



CITY OF CARMEL INDIANA

Annual Financial Report

For the Fiscal Year Ended December 31, 2022

Revised November 28, 2023



Photo courtesy City of Carmel. Photo by Jeff Bradley



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ORGANIZATIONAL STRUCTURE

City of Carmel

The City operates under elected officials including the Mayor, City Clerk, Judge and a nine-member City Council, pursuant to Indiana law. The Mayor serves as the chief executive of the City and serves a four-year term. The legislative and fiscal body for the City is the City Council. The nine-member Council is comprised of three at-large and six district representatives who are elected to serve four-year terms. Its duties include the enactment of all ordinances and resolutions and approval of the annual budget.

The administrative body for the City is the Board of Public Works and Safety. This three-member board consists of the Mayor, who serves as the presiding officer, and two mayoral appointees. This board is responsible for bidding infrastructure projects as well as other duties prescribed by Indiana state law.

The City provides services in the following areas: public safety (police, fire, EMS, and emergency communications), community services (planning, code enforcement, and economic development), parks and recreation, transportation (streets and sidewalks), engineering, storm water drainage, court, and general administrative services. In addition, the City provides water and wastewater utility services.

2022 City Council



James Brainard
Mayor



Kevin "Woody" Rider
Council President



Jeff Worrell
Council Vice President



Sue Finkam
Councilmember



Bruce Kimball
Councilmember



Laura Campbell
Councilmember



Tim Hannon
Councilmember



Tony Green
Councilmember



Miles Nelson
Councilmember



Adam Aasen
Councilmember

Executive Management Team

Honorable Brian G. Poindexter
City Court

Timothy Renick
Information and Communication Systems

Commissioner Matt Higginbotham
Streets

Mike Hollibaugh
Community Services (Planning & Zoning)

Nancy Heck
Community Relations & Economic Development

Honorable Sue Wolfgang
Clerk of the City

James Crider
Administration

Chief David Haboush
Fire

Ann Bingman, CPA
Controller

Chief Jim Barlow
Police

Lisa Hartz
Human Resources

John Duffy
Utilities

Jeremy Kashman
City Engineer



INTRODUCTION & ECONOMIC HIGHLIGHTS

City Profile

The City of Carmel was incorporated in 1874 and is located in Hamilton County, directly north of Indianapolis. The City occupies nearly 49 square miles, with more than 524 miles of public roadways. The City has experienced tremendous growth within the past few decades and serves mainly as a residential and commercial area for both Carmel and Indianapolis professionals. Carmel has a population of 101,759 according to the U.S. Census Bureau's 2021 Census. Personal income statistics are above national and State of Indiana averages. The median household income is \$115,109, and the median value of a home is \$352,400.

Hamilton County ranks first in the State of Indiana for median household income and second in the state for per capita personal income. The unemployment rate in Hamilton County has been significantly lower than that of the State of Indiana throughout the past 10 years.

The City is recognized for its sound corporate environment, high-quality residential neighborhoods, outstanding schools, cultural amenities, well-developed infrastructure, and strong economy. The City consistently ranks as one of the best places to live in Indiana and the United States. In 2022, Carmel was the No. 1 best place to live (Niche), No. 1 best place to raise a family (Niche), No. 1 best public schools in Indiana (Niche), No. 1 best place to retire in the U.S. (Money) and we have the No. 1 best holiday market in the United States (USA Today). The proximity of Carmel to Indianapolis provides increased employment and higher education opportunities for residents.

Employment

Several established major employers in the City include GEICO with 1,500 employees, Liberty Mutual Insurance with 1,450 employees, RCI (formerly Resort Condominium International) with 1,125 employees, KAR Global with approximately 1,000 employees, The Capital Group with approximately 975 employees, Next Gear Capital with 694 employees, Allied Solutions with more than 500 employees, Delta Faucet with 400 employees, and Duke Realty with 252 employees.

Principal Carmel Employers	Employees
1. Carmel Clay Schools	2,717
2. GEICO	2,534
3. CNO Financial Group	1,200
4. American Funds/Capital Group	975
5. Carvana (formerly KAR Global)	892
6. Resort Condominium Int'l. (RCI)	862
7. Midcontinent Independent System Operator, Inc. (MISO)	700
8. Next Gear Capital	694

ECONOMIC HIGHLIGHTS (continued)

Employment (continued)

Along US Highway 31, known as the Meridian Corporate Corridor, numerous modern multi-story office complexes have been built in recent years. The corporate headquarters and offices of major corporations such as Delta Faucet, American Specialty Health, Blue Horseshoe Solutions (now part of Accenture), CNO Financial Group, Monster.com, Encore Sotheby's International Realty, and Liberty Mutual Insurance are among the many office complexes which line the Meridian Corridor for five miles from 96th Street to 146th Street.

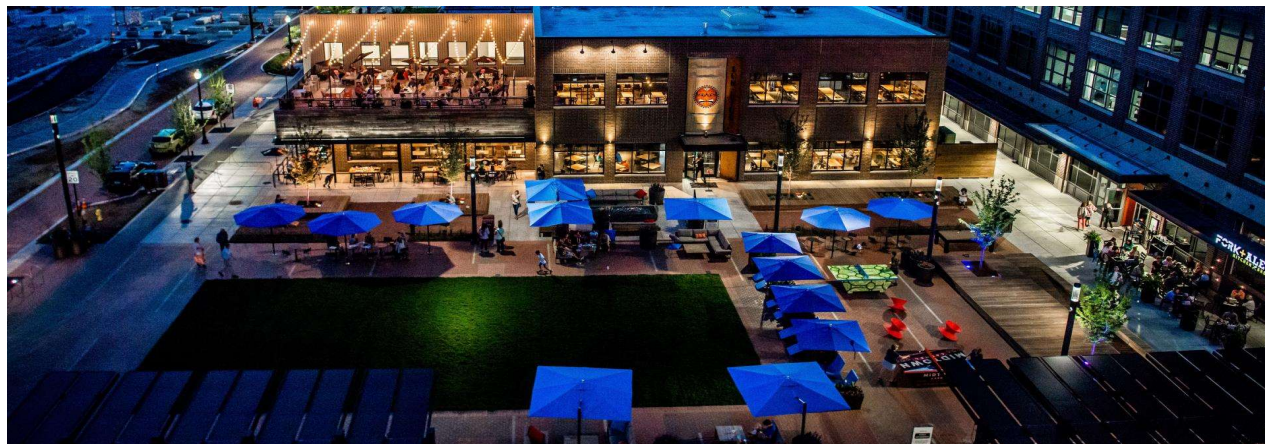
Local Finances

The City of Carmel has experienced extensive residential and commercial development in recent years and has been one of the fastest growing areas in the Indianapolis Metropolitan Area. More than 130 companies have international, national or regional headquarters located in the City. Hamilton County has the second highest per capita income and highest median household income in the State of Indiana.

The newest or expanded businesses in the City include Republic Airways, which purchased land along the U.S. 31 corridor to build a new corporate headquarters and an airline pilot advanced training center. The \$750 million Republic Airways headquarters will bring in 1,900 new jobs to Carmel. There are also several redevelopment projects under construction.

Education

Carmel Clay Schools serves the residents of the City and surrounding Clay Township. Currently, the school system has one high school, three middle schools, and eleven elementary schools. The Indiana Department of Education reports 2021 enrollment for the School Corporation at 16,174 students, and the superintendent's office reports 1,082 full-time educators. Special studies in the areas of gifted & talented, English as a new language, special education, and Title I services are provided by the school corporation. In addition, the J. Everett Light Career Center provides vocational programs in auto mechanics, computers, construction trades, dental occupations, electronics, machine trades, and radio/television production, among others.



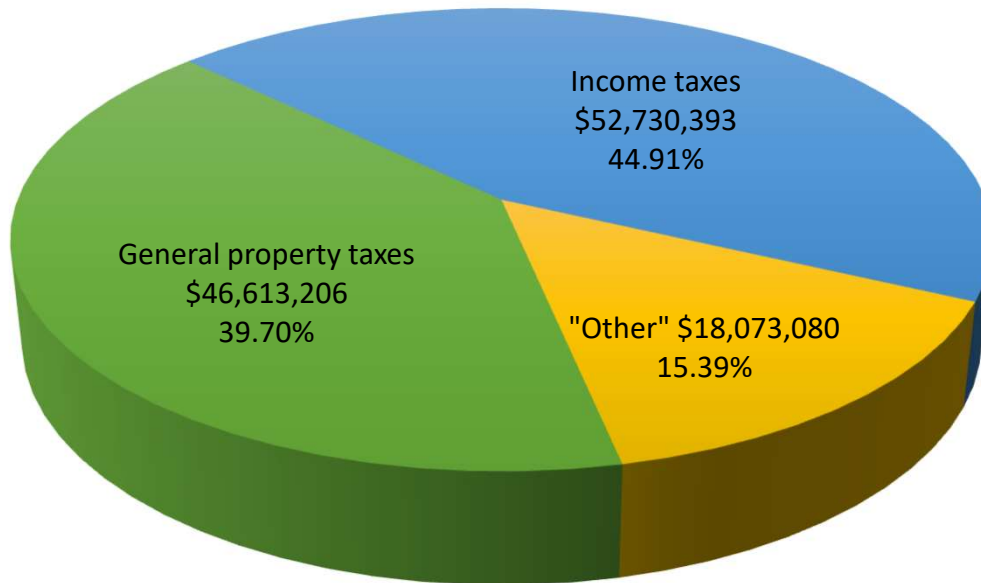
Revenue—Where does the money come from?

The General Fund is the primary operating fund of the City. A good way to determine the overall financial position of a local unit of government, is by their General Fund.

To illustrate the overall financial position of Carmel, this report provides an overview of the City's General Fund Revenues and Expenditures, as reported in the Annual Comprehensive Financial Report.

A look at the City's major revenue sources

2022 General Fund Revenue Sources



Total General Fund Revenue \$117.4 million

"Other" General Fund Revenue:

- Other Taxes - \$8.3 million
- Miscellaneous - \$4.4 million
- Licenses & Permits - \$2.9 million
- Brookshire - \$1.2 million
- Grants - \$1.2 million

Expenditures - Where does the money go?

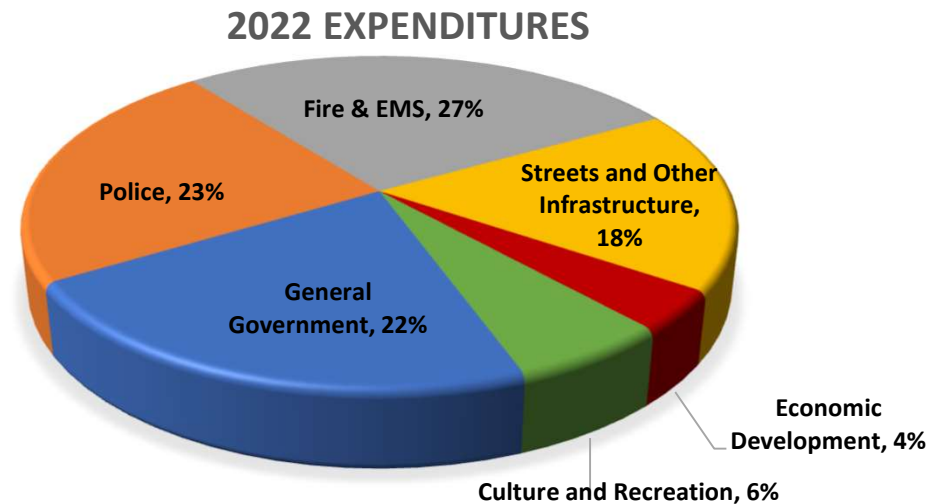
The graphs below illustrate how the City spends the funds within the General Fund*

The information below was summarized from the City's 2022 Annual Comprehensive Financial Report (ACFR). A copy of the City's ACFR can be found on the City's Laserfiche site using the link below.

<https://cocdocs.carmel.in.gov/WebLink/DocView.aspx?id=2225837&dbid=0&repo=CityofCarmel>



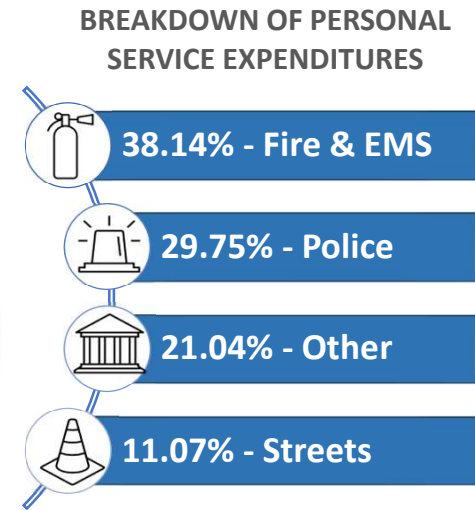
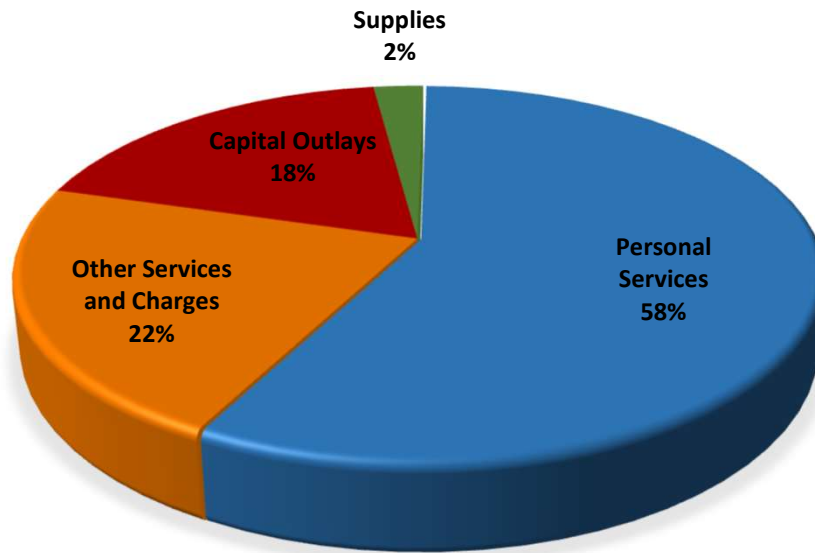
- Public Safety: Fire—provides fire prevention and suppression, rescue and hazmat services, along with emergency medical services (EMS) and transportation
- Public Safety: Police—provides law enforcement, community policing and outreach services
- Culture and Recreation—the management of city parks, greenways, streetscapes, pools, and sports facilities
- Economic Development—includes services related to private construction, land use, and the preservation of open space
- Highway and Streets—involves the re-pavement and repair of city streets, sidewalks, and bicycle paths
- General Government—includes general government services such as Finance, Human Resources, Court, Community Services, and Information Technology



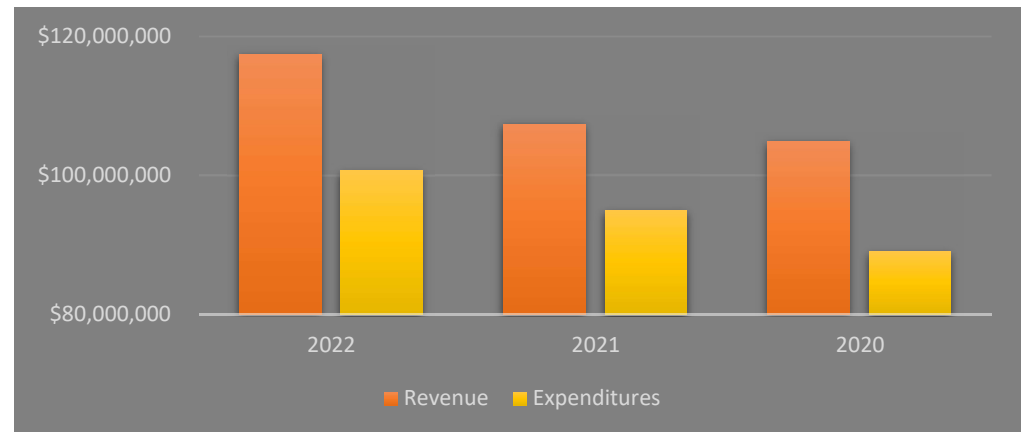
* Expenditures reported in this graph also include the Motor Vehicle Highway Fund and the Local Road and Street Fund

EXPENDITURES, continued

- Personal Services - salaries, wages, and related employee benefits provided for all City employees
- Supplies - items purchased and used during the fiscal period
- Capital Outlays - land, streets, bridges, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness **
- Other Services and Charges - professional services, communication & transportation, printing & advertising, utility services, insurance, etc.

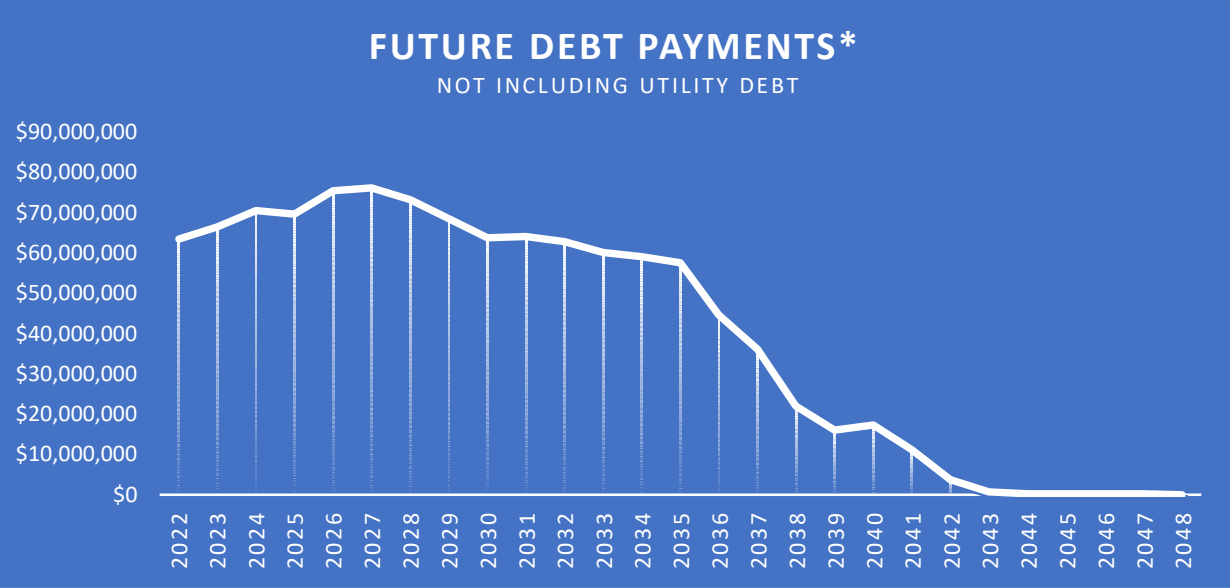
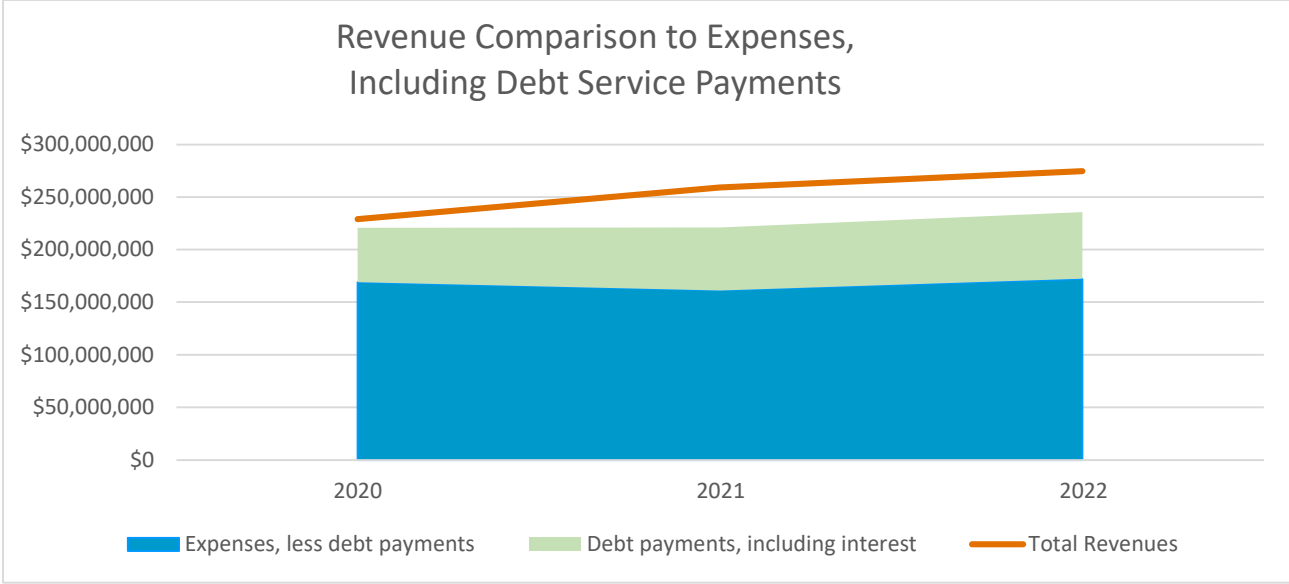


General Fund: Revenues compared to Expenditures



** This graph only illustrates the amounts from the General Fund, Motor Vehicle Highway Fund, and the Local Road & Street Fund.

The City and its Debt



** This graph illustrates the future debt payments for the current long-term obligations, including interest payments for the City's long-term obligations, including the Redevelopment Authority's current long-term obligations only.*

Annual Taxpayer Savings from Expired TIF Areas

Tax Increment Financing (TIF) has been an essential economic development and redevelopment tool used over the past 30 years to encourage private business investment in communities in Indiana and throughout the United States. TIF is a public financing method that is used to fund direct incentives or infrastructure to induce a private company or developer to construct new buildings within an underdeveloped area of the city. Within this designated area, all (or a portion) of the future property taxes from the new private development will be used to finance the incentives or infrastructure over a certain period of time. Eventually, the TIF Area will be ended, and the increased taxes will become part of the overall tax base of the city.

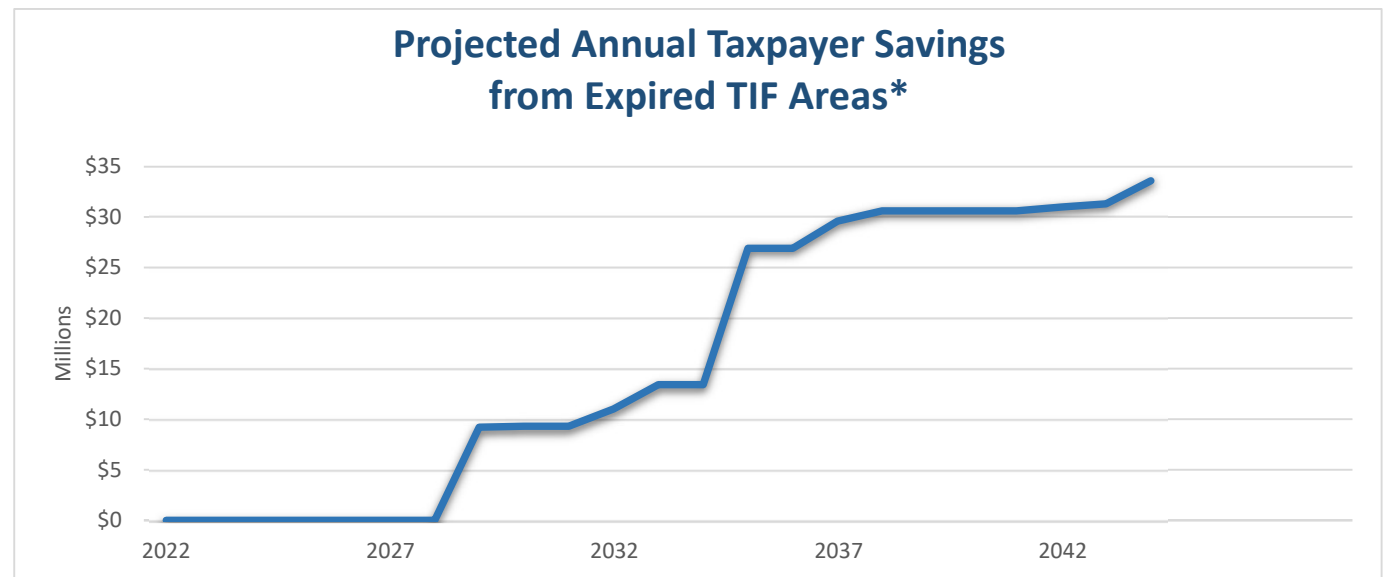
The City of Carmel established its first TIF Areas in 1997 to redevelop the downtown core of the City. The TIF has generally been used to finance infrastructure, public amenities and parking facilities, to not only entice the new businesses and development, but to improve quality of life in the city.

In Carmel, TIF has leveraged over \$1.68 billion of private development in the city.

What happens when the TIF area expires?

The incremental value is no longer captured as TIF, and it becomes part of the City's overall tax base. This results in lower taxes for all taxpayers and can be used to fund new public improvements.

As a Carmel taxpayer, how much and when can I expect the expiring TIF areas to lower taxes and be used to fund new public improvements?



* This graph illustrates the potential savings for the City's current TIF districts only.

CURRENT TIF AREAS

KAR Global Headquarters



Before

The KAR Global headquarters is an \$80 million office building with 250,000 square feet of office space and a 700-space parking garage. The parking garage was funded by the future commercial taxes from the project (TIF), ensuring that adjacent land would be used for future headquarters instead of sprawling surface parking. KAR Global increased the assessed value of this parcel by 130,945%.



After

City Center



Before

Carmel City Center is a multi-phase, mixed use development that has created a vibrant central gathering place in the heart of Carmel's downtown. This project transformed approximately 15 acres of farmland into a culturally rich destination. Phase 1 of the project increased the assessed value of the parcels by 4,297%.



After

Olivia on Main



Before

The Olivia on Main is a \$30 million, five-story, mixed-use development that includes 204 apartments, 17,000 square feet of retail/restaurant space on the ground floor, and 57 covered parking spaces. Public improvements completed as a part of this project include the demolition of existing structures, utility relocation and connection, soft soil remediation, onsite storm water detention, onsite utilities, grading, landscaping, and parking. The Olivia increased the assessed value of this parcel by 2,187%.



After

WHAT ARE THE CITY'S CURRENT TIF AREAS & WHEN DO THEY EXPIRE?

2029, \$9.2 million

- Amended 126th
- City Center

2030, \$9.3 million

- Merchants Square
- Excess Legacy TIF

2032, \$11 million

- Parkwood Crossing

2033, \$13.4 million

- Illinois Street
- Merchants point

2035, \$26.9 million

- Amended 126th Expansion
- City Center Expansion
- Hazel Dell North & South
- Illinois Street Expansion
- Old Meridian Expansion
- Old Town

2037, \$29.6 million

- MISO PP
- Pedcor
- Nash Building

2038, \$30.6 million

- Village of West Clay
- 116th Street Centre

2042, \$31 million

- Grand & Main
- Olivia on Main

2043, \$31.3 million

- Sunrise on the Monon
- Meridian & Main Spine
- KAR

2044, \$33.6 million

- Remaining Developer TIFs as of October 7, 2020



Meridian & Main Spine



Nash Building



Sunrise on the Monon



Old Town

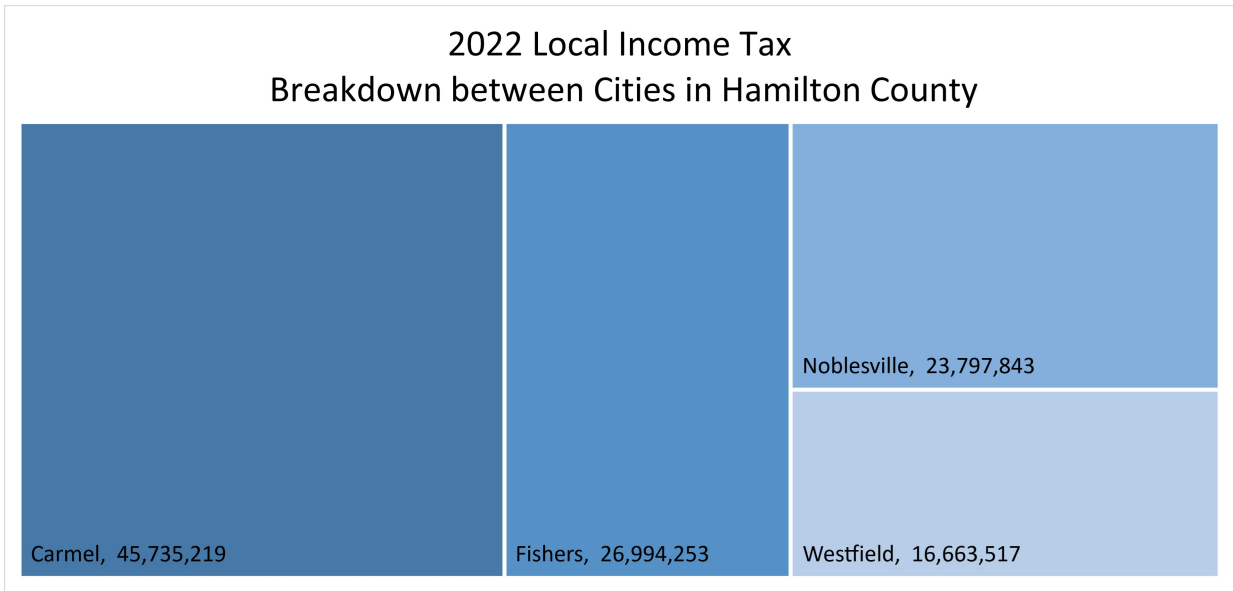
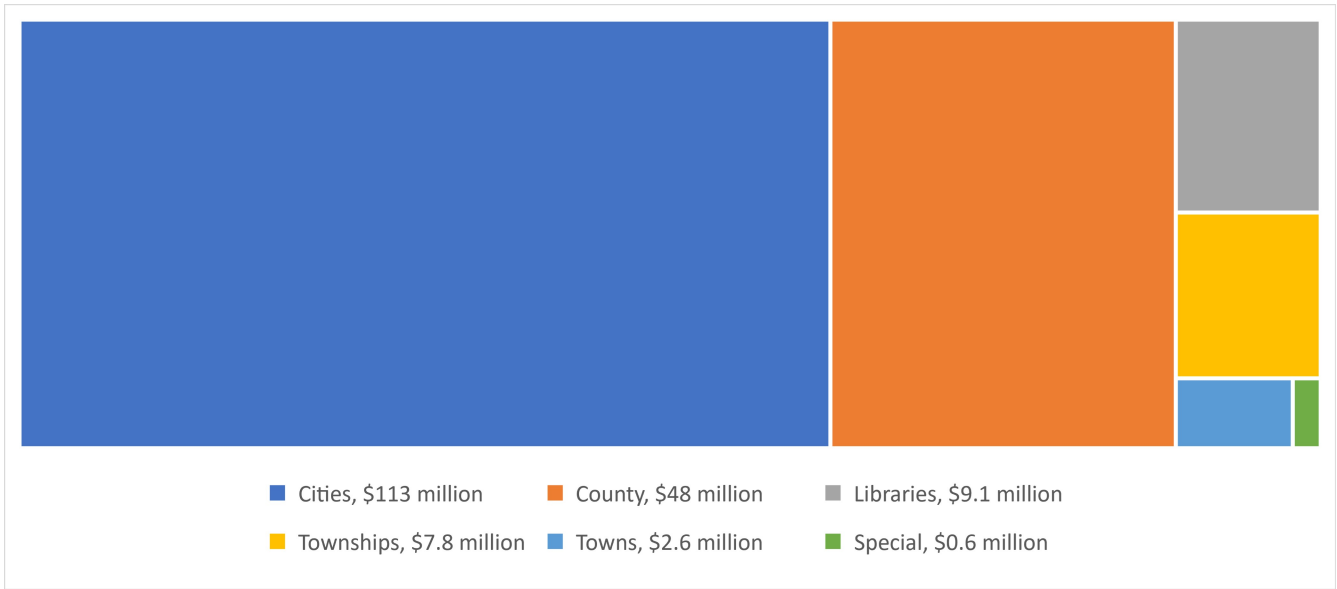


Want to learn more about TIF and how it impacts the City and its residents?

<https://www.choosecarmelin.com/tax-increment-finance>

Local Income Tax Funds, where does it go?

One of the largest revenue sources (2nd largest) for the City's General Fund, is the local income tax, or LIT. LIT is funded by the county withholding tax from income earned by Indiana residents. It is collected from each paycheck and when you file taxes. All local governments, except for schools, receive a portion of the income. The amount received by each governmental unit depends on a formula established in the Indiana Code. Below is a graph that shows the distribution of the 2022 LIT funds for Hamilton County.



This information was abstracted from reports obtained on the Department of Local Government Finance's website.

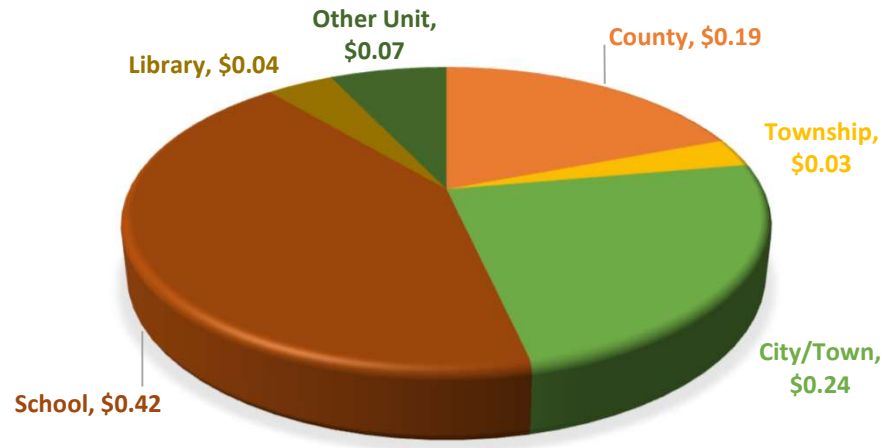
<https://www.in.gov/dlgf/county-specific-information/hamilton/>



Property Taxes: the largest source of revenue for the City.

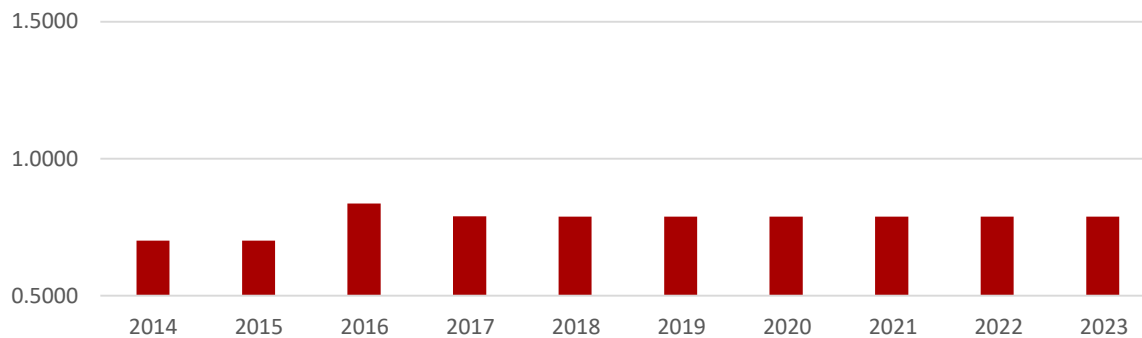
Property taxes are a primary source of funding for many local units of government, including the City of Carmel. The funds collected by the City are used to pay for a variety of services including police, fire & EMS, daily operations of the City, and salaries & wages of City employees.

Property taxes are an ad valorem tax, meaning they are allocated to each taxpayer proportionately according to the value of the taxpayer's property. The statewide average revenue distribution for each property tax dollar is shown in this chart.







Property taxes represent a property owner's portion of the local government's budgeted spending for the current year.

City of Carmel
10-year City Tax Rates

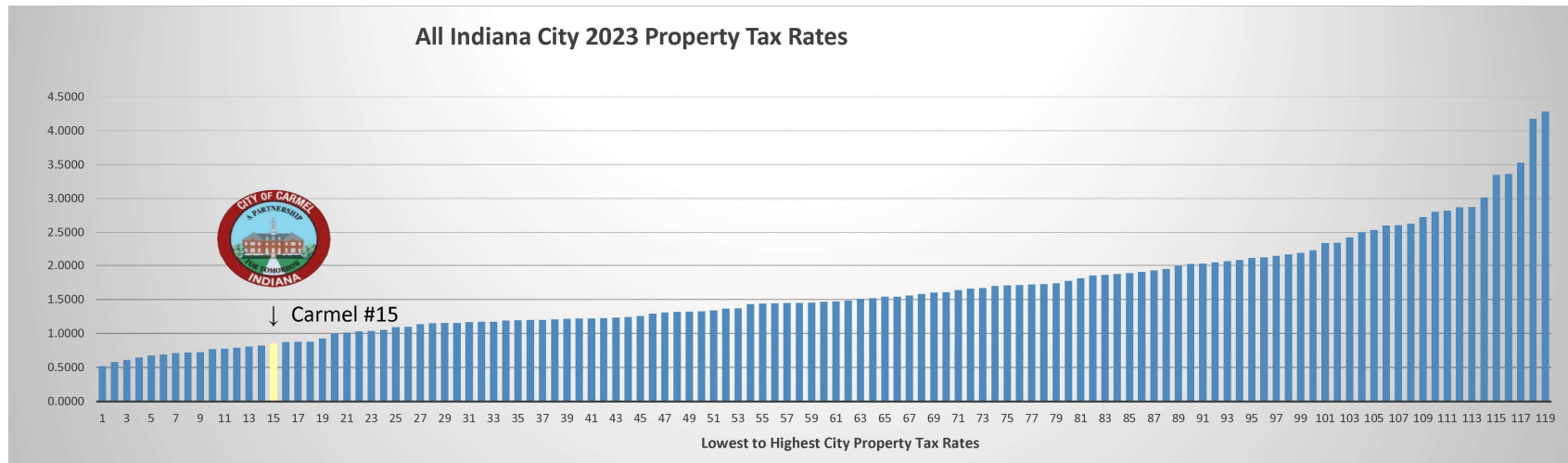
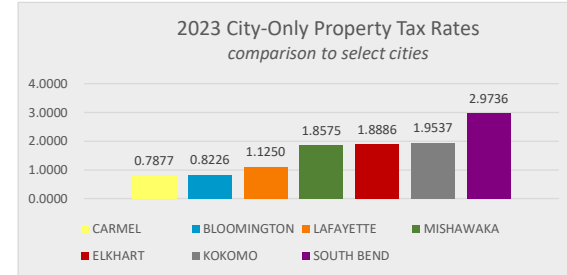


How does Carmel's property tax rate compare to other cities in Hamilton County?

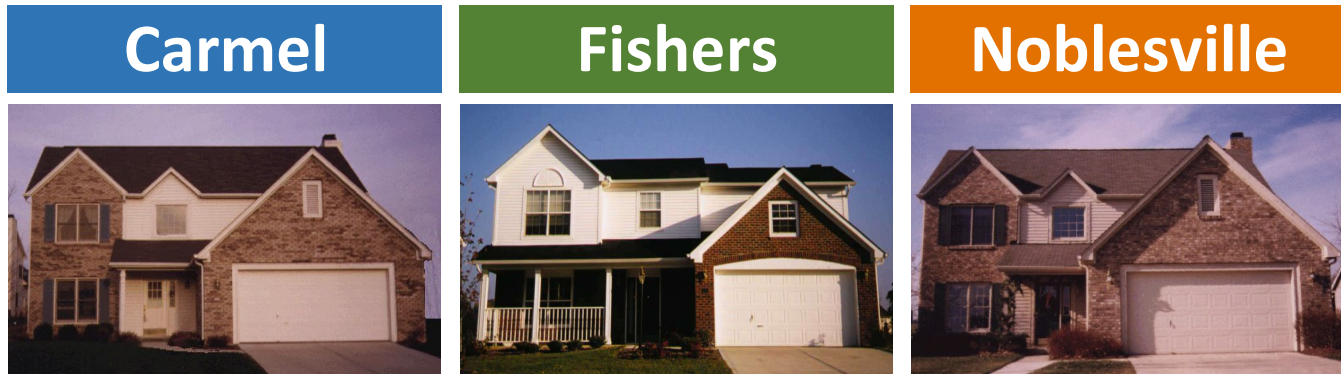
PROPERTY TAX COMPARISON				
2023 Tax Bills, Hamilton County Cities				
<i>\$300,000 Market Value</i>				
	 Carmel	 Fishers	 Noblesville	 Westfield
Net District Rate	2.0626	2.2891	2.7213	2.2761
Net Annual Tax Bill	\$3,357	\$3,577	\$3,843	\$3,546

How does Carmel compare to other cities in the State?

Rank	City	Tax Rate	Rank	City	Tax Rate	Rank	City	Tax Rate	Rank	City	Tax Rate	Rank	City	Tax Rate
1	Bluffton	0.5245	28	Angola	1.0863	55	BEECH GROVE CIVIL CITY	1.3696	82	MICHIGAN CITY CIVIL CITY	1.7636	101	TERRE HAUTE CIVIL CITY	2.2742
2	Woodburn	0.5348	29	Columbus	1.0889	56	NEW ALBANY CIVIL CITY	1.3711	83	HARTFORD CITY CIVIL CITY	1.7844	102	HUNTINGTON CIVIL CITY	2.2981
3	Rising Sun	0.5519	30	Franklin	1.0963	57	GREENDALE CIVIL CITY	1.3924	84	WASHINGTON CIVIL CITY	1.7895	103	VINCENNES CIVIL CITY	2.3618
4	Southport	0.5690	31	Noblesville	1.1000	58	MONTPELIER CIVIL CITY	1.4012	85	BEDFORD CIVIL CITY	1.8230	104	ANDERSON CIVIL CITY	2.3638
5	Greenwood	0.6583	32	Attica	1.1086	59	CLINTON CIVIL CITY	1.4092	86	WABASH CIVIL CITY	1.8471	105	NEW CASTLE CIVIL CITY	2.4415
6	Rennselaer	0.6632	33	Garrett	1.1129	60	PORTLAND CIVIL CITY	1.4168	87	HAMMOND CIVIL CITY	1.8561	106	BICKNELL CIVIL CITY	2.5171
7	Lawrence	0.6702	34	LAFAYETTE CIVIL CITY	1.1250	61	NORTH VERNON CIVIL CITY	1.4274	88	MISHAWAKA CIVIL CITY	1.8575	107	WINCHESTER CIVIL CITY	2.5332
8	Batesville	0.7061	35	BERNE CIVIL CITY	1.1261	62	GREENCASTLE CIVIL CITY	1.4288	89	ELKHART CIVIL CITY	1.8886	108	MARION CIVIL CITY	2.5997
9	Fishers	0.7115	36	DECATUR CIVIL CITY	1.1693	63	OAKLAND CITY CIVIL CITY	1.4321	90	KOKOMO CIVIL CITY	1.9537	109	ELWOOD CIVIL CITY	2.6754
10	Crown Point	0.7144	37	PORTAGE CIVIL CITY	1.1797	64	GOSHEN CIVIL CITY	1.4325	91	WHITING CIVIL CITY	2.0021	110	EAST CHICAGO CIVIL CITY	2.6862
11	Westfield	0.7175	38	VALPARAISO CIVIL CITY	1.1814	65	LINTON CIVIL CITY	1.4341	92	FRANKFORT CIVIL CITY	2.0137	111	LOGANSPORT CIVIL CITY	2.7529
12	Loogootee	0.7470	39	WARSAW CIVIL CITY	1.1877	66	NAPPANEE CIVIL CITY	1.4500	93	LAKE STATION CIVIL CITY	2.0146	112	PERU CIVIL CITY	2.9169
13	Columbia City	0.7641	40	NEW HAVEN CIVIL CITY	1.1898	67	BRAZIL CIVIL CITY	1.4920	94	MOUNT VERNON CIVIL CITY	2.0287	113	RUSHVILLE CIVIL CITY	2.9194
14	Lebanon	0.7736	41	LIGONIER CIVIL CITY	1.2000	68	KNOX CIVIL CITY	1.5019	95	BOONVILLE CIVIL CITY	2.0499	114	ALEXANDRIA CIVIL CITY	2.9321
15	Carmel	0.7877	42	KENDALLVILLE CIVIL CITY	1.2061	69	PRINCETON CIVIL CITY	1.5334	96	JASONVILLE CIVIL CITY	2.1100	115	SOUTH BEND CIVIL CITY	2.9736
16	Bloomington	0.8226	43	GREENSBURG CIVIL CITY	1.2107	70	MITCHELL CIVIL CITY	1.5380	97	TIPTON CIVIL CITY	2.1213	116	CANNELTON CIVIL CITY	3.2633
17	Charlestown	0.8347	44	HOBART CIVIL CITY	1.2354	71	DELPHI CIVIL CITY	1.5500	98	SALEM CIVIL CITY	2.1248	117	CONNERSVILLE CIVIL CITY	3.3537
18	Greenfield	0.8574	45	AUSTIN CIVIL CITY	1.2577	72	DUNKIRK CIVIL CITY	1.5677	99	SULLIVAN CIVIL CITY	2.1836	118	UNION CITY CIVIL CITY	4.2266
19	Jasper	0.8665	46	MARTINSVILLE CIVIL CITY	1.2645	73	JONESBORO CIVIL CITY	1.5729	100	MUNCIE CIVIL CITY	2.1918	119	GARY CIVIL CITY	4.6497
20	West Lafayette	0.8729	47	MADISON CIVIL CITY	1.2650	74	LAWRENCEBURG CIVIL CITY	1.5829						
21	Rochester	0.8840	48	TELL CITY CIVIL CITY	1.2661	75	CRAWFORDSVILLE CIVIL CITY	1.6153						
22	Covington	0.8940	49	MONTICELLO CIVIL CITY	1.3003	76	PLYMOUTH CIVIL CITY	1.6272						
23	Auburn	0.9564	50	SHELBYVILLE CIVIL CITY	1.3070	77	LAPORTE CIVIL CITY	1.6317						
24	Gas City	0.9720	51	JEFFERSONVILLE CIVIL CITY	1.3274	78	PETERSBURG CIVIL CITY	1.6447						
25	Butler	1.0533	52	FORT WAYNE CIVIL CITY	1.3327	79	EVANSVILLE CIVIL CITY	1.6470						
26	Huntingburg	1.0586	53	AURORA CIVIL CITY	1.3337	80	RICHMOND CIVIL CITY	1.6642						
27	Scottsburg	1.0651	54	SEYMOUR CIVIL CITY	1.3639	81	ROCKPORT CIVIL CITY	1.6719						



Property Tax Comparison Study

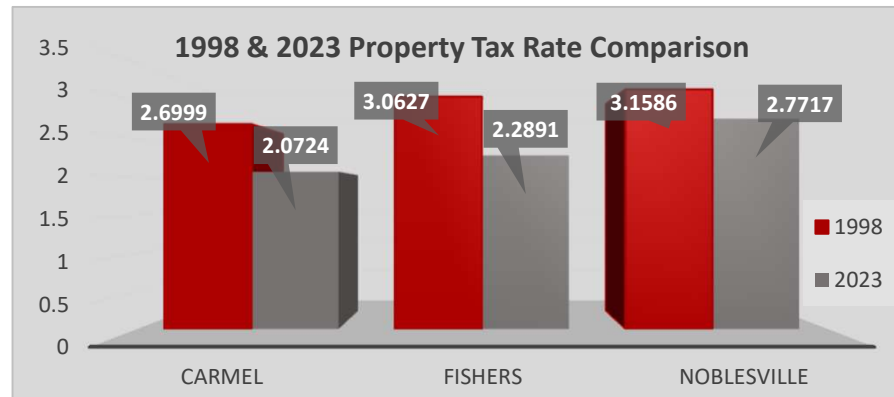


	Carmel 13447 Dunes Drive	Fishers 6346 Creekview Lane	Noblesville 17948 Village Way
Assessed Value Increase	153%	174%	159%
Total 1998 Assessed Value	\$104,220	\$104,910	\$101,910
Total 2023 Assessed Value	\$263,800	\$287,300	\$264,200
1998 Property Taxes	\$2,813.84	\$3,213.11	\$3,218.93
1998 Property Taxes*	\$5,115.16	\$5,840.98	\$5,851.56
2023 Property Taxes	\$2,885.20	\$3,421.15	\$3,360.04

*Includes inflation as provided by Bureau of Labor Statistics calculator at https://www.bls.gov/data/inflation_calculator.htm

NOTE: As of 2018, the Carmel property no longer received a mortgage deduction. Actual taxes owed for 2023 are \$2,947.37. Taxes shown above include the mortgage deduction.

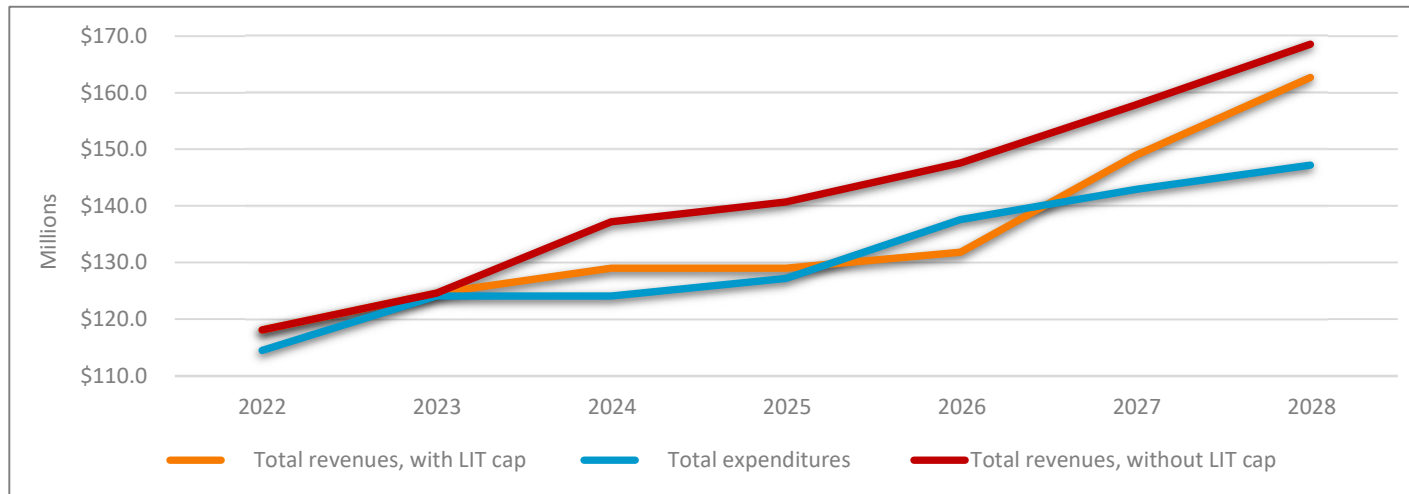
The Fishers property lost its homestead status in 2016 and is now subject to a 2% cap. Actual taxes owed for 2023 are \$6,576.58. Taxes shown above are as if the property were still homestead eligible.



Looking forward - General Fund, including Rainy Day Fund, Projected Revenues and Expenditures

Data is shown in millions

	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Beginning available balance	\$17.1	\$20.8	\$21.2	\$22.8	\$19.8	\$14.0	\$20.1
REVENUES							
Property tax	\$46.6	\$45.70	\$45.90	\$48.60	\$51.70	\$54.40	\$57.30
Income tax*	\$52.7	\$57.8	\$69.9	\$70.1	\$73.9	\$80.4	\$87.2
Less income tax cap*	\$0.0	\$0.0	(\$8.2)	(\$11.7)	(\$15.8)	(\$8.9)	(\$5.9)
Food & beverage, other taxes	\$9.2	\$9.7	\$9.8	\$10.2	\$10.6	\$11.0	\$11.4
Charges for services	\$5.0	\$6.4	\$6.6	\$6.8	\$6.3	\$6.7	\$7.2
Fees, other non-tax	\$4.6	\$5.0	\$5.0	\$5.0	\$5.1	\$5.3	\$5.5
Total revenues	\$118.1	\$124.6	\$129.0	\$129.0	\$131.8	\$148.9	\$162.7
EXPENDITURES							
Police	\$34.8	\$38.6	\$38.6	\$38.8	\$41.8	\$43.6	\$45.1
Fire and EMS	\$38.6	\$41.5	\$41.5	\$41.9	\$45.0	\$46.9	\$48.6
Parks and recreation	\$8.0	\$8.9	\$8.9	\$9.2	\$9.8	\$10.2	\$10.6
Debt Service: Streets, public works	\$33.1	\$35.1	\$35.1	\$37.3	\$41.0	\$42.2	\$42.9
Total expenditures	\$114.5	\$124.1	\$124.1	\$127.2	\$137.6	\$142.9	\$147.2
Ending available balance	\$20.8	\$21.2	\$22.8	\$19.8	\$14.0	\$20.1	\$35.6




* Indiana Code 6-3.6-11-9, as amended by 2023 House Enrolled Act 1454 implemented a cap to the amount of local income tax that the City of Carmel is eligible to receive from 2024 - 2027.

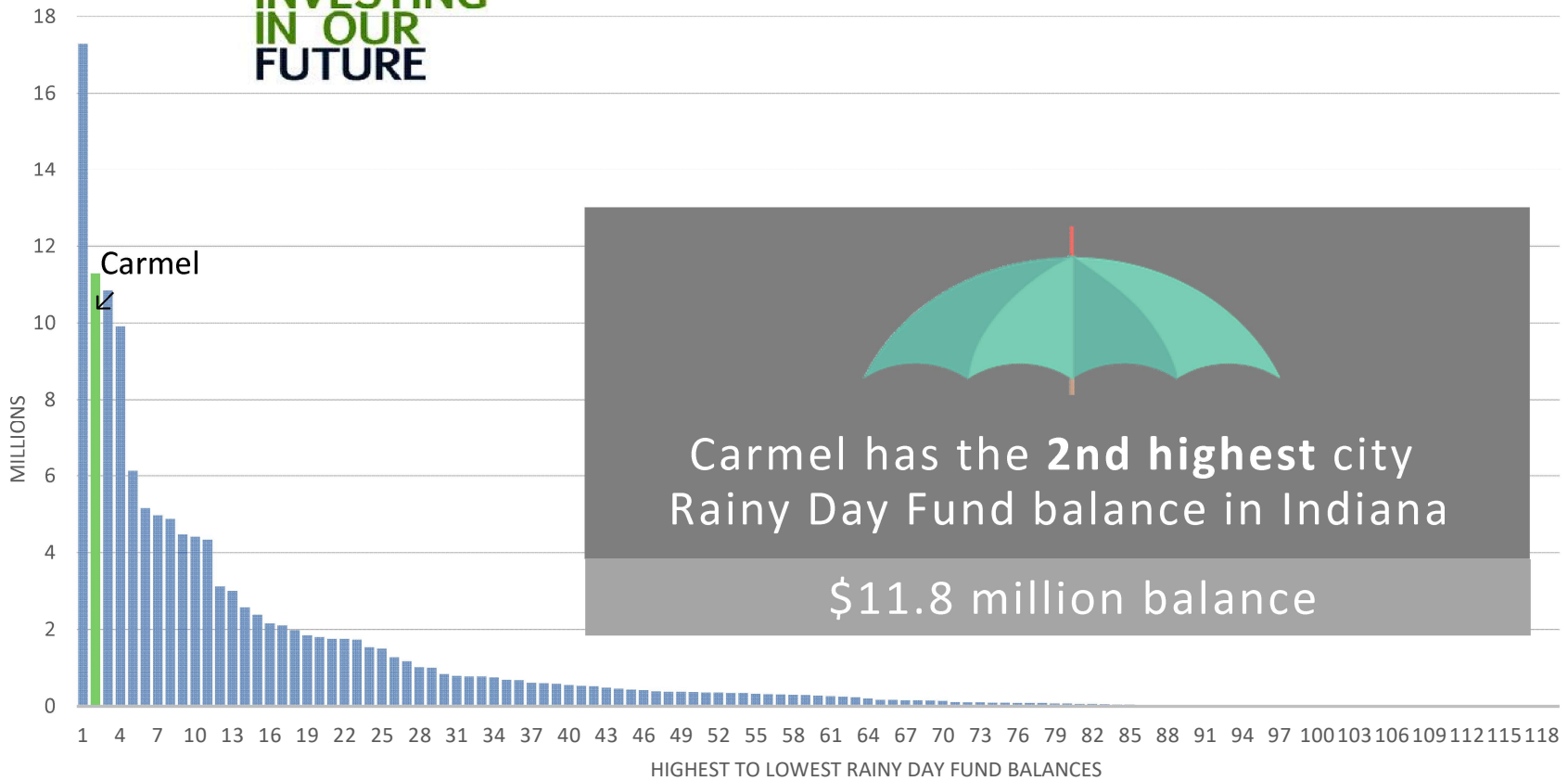
The City's Rainy Day Fund

PLANNING
FOR
GROWTH,
INVESTING
IN OUR
FUTURE

Balanced Budget



Carmel's 2023 General Fund budget is balanced with no draws on the City's Rainy Day Fund



All Indiana City Rainy Day Fund Balances at December 31, 2022



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