



Board of Public Works and Safety

Agenda Item

Cover Sheet

MEETING DATE: May 15, 2018

☒ New Item for Discussion

☐ Previously Discussed Item

☐ Miscellaneous

ITEM #: 1

INITIATED BY: Jeffrey Spalding

☒ Information Attached

☐ Bring Paperwork from Previous Meeting

☐ Verbal

☐ No Paperwork at Time of Meeting



MEMORANDUM

TO: Members of the Board of Public Works
FROM: Jeffrey L. Spalding, Controller *JLS*
DATE: May 15, 2018
SUBJECT: Consulting Services Agreement with Policy Analytics, LLC

As a fast growing community, the City of Noblesville has rising need to professionalize its forecasting, tracking, and analysis of tax increment financing (TIF) districts.

To date, the City's routine accounting for and analysis of TIF districts has been rudimentary. Only during the process of issuing debt (supported by TIF revenue) is the analysis sharpened for the sole purpose of securing a credit rating.

The Office of Finance & Accounting (OFA) is proposing to close that TIF analysis gap by hiring Policy Analytics, LLC (PALLC). PALLC will provide the City with highly sophisticated forecasting of revenue and on-going tracking and analysis of financial data for each TIF district. In essence, PALLC (in partnership with the Office of Finance & Accounting) will produce a "business plan" for each TIF district.

In their proposed letter of engagement (attached), PALLC has structured their work for the City as a two (2) phase effort. In Phase I, they will deliver: a) a detailed cash flow projection for each TIF district; and b) a set of GIS-based maps with parcel level financial detail for each TIF district. For that service they have set a fee of not to exceed \$12,500.

In Phase II, they will deliver: a) a report defining the fiscal impact of TIF districts on the City and all other overlapping taxing units; b) a maintenance regime for City TIF district financial data; and c) an annual presentation to City policymakers (e.g. Redevelopment Commission; City Council; etc.) on the financial condition of each TIF district. The proposed letter of engagement does not specify a cost for Phase II services because PALLC will need to complete Phase I before they can reasonably estimate a cost for Phase II.

I am available at your call for any questions about the proposed agreement.

Attachments

JLS:jls

I:\Clerk, BOW, and Council\Board of Public Works\2018\5 15 2018 BOW Meeting\BOW Approval Request - 5 15 2018 Meeting - Policy Analytics Agreement.docx

May 8, 2018

Mr. Jeffrey L. Spalding, CFO & Controller
Office of Finance & Accounting
City of Noblesville
16 South 10th Street, Suite 270
Noblesville, IN 46060

Re: Engagement for Creating Analytical Tools, and for Providing an Analysis of the Tax Increment Financing Districts in the City of Noblesville

Dear Mr. Spalding,

This letter of engagement, made and entered into effective as of June 1, 2018 and continuing through December 31, 2018, sets forth the terms pursuant to which the City of Noblesville, ("City") has agreed to engage Policy Analytics, LLC ("Policy Analytics"), for the provision of professional public finance services to provide analysis relevant to the City's understanding and management of the Tax Increment Financing ["TIF"] districts included within the City's boundaries.

Under this engagement, Policy Analytics will accomplish the tasks as described below, in accordance with accepted professional standards, in two distinct Phases. Policy Analytics' analytical and consulting tasks shall include but not be limited to the following:

Phase I

1. Policy Analytics will create proforma cash flow projections for each TIF district, utilizing both historical and current data.
2. Policy Analytics will create TIF district maps using GIS software at the parcel level. The maps and relevant data will be maintained and utilized to present policy options to the City and stakeholders, at the City's request. At the conclusion of Phase I, Policy Analytics will present its findings to the City, and stakeholders as directed by the Office of Finance & Accounting.

Phase II

3. Policy Analytics will prepare a report demonstrating the impact of the City's TIF districts on the fiscal structure of the City and on those taxing units with overlapping districts, including relevant school corporations.

4. Policy Analytics will maintain the TIF data for the proformas for each of the TIF districts with updated tax base and investment data, merging the financial information with the GIS mapping tools created in Phase I.
5. Using the tools developed in Phase I and incorporating the newly available annual information, Policy Analytics will provide updates presenting the financial status of each of the TIF districts within the City.

Policy Analytics will undertake the tasks within the scope defined above, in accordance with the conditions of this Engagement Letter, and for a total amount not-to-exceed twelve thousand six hundred fifty dollars (\$12,650.00), which not-to-exceed applies solely to the tasks described in Phase I. At the conclusion of Phase I, the City and Policy Analytics will define further the tasks described in Phase II and will set mutually agreed to compensation for each task which will be set forth in an amendment to this Engagement Letter, signed by both parties.

In addition to the condition stated above, should the scope or duration of this engagement change or other circumstances require amendment to the above not-to-exceed amount, it may be amended in writing in accordance with the provisions of this agreement. Policy Analytics is not required to undertake any tasks beyond the scope stated in Phase I or the duration defined above without a written agreement and the City is not required to pay Policy Analytics more than the not-to-exceed amount of \$12,650.00 without a written agreement or amendment of this Engagement Letter signed by both parties.

Time spent on this engagement will be billed on a periodic basis with payment being due within thirty (30) days of billing. Billing for professional services does not include reimbursement for other direct expenses. Other reasonable expenditures incurred by Policy Analytics accomplishing the tasks under this engagement will be reimbursed at actual cost, after approval of the City, upon presentation of valid documentation.

Regarding this engagement, Policy Analytics is acting as an independent contractor and not in any other capacity with duties owing solely to the City. All aspects of the relationship created by this Engagement Letter shall be governed by and construed in accordance with the laws of the State of Indiana, applicable to contracts made and to be performed therein.

All individuals performing work on behalf of Policy Analytics under this Engagement Letter shall be considered employees or contractors of Policy Analytics. Policy Analytics reserves the right to retain the use of employees or subcontractors to conduct the services contemplated in this Engagement Letter and all decisions regarding the selection, hiring and retention of such employees or subcontractors shall be in the exclusive discretion of Policy Analytics.

To the extent Policy Analytics uses or develops any new or advanced financial analysis tools in the performance of this Engagement Letter, including but not limited to software, those products and or/processes shall remain the exclusive property of Policy Analytics.

All deliverables produced under this Engagement Letter shall be considered the exclusive property of the City, which has the right to distribute as the City decides. The release of the above deliverables is under the purview of the City and its authorities. Policy Analytics will not meet with media outlets or elected officials concerning the work under this Engagement Letter without the direction and approval of the City.

Policy Analytics' deliverables and work product generated under this engagement remain confidential until released or directed to be released by the City. Confidential information shall not include information that is required to be disclosed pursuant to governmental authority, all applicable state and federal laws (including but not limited to Indiana's Access to Public Records Act, if applicable), regulation, duly authorized subpoena or court order whereupon Policy Analytics shall provide notice to the City prior to such disclosure.

The City has all requisite power and authority to enter into this Engagement Letter and the transactions contemplated hereby. This Engagement Letter when signed below has 1) been duly and validly authorized by all necessary action on the part of the City, 2) has been duly executed and delivered by an authorized representative of the City, and 3) constitutes a legal, valid and binding agreement between the City and Policy Analytics, enforceable in accordance with its terms.

Please note that this Engagement Letter supersedes any prior agreements, representations or promises of any kind, whether written, oral, express or implied between the parties hereto with respect to the subject matters herein. This Engagement Letter cannot be changed, unless in writing, signed by an authorized officer of the City and Policy Analytics.

We at Policy Analytics are delighted to accept this engagement and look forward to working with you on this assignment. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the enclosed duplicate of this Engagement Letter.

Very truly yours,



William J. Sheldrake
President, Policy Analytics, LLC

Accepted and Agreed to as of the date first written above:

Mr. Jeffrey L. Spalding, CFO & Controller
Office of Finance & Accounting
City of Noblesville

Date

All of which is approved by the Board of Public Works and Safety of the City of Noblesville this
_____ day of _____ 2018.

JOHN DITSLEAR, MAYOR

LAWRENCE STORK, MEMBER

JACK MARTIN, MEMBER

ATTEST:

EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE, INDIANA