

**COMMON COUNCIL
FINANCE COMMITTEE
FEBRUARY 7, 2019**

The City of Noblesville Council Finance Committee met at 8:17 a.m. on Thursday, February 7, 2019. Megan Wiles, Christopher Jensen, Greg O'Connor, and Rick Taylor were present.

Also present were City Clerk Evelyn Lees, Fire Chief Greg Wyant, Chief Accountant Heather Trexler, Economic Development Assistant Director Andrew Murray, and Administrative Assistant Jacqueline Thompson. Controller Jeff Spalding participated by telephone.

Campus Center Project Financing Plan – 2nd Reading Update

Mr. Murray stated the ordinance had its first reading at the January 29th Council meeting, so second reading will be on February 12th. He stated there have been no changes to the ordinance since the first reading. A handout was distributed showing the credit rating for the bonds. Mr. Spalding explained the A+ rating and cost of the bonds; the financial team was successful in their efforts. Mr. Murray stated the pre-construction interest on the bonds will be paid from the Corporate Campus West TIF and supplemented by the Hamilton Town Center TIF if necessary, while the debt service reserve will be funded by the Civil City. He stated both sources will be refunded from the project's tax increment. He noted the project will be presented to the Redevelopment Commission tomorrow morning. Mr. O'Connor stated the fees on the bonds were reasonable.

Facade Grant Program

Ms. Wiles stated after the Economic Development Council Committee (EDCC) discussed expanding the boundaries of the Façade Improvement Grant Program to the City limits, it seemed appropriate for this committee to discuss changing funding from the Logan Street TIF. She stated three businesses requested expanding the boundaries because they were outside the current boundaries but paying into the TIF. Mr. Jensen stated if the boundaries are expanded to the City limits, the funding source for the program should probably be changed. Ms. Wiles and Mr. O'Connor agreed. Mr. Spalding suggested the simplest, most straightforward approach is appropriate funds for the program in the Economic Development Department budget, since they oversee the program; he also discussed other possible options. The committee agreed that expanding the boundaries and changing the funding source is desirable. They tasked Mr. Spalding with finding the appropriate source of funding for \$150,000.00 per year for the program.

Mr. Murray left the meeting.

Noblesville Township Fire/EMS Contract

Chief Wyant explained the formula for calculating the amount Noblesville Township pays the City for fire and EMS service is outdated and overly complex. He stated the current formula is calculated largely from net Assessed Value (AV) of real estate, but most Fire Department runs

are for EMS, which is not related to AV. He stated he has discussed the matter with the Noblesville Township Advisory Board, and they are interested in using a new formula. He stated he is working on a formula that would be equitable for everyone. He stated one option is to use the Township's percentage of the Fire Department's budget with a multiplier based on a rolling average of the prior three years. Mr. Spalding stated using the rolling average would prevent large increases in any one year if there are significant changes. There was a discussion regarding whether a multi-year contract or an interlocal agreement would be more appropriate. Mr. O'Connor suggested a one-year contract for 2019, and then let the new Administration decide the direction they would like to take. He commended Chief Wyant for simplifying the contract formula. Mr. Taylor and Mr. Jensen agreed this approach should be fairer for everyone. Chief Wyant stated it will be easier to explain to citizens. He stated he will meet with the Township Advisory Board, then present a contract for this year only to the Board of Public Works and Safety. Mr. Taylor noted the Township used to own fire equipment, which made the agreement with them more complicated. He stated since the Township no longer owns any fire equipment, this simpler agreement makes sense.

NFD 2019 Budget Correction – Lease Financed Tactical Equipment

Mr. Spalding stated during the budgeting process there was a misunderstanding concerning where the purchase of tactical equipment would be appropriated in the Fire Department's budget, and as a result it was inadvertently omitted. He stated this transfer will fund the purchase of tactical equipment through the Cumulative Capital Development (CCD) Fund to be included in the capital equipment lease. He noted the transfer will be budget neutral: the money for the lease payment will be moved from the contingency fund in CCD to the Fire Department.

Public Records Request Ordinance – Amendment

Ms. Lees stated this ordinance amends the ordinance setting fees for public records requests to account for unique circumstances regarding the Police and Fire Departments. Chief Wyant stated his department had met with Ms. Lees, and he agrees with the amendment.

2019 Elected Officials Salary Ordinance – Correction

Ms. Lees stated this ordinance is an amendment to correct a typographical error found in the Elected Officials salary ordinance. She noted the ordinance has been reviewed and approved by City Attorney Mike Howard.

YE Appropriation Transfers Per RC-20-18

Mr. Spalding stated this report of year end transfers under \$50,000.00 will be presented to the Council as was stipulated in resolution RC-20-18. He stated while some transfers at year end will always be necessary, he may also complete some transfers of this type more frequently throughout the year. Ms. Trexler noted the vast majority of the transfers are due to the new chart of accounts. She stated some departments are still struggling with the new chart of accounts and

have not budgeted correctly yet. Mr. Spalding stated these are not data entry errors, but a matter of learning a new way to budget. He noted the errors should decrease drastically over time.

Fiscal (and Related) Actions on Council Meeting Agenda - February 12

- *Bond Authorization Ordinance (2nd Reading) – Campus Center Project*
- *YE Appropriation Transfers Per RC-20-18*
- *Appropriation Transfer – NFD 2019 Budget Correction*
- *2019 Elected Officials Salary Ordinance – Amendment*
- *Public Records Request Ordinance - Amendment*

Mr. Spalding stated these items were discussed earlier in the meeting.

Upcoming 2019 Routine Fiscal Actions

- *Re-set CCD tax rate for 2020*

Mr. Spalding stated the CCD tax rate must be reset, the remonstrance period must be completed, and the ordinance must be filed with the DLGF before May 1st. He stated the process looks like a tax increase, but it is not. He noted if the City's AV increases, the CCD tax rate is decreased unless the Council resets it each year. He noted this is not an increase, but a matter of keeping it at the intended level.

- *Additional Appropriations – Re-establish adopted budgets from MVH Fund and Parks Fund that were reduced by DLGF*

Mr. Spalding stated the budgets will be re-established soon.

- *Reallocation of appropriations – 2019 General Salary Adjustment*

Mr. Spalding stated this action will be taken for all departments.

- *Reallocation of appropriations - Proper alignment of 2019 budget under new chart-of-accounts for certain departments*

Mr. Spalding stated this is the learning process for the new chart of accounts that Ms. Trexler referenced earlier.

Other Pending 2019 Ordinances/Resolutions on Fiscal Matters

Appropriation of Parks Program Fund (110) – On Hold

Mr. Spalding stated he has spoken with Parks Director Brandon Bennett regarding the golf subsidy and what action should be taken. Ms. Wiles expressed a preference to see a subsidy

included in the 2020 budget. Mr. Taylor stated he attended the Parks Board retreat, and they are working diligently to generate more revenue to support the golf program.

**Appropriation of Park Impact Fee Fund (198) and Road Impact Fee Fund (199) – On Hold
City Code Revision (OFA Matters) – On Hold**

This item was not discussed.

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

[NEW] YE 2018 Financial Update

Mr. Spalding stated he will bring Financial Consultant Michael Reuter’s final 2018 reports to the next meeting. He noted the City’s spending as a whole was under budget by several million dollars, but much of that was due to a \$1.2 million commitment to Hamilton County to build the Logan Street Pedestrian Bridge over White River. He stated the money was in the budget, but Hamilton County has yet to ask for the payment.

- Internal Control Standards RFQ**
- Pro-forma TIF Cash Flow Projections**
- Revise Travel Reimbursement Policy**
- 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

The committee recommended setting aside \$2 million in additional funding for land acquisition. Mr. Spalding will research the request and bring a recommendation to the next meeting.

The meeting adjourned at 9:40 a.m.


MEGAN G. WILES, COMMITTEE CHAIR


EVELYN L. LEES, CITY CLERK