

**COMMON COUNCIL
FINANCE COMMITTEE
APRIL 4, 2024**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A213 at City Hall on Thursday, April 4, 2024. The meeting was called to order at 8:16 a.m. with Mike Davis, Dave Johnson, and Megan Wiles present. Aaron Smith was absent.

Also present were City Clerk Evelyn Lees, Public Safety Director Chad Knecht, Chief Financial Officer and Controller Jeff Spalding, Deputy Controller Caitlin Moss, Executive Assistant Jacqueline Thompson, and consultant Greg O'Connor. Deputy Mayor Matt Light, Community Development Director Sarah Reed, and Deputy Financial Officer Ian Zelgowski attended electronically via Microsoft Teams.

Claims Docket Review

The committee recommended approval of the claims.

Update – Impact Fee Analysis for Roads and Parks

Mr. Light displayed a PowerPoint presentation. He stated impact fees are used to fund capital improvements caused by growth with the understanding that growth should pay for growth, rather than existing residents bearing the cost. He stated the fees have already been reviewed by the Plan Commission, and the ordinances will be introduced at the April 9 meeting. He stated under state law, municipalities may levy impact fees for needed improvements caused by growth, but not for correction of existing deficiencies. He reviewed construction cost inflation since the last impact fee studies were conducted. He stated impact fees must be reviewed every five years. He stated the Administration is adjusting the road and park impact fee schedules so that they will occur in the same year. He stated the last road impact fee study was completed in 2021, and the last park impact fee study was completed in 2019. He stated many of the same considerations are given to each fee. He stated an Advisory Committee is required by statute. He reviewed the membership of the committee. He reviewed the road impact fee recommendation of \$583.00 per trip. He stated the fee will include ten percent for utility relocation, based on advice from a member of the Advisory Committee. He stated the study also recommends a three percent increase per year to account for inflation. He stated \$65.38 of each fee will be deposited into a dedicated fund for the Pleasant Street project. He stated in 2020, the recommended fee was \$390.00 per trip, and the adopted fee was \$370.00 per trip. He compared the proposed fee to other communities' fees. He explained that smaller communities with more capacity for growth are able to charge lower fees, while rapidly growing communities have already reached capacity, so they need to charge higher fees to maintain their current level of service.

Mr. Light reviewed the calculations and recommendation for park impact fees at \$4,122.00 per residence. He reviewed options for three and five percent annual increases for inflation. He stated park impact fees are calculated on a per capita basis and are based on the usage and desires of residents. He reviewed the increased cost of trail construction. He stated the 2019 study

estimated \$350,000.00 to construct one mile of trail, while the current study estimates \$1 million to construct one mile of trail.

Mr. Johnson asked how trip numbers are determined in calculating road impact fees. Mr. Light replied there are industry standards that are applied to various uses, but staff work with applicants to adjust the fees for individual permits based on information specific to the project. Mr. Johnson asked how impact fees are collected. Mr. Light replied they are collected as part of the building permit process. He stated there is a payment plan option, but it is seldom used. Mr. O'Connor asked how the level of service grades are determined. Mr. Light replied the level of service ratings are determined through comparisons to other communities and information provided by INDOT for a road safety baseline. Mr. Johnson asked if developers resist the fees. Mr. Light replied there is not much resistance. He stated developers respect the studies and analysis behind the fees. He stated when an applicant disagrees with the amount of the fee, staff will work with the applicant to ensure the fees are equitable. Mr. Light stated statute prohibits waiving impact fees, but occasionally the City grants a "functional waiver" as part of an incentive for an economic development project. He stated in those cases, the City pays the fee on behalf of the applicant. Mr. O'Connor stated ten years ago, the fees were questioned more. He stated now Noblesville is in high demand and developers are willing to pay the fees, although some will always question them. He stated the three percent annual increase for inflation is reasonable, although a higher increase could be justified.

Mr. O'Connor left the meeting.

Ms. Wiles stated the periodic evaluation and updates to the fees are required by law. The committee recommended adoption of the ordinances approving the impact fees.

Update – Summary of Routine Appropriation Transfers per RC-1-24, Section 1 – Q1 2024

Mr. Zelgowski reviewed the provisions in Resolution RC-1-24. He stated no transfers were completed in the first quarter. He credited the ongoing success of the budget process.

Update – Summary of Appropriation of Grant Proceeds per RC-2-24 – Q1 2024

Ms. Moss reviewed the provisions in Resolution RC-2-24. She reviewed the grants that were received and appropriated in the first quarter. Mr. Spalding stated the report provides information to the Council so that it is aware of the various grants the City receives, but it also serves as quarterly record-keeping. Ms. Moss stated most of the grants are reimbursements, but a few provide funding up-front. Mr. Davis thanked Ms. Moss for the information.

Fiscal & Debt Actions on Council Meeting Agenda – April 9

- *None*

Review of Agenda Addendum

Mr. Spalding stated there were no changes to the addendum. He stated the ordinance establishing an audit committee will be presented to the Council soon.

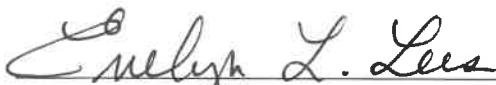
Other Business at Discretion of Chairman

Mr. Spalding informed the committee that the bonds for the event center were sold yesterday. He stated the closing will take place in a few weeks, and he will provide more details to the committee at that time.

The meeting was adjourned.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE