

**COMMON COUNCIL  
FINANCE COMMITTEE  
OCTOBER 4, 2018**

The City of Noblesville Council Finance Committee met pursuant to public notice on Thursday, October 4, 2018. Greg O'Connor, Wil Hampton, and Megan Wiles were present. Roy Johnson participated by telephone.

Also present were Mayor John Ditslear, Judge S. Matthew Cook, Deputy Clerk Jacqueline Thompson, Controller Jeff Spalding, Planning Director Sarah Reed, and staff Joyceann Yelton and Amy Smith.

**Report on Noblesville Youth Assistance Program (NYAP)**

Judge Cook stated the Administration and Council have asked him to be the point person concerning this program for at-risk youth. He stated the program was initiated by Judge Steve Nation, who felt if he could help children before they reach the justice system, crime could be prevented. He stated the program takes referrals from the schools and police, then works to solve problems as soon as they appear. He stated \$65,000.00 is budgeted for the program, and it also received a \$20,000.00 donation from the Mayor's Jubilee. Mayor Ditslear noted next year he is considering dividing the proceeds of the Jubilee equally between all recipients since the inception of the event. Judge Cook distributed a graph showing the drastic reduction in juvenile criminal cases in Hamilton County since the program's inception. He noted this is true government crime prevention. He stated the Noblesville program has two staff members who receive their employment benefits through the county. He stated the program is working, and they are asking for \$75,000.00.

City Clerk Evelyn Lees and City Attorney Michael Howard joined the meeting at 8:34 a.m. Deputy Clerk Jacqueline Thompson left the meeting.

Mr. O'Connor stated he is not opposed to more funding for the program. Mr. Johnson stated \$50,000.00 that was not asked for was recommended for the cultural arts consultancy. He stated since they did not ask for the money, he would rather see it go to NYAP if a choice has to be made. Mr. Taylor disagreed and stated the arts consultancy truly needs the money. Mr. Ayer noted the consultancy is doing work that the City would otherwise have to do. Mr. Ayer asked when the \$300,000.00 contribution to the Boys and Girls Club will be completely paid. The last installment is due in 2019. Mr. Ayer suggested since both programs serve a similar purpose, the money should be allocated to NYAP beginning in 2020, when the Boys and Girls Club donation is completed. Judge Cook stated he was asked to report to the Council, which he has done, and he will abide by their decision.

Judge Cook left the meeting at 8:35 a.m.

Mr. Ayer stated he prefers a stair-step approach to increasing funding. Mayor Ditslear stated the program helps children and their families in many ways and is a very good program. Mr.

Hampton observed the increase might be needed if they will receive less from the Mayor's Jubilee next year.

### **Voluntary Annexation Proposals**

Mr. Howard stated there are two very large and complex potential developments that the City is negotiating which could increase the City's Assessed Value by 18%. He stated these developments are more complex than the Levinson; the City has not had projects this complex since Hamilton Town Center was built. He noted staff will not have the development agreements and zoning finished by the end of the year, and because there is a census in 2020, federal law prohibits annexations in the year prior to the census (2019). He stated usually the City does not annex unless a development agreement has been signed by all of the property owners, but in this case staff is asking the Council to allow the annexations to move forward subject to Memorandums of Understanding. He noted both developers are fully cooperating with staff on their projects to move forward as soon as possible.

Ms. Reed stated the Memorandums of Understanding will allow the City to de-annex the land if a development agreement is not signed or a planned development ordinance is not approved by October 31, 2019. She stated this will give staff time to work out the details of the projects and allow them to go forward next year with the same Council members. She noted the memorandums will allow for some breathing room. Mr. Howard stated the extra time is particularly needed for negotiations with Hamilton Southeastern Utilities, which provides sanitary sewer to the area. Mr. Ayer asked why the City is considering these projects when we have so many large projects already. Mr. Howard stated these projects will be financed by developer-backed bonds, which will not affect the City's finances. Ms. Wiles asked if the Council will see the memorandums of understanding. Mr. Howard stated he would email them to Council this afternoon.

Mr. Howard, Ms. Reed, Ms. Yelton, and Ms. Smith left the meeting at 8:55 am. Christopher Jenson joined the meeting by telephone.

### **2019 Civil City Budget – Final Pre-Introduction Review**

Mr. Spalding noted he has updated the budget overview and highlights as of September 28, which is the date he submitted the budget to the State via Gateway. He stated the proposed modifications to the budget have also been revised since August 21<sup>st</sup>. Mayor Ditslear asked what the Council wants to accomplish at this meeting. Mr. Taylor stated if there is a three percent pay increase, he feels the budget should be cut by three percent, but he is not sure where to cut. Mr. Ayer did not think it was possible short of cutting personnel. He stated he is most concerned about adding 17 new positions, because that will be the biggest ongoing expense. Mayor Ditslear noted there is no "fluff" in this budget. Mr. Ayer asked how much Local Income Tax (LIT) will be used in the budget, and how much will go to the Rainy Day Fund. Mr. Spalding stated at the end of 2018 the Rainy Day Fund should have a balance of \$12 million, and by 2023 the balance is projected to be \$20 million. He noted that LIT is just another revenue source, but more of it will be used as the community grows because the property tax levy is restricted by law. He

distributed updated budget by fund spreadsheets, which included the pay increase. He stated excluding one-time expenses, the budget is growing by 3.3 percent, inclusive of a three percent general pay increase. He noted this budget could also accommodate a four percent increase. There was a discussion regarding the pay increase and positions whose pay will be adjusted, and whether those positions should receive both increases. Mr. Spalding stated he believes the directors factored in the general pay increase when they calculated the adjustments. The committee felt giving both to an employee seemed excessive. Ms. Wiles suggested giving the greater of the two increases to each employee whose salary is to be adjusted. Ms. Lees explained that Human Resources Director Holly Ramon is currently out of town, so the ordinance will reflect the general pay increase but no other changes at the October 9<sup>th</sup> introduction. She stated the ordinance can be amended before adoption on October 23<sup>rd</sup>. Mayor Ditslear stated he asked for a four percent raise, but he is happy with three percent. Mr. Spalding stated he will communicate with the directors going forward concerning pay adjustments. He noted that the meet and confer process for the Fire Department is not yet complete, but the budget can be adjusted later to accommodate any changes. Mr. Spalding noted in another two years, good comparison data will be available for budgeting purposes. Mayor Ditslear noted that the City does not hire more people until they are really needed. There was a discussion about budgeting capital improvement projects. Mr. Spalding stated he meets with the Engineering Department every two weeks and has tried to include as much as possible in the budget, but sometimes projects come forward that were not planned. He noted that those unplanned projects can be funded by transfers from contingency funds, but the Council must approve the transfers. He noted some projects are not in the budget because they are funded by bond proceeds; debt service on the bond is in the budget.

The committee recommended a three percent general pay increase and for individual pay adjustments to be the greater of the adjustment or the general pay increase. It was noted that \$50,000.00 for the arts consultancy would remain in the budget, but \$50,000.00 for an Economic Development strategic plan would be removed. The committee agreed to fund NYAP at \$65,000.00 in 2019 and increase the amount in 2020 after the Boys and Girls Club commitment has been fulfilled.

#### **Fiscal Actions on October 9 Council Agenda**

The 2019 budget and salary ordinances for employees and elected officials are on the agenda, as well as a public hearing for the budget.

#### **Other Pending 2018 Ordinances/Resolutions on Fiscal Matters**

**Amend City Code (Ord 69-11-90) to Link Mileage Reimbursement Rate to IRS Rate – On Deck**  
**Appropriation of Park Impact Fee Fund (198) and Road Impact Fee Fund (199) – On Deck**  
**Resolution for Prior Authorization of Budget Neutral Appropriation Transfers – On Deck**  
**City Code Revision (OFA Matters) – On Hold**

These items were not discussed.

**Updates of Ongoing and Planned Financial Initiatives and/or Process Improvements**

**TIF Fund Reconciliation**

Mr. Spalding stated Economic Development Assistant Director Andrew Murray is working with him on this project to provide information to Policy Analytics.

**New Chart of Accounts**

**OpenGov Budget Builder & Personnel Cost Forecasting Module**

**OFA Staff Structure**

**Cash Advisory Service – On Hold**

**Key Purchase Card Program & Centralized Purchasing – On Hold**

These items were not discussed.

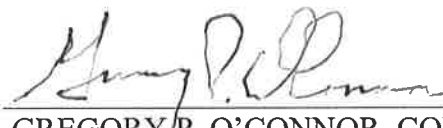
**Claims Docket Review**

The committee recommended approval of the claims.


**Other Business at Discretion of Chairman**

Mr. Ayer noted that funding set aside for land acquisition for the Pleasant Street project is low. He expressed a desire for a dedicated funding source. Mr. Spalding stated to this point the spending has been tracked on a spreadsheet by the Engineering Department.

The meeting adjourned at 10:12 a.m.



GREGORY P. O'CONNOR, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK