

**COMMON COUNCIL  
FINANCE COMMITTEE  
JUNE 4, 2020**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A213 on Thursday, June 4, 2020. The meeting was called to order at 8:19 a.m. with Greg O'Connor, Darren Peterson, and Megan Wiles present. Mike Davis was absent.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, IT Director James Yost, Community Engagement Manager Kayla Arnold, Engineering Project Manager Andrew Rodewald, Controller Jeff Spalding, Budget/Financial Analyst Sam Beres, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson.

**Downtown Improvements**

Mr. Beres stated there will be two fiscal actions in the Downtown Development Fund on the Council agenda. He stated appropriation authority for \$83,000.00 will be transferred from contingency to the Economic Development Department to fund alley activation and alley archways. He stated appropriation authority for \$197,719.00 also will be transferred from contingency to the Street Improvement and Rehabilitation budget to fund replacement of street lights on Conner Street from Lakeview Drive to 13<sup>th</sup> Street and from 13<sup>th</sup> Street to State Road 37. Mr. Peterson added the first transfer provides matching funds for an alley activation grant, which the Downtown District Committee agreed should be funded from the Downtown Development Fund. Ms. Wiles stated the funding for street lights on Conner Street is to replace old street lights with black street lights like those in Downtown. Ms. Arnold noted the street lights will be replaced in two phases: from Lakeview Drive to 13<sup>th</sup> Street, and from 13<sup>th</sup> Street to SR 37. Ms. Wiles stated the expenditure is recommended by the Downtown District Committee. Mr. Rodewald explained the street lights from 8<sup>th</sup> Street to 10<sup>th</sup> Street are owned by the City, and the lights on the bridge over White River will be taken over by the City from Duke. He stated the rest of the lights will still be owned by Duke, and the City will pay a monthly maintenance fee, just as it has with the last several roundabouts that were built. Mr. O'Connor asked if the alley archways will be lighted. Ms. Arnold replied no, but they will be really cool. The committee recommended approval of the transfers.

Ms. Arnold and Mr. Rodewald left the meeting.

**Transition to Microsoft Office 365**

Mr. Beres stated a planned upgrade to Microsoft Office 365 was implemented earlier than planned due to a cybersecurity event in March and the COVID-19 emergency necessitating remote work and virtual meetings. He stated the upgrade increased the cost by approximately \$70,000.00. He stated \$25,000.00 exists in the budget, but an additional appropriation in the Cumulative Capital Improvement (CCI) Fund is needed to fund the remaining balance. He stated the decision was made to fund this expense from the CCI Fund rather than the General Fund, but next year the cost will most likely be included in the General Fund budget. Mr. Yost explained the original plan was to renew the existing contract and plan a transition, but a ransomware event

crippled the City's email system. He stated the most economical way to restore email was to upgrade to MS 365. He stated the old license was for email only, but the new license includes software assurance, which will guarantee access to the latest versions. He stated this upgrade is the most economical option if it is paid before June 30. He noted after June 30, the price will increase by \$30,000.00 to \$40,000.00 per year. He stated upgrading to a government license will provide more security and more options for the City to utilize. He stated the City will have access to both the web version and the Office version, but it is important to act quickly. Mr. O'Connor stated it is critical to protect the City's data, so the contract is a necessity. Mr. Yost noted this will provide a licensing change only; no other services are affected. Mr. Light explained that the IT Department has identified approximately \$104,000.00 in budget cuts, with another approximately \$52,000.00 possible cuts. He stated these amounts could revert at the end of the year. He stated the contract could be paid partially from the General Fund, but for tracking purposes it was deemed best to pay the full amount from one fund. Mr. Spalding observed the ordinance seems like increased spending, but in reality it merely moves funding to the proper fund. He noted the City may be eligible to be reimbursed for some of the extra cost, since it was spurred by the COVID-19 emergency. The committee recommended approval of the ordinance.

Mr. Yost left the meeting.

### **2021 Revenue Forecast – Pre-Budget Preview**

Mr. Spalding presented a one-page summary of the 2021 Revenue Forecast – Pre-Budget as of June 4, 2020. He stated he chose the Great Recession of 2008 as a model for forecasting post COVID-19. He reviewed excerpts of the Fiscal Plan in both pre- and post-COVID versions, and the Key Assumptions for each version. He stated the City's overall financial position remains strong. He stated his next step is to work to find a consensus of good assumptions to use for post-COVID forecasting. He stated he hopes that recovery will happen faster than it did after the Great Recession. Mr. Peterson expressed a desire to see spending cuts to compare to the revenue forecast. Ms. Wiles agreed. She was reassured to see the City has such strong cash reserves; many communities are much worse off. Mr. O'Connor stated data needs to be tracked for a few months to see what assumptions will be reasonable to use for forecasting. He asked if the Council could see the presentation at their upcoming retreat. The committee suggested two models for the retreat: one including flat expenses, and one including budget cuts. Mr. Spalding replied the idea is simple, but it can be difficult to incorporate into the model. He stated he will try to provide the requested information. Mr. O'Connor stated since the Council's main responsibility is the City's finances, it is important to make sure the Council is fully informed.

Mr. Peterson left the meeting.

### **Fiscal (and Related) Actions on Council Meeting Agenda – June 9**

- *Ordinance 16-06-20 – Additional Appropriation for Microsoft Enterprise agreement for transition to Microsoft 365 Platform*
- *Appropriation Transfer TA-14-20 – Alley Activation (Downtown Development Fund)*

- *Appropriation Transfer TA-15-20 – Streetlight Replacement (Downtown Development Fund)*

These items were discussed earlier in the meeting.

### **Claims Docket Review**

The committee was unable to recommend approval of the claims due to lack of a quorum. Ms. Wiles noted the large claims summaries have been very helpful for reviewing the claims.

### **Review of Agenda Addendum**

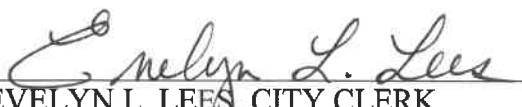
Mr. Spalding noted one new item has been added to the addendum. He stated the Economic Development budget will be split into Programs & Projects and Operations, much as the Street and Parks Department budgets have been. He stated the bifurcation will add transparency and provide better accounting of Economic Development expenditures.

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

Mr. O'Connor asked if there has been feedback from the Small Business Resiliency Grants. Mr. Light replied the grant recipients are required to file a report by June 30. He stated Ms. Arnold has already answered questions from several recipients. He stated he and Ms. Arnold will meet next week to review how to reinforce the City's expectations. Ms. Wiles stated any feedback will be helpful, whether good or bad. She stated there may be a need for the City to provide grants again. Mr. O'Connor noted the federal small business loan program will probably be extended, which should also help businesses.

The meeting adjourned at 10:07 a.m.

  
GREG O'CONNOR, COMMITTEE CHAIR

  
EVELYN L. LEES, CITY CLERK