INTERLOCAL COOPERATION AGREEMENT FOR FUNDING OF MUNICIPAL UNIT STRATEGIC TASKFORCE (MUST) CONSULTING SERVICES

This Interlocal Cooperation Agreement ("Agreement") is entered into pursuant to Indiana Code § 36-1-7 by and among: Boone County, Indiana; Town of Advance, Indiana; City of Lebanon, Indiana; Town of Jamestown, Indiana; Town of Thorntown, Indiana; Town of Ulen, Indiana; Town of Whitestown, Indiana; and Town of Zionsville, Indiana (collectively, the "Parties").

RECITALS

WHEREAS, Indiana Code § 6-3.6-3-13 authorizes a county to convene a Municipal Unit Strategic Taskforce ("MUST") to negotiate and establish a local income tax distribution agreement;

WHEREAS, Boone County has convened a MUST consisting of a Boone County council member and the fiscal officers of the municipalities located within Boone County under Ind. Code § 6-3.6-3-13;

WHEREAS, the Parties desire to obtain professional financial, fiscal, analytical, and advisory services from Baker Tilly Advisory Group, LP to assist the MUST in evaluating local income tax matters and related issues;

WHEREAS, Boone County has entered into an engagement agreement with Baker Tilly, attached hereto and incorporated herein as **Exhibit A** for services provided to the MUST; and

WHEREAS, the Parties desire to equitably allocate and reimburse the costs associated with the Baker Tilly engagement relating to the MUST according to the proportional population of each participating unit based upon the most recent federal decennial census.

NOW, THEREFORE, in consideration of the mutual covenants herein, the Parties agree as follows:

1. PURPOSE.

The purpose of this Agreement is to establish a mechanism for sharing and paying all costs incurred under the Baker Tilly engagement that are attributable to the work of the Boone County MUST.

2. BAKER TILLY SERVICES TO MUST.

The relevant portion of the Baker Tilly engagement agreement attached as Exhibit A is incorporated into this Agreement as if fully set forth herein.

Any amendment to Exhibit A that materially increases the scope of services or compensation shall require approval by the MUST through a majority vote of its members prior to implementation.

3. COST SHARING.

All invoices, fees, expenses, and charges incurred or already incurred under Exhibit A attributable to the MUST shall be allocated among the Parties according to the following population-based percentages derived from the most recent federal decennial census:

Party	Population	Percentage Share
Town of Advance	508	0.71%
City of Lebanon	19,606	27.56%
Town of Jamestown	942	1.33%
Town of Thorntown	1,459	2.05%
Town of Ulen	114	0.16%
Town of Whitestown	10,173	14.31%
Town of Zionsville	30,603	43.22%
Boone County	10,378	14.60%
Total	**71,783**	**100.00%**

These percentages are subject to change after the next federal census. The Parties acknowledge and agree that these percentages shall control the allocation of all costs incurred under Exhibit A.

4. PAYMENT PROCEDURE.

Boone County may process and pay Baker Tilly invoices in the first instance pursuant to Exhibit A. After payment of a Baker Tilly invoice, Boone County shall provide each Party: (1) a copy of the invoice; (2) documentation showing payment by Boone County; (3) and an invoice for that Party's allocated share. Each Party shall remit payment within thirty (30) days after receipt of the County's reimbursement invoice. Amounts unpaid after thirty (30) days may accrue interest at the statutory rate permitted under Indiana law.

5. LIMITATION OF OBLIGATION.

No Party shall be obligated to pay more than its allocated share as established in Section 3, unless otherwise agreed in writing by all Parties. Nothing in this Agreement shall authorize Boone County to incur obligations beyond those authorized by applicable law or appropriations.

6. RECORDS.

Boone County shall maintain records relating to payments made under Exhibit A and shall make such records available for inspection by any Party upon reasonable request.

7. TERM.

This Agreement shall become effective upon execution by all Parties and shall remain in effect until December 31, 2027 or until the satisfaction of all reimbursement obligations among the Parties.

8. DEFAULT.

If a Party fails to make required payments under this Agreement, any non-defaulting Party may pursue any remedy available under Indiana law, including an action for specific performance, damages, or collection of unpaid amounts together with reasonable attorney fees and costs if authorized by law.

9. AMENDMENT.

This Agreement may be amended only by a written instrument approved and executed by all Parties.

10. REPRESENTATIONS, AUTHORIZATION, APPROPRIATION, AND EXECUTION.

Each Party represents, warrants, and certifies as follows:

(a) The individual executing this Agreement on behalf of the Party is the duly elected, appointed, or designated fiscal officer of the municipality;

(b) Prior to execution of this Agreement, the fiscal body of the Party has reviewed and approved the Party's participation in this Agreement and the Party's obligation to pay its proportionate share of fees, costs, and expenses arising under this Agreement and Exhibit A;

(c) The fiscal officer has taken all actions required by Indiana law, local ordinance, resolution, or policy to authorize the execution, delivery, and performance of this Agreement, including approval and authorization by the municipality's contracting authority to enter into the Agreement;

(d) Funds sufficient to satisfy the Party's anticipated obligations under this Agreement have been duly appropriated and are lawfully available for expenditure. To the extent additional appropriations may become necessary, the Party agrees to pursue any additional appropriations required by law to satisfy its obligations under this Agreement;

(e) The execution and performance of this Agreement does not violate any applicable law, ordinance, resolution, contractual obligation, or budgetary restriction applicable to the Party;

(f) The Party acknowledges and agrees that Boone County is relying upon the foregoing representations in entering into this Agreement and advancing payment of invoices under Exhibit A for subsequent reimbursement by the Parties.

11. RECORDING OF AGREEMENT.

Upon execution, this Agreement must be recorded with the Boone County Recorder and filed with the state board of accounts.

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1. Confer, as needed, with Client Officials, department heads, employees, and other individuals to determine the capital improvement needs of the Client in the project planning period and the estimated costs of those projects.
2. Upon analysis of the Client's long-term financial plan and with the assistance of the Client, determine on a preliminary basis the availability of any funds currently on hand and analyze the corresponding reserve requirements and net funds available for the capital projects. Make recommendations regarding the use of funds on hand.
3. Investigate alternative methods of financing the proposed capital projects plan, including the use of bond financing, pay-as-you-go, funds on hand, grant funds, and other available resources.
4. Provide a preliminary report of our findings and recommendations to the Client and present a summary of the report to the fiscal body.
5. Develop a formal presentation for consideration by the Client and attend a meeting with Client officials to communicate results.

D. Annual Services/Periodic Services

1. Baker Tilly will be available as necessary and at the discretion of the Client to monitor and update the Fiscal Sustainability Plan, update the model for various scenarios, attend working group meetings, an provide ongoing financial strategy and advice as warranted.
2. Meet, as needed, with Client officials to discuss and answer questions on the Plan, its findings, recommendations, and alternatives.
3. Provide other requested support services
4. Attendance at meetings not covered in the Sections above.

E. Municipal Unit Strategic Task Force (MUST) & Local Income Tax (LIT) Advisory

Phase 1: Pre-Formation Coordination & Stakeholder Alignment

Not to Exceed Time and Expense fee = $2,000.00

Establish a foundation for MUST negotiations.

1. Services

a) Facilitate initial stakeholder work sessions with Client identified representatives.

b) Present an overview of the legislative changes related to LIT.

c) Facilitate the identification of key priorities, constraints, and policy objectives across taxing units.

d) Advise on potential areas of disagreement and alignment.

e) Develop a structured decision-making framework.

f) Perform preliminary financial modeling of LIT scenarios to inform discussions.

2. Deliverables

a) Stakeholder summary of priorities and issues.

b) Initial scenario modeling outputs.

c) Recommend negotiation framework.

Phase 2: MUST Formation & Facilitation

Not to Exceed Time and Expense fee = $2,000.00

Support the creation and operation of the MUST.

1. Services

a) Assist in structuring and organizing the MUST taskforce.

b) Facilitate meetings and discussions among members.

c) Provide guidance on statutory requirements and best practices.

d) Assist Client with collaboration among participants.

2. Deliverables

a) Meeting agendas and facilitation materials.

b) Documentation of discussions and key discussions.

c) Governance and process recommendations

Phase 3: Financial Modeling & Scenario Analysis

Not to Exceed Time and Expense fee = $8,500.00

Provide data-driven insights to support decision-making.

1. Services

a) Develop financial models for Client identified LIT scenarios, including:

1) County-wide municipal LIT rate options.

2) Municipality-specific LIT rate options (e.g., opt-in vs. opt-out scenarios).

b) Analyze revenue impacts across:

1) Municipalities

2) County government

3) Nonmunicipal units

c) Evaluate short-term (static) and optional long-term (growth) projections.

d) Present comparative analysis of options and trade-offs.

2. Deliverables

a) Scenario modeling outputs and summaries.

b) Revenue impact analysis by unit.

c) Assumptions and methodology documentation.

Phase 4: Negotiation Support & Agreement Development

Not to Exceed Time and Expense fee = $15,000.00

Assist MUST in working toward a LIT consensus.

1. Services
    a) Facilitate negotiation sessions among MUST members.
    b) Provide modeling updates.
    c) Advise on policy implications and trade-offs.
    d) Support consensus-building efforts.

2. Deliverables
    a) Summarized LIT structure* and distribution framework.
    b) Supporting financial analysis for selected option.

*Baker Tilly does not guarantee a unanimous MUST decision or agreement on LIT framework. The outcome is dependent on individual MUST representatives coming to an agreement.

Phase 5: Submission & Compliance

Not to Exceed Time and Expense fee = $2,500.00

Assist the Client with reporting and compliance with state requirements.

1. Services
    a) Prepare financial plan and required documentation for submission to DLGF.
    b) Assist with compiling agreement details and supporting analysis.
    c) Coordinate with stakeholders to finalize submissions.

2. Deliverables
    a) Completed DLGF submission package.
    b) Supporting financial plan documentation.

Phase 6: Implementation & Ongoing Support

Support long-term success and adaptability of LIT agreements.

1. Services
    a) Provide ongoing monitoring of LIT performance and revenues.
    b) Update financial models as new data or legislative changes occur.
    c) Assist with amendments or updates to LIT agreements.
    d) Offer advisory support for future decision-making.

2. Deliverables
    a) Updated models and periodic reports.
    b) Recommendations for adjustments or optimizations.

Exhibit B

COMPENSATION AND INVOICING

Fees for services set forth in Exhibit A will be billed at standard billing rates based upon the actual time and expenses incurred.

Standard Hourly Rates by Job Classification
1/1/2026

Title	Hourly Rate
Principals / Directors	$510 - $705
Managers / Senior Managers	$330 - $480
Consultants / Analysts / Senior Consultants	$210 - $320
Support / Paraprofessionals / Interns	$120 - $230

**Billing rates are subject to change periodically due to changing requirements and economic conditions. The Client will be notified thirty (30) days in advance of any change to fees. If Client does not dispute such change in fees within that thirty (30) day period, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred except for direct, project-related expenses such as travel costs.