

**COMMON COUNCIL
FINANCE COMMITTEE
DECEMBER 13, 2018**

The City of Noblesville Council Finance Committee met at 8:20 a.m. on Thursday, December 13, 2018. Greg O'Connor, Wil Hampton, and Megan Wiles were present. Roy Johnson participated by telephone.

Also present were City Clerk Evelyn Lees, Deputy Mayor Steve Cooke, Deputy Clerk Charlene Cummings, Controller Jeff Spalding, and Economic Development Assistant Director Andrew Murray. Attorney Dennis Otten participated by telephone.

Levinson Project

Mr. Murray stated he is bringing two ordinances and one resolution regarding the Levinson project. He stated the resolution will establish a new allocation area. He noted the Redevelopment Commission has approved a declaratory resolution that removed parcels from the Downtown TIF and created a new TIF. He stated the Plan Commission has approved the resolution of the Redevelopment Commission, so the next step will be for the Council to ratify the declaratory resolution. He stated if the Council approves this resolution, the Redevelopment Commission will hold a public hearing and approve a confirmatory resolution. Mr. Murray stated ordinances #54-12-18 and #55-12-18 also will be introduced. He stated the first ordinance established a lease agreement between the Community Development Corporation (CDC) as the 501(c)(3) lessor and the Redevelopment Commission and the City as lessees. He stated the project will be funded by two revenue sources: tax increment and a pledge of Local Income Tax (LIT). Mr. Spalding stated the payments will be approximately \$1.3 million, with approximately \$180,000.00 from LIT. He noted the developer will construct the project. Mr. Otten stated the ordinance includes an additional bonds test provision, which the City has used historically and meets. Mr. Murray stated the second ordinance will approve issuing bonds for the project; these will be taxable lease rental bonds. Mr. Murray stated the third item is the authorization of the Council to the bonds. He stated the bonds will capitalize the interest and include issuance costs. He stated it may not be necessary to fund a cash reserve. Mr. Spalding stated the need for a cash reserve is yet to be determined.

Ms. Lees and Mr. Murray left the meeting.

2019 Budget Order – 1782 Notice

Mr. Spalding stated the Department of Local Government (DLGF) reduced the City's debt service levy. He stated budgets can be changed, but levies cannot. He stated he is appealing the DLGF's ruling. Ms. Wiles noted the three areas of reduction that were in the 1782 Notice. Mr. Spalding explained the reason for each and that we can re-appropriate these funds next year.

Council Fiscal Advisor Contract Renewal

Mr. Spalding stated he is working to professionalize our processes. Mr. Spalding stated he is taking over some of Mike Reuter's responsibilities. He stated Mr. Reuter requested a 1.7% increase in his 2019 contract. Mr. Spalding stated he expects Mr. Reuter's role to diminish over the next few years as we change and improve. Ms. Wiles agreed with his contract increase and stated the Council likes to use him as a resource. Mr. Spalding agreed and stated this increase is included in the Council budget. Mr. Johnson stated the Council approves using Mr. Reuter and making sure the foundation is there for someone down the road to be able to step in and continue in the same path Mr. Spalding and Mr. Reuter have laid out. He stated Mr. Reuter's biggest value is he understands the financial impact for Hamilton County. Mr. O'Connor stated by the year 2021-2022 Mr. Reuter's role will have drastically changed, and he will most likely be contracted on an hourly basis.

Pre-YE Fiscal Administration Transfer Resolution

Mr. Spalding stated he has combined all of his transfers into one item for the Council meeting. He stated they will be presented as Transfers TA-14-18 A-G. He stated each resolution transfers funding to the correct expense line. He stated the emphasis this year was spending from the appropriate lines rather than from where there was money available, as has been done in the past. He stated this approach created gaps in some budgets. Mr. Spalding commented it was hard for the various departments to start using the new system, but it is working and it will be easier to create more accurate budgets in the future.

Ms. Lees rejoined the meeting at 9:33 a.m.

Fiscal Actions on December 18 Council Agenda

Public Hearing on Additional Appropriation Ordinance – Promotional Fund Contingency Reserve & Budget Overruns

Public Hearing on Appropriation Reduction Ordinance – General Fund Offset to Promotional Fund Additional Appropriation

Resolution – Approval of Declaratory Resolution of the RDC and Plan Commission Order to Remove Parcels from the Noblesville (aka Downtown) TIF Area and Establishing the Noblesville – Levinson TIF Area #1

Ordinance – Approval of Garage Lease, Pledge of LIT Revenue to RDC and Transfer of City-owned Parcels to the CDC

Ordinance – Approval for Issuance of Bonds and Lending Proceeds to the CDC

Appropriation Transfer Resolution – Multiple/Pre-YE Fiscal Administration

Mr. Spalding briefly noted these items will be on the Council agenda for December 18th.

Other Pending 2018 Ordinances/Resolutions on Fiscal Matters

Appropriation of Park Impact Fee Fund (198) and Road Impact Fee Fund (199) – On Hold

City Code Revision (OFA Matters) – On Hold

These items were not discussed.

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

Revise Travel Reimbursement Policy

Mr. Spalding stated the travel reimbursement policy is being revised by Jacqueline Thompson.

TIF Fund Reconciliation

Mr. Spalding noted this item has to be completed soon in order to close the year's accounting. He stated the information will then be sent to Policy Analytics. He stated Mr. Murray will work with them as the customer under Mr. Spalding's oversight. He noted that the Economic Development Department will oversee the TIF funds, but he will help them understand their resources and how they can be used.

OpenGov Budget Builder & Personnel Cost Forecasting Module

This item was not discussed.

OFA Staff Structure

Mr. Spalding stated he is still working on staffing and plans to hire an accounting firm as well to develop an internal controls manual for the City. He stated he may solicit proposals for the project.

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. Mr. Spalding suggested the committee might designate a primary reviewer of the claims. Ms. Wiles disagreed. She stated everyone on the committee should be responsible for reviewing the claims.

Other Business at Discretion of Chairman

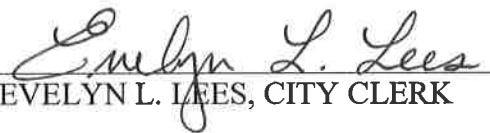
Ms. Wiles stated that for the Council to prioritize capital projects, they need an accurate forecast of the City's finances. She stated without that information, it is very difficult to make any recommendations. There was a brief discussion of the project presented in executive session. The

committee approved of the concept but could not recommend City participation in the project at this time. Mr. Cooke stated the Administration has already informed the petitioner that the City has other priorities at this time.

The meeting adjourned at 10:00 a.m.



GREGORY P. O'CONNOR, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK