

**COMMON COUNCIL  
FINANCE COMMITTEE  
JANUARY 24, 2019**

The City of Noblesville Council Finance Committee met at 8:18 a.m. on Thursday, January 24, 2019. Megan Wiles, Greg O'Connor, and Rick Taylor were present. Christopher Jensen arrived at 8:30 a.m.

Also present were City Clerk Evelyn Lees, Controller Jeff Spalding, City Attorney Michael Howard, Fire Chief Greg Wyant, Planning Director Sarah Reed, Accounting Consultant Jim Treat, Chief Accountant Heather Trexler, Economic Development Assistant Director Andrew Murray, Economic Development Assistant Amy Smith, and Administrative Assistant Jacqueline Thompson.

**Campus Center Project Financing Plan**

Mr. Spalding stated this project is on the agenda because it will have a different budgetary impact than projects have in the past. Mr. Murray stated the property is zoned for office/flex and retail; the City will issue bonds and make the proceeds available to the developer by the end of February. He stated the bonds are expected to total \$7 million, \$6.5 million of which will be used to provide a 50% reimbursement to the developer for land acquisition and site development costs. He stated there will be two items regarding this project on the agenda: an ordinance to authorize the bond issuance, and a resolution to establish a new TIF area. He stated the TIF area has already been before the Redevelopment Commission and the Plan Commission; if the Council approves, it will go back to the Redevelopment Commission. Mr. Howard stated this project will have unique financing. He stated in the past, bonds have been backed by pledges of property tax or Local Income Tax (LIT), but because the City has several current capital projects, there are issues with the City's constitutional debt limit. He stated in the past, the City has been able to use lease financing, which is not subject to the debt limit, because we own the infrastructure; that will not be the case with this project. He stated the team recommends that the City commit to provide a general revenue pledge subject to annual appropriation for the debt service payment, to which the developer's taxpayer payments, the TIF increment, and excess increment in the Corporate Campus West TIF also will be pledged. He noted the appropriation in the budget will essentially be a place holder. Mr. Spalding stated this appropriation will cause the budget to increase by approximately \$450,000.00, but the increase will not appear until 2022, because the interest on the bonds will be capitalized until then. Mr. Treat stated the pledge of general revenues subject to annual appropriation is unusual and will result in a slightly lower bond rating, but it will still be strong.

Mr. Treat stated the Corporate Campus West TIF will sunset in 2033, but the 146<sup>th</sup> Street bonds will be paid off in 2029, resulting in higher available revenues in the Corporate Campus West TIF for the final four years. He stated they plan to make higher payments on the proposed bonds during those years, which will allow for 20 year rather than 25 year bonds and lower risk for the City. Mr. Howard stated the new TIF increment is expected to be substantially in excess of the taxpayer payments paid by the developer. Ms. Reed noted per the taxpayer agreement, zoning on the other three corners of the intersection cannot be changed for the first five years. Ms. Wiles

asked what area is in the Corporate Campus West. Mr. Howard explained it is generally east of State Road 37 to Cumberland Road along 146<sup>th</sup> Street, excluding other nearby TIF districts and residential areas. Ms. Wiles replied she does not want new TIF areas to hurt older TIFs. Mr. Howard explained only vacant parcels are used to form new TIF areas, so they cannot hurt the older TIFs. Mr. Treat provided a list of major taxpayers in the Corporate Campus West TIF. He noted the balance on the bonds will be less than \$1 million in 2034, so there is the possibility of paying them off then if necessary. There was a discussion concerning the capitalized interest and debt reserve fund. The committee recommended using cash to fund these items in order to keep the amount of the bond as low as possible. Mr. Howard will draft a resolution for the full Council to consider. He stated the bonds are set to close on February 27<sup>th</sup>.

Mr. Howard, Mr. Murray, and Ms. Smith left the meeting.

### **Budget Adjustments for Additional Vehicle Replacements Recommended by Enterprise Fleet Management (EFM)**

Aaron Stoner of Enterprise Fleet Management joined the meeting by telephone.

Mr. Spalding stated Enterprise Fleet Management (EFM) has been providing vehicles and offering advice to various departments of the City. He stated three departments have accepted EFM's advice, which will result in replacing more vehicles than were budgeted. He stated all of the additional replacements can be justified and should result in lower costs in the long term. Mr. Hellmann, Ms. Reed, and Chief Wyant explained the Engineering, Planning, and Fire Department's plan to replace vehicles, respectively. Mr. Spalding stated a transfer resolution will be on the Council agenda to complete transfers within the Cumulative Capital Development Fund to the departments for the extra vehicles. He noted the transfers are budget-neutral. Mr. O'Connor asked if any other departments will need extra vehicles. Mr. Spalding stated EFM has made recommendations to the Parks Department, but they are still negotiating with the Parks Board. Mr. Stoner stated he also has recommendations for the Street Department, but there are industry-related timing issues. He stated when the process is repeated next year, it will be more streamlined. Mr. Spalding stated EFM's process will be completed as a part of the budget process next year.

### **Upcoming 2019 Routine Fiscal Actions**

- *Report YE Appropriation Transfers executed pursuant to RC-20-2018*

Mr. Spalding stated a report of year-end transfers will be presented to the Council at the first meeting in February as required by resolution RC-20-2018.

- *Re-appropriate/re-establish adopted budget levels reduced by DLGF*

Mr. Spalding stated this is a routine re-appropriation to satisfy the rules of the Department of Local Government Finance (DLGF).

- *Re-set CCD tax rate for 2020*
- *Reallocation of appropriations for 2019 general salary increase*
- *Reallocation of appropriations for proper 2019 budget alignment under new chart-of-accounts*

These items were not discussed.

**Fiscal (and Related) Actions on Council Meeting Agenda - January 29**

- *Bond Authorization Ordinance*
- *TIF Allocation Area Confirming Resolution*
- *Appropriation Transfers*

Mr. Spalding stated these items will be on the agenda and were discussed earlier in the meeting.

**Other Pending 2019 Ordinances/Resolutions on Fiscal Matters**

**[NEW] Appropriation of Parks Program Fund (110) – On Hold**  
**Appropriation of Park Impact Fee Fund (198) and Road Impact Fee Fund (199) – On Hold**

Mr. Spalding stated these funds historically have not been included in the City’s budget, but he believes they should be.

**City Code Revision (OFA Matters) – On Hold**

This item was not discussed.

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

**[NEW] Internal Control Standards RFQ**

Mr. Spalding stated he received responses from two entities, but not the third.

**[NEW] Pro-forma TIF Cash Flow Projections**

Mr. Spalding stated this is a new item that will move forward in the future.

**Revise Travel Reimbursement Policy**

Mr. Spalding stated the travel reimbursement policy still is being revised by Jacqueline Thompson to change from receipt reimbursements to a per diem model.

**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. Spalding stated Ms. Thompson has been working to clean up excess Dun & Bradstreet numbers, which are necessary for tracking grant applications.

The meeting adjourned at 9:40 a.m.

  
MEGAN G. WILES, COMMITTEE CHAIR

  
EVELYN L. LEES, CITY CLERK