

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

The City of Noblesville Council Finance Committee met on Thursday, July 18, 2019. Megan Wiles called the meeting to order at 8:22 a.m. with Rick Taylor present. Greg O'Connor participated by telephone. Christopher Jensen was absent.

Also present were City Clerk Evelyn Lees, City Attorney Michael Howard, Controller Jeff Spalding, Planning Director Sarah Reed, Economic Development Assistant Director Andrew Murray, Economic Development Assistant Amy Smith, Administrative Assistant Jacqueline Thompson, President of Boomerang Development, LLC Corby Thompson, and attorneys Steve Hardin and Sam Swafford.

Boomerang Development, LLC Economic Development Agreement

Mr. Hardin stated there have been no changes to the proposal since it was presented to the Council at its last meeting. Ms. Wiles stated she asked to discuss the agreement at this meeting for the sake of transparency. She stated she has received questions from several Council members regarding the planned age-restricted senior housing in the agreement. Mr. Hardin replied Areas B and D will be age-restricted housing, which means by statute they will be TIF-eligible. He stated City leadership asked that senior housing be included; it is needed, and the agreement will make sure the TIF increment will be captured. Ms. Wiles stated many Council members are closely evaluating any multi-family developments because a surplus of apartments has already been approved, but that is not the case with senior housing. Ms. Reed stated housing types will be designated in the zoning ordinance and the development agreement.

Mr. Taylor asked if enough parking will be included. Ms. Reed stated they have not received plans with that level of detail yet, but she has directed her staff to no longer count garages as parking spaces. She stated letters have been sent to the owners of Promenade apartments and 32 Union apartments regarding the change. Mr. Hardin stated he will make sure there will be adequate parking in this development.

Mr. Howard stated the development agreement will bring optimal TIF to the City, because the developer is the risk partner. He noted the bonds for the development will not count toward the City's constitutional debt limit or affect the City's credit rating. He stated if the TIF increment is not sufficient to make the bond payments, the City will not be liable. He noted TIFs for age-restricted housing are more complex to establish, but he is working with O.W. Krohn and Associates and with Ice Miller. He stated the developer has said he won't need the bond proceeds until early 2020, so there is time. He noted Area A may collect TIF increment as well.

There was a brief discussion regarding the commercial and industrial areas. Mr. Thompson stated he has already been contacted by interested parties, but he noted development of those areas is market-driven. Mr. Howard noted that land uses can be amended by mutual agreement of both parties. Mr. Hardin agreed. Mr. Thompson stated he hopes to bring a zoning ordinance to Council by the end of the month for all of the areas west of Promise Road. There was a brief

discussion of land use. Ms. Reed stressed it is important to quickly identify which areas will have commercial use, or commercial uses may be proposed in areas that are intended for other uses. The committee agreed it would be best to set the zoning as soon as possible. The committee was unable to make a formal recommendation due to lack of a quorum, but Ms. Wiles will report that the project was received favorably by those present.

Mr. Thompson, Mr. Hardin, Mr. Swafford, and Ms. Smith left the meeting.

Logan Street Pedestrian Bridge MOU & Additional Appropriation

Mr. Howard stated the Memorandum of Understanding (MOU) was reviewed by the Office of Finance and Accounting, the Engineering Department, and the Hamilton County Highway Department. He noted the project was bid twice; the first bids were too high and were rejected. He stated the Engineering Department and County Highway Department are in agreement concerning the project. He thanked Mr. Spalding for helping the Council appropriate the City's portion of the project. He noted the County has already appropriated their share. Mr. Spalding stated the Council appropriated \$1.2 million last year, but it was not used in 2018 and reverted to the General Fund at the end of the year. He stated since then, decorative lighting has been added to the project that was not in the original bid, so the appropriation has risen to \$1.6 million. Mr. Howard noted due to weather and high water levels in White River, the project is behind schedule and will not be completed this construction season. Ms. Wiles asked why \$400,000.00 is needed for decorative lighting. Mr. Howard explained most of the cost will be to install electrical conduit. Mr. Spalding noted that once the MOU is in place, any unexpended appropriations can be encumbered to next year. Ms. Wiles expressed concern that because the Council appropriated funding last year, some members of the public might think the City is paying twice. Mr. Spalding replied he will explain the true situation when he presents the appropriation ordinance. Mr. O'Connor observed the project has taken much too long. Ms. Wiles noted no one can control the weather.

Mr. Howard and Mr. O'Connor left the meeting.

Budget Timeline Review

Mr. Spalding stated the revenue forecast by consultant Mike Reuter will be presented to the Finance Committee on August 8th before it is presented to the full Council on August 13th. Ms. Wiles stated this schedule seems to work best given the circumstances. She noted the committee can make a recommendation to the full Council. Mr. Spalding stated next year he may present preliminary revenue forecasts in May and begin the budget process then. He noted the past two years have been a time of transition, and earlier scheduling has not been possible. He stated it may be possible to approve the budget in September next year, which would help the Department of Local Government Finance (DLGF). He stated the DLGF used to have until February 15th the following year to approve budgets, but now they must approve them by December 31st of the same year that they are approved. Mr. Taylor agreed that it would be helpful to start the process earlier and give the department directors as much time as possible to compile their budgets. Mr. Spalding stated once department budget presentations are scheduled, he will update the timeline.

City Master Debt Summary

Ms. Wiles postponed this item until more members of the committee could be present. Mr. Spalding stated the spreadsheet will be a very useful tool.

Fiscal (and Related) Actions on Council Meeting Agenda – July 23rd

- *Ordinance #34-07-19 (Additional Appropriation for Logan Street Pedestrian Bridge Cost Share)*
- *Memorandum of Understanding with Hamilton County for Logan Street Pedestrian Bridge Cost Share*

The items are on the Council agenda. The ordinance will have first reading, and a public hearing will be established. The Memorandum of Understanding may be approved on one reading.

Claims Docket Review

The committee was unable to recommend approval of the claims due to lack of a quorum.

Review of Agenda Addendum

Mr. Spalding reviewed the addendum. He stated OpenGov Budget Builder training is progressing very well. He stated the Workforce Planning Module is being built concurrently with the budget module.

Mr. Spalding stated Baker Tilly has prepared a draft for the CDUA Tracking Process. He stated Mr. Howard has reviewed the document, and he is currently reviewing it. He stated the document will be an Administration policy, but it will be shared with the Council for information purposes.

Mr. Spalding stated Mr. Murray has helped gather and deliver data concerning TIF districts to Policy Analytics on July 16th. He stated he will follow up with them soon.

Mr. Spalding stated regarding OFA Staff Structure, he has received applications for a budget/financial analyst. He stated he hopes to interview candidates soon.

Mr. Spalding stated he hopes to re-engage with work on Internal Controls in the fall. He stated the Cash Advisory service is on hold until financing for Noblesville NOW is set.

Other Business at Discretion of the Chair

There was no further business.

The meeting adjourned at 9:47 a.m.


MEGAN G. WILES, COMMITTEE CHAIR


EVELYN L. LEES, CITY CLERK