

**COMMON COUNCIL
FINANCE COMMITTEE
FEBRUARY 20, 2020**

The City of Noblesville Council Finance Committee met on Thursday, February 20, 2020. Megan Wiles called the meeting to order at 9:04 a.m. with Mike Davis, Darren Peterson, and Pete Schwartz present. Greg O'Connor was absent.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Budget/Financial Analyst Sam Beres, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson. Controller Jeff Spalding arrived at 9:20 a.m.

2021 Budget Timeline Preview

Mr. Beres stated in the past, adoption of the budget has occurred too near the deadline for submittal to the State. He stated the goal this year is to schedule adoption of the budget one month earlier, in order to preserve the ability to make changes before the deadline, if necessary. Mr. Beres reviewed a draft timeline for preparation of the 2021 budget. He explained departments will compile base budgets and Financial Advisor Michael Reuter will present initial revenue forecasts to the Council in May. Mr. Peterson requested that a more thorough explanation of the base budget be presented to the Council for the benefit of new members.

Mr. Spalding joined the meeting.

Mr. Davis asked if the City could adopt a two-year budget. Mr. Spalding explained that statute requires an annual budget. He stated it would be possible to plan a two-year budget and still meet State requirements, but departments are still learning the budget process. He stated at this point, a two-year budget would be too confusing. There was a brief discussion. Mr. Light noted that work on a long term Capital Plan is progressing and will help with longer term budgeting.

Mr. Beres stated base budgets will be complete in June, followed by four weeks for departments to submit additional budget requests. He stated Council budget meetings are scheduled for the end of July and early August. He stated the budget ordinance would be presented for adoption in September. Mr. Spalding noted some other communities introduce the budget before they hear presentations from departments, followed by the public hearing and adoption. He offered that scenario as a possibility to consider.

OpenGov Financial Tracking Tools

Mr. Beres reviewed tracking and reporting tools available to departments in OpenGov. Ms. Wiles noted that eventually the Council will have logins to OpenGov. She asked if they will have access to all the detail in the budgets. Mr. Spalding replied the Council will have access to reports concerning their likely questions. He stated at some point in the future they may have view-only access to more detail, but he wasn't sure if it is possible yet. Mr. Beres explained line items are viewable in the reports, but not in the granular detail available for entering department budgets. Mr. Peterson noted that each Councilor is assigned as a liaison to a department, but last

year he had no involvement with a budget. Ms. Wiles confirmed it has not been past practice for Councilors to be involved with departmental budgets.

Mr. Beres noted the new reports and tracking features interface with the City's accounting software, so departments can track their own spending and available balances without contacting OFA. Ms. Wiles asked if OpenGov will eventually give access to the public as well. Mr. Beres replied yes, but they are still in the process of building accurate data. He noted the public could eventually have access to a series of reports and even a dashboard of information.

Re-establishing the City Investment Policy

Mr. Spalding stated an ordinance was introduced at the last meeting to extend the maturity limit of the City's investments. He stated the ordinance can be in effect a maximum of four years and the last ordinance expires on March 1. He stated a requirement of adopting this ordinance is approving an investment policy by resolution. He noted a second resolution allowing the City to invest with Indiana banks outside Hamilton County will accompany the other two items. He stated the second resolution is voluntary and not required by law. He noted statute has changed to require annual approval of the second resolution.

Mr. Spalding stated these fiscal actions give the City maximum flexibility allowed by law for investments. He noted the City has contracted with 1st Source Bank to manage the City's cash investments for maximum returns, but he is still in the process of determining the amount that can be invested. He stated because interest rates remain so low, there is no urgency to utilize management services at this time. Mr. Peterson asked how much the City currently earns on investments. Mr. Beres replied the General Fund earned approximately \$900,000.00 in interest in 2019. Mr. Spalding noted that the Wastewater Utility also earns interest, but it is completely separate from the Civil City.

Fiscal (and Related) Actions on Council Meeting Agenda – February 25

- *Ordinance 04-02-20 – Investment of Public Funds*
- *Ordinance 05-02-20 – Reset CCD Rate*
- *Ordinance 06-02-20 – Additional Appropriation for new grant to The Friends of Central Pool (Parks)*
- *Resolution RC-06-20 – Re-establishing City Investment Policy*
- *Resolution RC-07-20 – Authorizing the Investment of Public Funds pursuant to IC 5-13-9-5*

These items were discussed earlier in the meeting.

Claims Docket Review

Mr. Peterson asked if the claims could be simplified for easier review by the Council. After a brief discussion, Mr. Spalding stated it might be possible to provide a summary with the claims docket.

Mr. Beres left the meeting.

The committee recommended approval of the claims.

Review of Agenda Addendum

Mr. Spalding noted there is no specific timeline for these actions to occur, but they are planned for the future.

Potential Future Ordinance/Resolutions on Fiscal Matters

- *Cash Transfers to Address Known Reserve Allocation Needs & Manage Unrestricted Reserves*

Mr. Spalding stated some funds were created administratively in the past. He stated he plans to create funds specifically to hold contingent liabilities such as severance payouts and retiree post-employment benefits. He stated creation of these funds will improve transparency.

- *Appropriation of Parks Program Fund (110)*

Mr. Spalding stated the Parks Program Fund is not required to be in the budget submitted to the State, but he plans to include it in the City's 2021 budget. He noted it has been determined that the Park Board does not have appropriation authority. Mr. Light noted because the Council has agreed to subsidize some park operations, it is more transparent to include this fund in the budget.

- *Budgeting of Park Impact Fee Fund (198) and Road Impact Fee Fund (199)*

Mr. Spalding stated impact fees will be budgeted for use in the Capital Plan, but they will not be included in the budget per se. He stated the creation of impact fees by the Council also appropriates them, so there is no need to include appropriations in the budget.

- *City Code Revision: OFA Matters*

Mr. Spalding stated he plans to clarify the purpose and funding of the Promotional Fund. He stated other sections under review are the credit card policy, the travel reimbursement policy, and procurement. He noted City Attorney Lindsey Bennett is currently working to revise the City's procurement policy.

Other Business at Discretion of the Chair

Mr. Peterson asked if the development agreement with Panacea Medical Technologies, Inc. is on the Council agenda. Ms. Lees confirmed that it is.

The meeting adjourned at 10:10 a.m.



GREG O'CONNOR, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK