

**COMMON COUNCIL  
FINANCE COMMITTEE  
AUGUST 8, 2019**

The City of Noblesville Council Finance Committee met on Thursday, August 8, 2019. Megan Wiles called the meeting to order at 8:15 a.m. with Christopher Jensen, Greg O'Connor, and Rick Taylor present.

Also present were City Clerk Evelyn Lees, Judge Matt Cook, Controller Jeff Spalding, Human Resources Director Holly Ramon, Police Captain Brad Arnold, and Chief Accountant Heather Trexler. Financial Consultant Michael Reuter arrived at 8:28 a.m.

**City Court Staffing**

Judge Cook stated when he was appointed to office, he had never seen a court with just two employees. He stated he took time to evaluate the office and found it was very efficient. He noted the court clerk had over 20 years' experience, and the court administrator had almost 20 years' experience. He stated during last year's budget process, he removed a full-time clerk position from his budget because he did not intend to fill it. He noted that at that time he informed the Council that if the situation changed, he would notify them.

Judge Cook stated recently, with no prior warning to either him or her, the court administrator's employment with the City ended suddenly. He stated he has since hired a new administrator, but she has no court experience and cannot be expected to carry the same workload as someone with almost 20 years' experience. He stated he needs to hire a third full time clerk; the matter is urgent, because the current full time clerk will retire next year. He stated he also believes it will be prudent to have two full-time employees in the office at all times for both safety and internal control reasons. He stated his new administrator was hired at the former administrator's salary, and the requested new position will be paid commensurate with entry-level administrative assistants employed by the City. He noted neither position will be given a raise in 2020. Ms. Wiles asked what the total cost for the new position will be for salary and benefits. Mr. Spalding replied the total yearly cost will be \$60,000.00 to \$70,000.00, but for 2019 the cost will be a fraction of that amount. Ms. Ramon noted that due to the time the hiring process takes, the new employee will most likely begin near the end of October at the earliest. The committee supported the request.

Judge Cook left the meeting.

**Parking Meter Replacement**

Captain Arnold stated he is speaking for Chief Jowitt, who is out of town. He stated an additional appropriation is requested to fund kiosks to replace the antiquated parking meters in Downtown. He stated 11 kiosks will be purchased: eight for parking lots, two for the Levinson, and one spare. He stated the cost is \$84,100.00. He noted a mobile app will be available to users at no charge to them or the City. Mr. Jensen asked if parking space markers and removal of the old parking meters is included in the cost. Captain Arnold replied no, markers are not needed for

these kiosks, because the identifier is a license plate number. He noted once the license plate number is entered in the mobile app, it will not need to be entered again. He stated the Street Department does not have the manpower available to remove the parking meters, which will probably be sold for scrap metal. He stated the Street Department has agreed to pour concrete foundations for the kiosks. Mr. Jensen asked for a timeline for implementation of the kiosks. Captain Arnold replied it will take ten weeks for the kiosks to be delivered, so they should be installed by the end of the year. He noted a comprehensive public information campaign to prepare the public for the kiosks will begin as soon as a new parking ordinance is adopted. There was a brief discussion concerning metered street parking on 10<sup>th</sup> and Clinton Streets. The committee suggested removing metered parking from the streets so that only lots are metered, for the sake of simplicity and to prevent confusion. Mr. Spalding stated there are two actions on the Council agenda: an additional appropriation ordinance and public hearing; and a transfer resolution to fund new sign posts for parking signs. He stated it may be necessary to add an appropriation for removal of the old parking meters to the additional appropriation ordinance. He stated he will work with Captain Arnold to confirm the amounts before Tuesday's meeting. There was a brief discussion concerning the need to restripe the parking lot on the south side of Clinton Street, and that the ideal time to do the work would be when the meters are removed. The committee supported the additional appropriation and transfer.

Captain Arnold left the meeting.

### **2020 Revenue Forecast Preview**

Mr. Spalding stated he requested two versions of the fiscal plan: one that assumes flat growth, and one that assumes three percent growth. The committee chose to have only the three percent growth model presented, since that is the guidance the departments have been given in preparing their budgets. Mr. Reuter stated the revenue forecast is solid, and the City's finances are strong. He reviewed Assessed Value (AV) growth and his projections for the next five years. He stated the City should be eligible to appeal the maximum tax levy this year, which will provide more revenue. He stated if the Department of Local Government Finance (DLGF) approves the appeal, the new levy becomes permanent and increases the tax base. He noted a successful appeal could result in increased revenue from several state distributions. He stated the appeal must be submitted and adopted before October 19<sup>th</sup>. Mr. Spalding stated he will oversee the process.

Mr. Reuter reviewed Local Income Tax (LIT) forecasts. He explained the State's process, how it has changed in recent years, and how he has changed his forecasts to reflect the changes. He noted the Department of Revenue has garnished 0.5 percent of each unit's revenue in order to upgrade their technology. He stated the upgrade should yield much better data and improve what has been a mostly manual process. Mr. Spalding observed the City should get real value from the upgrade. Mr. Reuter discussed efforts in the legislature to reform LIT distribution, which is applied through an antiquated formula that produces inequitable distributions, particularly in Hamilton County. He noted the local LIT Council will have to approve any changes the legislature enacts before it can be applied in our county. Mr. Reuter reviewed his projections for unobligated cash in the Rainy Day Fund, which he expects to remain strong, even with a very conservative forecast.

Mr. Reuter explained a tool to manage the tax rate that has been successfully used by Hamilton Southeastern Schools. He stated one-year General Obligation (GO) bonds can be used to maintain the tax rate at a certain level. He explained there is very little cost for the bonds because they are paid in only one year, and they do not affect the City's constitutional debt limit. He noted the bond proceeds could only be used on capital projects and would need to be spent within two years of issuance. Mr. Spalding enthusiastically supported this strategy. He stated it could be a solution to the constraints on levy growth due to AV growth.

Mr. Jensen left the meeting.

Mr. Reuter stated the Council would need to choose the tax rate that is best for the City and taxpayers. He suggested a tax rate of \$1.10, which is approximately \$0.04 higher than the current rate, but is lower than the rates in 2015, 2016, and 2017. Ms. Wiles and Mr. O'Connor asked for data concerning the effect of a tax rate increase on individual taxpayers and how many people would be affected. Mr. Spalding replied he would gather the data and present it to the Council. Mr. Reuter will present his forecasts to the full Council at its budget meeting on August 13.

Mr. Reuter left the meeting.

#### **Fiscal (and Related) Actions on Council Meeting Agenda – August 13<sup>th</sup>**

- *Ordinance #34-07-19 (Additional Appropriation for Logan Street Pedestrian Bridge Cost Share) – Second Reading and Public Hearing*
- *Ordinance #36-08-19 (Additional Appropriation for Parking Kiosks) – First Reading and Public Hearing*
- *Resolution #TA-10-19 (Appropriation Transfer within the Parking Meter Fund for Sign Posts)*
- *Resolution #TA-11-19 (Appropriation Transfer within the General Fund for new Court Assistant position)*

#### **Claims Docket Review**

The committee recommended approval of the claims.

#### **Review of Agenda Addendum**

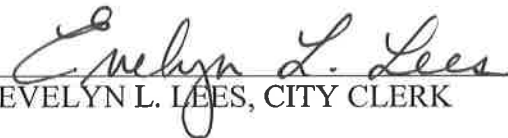
Mr. Spalding stated regarding OFA Staff Structure, he is conducting second interviews for a budget/financial analyst. He asked if a pay adjustment for the position could be included with the added position for the Court in the salary ordinance amendment on Tuesday's agenda. He noted Ms. Ramon has recommended the amendment. The committee agreed that both changes should be included in the ordinance.

**Other Business at Discretion of the Chair**

There was no further business.

The meeting adjourned at 10:09 a.m.

  
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MEGAN G. WILES, COMMITTEE CHAIR

  
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EVELYN L. LEES, CITY CLERK