

**COMMON COUNCIL
FINANCE COMMITTEE
OCTOBER 22, 2020**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A214 at City Hall on Thursday, October 22, 2020. The meeting was called to order at 8:17 a.m. with Greg O'Connor, Mike Davis, Darren Peterson, and Megan Wiles present.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, City Attorney Lindsey Bennett, Economic Development Director Andrew Murray, Economic Development Specialist Amy Smith, Controller Jeff Spalding, Budget/Financial Analyst Sam Beres, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson. Parks and Recreation Director Brandon Bennett participated by telephone. Mayor Jensen arrived at 9:50 a.m.

Economic Development Agreement

Mr. Murray stated there are two resolutions on the Council agenda: one reinstates a personal property tax abatement that was approved in 2014 for Zevacor Molecular when they built a cyclotron to produce isotopes for use in nuclear medicine. He stated the first tax assessment was in 2017, so there are seven years remaining on the ten year abatement. He stated Curium Pharma recently acquired Zevacor, and there seemed to be a misunderstanding as to who would submit the required reports for the abatement. He stated the reporting seems to have fallen through the cracks during the acquisition. He stated his department has re-engaged Curium. He stated they are a very reputable worldwide company in radiopharmaceuticals. He reviewed facts about Curium and their acquisition of Zevacor. He stated Curium is consistent with the Administration's target industries for Noblesville. He stated they would like to reinstate the abatement for the remaining seven years. He stated a requirement to be a "good corporate citizen" is being added to the economic development agreement and will be reviewed as part of the compliance process. Ms. Smith stated Curium has retained 27 of the 32 Zevacor employees. Ms. Wiles noted the location has room for expansion, as well. Mr. Murray agreed. He stated a representative from Curium will attend the Council meeting. Mr. Murray stated there is high growth potential for Curium, and he is excited they are here. He stated Curium appreciated the Economic Development Department's help in reinstating the abatement. The committee recommended passage of the resolutions.

Funding for Outside Legal Services

Ms. Bennett stated litigation with the Indiana Transportation Museum (ITM) was discussed in executive session. She stated the insurance companies are reluctant to pay without a court judgment, so the case will move to trial. She stated a bench trial with Judge Felix has been set for January, and Judge Felix has already ruled in the City's favor once. She stated the City expects to win damages and legal fees. She stated Bose McKinney & Evans LLP will represent the City and have quoted approximately \$250,000.00 in fees for the trial. She stated approximately \$150,000.00 is needed for the remainder of this year. She distributed and reviewed a handout of ITM Fees, Costs, and Expenses to 10/1/2020. She stated they expect \$2.5 to \$4 million in

environmental damages from the suit, and they hope the insurance companies will attend mediation. She stated there is always a chance the suit could be settled before the trial.

Mr. Murray and Ms. Smith left the meeting.

Mr. Beres stated \$150,000.00 for the transfer is available in the General Fund contingency. He stated this simple transfer will use approximately half of the available contingency. Mr. Spalding pointed out that situations like this one are the purpose for budgeting a contingency. Ms. Bennett stated she hopes the transfer will be an isolated event. She noted other departments have budgeted for most of the costs for next year. She briefly reviewed other pending litigation, which involves mostly legal fees, not damages. She stated some claims are processed through the City's insurance.

Mr. Peterson asked if the City wins this case, where will the damages be receipted. Mr. Spalding replied the moneys will go back to where the expenses were incurred. Mr. Beres noted the budget will not be increased if the City wins, since the budget has already been adopted. The committee recommended approval of the transfer.

Funding for Golf Course Irrigation

Mr. Light stated after the last meeting, Mayor Jensen asked him to confirm with Council president Hampton that a majority of the Council supported the project before moving forward. He stated Mr. Hampton confirmed that it did. Mr. Light stated the Administration believes that the best funding approach is to use a portion of the 2020 reversions in the 200, 300, and 400 expense series. He stated reversions in the 100 expense series will be used to fund employee health care, which seems appropriate. Mr. Bennett stated his consultant reviewed the bids and found that the lowest bidder did not have the required experience. He stated the second lowest bidder, GT Irrigation, is very well qualified. He stated their bid was \$827,000.00, and \$205,000.00 would be needed to purchase sprinkler heads for the system. He stated he hoped to save money by purchasing the heads directly. Ms. Wiles asked if the bunker renovation has been bid. Mr. Bennett replied no, it has not, but the estimate is approximately \$600,000.00. Ms. Wiles stated the bunkers can be funded in 2021. Mr. Spalding stated the transfer requests moving up to \$1,030,000.00 from the General Fund to the Park Programs Fund, which will leave a balance in the fund to carry into 2021. Mr. Light noted even with the higher bid, the price of the irrigation project is less than the original estimate. There was a brief discussion concerning the amount of the transfer. The committee recommended approval of a transfer for \$1,032,000.00.

Summary of Routine Appropriation Transfers per RC-03-20 – 3rd Quarter

Mr. Beres reviewed the small transfers that were made by OFA in the third quarter. He stated the report will be presented to the Council pursuant to Resolution RC-03-20. Mr. Peterson stated the transfers meet the intent of the resolution.

Fiscal (and Related) Actions on Council Meeting Agenda – October 27

- *Ordinance #38-10-20 – Bond Authorization for Capital Projects Short-Term GO Bond of 2020*
- *Ordinance #39-10-20, as amended – Appropriation of Debt Proceeds for Capital Projects Short-Term GO Bond of 2020*
- *Resolution RC-43-20 – Reinstatement of Personal Property Tax Abatement for Curium US PET LLC*
- *Resolution RC-44-20 – Concurrence on Economic Development Agreement with Curium US PET LLC*
- *Appropriation Transfer TA-20-20 – Funding for outside legal services (General Fund)*
- *Cash Transfer RC-03-20 – General Fund to Parks Programs Fund*
- *Miscellaneous – Summary of 3rd Quarter Appropriation Transfers per RC-03-20*

These items were discussed earlier in the meeting.

Claims Docket Review

There was a discussion regarding some departments not reporting large claims on the Large Claim Summary form, or submitting the forms past the deadline. There was a discussion of possible options and/or penalties. The committee recommended approval of the claims.

Review of Agenda Addendum

There were no updates.

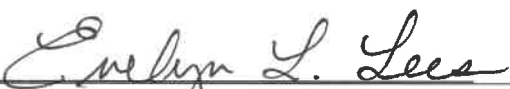
Other Business at Discretion of the Chair

Mr. O’Connor asked if there has been progress in negotiations for the Firestone site. Mr. Light stated the City Engineer is cautiously optimistic concerning an agreement, but internal approvals are still pending.

The meeting adjourned at 9:57 a.m.



GREG O’CONNOR, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK