

**COMMON COUNCIL
FINANCE COMMITTEE
OCTOBER 8, 2020**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A213 at City Hall on Thursday, October 8, 2020. The meeting was called to order at 8:21 a.m. with Megan Wiles and Darren Peterson present. Greg O'Connor participated by telephone. Mike Davis was absent.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Parks and Recreation Director Brandon Bennett, Controller Jeff Spalding, Budget/Financial Analyst Sam Beres, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson.

Major Capital Projects Review

Mr. Light stated one of the capital projects being considered is golf infrastructure concerning irrigation replacement and bunker renovation at Fox Prairie. He stated the committee had asked for more specific amounts, and he and Mr. Bennett have been working to get the information. He stated a bid opening was held on the irrigation system yesterday. He stated the bid advertisement specifically noted the bids were "pending funding," so the City is not obligated to move forward. He stated the lowest bid was \$697,500.00. Mr. Bennett stated his consultant is out of town at this time, and he will check references on the low bidders. He stated the next lowest bid was \$827,000.00. He stated the bids were less owner-provided items, such as the irrigation heads, which will total approximately \$206,000.00. He stated the total cost for the two lowest bids will be approximately \$900,000.00 or \$1 million. Mr. Light stated the estimates provided to the Council in August were \$1.2 million, so the bids are lower than expected. Mr. Peterson asked how many bids were submitted. Mr. Bennett replied there were five bids, none from Indiana. He stated the difference in the bids seems to be unit pricing. He stated references will be important.

Mr. Light stated the Park Board approved a contract for bunker design which is ongoing. He stated some bunkers are expected to be eliminated. Mr. Bennett stated estimated pricing for the bunker renovation is \$600,000.00 to \$650,000.00. He stated earlier estimates were two years old and are no longer valid. He stated his consultants agree that the irrigation project needs to be completed first. He stated the market is good to find contractors, and the work can be completed over the winter and in early spring, then the bunkers would be renovated the next fall. He stated a four inch main line in the irrigation system cracked recently; the system is having more and more major issues.

Mr. Light stated they have been researching how many golfers are residents and how many are from elsewhere, but it has been challenging. He explained the difficulties in finding the information. He stated of 35,000 rounds played, only 4.4 percent were able to capture a ZIP code. He stated of that number, 45 percent were Noblesville residents, but it is a small sample of the total. Mr. Bennett stated their database has only been used for marketing. There was a brief discussion about ways to track usage by residents versus non-residents. Mr. Light observed the golf courses provide value to residents, but they also bring new people to the City. Mr. Spalding stated it would be good to track revenue to apply toward the investments in the course. Mr.

Bennett stated projections can be calculated from prior years. He stated rates cannot be raised unless improvements are made to justify the increases. Ms. Wiles asked if rates would be raised in 2021. Mr. Bennett replied they would not, because the course will be under construction. He stated rates would be raised in 2022. Mr. Spalding noted the irrigation project is really maintenance, while the bunkers could be considered an improvement. Mr. Bennett stated there will be many small benefits to the projects, but the biggest impact will be time gained by employees who spend more than half of their working hours repairing the irrigation system. Mr. O'Connor asked how many bunkers would be eliminated. Mr. Light replied they expect to eliminate 11 and keep 32 bunkers. Mr. Bennett stated the bunker project would bid in the winter. He stated contractors like having guaranteed work throughout the year, so bidding early should result in lower bids. Mr. Peterson stated the projects seem to be moving in the right direction.

Mr. Light distributed a list of projects to be funded by the one year bond. He reviewed the various projects and which ones could possibly be funded at another time or from another source. He stated the golf improvements are not a high priority for the Mayor, but he has stated that if the Council supports them, funding will be provided. There was a brief discussion about using potential reversions from this year to fund projects. Mr. Spalding and Mr. Beres pointed out that reversions in the 100 series for payroll would most likely be used to fund insurance costs if needed. Mr. Spalding stated because Noblesville is a growing community, projects always can be funded, but other projects might have to wait. There was a brief discussion concerning CARES act reimbursements and that they would be used best for public safety purposes, such as the Fire Station 74 renovations.

Mr. O'Connor stated while some other projects can be delayed with no real consequences, if the irrigation system is not replaced it will continue to deteriorate. He stated the project will only cost more if it is delayed longer. He stated replacing the system will save maintenance costs. He stated the timing of the project is right and will cost less than anticipated. The committee recommended moving forward with the Fox Prairie golf course irrigation and bunker renovation. Mr. Light stated he is available if there are questions on any of the other projects.

2021 One Year Capital Projects Bond

Mr. Spalding stated the bond will be named for 2020 because it has to be issued this year, but the proceeds will be spent for 2021 projects. He stated the same process will be followed as last year. He stated multiple-year bonds were discussed, but the process is complex and limits the City's choices, where a one-year bond is simpler and does not affect the City's constitutional debt limit. He explained while the bond is expected to be issued for approximately \$4.6 million, ordinance #38-10-20 allows a higher amount, in case the excess levy appeal is denied. He stated ordinance #39-10-20 will appropriate the bond proceeds, which will require a public hearing. He stated the two ordinances go together. Mr. Spalding noted the process for a one-year bond could begin earlier next year. He stated some projects also could be "bundled" for financing by longer term bonds, which has been done in the past. Mr. Peterson expressed confusion with language in the ordinance regarding the City's constitutional debt limit. He stated he would appreciate a special meeting to explain the calculations to the Council. Mr. Light stated the Administration possibly could produce a dashboard of the City's debts for the Council, so they could easily see

when individual bonds will be paid in full. Mr. Peterson stated it is a good time to borrow, but the Council needs to determine if the bonds make sense. Mr. Spalding stated he will work to clarify the language in the ordinance. The committee recommended adoption of the ordinances.

Reimbursements for COVID-19 Expenses

Mr. Light stated since the State has relaxed its restrictions on eligibility for reimbursement of expenses from CARES Act funds, the City has identified approximately \$638,000.00 in expenditures and approximately \$102,000.00 in sick leave benefits. He stated the Small Business Resiliency grants issued by the City will also be eligible for reimbursement. He stated while public safety payroll costs will be the focus for reimbursement, all costs to the City due to the pandemic are being tracked to show the range of the impact. He stated the State prefers to reimburse payroll expenses first because they are easier to administer. He stated Operations Manager Michelle Glodowski is working with the Indiana Finance Authority to clarify a few details before submitting the application for reimbursement. He stated the City has eligible expenses exceeding the \$2.048 million that is allotted for reimbursement, and plans to submit all of the expenses. He stated the Administration expects to receive the reimbursement before the end of the month. He stated if more federal money becomes available, it will be pursued.

Fiscal (and Related) Actions on Council Meeting Agenda – October 13

- *Ordinance #38-10-20 – Bond Authorization for Capital Projects Short-Term GO Bond of 2020*
- *Ordinance #39-10-20 – Appropriation of Debt Proceeds for Capital Projects Short-Term GO Bond of 2020*

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 there are no updates. He stated the items are expected to be complete in November or December.

Other Business at Discretion of the Chair

Ms. Wiles stated there has been discussion about hiring the golf pro as a City employee rather than as an independent contractor, but she did not see the position in the salary ordinance. Mr. Bennett stated he is working with Mr. Light to compare the current budget with a projected budget adding the golf pro. He stated they hope to have the information by Thanksgiving. Mr. Light stated they hope to finalize the details by the end of this year. Mr. Beres noted Council

action will be needed to make the changes. Ms. Wiles added the salary ordinance would also need to be amended. Mr. Peterson asked if the change would violate the Mayor's guiding principle that there would be no new employees in 2021. Ms. Wiles replied the golf pro would not be a new position, but a change of status. Mr. Peterson noted the golf pro holds the liquor license and asked how and if that would transfer to the City. Mr. Bennett stated he is researching the ramifications and is connecting with other municipalities to see what they do. He stated he will also work with the legal department. Mr. Light stated they will work with the City's insurance agent as well regarding liability coverage.

The meeting adjourned at 9:39 a.m.



GREG O'CONNOR, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK