

**COMMON COUNCIL  
FINANCE COMMITTEE  
OCTOBER 10, 2019**

The City of Noblesville Council Finance Committee met on Thursday, October 10, 2019. Megan Wiles called the meeting to order at 9:50 a.m. with Greg O'Connor and Rick Taylor present. Christopher Jensen was absent.

Also present were City Clerk Evelyn Lees, Controller Jeff Spalding, Human Resources Director Holly Ramon, Budget/Finance Analyst Sam Beres, Chief Accountant Heather Trexler, Accounting Consultant Jim Treat, and an interested citizen. Fire Chief Greg Wyant arrived at 10:50 a.m.

**Bond Authorization – Refunding COIT Revenue Bonds of 2009**

Mr. Spalding stated refunding the COIT Revenue Bonds of 2009 is an obvious choice and is expected to save the City approximately \$500,000.00 in interest payments over the next nine years. Mr. Treat added the current interest rate on the bonds is approximately four or five percent, and the refunding bond is expected to have an interest rate of 1.9 percent. He noted the debt service reserve account on the existing bonds can be used to reduce the amount that needs to be refunded by the new bonds. Mr. Treat noted the bond market can be volatile, so he recommended passage of the ordinance on first reading in order to access the low rate as soon as possible. Mr. Spalding noted the current bonds are being partially paid by the Downtown TIF, so the refunding will alleviate obligations on the TIF as well.

Mr. Spalding stated there is also an ordinance on the agenda to appropriate the bond proceeds, but it will require two readings before the Council.

**Bond Authorization – 1 Year Capital Projects Bond**

Mr. Spalding stated a short-term general obligation fund can be used as a sort of shock absorber to help keep the property tax rate steady, and it will provide cash each year to use for capital projects. Mr. Spalding stated there is a challenge this year because the City is appealing its tax levy, so the amount needed for the bond will not be known until the end of the year. Mr. Spalding and Mr. Treat explained their plan for issuing the bond while maintaining flexibility until the result of the appeal is known in December. Mr. O'Connor approved of the plan. Mr. Spalding noted they may have to follow this process for the next few years, because the levy may be appealed several years in a row. He stated the bond ordinance will be considered concurrently with the budget. Mr. Treat will attend the Council meeting to answer questions. An ordinance to appropriate the bond proceeds will also be considered at the next two Council meetings.

Mr. Treat left the meeting.

### **High AV Levy Growth Appeal**

Mr. Spalding reviewed Resolution RC-14-19, by which the Council authorizes Mr. Spalding to pursue the appeal of the property tax levy. Mr. Spalding noted the “whereas” clauses in the resolution outline the rationale for the appeal to the Department of Local Government Finance (DLGF).

### **2020 Civil City Budget**

Mr. Spalding distributed an overview and highlights of the proposed 2020 budget. He noted that the DLGF rules affect the budget structure; in order to retain flexibility for local financial decisions, a few items are budgeted twice in two different categories. He stated this is common practice by municipalities. He noted that the budget also now includes items that were formerly not budgeted, so there could be a perception that the budget is higher than it is in reality. He distributed a list of public purpose grants, which was briefly discussed. Mr. Spalding noted that per statute, the Council can make changes to the budget to lower amounts, but cannot increase amounts over what the Administration has proposed. He stated he may revise the form of the budget ordinance next year to make it easier to understand. The form presented this year is used by the DLGF.

### **2019 Salary Ordinance Revision**

Chief Wyant stated Fire Department recruits and probationary firefighters are paid at the same rate, but recruits are paid for a 40-hour week, while those on probation are paid for a 56-hour week. He stated the intent is that their pay should be the same, but if a recruit is assigned to temporarily work a 56-hour week then returns to the recruit schedule, their pay will drop. He stated if a firefighter is injured and is assigned to light duty, the 40-hour rate is higher so that there will be no loss in wages. He stated historically, the intent has been the same for recruits and probationary firefighters, and the current difference was unintentional. Mr. Spalding noted there is a cost for this change, but no budgetary impact. Mr. Taylor felt the change would simplify shift scheduling and payroll. Ms. Ramon requested passage of the ordinance on first reading to allow back pay for the current recruits for 2019. The committee supported the ordinance.

Chief Wyant left the meeting.

### **2020 Salary Ordinances**

Ms. Ramon reviewed proposed changes to the employee salary ordinance. She noted changes to Fire Department salaries were a result of the Meet and Confer process with the firefighters union.

Ms. Lees stated the only change to the elected officials salary ordinance is the same general salary increase proposed for employees.

**Fiscal (and Related) Actions on Council Meeting Agenda – October 15<sup>th</sup>**

- *Resolution #RC-14-19 – High AV Levy Growth Appeal*
- *Ord. #37-08-19A – 2019 Salary Ordinance Revision*
- *Ord. #40-10-19 – 2020 Civil City Budget*
- *Ord. #41-10-19 – 2020 Salary Ordinance for Non-Elected Employees*
- *Ord. #42-10-19 – 2020 Salary Ordinance for Elected Officials*
- *Ord. #43-10-19 – Bond Authorization for COIT Refunding Bonds of 2009*
- *Ord. #44-10-19 – Appropriation of Debt Proceeds for LIT Refunding Bonds of 2019*
- *Ord. #45-10-19 – Bond Authorization of Capital Projects Short-term GO Bond of 2019*
- *Ord. #46-10-19 – Appropriation of Debt Proceeds for Capital Projects Short-term GO Bond of 2019*

These items were discussed earlier in the meeting.

**Claims Docket Review**

The committee recommended approval of the claims.

**Review of Agenda Addendum**

Mr. Spalding stated he plans to provide an update on cash transfers to address known reserve allocation needs and manage unrestricted reserves at the October 24<sup>th</sup> meeting.

Mr. Spalding stated he, Mr. Beres, and Economic Development Assistant Director Andrew Murray met with Policy Analytics, LLC on September 20<sup>th</sup>, and they are very excited with progress to date.

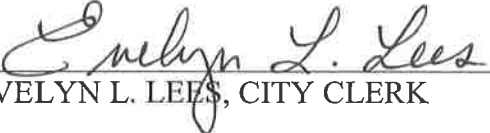
Mr. Spalding noted he has changed the time for re-initiating a project on internal control standards from September/October to October/November.

**Other Business at Discretion of the Chair**

There was no other business.

The meeting adjourned at 11:40 a.m.

  
MEGAN G. WILES, COMMITTEE CHAIR

  
EVELYN L. LEES, CITY CLERK

