



AGENDA

City Council Finance Committee

March 7, 2024

8:15am (Est. duration 55 minutes)

Members: Mike Davis (Chairman), Dave Johnson, Aaron Smith, Megan Wiles

<i>Est. 10 minutes</i>	Claims Docket Review	Conference Room A213
	Caitlin Moss	

<i>Est. 10 minutes</i>	TENTATIVE: Economic Development Agreement – Project Hawkeye	Conference Room A213
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Preview of resolution approving an Economic Development Agreement with Cityscape Residential LLC.

Document(s): Resolution #RC-9-24

Andrew Murray

<i>Est. 5 minutes</i>	Fiscal Action(s) – Additional Appropriation – Levinson Garage Bond Payment	Conference Room A213
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Preview of additional appropriation to provide funding for the Levinson Garage Bond payment. By design, the cost of this bond payment is shared between the Levinson TIF Fund (Fund 513) and the LIT Debt Sinking Fund (Fund 118).

This is a purely technical action to properly align budgeted Local Income Tax (LIT) funding with projected TIF funding pledged for this purpose.

Document(s): Ordinance #05-03-24

Ian Zelgowski

<i>Est. 10 minutes</i>	Fiscal Action(s) – Additional Appropriation – Forest Park Aquatic Center Repairs	Conference Room A213
	<p><i>Preview of additional appropriation to provide funding for repair items that need immediate attention at the Forest Park Aquatic Center prior to the start of the 2024 Season.</i></p> <p>Document(s): Ordinance #08-03-24</p> <p>Ian Zelgowski; Matt Light</p>	
<i>Est. 5 minutes</i>	Fiscal Action(s) – Additional Appropriation – Proceeds from the Sale of Used Golf Carts	Conference Room A213
	<p><i>Preview of additional appropriation to appropriate proceeds received from the sale of ninety-four (94) used golf carts to offset the cost of one-hundred-five (105) new golf carts purchase by the Parks Department</i></p> <p>Document(s): Ordinance #07-03-24</p> <p>Ian Zelgowski</p>	
<i>Est. 10 minutes</i>	Update – Audit Committee	Conference Room A213
	<p><i>Preview of ordinance establishing a City Audit Committee, in accordance with IC 5-11-1-24.4, to enable the City to opt out of annual audits by the Indiana State Board of Accounts in favor of a private accounting firm.</i></p> <p><i>A move to position the City the issue audited financial statements that are more highly regarded by the municipal credit market.</i></p> <p>Document(s): Ordinance #XX-XX-24 DRAFT</p> <p>Jeff Spalding; Caitlin Moss</p>	
	Fiscal & Debt Actions on Council Meeting Agenda – March 12	Conference Room A213
	<ul style="list-style-type: none"> • Ordinance #03-02-24 – (2nd Reading) – Reset FCC Fund Maximum Tax Rate for Pay 2024 • Ordinance #05-03-24 – (1st Reading) – Additional Appropriation – Levinson Garage Bond Payment (DS/LIT Debt Sinking Fund) • Ordinance #07-03-24 – (1st Reading) – Additional Appropriation – Proceeds from the Sale of Used Golf Carts (Park Programs Fund) • Ordinance #08-03-24 – (1st Reading) – Additional Appropriation – Forest Park Aquatic Center Repairs (ARPA Local Fiscal Recovery Fund) 	
<i>Est. 0 minutes</i>	Review of Agenda Addendum	Conference Room A213
	<p><i>No changes from prior meeting</i></p> <p>Jeff Spalding</p>	

Additional Instructions

Supporting documents to be reviewed at the meeting:

- Claims Docket *(sent separately to members)*
- All documents for Fiscal & Debt Actions on Council Meeting Agenda
- Resolution #RC-9-24 – Economic Development Agreement – Project Hawkeye *(to be distributed at the meeting)*
- Ordinance #XX-XX-24 DRAFT – Establish City Audit Committee
- Agenda Addendum

- City Council Finance Committee – AGENDA ADDENDUM

Potential Future Ordinances/Resolutions and Other Fiscal Matters

- **Audit Committee** – Establish a City Audit Committee, by ordinance, to review the City's Annual Comprehensive Financial Reports (ACFRs) with Council Finance Committee members designated as ex-officio Audit Committee members. Other audit committee members might include Mayor and/or mayoral appointees.
 - **Update on Financial Management Assessment by Crowe, LLP** – At a future meeting, OFA will present an update on steps taken Crowe, LLP's completion of the City's Financial Management Assessment in December 2020.
 - **New Annual Budget Ordinance** – Beginning with the 2023 annual budget ordinance, OFA will replace the Department of Local Government (DLGF) budget ordinance template with a more customized ordinance that more clearly presents the City's proposed budget, yet still meets the DLGF requirements.
 - **Administration of Debt Service Funds Ordinance** – Establish in City code the authority of the Controller to create and terminate debt service funds, as necessary, to properly account for the receipt and expenditure of debt levy tax revenue.
 - **Administration of Debt Proceed Funds Ordinance** – Establish in City code the authority of the Controller to create and terminate debt proceed funds, as necessary, to properly account for the receipt and expenditure of proceeds from tax-supported (e.g. property tax, LIT, etc.) bond issues.
 - **City Code Revision: OFA Matters** – Topics include: a) update credit card use authorization/restrictions; b) establish travel policy; and c) update procurement process requirements.
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ORDINANCE NO. 03-02-24

RE-ESTABLISH CUMULATIVE FUND TAX RATE

114 FIRE CUMULATIVE CAPITAL FUND

WHEREAS, under State law the City may establish certain cumulative funds for funding capital improvements as specified by procedures provided in IC 6-1.1-41.

WHEREAS, the procedures set forth in IC 6-1.1-41 must be followed for the City to either establish a new cumulative fund or re-establish the tax rate for an existing cumulative fund.

WHEREAS, the procedures set forth in IC 6-1.1-41 must be completed before May 1 for the City's action to be approved by the State's Department of Local Government Finance for execution in the following calendar year.

WHEREAS, the maximum allowable property tax rate for a municipal Fire Cumulative Capital is \$0.0333 per \$100 assessed value established by State law under IC 36-8-14.

WHEREAS, under State law the property tax rates for the City's cumulative funds are automatically reduced, below the level originally established by the Common Council, each year a general reassessment increases the assessed value of real property within the City's legal boundaries due to general increase in the market value of real estate.

WHEREAS, automatic property tax rate reductions erode the purchasing power of the City's cumulative funds as price inflation increases the assessed value of real property.

WHEREAS, the Fire Cumulative Capital Fund is subject to the City's maximum levy limitation, therefore automatic property tax rate reductions for the Fire Cumulative Capital fund do not erode the City's share of Hamilton County local income tax revenue if the City raises other tax rates controlled by the maximum levy limitation correspondingly.

WHEREAS, general price inflation increases the City's cost of providing services to the citizens of Noblesville.

WHEREAS, the Common Council wishes to maintain the purchasing power of this cumulative fund by setting its maximum property tax rate at the statutory limit and such action does not preclude the Common Council from setting the actual property tax rate for this cumulative fund below this maximum in the annual budget ordinance.

NOW, THEREFORE BE IT ORDAINED, by the Common Council of the City of Noblesville, Indiana, that Chapter 38, Section 31 of the city code be amended as follows:

§38.31 FIRE CUMULATIVE CAPITAL FUND.

- A) There is hereby established a Fire Cumulative Capital Fund.
- B) An ad valorem property tax levy will be imposed and the revenue generated from the levy will be retained in the Fire Cumulative Capital Fund.
- C) The tax rate may not exceed the maximum allowable rate established by State law under IC 36-8-14-4(a). The tax rate is established at \$0.0333 per \$100 assessed value for assessments in 2022 and thereafter.
- D) The revenue accumulated in the Fire Cumulative Capital Fund may be used for all permissible uses as established by the following State statute:
IC 36-8-14 Cumulative Fire Fund
- E) Notwithstanding division (D), funds accumulated in the Fire Cumulative Capital Fund may be spent for purposes other than the purposes stated in division (D), if the purpose is to protect the public health, welfare and safety in an emergency situation which demands immediate action. Money may be spent under the authority of this Section only after the Mayor issues a declaration that the public health, welfare and safety is in immediate danger that requires the expenditure of money in the fund.
- F) This fund and tax rate take effect upon the annual approval of the Department of Local Government Finance.

Approved on this _____ day of _____, 2024 by the Common Council of the City of Noblesville, Indiana:

AYE		NAY	ABSTAIN
	Mark Boice		
	Michael J. Davis		
	Evan Elliott		
	David M. Johnson		
	Darren Peterson		
	Pete Schwartz		
	Aaron Smith		
	Todd Thurston		
	Megan G. Wiles		

ATTEST: _____
Evelyn L. Lees, City Clerk

Presented by me to the Mayor of the City of Noblesville, Indiana, this _____ day of _____, 2024 at _____ .M.

Evelyn L. Lees, City Clerk

MAYOR’S APPROVAL

Chris Jensen, Mayor

Date

MAYOR’S VETO

Chris Jensen, Mayor

Date

ATTEST: _____
Evelyn L. Lees, City Clerk

ORDINANCE NO. 05-03-24
ADDITIONAL APPROPRIATION ORDINANCE

118 DEBT SERVICE/LOCAL INCOME TAX DEBT SINKING FUND

WHEREAS, certain fiscal demands have developed since the adoption of the current Civil City annual budget so that it is now necessary to add appropriation authority from available unappropriated reserve balance in a fund.

WHEREAS, the bond payments for the Levinson Garage projects are funded partially from the Levinson TIF Fund (Fund 513) and partially from DS/LIT Sinking Fund (Fund 118).

WHEREAS, if the available TIF increment revenue is insufficient to cover the cost of the bond payment, the balance is paid from Fund 118 per the funding plan for the project.

WHEREAS, the 2024 Adopted budget assumed that \$450,000 of TIF increment revenue would be available for this bond payment, but that estimate was flawed and too optimistic.

WHEREAS, to cover the full cost of the bond payments due in 2024 the Common Council now wished to authorize additional funding from this Civil City fund.

WHEREAS, this is a request to increase appropriation authority for a non-recurring purpose.

WHEREAS, an appropriation increase for a non-recurring purpose does not increase the base budget for the ensuing fiscal year.

NOW, THEREFORE, to address such demands for the Debt Service/Local Income Tax Sinking Fund:

Section 1. BE IT ORDAINED, by the Common Council of the City of Noblesville, Indiana, that, for the obligations of the Civil City, the following appropriation increases be executed:

	INCREASE	
Department/Sub-Fund:	016	Econ Dev/Programs & Projects
Expenditure Series:	300	Services & Other Charges
Appropriation Amount:	\$150,000	

Approved on this _____ day of _____, 2024 by the Common Council of the
City of Noblesville, Indiana:

AYE

NAY

ABSTAIN

	Mark Boice		
	Michael J. Davis		
	Evan Elliott		
	David M. Johnson		
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	Aaron Smith		
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ATTEST: _____
Evelyn L. Lees, City Clerk

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Evelyn L. Lees, City Clerk

MAYOR’S APPROVAL

Chris Jensen, Mayor

Date

MAYOR’S VETO

Chris Jensen, Mayor

Date

ATTEST: _____
Evelyn L. Lees, City Clerk

ORDINANCE NO. 07-03-24
ADDITIONAL APPROPRIATION ORDINANCE

110 PARKS PROGRAMS FUND

WHEREAS, certain fiscal demands have developed since the adoption of the current Civil City annual budget so that it is now necessary to add appropriation authority from available unappropriated reserve balance in a fund.

WHEREAS, the City has sold ninety-four (94) used golf carts and the proceeds will partially offset the cost for the purchase of one-hundred and five (105) new golf carts.

WHEREAS, the difference between the cost of the new golf carts and the proceeds from the sale of the old golf carts will be financed with a capital equipment loan.

WHEREAS, the revenue from the sale proceeds of the used golf carts must be appropriated by the City Council to be available to spend for the purchase of the new golf carts.

WHEREAS, this is a request to increase appropriation authority for a non-recurring purpose.

WHEREAS, an appropriation increase for a non-recurring purpose does not increase the base budget for the ensuing fiscal year.

NOW, THEREFORE, to address such demands for the Parks Programs Fund:

Section 1. BE IT ORDAINED, by the Common Council of the City of Noblesville, Indiana, that, for the obligations of the Civil City, the following appropriation increases be executed:

INCREASE		
Department/Sub-Fund:	021	Parks/Golf
Expenditure Series:	300	Services & Other Charges
Appropriation Amount:	\$263,639	

Approved on this _____ day of _____, 2024 by the Common Council of the City of Noblesville, Indiana:

AYE

NAY

ABSTAIN

	Mark Boice		
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MAYOR’S APPROVAL

Chris Jensen, Mayor

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ORDINANCE NO. 08-03-24
ADDITIONAL APPROPRIATION ORDINANCE

149 AMERICAN RESCUE PLAN CORONAVIRUS LOCAL FISCAL RECOVERY FUND

WHEREAS, certain fiscal demands have developed since the adoption of the current Civil City annual budget so that it is now necessary to add appropriation authority from available unappropriated reserve balance in a fund.

WHEREAS, the City now intends to use a portion of the funding available from its 2021 American Rescue Plan Act grant award to cover costs for repairs and improvements of the Forest Park Aquatic Center.

WHEREAS, the American Rescue Plan Act of 2021, hereafter “the Act”, allows cities to replace revenue that was lost due to economic disruptions from the COVID-19 public health emergency with funding provided under the Act; this revenue replacement funding may be used for any governmental expenditure that would otherwise be eligible under local and/or state laws.

WHEREAS, the State Board of Accounts (SBoA), under State Examiner Directive 2021-1, had directed all cities to establish a separate American Rescue Plan Coronavirus Fiscal Recovery Fund, for receipt and expenditure of monies received under the Act; and that all monies held in the fund must be appropriated by the local fiscal body before being expended.

WHEREAS, the Common Council has established, via Resolution RC-44-21, that revenue replacement is a planned use of the monies received under the Act.

WHEREAS, the Friends of Central Pool ordered an engineering audit for the Forest Park Aquatic Center and the report indicated several items that are critical repairs and need immediate attention prior to the start of the 2024 season.

WHEREAS, the total amount of those immediate repairs is \$188,274, of which \$38,750 is to be funded by the Friends of Central Pool, and the remainder is being requested of the City.

WHEREAS, the Friends of Central Pool have additionally requested replacement of the safety net protecting the pool from baseballs originating from an adjacent baseball field at a cost of \$142,740 including a \$5,000 contingency amount.

WHEREAS, this is a request to increase appropriation authority for a non-recurring purpose.

WHEREAS, an appropriation increase for a non-recurring purpose does not increase the base budget for the ensuing fiscal year.

NOW, THEREFORE, to address such demands for the American Rescue Plan Coronavirus Local Fiscal Recovery Fund:

Section 1. BE IT ORDAINED, by the Common Council of the City of Noblesville, Indiana, that, for the obligations of the Civil City, the following appropriation increases be executed:

INCREASE		
Department/Sub-Fund:	023	Parks Improvement & Rehab
Expenditure Series:	400	Capital Outlay
Appropriation Amount:	\$300,000	

INTENTIONALLY LEFT BLANK

Approved on this _____ day of _____, 2024 by the Common Council of the City of Noblesville, Indiana:

AYE

NAY

ABSTAIN

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Evelyn L. Lees, City Clerk

ORDINANCE NO. XX-XX-24

ESTABLISHING AN AUDIT COMMITTEE FOR THE CITY OF NOBLESVILLE, INDIANA

WHEREAS, the City of Noblesville, hereafter “the City” wants to position itself for most favorable consideration from potential bond buyers in the national municipal finance credit market;

WHEREAS, potential bond buyers rely substantially on credit ratings generated by national credit rating agencies to assess the risks attributable to the purchase of municipal bonds;

WHEREAS, the national credit rating agencies preference audited financial statements certified by private independent accountants over those certified by State government audit agencies;

WHEREAS, under Indiana law, all municipalities are subject to an annual audit of their financial statements by the Indiana State Board of Accounts, hereafter “SBoA”, unless they opt out of that requirement by action of their legislative body;

WHEREAS, under IC 5-11-1-24.4, a city may opt out of the SBoA audit requirement and select a private independent accountant to audit their financial statements if certain conditions are met;

WHEREAS, to opt out of the SBoA audit requirement a municipal legislative body must establish an audit committee as prescribed under IC 5-11-1-24.4;

WHEREAS, the Common Council wants the City to have the option to select its own private independent accountant to audit the City’s financial statements.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of Noblesville, Indiana to amend the Code of Ordinances as follows:

Section 1. There is hereby established the Audit Committee to facilitate the selection of a certified public accountant to audit the City’s financial statements. The committee shall be composed of the following three (3) members:

- A) One (1) member of the legislative body appointed by the legislative body.
- B) One (1) certified public accountant appointed by the legislative body who is not the fiscal officer or an employee of the audited entity.
- C) One (1) person appointed by the executive of the audited entity who is qualified due to an involvement with financial matters, and who is not the fiscal officer or an employee of the audited entity.

Each member shall be appointed for a term of no longer than three (3) years and shall serve without compensation. The term of a member appointed under Section 1(A) shall be for no more than two (2) years. In making the first ever appointments to the committee, their initial terms shall be staggered so that all member terms do not end at the same time. Then, the terms for subsequent member appointments shall be for two (2) years or three (3) years, respectively. The two (2) year term of a member appointed under Section 1(A) shall be set to expire on an alternating cycle that is aligned with the end of their elected term in office.

Section 2. A term for a member of the audit committee shall begin on January 1 and end on December 31. If member is appointed after January 1, of a given year, the first year of their term will be completed on December 31 of that year. A member appointed under Section 1(A) who ceases to hold the elected office ceases to be a member of the audit committee. A member may not have a contractual relationship, financial interest, or political affiliation with the certified public accountant selected.

Section 3. The Audit Committee shall do the following:

- A) Establish factors to evaluate the audit services provided by a certified public accountant including, but not limited to:
 - i. experience;
 - ii. ability to perform the required services;
 - iii. capability to follow the guidelines and standards adopted by the Indiana State Board of Accounts or its successor; and
 - iv. ability to timely complete all necessary components of the examination.
- B) Publish notice of a request for proposals, under IC 5-3-1, that includes at a minimum:
 - i. a brief description of the audit requirements and time frame;
 - ii. application procedures; and
 - iii. evaluation criteria.
- C) Evaluate the proposals submitted by qualified certified public accountants.
- D) Rank and recommend to the Common Council, in order of preference, not fewer than three (3) certified public accountants considered most highly qualified on the factors established under Section 3(A). If fewer than three (3) certified public accountants respond to the request for proposals, the audit committee shall recommend the remaining qualified certified public accountants in order of preference.

Section 4. The Controller shall provide the necessary staff support to the Audit Committee. The committee shall advise the Common Council of any and all other official actions necessary to comply with the requirements, under IC 5-11-1-24.4, for an opt-out from Indiana State Board of Accounts audit examinations.

Approved on this _____ day of _____, 2024 by the Common Council of the City of Noblesville, Indiana:

AYE		NAY	ABSTAIN
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ATTEST: _____
Evelyn L. Lees, City Clerk

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Evelyn L. Lees, City Clerk

MAYOR’S APPROVAL

Chris Jensen, Mayor

Date

MAYOR’S VETO

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ATTEST: _____
Evelyn L. Lees, City Clerk

DRAFT