

**COMMON COUNCIL
FINANCE COMMITTEE
APRIL 18, 2019**

The City of Noblesville Council Finance Committee met at 8:16 a.m. on Thursday, April 18, 2019. Megan Wiles, Christopher Jensen, Greg O'Connor, and Rick Taylor were present.

Also present were City Clerk Evelyn Lees, Controller Jeff Spalding, Planning Director Sarah Reed, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson. Deputy Mayor Steve Cooke arrived at 8:24 a.m.

2018 CAFR Audit

Mr. Spalding stated the State Board of Accounts auditors arrived on April 15th. He stated this is an annual process to audit the City's Comprehensive Annual Financial Report (CAFR). He stated the auditors will work with our outside accountants at O.W. Krohn & Associates, as well as with Ms. Trexler and the Engineering Department, which does project accounting. He stated the entrance conference will be held on April 23rd; by law, the Mayor, the Council President, and the Controller are required to attend. He stated he has expanded the meeting to include the Clerk, as an elected official; the chair of the Finance Committee; and a representative from O.W. Krohn & Associates. He stated the goal is to issue the CAFR by June 30th, and he hopes to issue it sooner in the coming years. Mr. O'Connor asked if last year's auditors are here again. Mr. Spalding replied it is mostly the same team; the team leader is here for a third year, and there is also an off-site lead auditor. Ms. Trexler noted that auditors are not allowed to audit the same entity for more than two consecutive years. She stated the team lead is training a new leader this year, because this year will be his last at this location. Mr. O'Connor stated he has told our legislators that cities such as Noblesville, Carmel, and Fishers should be audited every other year, so that auditors can be sent to smaller municipalities where their services are needed more. He stated the City could pay for an outside audit if necessary. Mr. Spalding stated the State Board of Accounts' main objective is to look for theft, whereas an outside audit firm would be much more thorough and look for weaknesses.

Mr. O'Connor asked if the audits have any impact with the credit rating agencies. Mr. Spalding replied our credit rating is very good. He stated because we issue a CAFR, the State Board of Accounts gives us priority for an annual audit. He stated communities that don't issue CAFRs are not audited as often, which hurts their credit rating because they don't have current financial information.

Fiscal (and Related) Actions on Council Meeting Agenda - April 23rd

None.

Claims Docket Review

The Committee recommended approval of the claims.

Review of Agenda Addendum

Mr. Spalding briefly reviewed the addendum. He stated cleanup of the Chart of Accounts continues. He noted that topic will be discussed this afternoon at the internal Monthly Finance Officers Meeting. Ms. Wiles asked if there is an estimate of the amount needed for Right-of-Way acquisition yet. Mr. Spalding replied there is only a rough estimate at this time. He stated the Parks Program Fund will be appropriated as part of the 2020 budget process.

Mr. Spalding stated he has a better understanding of the Road Impact Fee program now, and it appears the fees may not need to be appropriated. He stated because the fees are determined by a process that is project dependent, and the fees are approved by the Council, they may already be appropriated. He stated he is still researching the subject. He noted Park Impact fees may be very similar, in which case appropriating them could be considered redundant. He stated he would like to institute better tracking for both programs, so that actual fees received could be compared to projections.

Mr. Spalding stated the process to implement OpenGov began approximately two weeks ago. He stated the project is progressing well. He stated department staff will be trained in May, and budget work will begin in June.

Mr. Spalding stated revision of the travel reimbursement policy is 80 percent complete. He stated he needs to hire more staff soon, and he is working toward that end.

Other Business at Discretion of the Chair

Ms. Wiles stated the Downtown District Committee has recommended that up to \$65,000.00 from the Downtown Development Fund should be appropriated to buy new planters and soil. Mr. Spalding stated he will prepare an appropriation transfer resolution for the Council meeting on Tuesday. He stated the appropriation will be transferred from contingency to the Street Department budget.

Mr. Jensen stated he spoke with State Representative Goodrich about HB 1427, which concerns the Local Income Tax (LIT) distribution. He stated the original House bill would have provided more LIT revenue to the City, but the bill was amended in the Senate, and now the City will lose revenue. He stated Rep. Goodrich was upset about the change. He stated Rep. Huston, the author of the bill, plans to dissent to the amendment, which will send the bill to conference committee. Mr. Jensen stated he hopes the bill will be restored to its original version. He urged the committee to call our state senator. Mr. Spalding stated distribution of LIT is usually decided by a county LIT council, but this version bypasses that council. Mr. O'Connor stated the distribution should be decided locally rather than at the state level.

Mr. Cooke stated HB 1034 has been amended to exclude road and bridge projects from the controlled project limit, but a five year look-back provision has been added to the bill. He stated many people are working to get the look-back amendment removed. Mr. O'Connor expressed extreme frustration with the legislature for passing laws that prevent the City from providing

what the community needs. Mr. Spalding stated he testified on this bill and explained that the complex rules the legislature has put in place prevent communities from planning for future projects. He stated he explained the process has become far too complicated, and he felt that some members agreed. Mr. O'Connor stated in the meantime, the City will have to do the best it can with what is allowed.

The meeting adjourned at 9:28 a.m.


MEGAN G. WILES, COMMITTEE CHAIR


EVELYN L. LEES, CITY CLERK

