

**COMMON COUNCIL
FINANCE COMMITTEE
NOVEMBER 21, 2019**

The City of Noblesville Council Finance Committee met on Thursday, November 21, 2019. Megan Wiles called the meeting to order at 8:15 a.m. with Christopher Jensen and Rick Taylor present. Greg O'Connor participated by telephone beginning at 8:21 a.m.

Also present were Deputy Clerk Charlene Cummings, City Attorney Michael Howard, Controller Jeff Spalding, Street Commissioner Patty Johnson, Human Resources Director Holly Ramon, Budget/Finance Analyst Sam Beres, and Chief Accountant Heather Trexler. IT Director Misty Shearer and IT Administrator Jeff Hendricks arrived at 8:21 a.m.

Claims Docket Review

The committee recommended approval of the claims.

Salary Ordinance Redesign & Authorized Position Revisions

Ms. Ramon stated the 2020 salary ordinance for appointed officials and employees will be introduced to the Council on November 26. She stated the ordinance has been modernized and redesigned with more clearly defined position titles. She distributed and reviewed a letter detailing the new positions and changes to current positions. She noted all of the changes and additional positions are already funded in the 2020 budget. Mr. Jensen noted that because of the changes in the IT department, the employee count will remain slightly below what it has been for 2019, so costs for employee benefits will remain steady. Mr. Spalding distributed and reviewed a chart showing transfers needed to fund the 2020 Administration reorganization. Ms. Ramon stated she will request adoption of the ordinance on first reading. Mr. Jensen agreed with the request.

Ms. Ramon left the meeting.

Sewage Works Revenue Bonds of 2011 Refunding

Mr. Howard stated these taxable bonds were issued in 2011 and were scheduled to mature in 20 years. He stated by refinancing the bonds now, the Wastewater Utility can expect gross savings of approximately \$1.6 million over the remaining life of the bonds. He noted the net present value savings from the bonds is approximately \$1.4 million. He stated Baker Tilly Municipal Advisors, LLC (formerly Umbaugh) is assisting with the process. He stated \$11.9 million in principle is expected to be refinanced. Mr. Howard stated because they hope to close on the bonds quickly, he will request passage of the ordinance on first reading. Mr. O'Connor agreed the closing for the bonds should take place as soon as possible, since bond rates are rising.

Mr. Howard left the meeting.

Review Budget Modification Requests

Mr. Spalding noted some transfers can be made as part of the year-end budget reallocations that the Controller has been authorized to execute.

General Fund: Appropriation Transfer – OFA (003) and Court (007)

Mr. Spalding explained that \$16,000.00 is being transferred by expense series in the OFA budget to cubicle space build-out due to the addition of another employee. He stated \$2,000.00 is being transferred in the Court's budget for office furniture replacement and \$500.00 for office supplies.

Downtown Development Fund:

Additional Appropriation – Street/Maintenance and Administration (025)

Mr. Spalding stated an additional appropriation of \$35,000.00 is needed in the Downtown Development Fund to account for additional black fixtures and painting existing fixtures Downtown. He noted this action is similar to what was just authorized regarding Seminary Park design funding. He stated the Downtown District Committee authorized the expenditures, but a Budget Modification Form was not submitted to initiate the appropriation process.

Appropriation Transfer – Street/Maintenance & Administration (025) and Street/Maintenance & Administration (026)

Mr. Spalding explained the transfers will account for the \$3,000.00 purchase of potting soil and expenditures for replacement of streetlights.

Ms. Wiles stated the Downtown District Committee recommended these expenditures to the Council, and the Council approved them. She expressed frustration that an additional appropriation is needed, because it gives the impression that additional funds are needed when they were already approved. She stated she would like to clean up the process so these actions are no longer needed. Mr. Spalding suggested that any actions decided upon should be discussed at each meeting of the committee and communicated to the Mayor's office. He stated then the departments will need to submit a Budget Modification Request to OFA to follow through with the appropriate fiscal action. Mr. Taylor stated once an expense has been approved, it is important to account for it correctly without the need for so many steps. Mr. Jensen stated the Downtown District Committee could be restructured in the next year to clarify its role and responsibilities, and discussions are forthcoming. Mr. Spalding stated a process was not in place when the committee was formed, but a process is being defined now. He stated he believes the issue is being solved and is not concerned about ongoing problems arising.

Ms. Wiles stated at the last Downtown District Committee meeting, they discussed an artist who was chosen to build the Downtown archways and needs to be under contract. She stated the Economic Development Department has said the money appropriated has to revert back to the General Fund and cannot be encumbered to 2020. Mr. Spalding explained the requirements to

encumber those funds to 2020 were not met, so funding for the contract must wait to be appropriated again in 2020. He stated the department involved is responsible for the contract and the process. He referred Ms. Wiles to the Economic Development Department for answers to further questions.

Ms. Johnson left the meeting.

Emergency Warning Sirens

Mr. Hendricks stated five sirens were purchased in 1989; the City now has 19 sirens. He stated the five original sirens need to be replaced, and two are completely inoperative. He stated \$128,787.60 is needed to replace the sirens, which includes disposal of the old sirens. He stated there is a six to eight week period before delivery. He noted the sirens need to be installed before March.

Mr. Spalding stated the new Emergency Communications Local Income Tax (LIT) replaced the City's payment for emergency dispatch services, which then was removed from the budget. He stated he recently learned the new LIT also allows the County to take over payments that were budgeted for public safety radios, so the savings can be used to pay for the sirens. He stated payment for the contract will not be due until 2020. Mr. Hendricks noted if the expense is approved, the contract needs to be signed as soon as possible. There was a discussion concerning emergency communication funding and whether the sirens might be an eligible expense. The committee agreed it is important to have the new sirens in place and working as soon as possible, and County funding can be explored going forward. Mr. Hendricks stated he will bring the contract to the Board of Public Works and Safety for approval on November 26.

Mr. Jensen, Mr. O'Connor, Ms. Shearer, and Mr. Hendricks left the meeting.

Year-End Budget Clean-up

Mr. Spalding stated government entities are required to perform year-end budget clean up. He noted in the General Fund alone there are 22 department codes, each with four expense series, which equals 88 "buckets" that cannot have a negative balance at year end. He noted as budget processes continue to improve, the year-end process will also improve.

Fiscal (and Related) Actions on Council Meeting Agenda – November 26

- *Ord. #47-11-19 – Additional Appropriation to fund Seminary Park Design (Downtown Development Fund)*
- *Ord. #48-11-19 – Additional Appropriation to fund Pleasant St. Design Phase I (MVH Fund)*
- *Ord. #49-11-19 – Additional Appropriation to fund Downtown Streetlight Replacement (Downtown Development Fund)*
- *Ord. #41-10-19A – Amended 2020 Salary Ordinance*

- *Ord. #50-11-19 – Additional Appropriation to fund Downtown Streetlight Refurbishment and Painting (Downtown Development Fund)*
- *Ord. #51-11-19 – Authorization for Sewage Works Refunding Revenue Bonds of 2019*
- *Appropriation Transfer TA-19-19 – Transfer to align budget with planned expenditures by City Court and OFA (General Fund)*
- *Appropriation Transfer TA-20-19 – Transfer to align budget with expenditures for new planters and new streetlights in the Downtown District (Downtown Development Fund)*

Mr. Spalding reviewed the fiscal items on the Council agenda. He noted Ordinance #50-11-19 will be introduced on November 26, but second reading will occur on December 17 because it requires a public hearing, which must be advertised in newspapers ten days prior.

Review of Agenda Addendum

Mr. Spalding stated the budget is complete in OpenGov. He stated departments will soon be able to log in to OpenGov and look at actual spending compared to their approved budgets. He stated this will be a useful tool for departments to better understand the budgeting process.

Ms. Trexler stated Economic Development Assistant Director Andrew Murray compiled data in a specific format for one TIF fund and sent it to Policy Analytics for approval. She stated if Policy Analytics can use the data in the submitted format, the data for the rest of the TIF districts can follow quickly.

Other Business at Discretion of the Chair

There was no other business.

The meeting adjourned at 9:15 a.m.


MEGAN G. WILES, COMMITTEE CHAIR


EVELYN L. LEES, CITY CLERK