

**COMMON COUNCIL  
FINANCE COMMITTEE  
MAY 7, 2020**

The City of Noblesville Council Finance Committee met virtually on Thursday, May 7, 2020 via Microsoft Teams pursuant to Governor Holcomb's executive order 20-09. Greg O'Connor called the meeting to order at 8:17 a.m. with Mike Davis, Wil Hampton, Darren Peterson, and Megan Wiles present.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Attorney Michael Howard, Controller Jeff Spalding, Budget/Financial Analyst Sam Beres, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson.

**Overview of Voluntary 2020 Budget Reductions**

Mr. Light reviewed the proactive efforts the Administration has made to reduce budgets due to the COVID-19 crisis. He stated Department Directors were asked to identify possible budget cuts, into two groups. He stated one group of cuts could definitely be implemented, while the second could be implemented if needed. He stated the process began two weeks ago. He stated some items were easy to cut or defer to future years, such as travel and lodging for conferences that have been cancelled. He noted the cuts are value-based, rather than requiring a percentage to be cut from all departments. He stated the Administration has reviewed the identified cuts and sorted them into three groups: approved, needs more vetting, and not approved (not COVID-19 related). Mr. Light reviewed some of the specific types of cuts, as well as spending that can be deferred to future years. He noted the process is fluid, and items are being prioritized with the 2021 budget in mind. Mr. Peterson expressed relief that services will not be cut. Mr. Davis and Ms. Wiles thanked the Administration for taking a proactive approach.

**Update on Fiscal Plan Preparation and 2021 Preliminary Revenue Forecast**

Mr. Spalding displayed a draft timeline for the 2021 budget that had been presented to the committee a few months ago. He noted the document will be updated as the process is refined. He noted the original May date to present a revenue forecast has been disrupted by the COVID-19 crisis and added uncertainty, which has caused a delay. He stated he hopes to present a revenue forecast on May 26 instead. He stated he is working toward a more robust fiscal plan to make it a more useful tool. He stated eventually the fiscal plan will be moved into OpenGov. He stated his goal is to show the City's fiscal condition as of January 1, 2020, then build in scenarios to include pre-COVID-19 and the impact the virus will have on the City's finances. He stated he hopes to show what resources will be available, what will be left for use on capital initiatives, and how they will be impacted. He stated the first version may be available at the next committee meeting.

**COVID-19 Expense Tracking Update**

Mr. Davis asked if the City will receive reimbursements from the state or federal government for crisis expenses. Mr. Beres replied he believes the reimbursements will be federal dollars that are

distributed through the state. Mr. Spalding stated the City has contracted with a vendor that is experienced in applying for federal grants. He stated the tracking tool will help gather costs for submission. Mr. Peterson asked if delaying property tax deadlines will hurt the City's finances or cause the City to pay any late payment penalties. Mr. Spalding replied he does not expect any problems. Mr. O'Connor asked who the vendor is that will help with applications. Mr. Light replied the vendor is DCMC, which has much experience and expertise with FEMA grant funding. He stated they worked with the State to receive grants after the State Fair rigging collapse. He noted the company is confident their fees will be covered by the reimbursements to be received. He stated they have been very helpful. Mr. O'Connor commended hiring them, because the application process is very complicated and difficult to accomplish without outside assistance. There was a brief discussion concerning virus testing for public safety employees. Mr. Light stated the testing has been considered worthwhile, but is expected to last only a few more weeks. He noted the City will see reimbursement for testing costs. Mr. Spalding noted personnel costs due to the virus are being paid from the Benefit Trust Fund, not department operating budgets. The committee expressed hope that testing costs will trend downward in the future.

#### **Fiscal (and Related) Actions on Council Meeting Agenda – May 12**

- *None*

#### **Claims Docket Review**

The committee recommended approval of the claims.

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

Mr. Spalding stated identifying needed cash balances for unfunded liabilities are very important, and he will bring the issue before the committee when he has more information.

#### **Other Business at Discretion of the Chair**

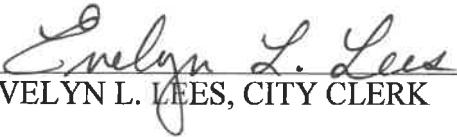
Mr. Beres presented a summary of health benefit costs. He stated the summary presents information on healthcare costs by month beginning January 2018. He stated healthcare costs have tended to increase since then. He noted much of the increase is due to the rise in general healthcare costs. He reviewed the summary and explained the issue will be studied in more depth as the 2021 budget is prepared. Mr. Spalding noted some of the increase is due to an increase in the number of employees. He stated the City employs an expert advisor that is very competent, and Human Resources Director Holly Ramon also understands the issue and takes it very seriously.

Mr. O'Connor asked if there are similar issues with property and casualty insurance. Mr. Spalding replied he can provide a similar synopsis for the committee, but property and casualty

insurance costs a fraction of healthcare costs. He noted the City became self-insured for property and casualty at the beginning on 2018 and has saved money since.

The meeting adjourned at 9:30 a.m.

  
GREG O'CONNOR, COMMITTEE CHAIR

  
EVELYN L. LEES, CITY CLERK

