be used;

3) The plan for the organization and extension of services. The plan must detail the specific services that will be provided and the dates the services will begin;

4) That planned services of a non-capital nature, including police protection, fire protection, street and road maintenance, and other non-capital services normally provided within the corporate boundaries will be provided within one (1) year after the effective date of annexation, and that they will be provided in a manner equivalent in standard and scope to those non-capital services provided in areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density;

5) That services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities, and stormwater drainage facilities, will be provided to the annexed territory within three (3) years after the effective date of the annexation in the same manner as those services are provided to areas within the corporate boundaries, regardless of similar topography, patterns of land use, and population density, and in a manner consistent with federal, state, and local laws, procedures, and planning criteria;

6) The estimated effect of the proposed annexation on taxpayers in each of the political subdivisions to which the proposed annexation applies, including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service payments in those political subdivisions for four (4) years after the effective date of the annexation;

7) The estimated effect the proposed annexation will have on municipal finances, specifically how municipal tax revenues will be affected by the annexation for four (4) years after the effective date of the annexation;
INTRODUCTION

8) Any estimated effects on political subdivisions in the county that are not part of the annexation and on taxpayers located in those political subdivisions for four (4) years after the effective date of the annexation; and

9) A list of all parcels of property in the annexation territory and the following information regarding each parcel:

(A) The name of the owner of the parcel.
(B) The parcel identification number.
(C) The most recent assessed value of the parcel.
(D) The existence of a known waiver of the right to remonstrate on the parcel.

This Fiscal Plan may include additional materials in connection with the foregoing. It was developed through the cooperative efforts of the Town's various administrative offices and the Town's financial advisors, Baker Tilly. This Fiscal Plan is the result of an analysis of the proposed Annexation Area.

The Annexation Area is contiguous to the Town for the purposes of Indiana Code 36-4-3-1.5, and there is a written Fiscal Plan, herein provided, that has been approved by the Town Council.
SECTION I

AREA DESCRIPTION

A. Location, Area Size and Contiguity

The proposed Annexation Area is located on the east side of the existing corporate boundaries on the north side of the Town. A map and legal description of the area to be annexed has been included in attached Appendix II.

The Annexation Area is approximately 0.46 acres. The perimeter boundary of the Annexation Area is over 25% contiguous to the existing corporate boundaries of the Town.

B. Current Land Use

The Annexation Area consists of a house and land owned by the Town of Cumberland.

C. Zoning

Existing Zoning: Medium Density Residential (R2)
Proposed Zoning: Medium Density Residential (R2.5)

D. Current Population

The current population of the Annexation Area is estimated at 0, as there are no occupied homes within the Annexation Area.

E. Real Property Assessed Valuation

The estimated net assessed valuation for land and improvements in the Annexation Area is $67,945. This represents the assessed value as of January 1, 2019 for taxes payable 2020. It is assumed that the next assessment will be $0 as the property is now owned by the Town.
SECTION II

NON-CAPITAL SERVICES

A. Cost of Services

The current standard and scope of non-capital services being delivered within the Town and the Annexation Area were evaluated by each municipal department to determine the personnel and equipment necessary to provide such non-capital services in a manner equivalent in standard and scope to services that are currently provided within the existing Town's municipal boundary.

The Town will provide all non-capital services to the Annexation Area within one (1) year after the effective date of the annexation in a manner equivalent in standard and scope to those non-capital services provided to areas within the Town regardless of topography, patterns of land use and population density.

B. Police Protection

The Hancock County Sheriff's Department currently provides police protection and law enforcement services to the Annexation Area. However, all non-capital services of the Cumberland Metropolitan Police Department ("CMPD") will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.

The CMPD's primary purpose is the prevention of crime. The department consists of four divisions including operations, investigations, administration and volunteer divisions. The Operations Division provides patrols 24/7 within the boundaries of the Town, responds to calls for service, and includes a motorcycle and bike patrol unit. In addition, the CMPD provides other services such as detection and apprehension of offenders, traffic control and preservation of civil order. The CMPD does not distinguish between different areas of the Town. The same services are provided throughout the Town. Due to the location and character of the Annexation Area, the Town does not anticipate that the CMPD will incur any additional costs as a result of the annexation.

C. Fire Protection

The Annexation Area is currently served by the Buck Creek Township Fire Department ("BCTFD"). Given that the service provider will not change as a result of the annexation, there will be no additional costs for the provision of services upon annexation.
SECTION II

NON-CAPITAL SERVICES

(Cont'd)

D. Emergency Medical Services

Currently, the BCTFD provides emergency medical services to the Annexation Area. These services include, but are not limited to, emergency medical response. Given that the service provider will not change as a result of the annexation, there will be no additional costs for the provision of services upon annexation.

E. Streets & Parks Maintenance

Any dedicated streets and county roads in the Annexation Area are currently maintained by Hancock County. However, all non-capital services of the Cumberland Streets and Parks Department will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.

From a streets perspective, the Cumberland Streets and Parks Department is responsible for the maintenance of streets for the Town. It performs chuck hole, street sign, and street light repair, snow/ice removal, as well as other services. The Annexation Area does not contain any streets so no additional costs will be incurred as a result of the annexation.

F. Storm Water and Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the Town's current storm water and drainage system throughout the Town. The Town and County have maintained their drainage areas very similarly, therefore it is not anticipated that there will be any additional cost to the Town. Any future development in the area will have to have their storm water plan approved by the Town, and any associated storm water and drainage costs will be borne by the developers. Nevertheless, all non-capital storm water services will be made available in the Annexation Area within 1 year of the effective date of this annexation and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.
SECTION II

NON-CAPITAL SERVICES

G. Parks

There are currently 4 parks (National Road Park, Honors Park, Wayburn Pocket Park and Lions Park) and 2 trails (21st Street Trail and Pennsy Trail) within Town limits. A third trail is currently under development. Amenities found in the parks include playground equipment and areas for basketball, tennis and baseball. Two shelters located at Lions Park may be rented.

It is anticipated that no additional parks will be added as a result of the annexation, therefore there will be no additional costs to the Town. Nevertheless, all non-capital services of the Cumberland Streets and Parks Department will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.

H. Governmental Administrative Services

The Town does not anticipate that the addition of the Annexation Area will result in a demand for Governmental Administrative Services that cannot be met by the existing staffing of the Town's offices, agencies and departments. All non-capital services of the administration of the Town will be made available in the Annexation Area on the date the annexation becomes effective and will be extended in a manner equivalent in standard and scope to the services provided to the other areas within the corporate boundaries of the Town.

The Governmental Administrative Services of the Town include, but are not limited to, the services provided by the following:

- Town Manager’s Office
- Town Council
- Board of Zoning Appeals
- Redevelopment Commission

- Clerk-Treasurer’s Office
- Building Corporation
- Planning Commission
- Parks Advisory Council
SECTION III
CAPITAL IMPROVEMENTS

A. Cost of Services

The Annexation Area was evaluated to determine the services and facilities required to provide the same type of services in the same manner as services that are currently provided within the existing Town's corporate limits.

The Town will provide the following capital services to the Annexation Area no later than three (3) years after the effective date of the annexation in the same manner as those capital services provided to areas within the Town regardless of topography, patterns of land use, and population density and in a manner consistent with federal, state and local laws, procedures and planning criteria. It is currently assumed that the annexation will be effective as soon as practically possible, but no later than July 1, 2020.

B. Water Service

The Annexation Area is in Citizens Energy Group's service territory. This will not change as a result of the annexation; therefore, no additional cost to the Town will be incurred for the provision of water service.

C. Wastewater Service

The Annexation Area is currently not being served. Cumberland Sanitary provides wastewater service in the immediately surrounding area and has the capacity and capability to serve the Annexation Area if and when connection is desired. The cost of these hook-ups will be based on equivalent dwelling unit charges and will be covered by the payment of availability, tap, and/or connection fees. It is important to note that the Sewage Works is a separate proprietary fund of the Town that maintains separate books and records, and extensions in service are typically borne by the respective property owner or developer. Regardless, all capital services of Cumberland Sanitary will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

D. Storm Water and Drainage

Storm water and drainage facilities throughout the Annexation Area will be consistent with the Town's current storm water and drainage system throughout the Town. Any future development in the Annexation Area will have to have their storm water plan approved by the Town, and any associated storm water and drainage costs will be borne by the developers, therefore it is not anticipated that there will be any additional cost to the Town. Regardless, all capital storm water and drainage services of the Town will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.
SECTION III

CAPITAL IMPROVEMENTS

(Cont'd)

E. Street Construction

Construction of any new streets in the Annexation Area will be the responsibility of the appropriate developer in accordance with the applicable Town Code. The existing streets within the Annexation Area are in very similar condition to existing Town streets; it is not anticipated that any additional costs will be required to improve them to Town standards. Regardless, all capital services of the Cumberland Street Department, including evaluation and construction services, will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.

F. Sidewalks

In general, construction and reconstruction of sidewalks is not the responsibility of the Town. Sidewalks are typically initially installed by developers as part of a subdivision. Currently, there is a mix of areas within the Town with and without sidewalks. There are currently no plans or requirements of the Town to provide additional sidewalks in the Annexation Area. The developer will be responsible for sidewalks in any new developments within the Annexation Area. Regardless, all capital services of the Town will be extended to the Annexation Area within 3 years of the effective date of this annexation in the same manner as those services are provided to areas inside the corporate limits and in a manner consistent with federal, state and local laws, procedures and planning criteria.
SECTION IV

FISCAL IMPACT

As a result of this annexation, the assessed value for the Town will not increase, as the property is owned by the Town, and is therefore tax-exempt.

It is assumed that the effective date of this annexation will be as soon as practically possible, but no later than July 1, 2020. Based on the assumed effective date, Annexation Area property owners will not pay property taxes to the Town until 2021 payable 2022. However, the Town will begin providing non-capital municipal services to the property owners within one (1) year after the effective date of the annexation, and it will begin providing capital municipal services to the property owners within three (3) years after the effective date of the annexation.

It is anticipated that there will be no additional costs to the Town as a result of the annexation. Also, it is anticipated that the Town will not realize an increase in its levy as a result of the annexation; therefore, there is not anticipated to be a tax rate increase as a direct result of this annexation. If there is a shortfall in revenue from the annexation, the services described in this plan can be provided using funds on hand.

Due to the property in the Annexation Area being tax-exempt, there are no impacts to tax rates or tax levies on other taxing units.
SECTION V

ASSUMED INDEBTEDNESS

As required by Indiana Code 36-4-3-10, the Town will assume and pay any unpaid bonds or other obligations of Buck Creek Township existing at the effective date of the annexation of the Annexation Area in the same ratio as the assessed valuation of the property in the Annexation Area bears to the assessed valuation of all property in Buck Creek Township, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the Town is already liable for the indebtedness.

Buck Creek Township currently has 2017 property tax bonds with $1,360,000 outstanding at an interest rate of 2.17% with payments due semi-annually on February 1st and August 1st until February 1, 2026. A master equipment lease is currently outstanding in the amount of $37,638 at an interest rate of 3.20% with payments due on January 1st and July 1st until July 1, 2021. A 2020 Lease with $68,000 outstanding with payments due January 1st and July 1st until July 1, 2023. The Town will not be responsible for a portion of this debt because of the lack of taxable assessed value in the Annexation Area.
Appendix I
**TOWN OF CUMBERLAND, INDIANA**

*Galbraith Annexation*

**PARCEL LIST**

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<td>30-05-26-100-022.000-006</td>
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<td>$67,945 *</td>
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*NAV is based on the 1/1/2019 assessment when the property was owned by Paul and Samantha Galbraith. It is assumed that the next assessment will be $0.*
Appendix II