

**COMMON COUNCIL
FINANCE COMMITTEE
NOVEMBER 19, 2020**

The City of Noblesville Council Finance Committee met pursuant to public notice in room B137 at City Hall on Thursday, November 19, 2020. The meeting was called to order at 8:18 a.m. with Greg O'Connor, and Mike Davis present. Megan Wiles participated by telephone. Darren Peterson arrived at 8:24 a.m.

Also present were City Clerk Evelyn Lees, Economic Development Director Andrew Murray, Economic Development Specialist Amy Smith, Fire Chief Matt Mitchell, Assistant Police Chief Brad Arnold, Controller Jeff Spalding, Budget/Financial Analyst Sam Beres, and Chief Accountant Heather Trexler.

TIF Pro forma - Update

Ms. Smith distributed a draft of a pro forma for the Stony Creek East TIF District. Mr. Murray stated the Economic Development Department and the Office of Finance and Accounting (OFA) have been working to develop business plans for the more than 14 TIF allocation areas in the City. He stated the project is taking a great deal of time and effort, but they have made great strides. He commended OFA for restructuring and cleaning up the accounting in the fund for each district. He stated at this point, simple reports are available. He stated they have gathered many important details about the districts, including expiration dates, maps, establishing resolutions, development agreements, future investments, and tax abatements. He stated the information is being shared with Policy Analytics for analysis. He stated the project has required a tremendous amount of work, but it will allow the City to predict Assessed Value (AV) and develop a spending plan for each district. Mr. Spalding stated the project seems basic, but it takes time to make sure the details are correct. He stated until now, there has been much data but little information. He stated organizing the data will provide more information and lead to better decision-making. Mr. O'Connor asked for a projected completion date. Mr. Spalding noted building a new structure takes much more time. He stated Mr. Murray has worked very hard, but other more urgent matters have often delayed this project. Mr. Murray agreed. He stated he hopes to possibly have some results within the first half of 2021, barring unforeseen delays. Mr. Spalding stated maintaining the information will be much easier once it is organized.

There was a brief discussion concerning the pros and cons of AV capture and pass through. Mr. Spalding stated it is a matter of policy to agree to pass through some AV when a district greatly exceeds expectations. Mr. O'Connor asked who ensures compliance on bond debt service for the City. Mr. Spalding stated currently Jim Treat with O.W. Krohn & Associates, as well as attorney Michael Howard provide those services. Mr. O'Connor commended the work so far on the pro forma project. He stated the resulting information will be very helpful. Ms. Wiles stated in past years the Council was informed that certain TIF districts could fund certain projects, but she felt the Council needs to see the actual funding availability. She approved of the project. Mr. Murray stated he will provide an update to the committee on the project's progress in March.

Mr. Murray and Ms. Smith left the meeting.

Parking Enforcement Lawsuit Settlement

Assistant Chief Arnold stated a transfer is needed in the Police Department budget as a result of a lawsuit settlement in order to fund a portion of the insurance deductible payment. Mr. Beres stated the \$10,000.00 to be transferred will come from the Parking Meter Fund contingency. Chief Arnold stated late City Judge Caldwell did not hear cases for parking tickets in court, because the ticket was \$10.00, and he felt adding court fees was unreasonable. Chief Arnold stated a local attorney sued, claiming a lack of due process. He stated the case has been settled for \$60,000.00. Mr. Davis asked if the problem has been corrected for the future. Ms. Lees stated City code was amended in 2018 to include an appeal process for parking tickets, which addressed the main complaint in the lawsuit. There was a brief discussion of the purpose of the Parking Meter Fund. Mr. Peterson asked why the settlement is being paid by the Police Department and not the Legal Department. Mr. Spalding replied because the Police Department enforces parking, it made sense for the payment to come from their department. Mr. Peterson asked if this settlement will affect the 2022 budget in any way. Mr. Beres explained this is a one-time expense, so there will be no effect on future budgets. He stated expenses such as these are the reason each fund has a contingency. Mr. Spalding stated the use of base budgets during the budgeting process prevents these types of expenses from being added to future budgets.

Assistant Chief Arnold left the meeting.

EMS Protective Suits

Mr. Beres stated the Council should expect more appropriation transfers toward the end of the year. He stated this transfer is entirely within the Fire Department budget. Chief Mitchell stated in the spring of 2020, personal protective equipment (PPE) was very difficult to procure. He stated Noblesville was more prepared than many communities, but it was still a challenge. He stated at the worst point, the department bought inexpensive rain ponchos from local stores in case they ran out of gowns. He stated buying EMS suits will eliminate dependence on most PPE. He stated the suits are similar to turnout suits for firefighters, but they do not contain the fire-protective carcinogenic compounds, which is a health benefit as well. He stated the suits can be decontaminated for reuse and also are highly visible at night. He stated suits will be purchased for all frontline EMS personnel and two EMS administrative positions. He stated the only PPE that will be needed in the future are disposable gloves and filter cartridges for respirators. He stated pricing to buy 127 suits came from a bid accepted by the Indianapolis Fire Department. He stated the suits are a 400 series expense, and funding needs to be transferred from the 300 series. He stated savings from cancelled training is available in the 300 series to fund the \$160,000.00 transfer. He noted these suits are less expensive than turnout gear for firefighters.

Chief Mitchell left the meeting.

2019 Audit Wrap-up

Mr. Spalding stated the results of the audit are still confidential at this point, so he summarized them for the committee. He stated the State Board of Accounts issued an unqualified, unmodified

opinion, which means they did not find any substantial problems. He reviewed the auditors' suggestions for improvement of some current practices.

There was a brief discussion concerning the Promotions Fund and whether to eliminate the fund or better define its uses.

2020 Year-End Fiscal Administration

Mr. Beres stated state law requires that each "bucket" for City finances cannot have a negative balance when the year ends. He stated a quarterly report on authorized small transfers will be provided to the Council in December, but last minute expenses could still occur that would require transfers before the end of the year. He stated without a resolution granting authority to make the necessary transfers, the Council would have to hold a special meeting to approve them at the end of the year. He stated Resolution RC-47-20 authorizes OFA to make the necessary transfers and then report them to the Council at its first meeting in February. He stated because most small transfers have been accomplished throughout the year and departments are improving their budget management, there should be few issues. Mr. Spalding noted a similar resolution was approved last year. Mr. O'Connor approved, since the request only involves transfers and no new appropriations. The committee agreed to recommend approval.

COVID-19 Fiscal Effect Update

Mr. Beres reviewed reports and graphs illustrating COVID-19's fiscal impact on the City and what can be reasonably expected in the future. He reviewed unemployment data, revenue receipts, and revenue projections.

Fiscal (and Related) Actions on Council Meeting Agenda – November 24

- *Resolution RC-47-20 – 2020 Year End Fiscal Administration*
- *Appropriation Transfer TA-21-20 – Legal Settlement on Parking Enforcement Lawsuit (Parking Meter Fund)*
- *Appropriation Transfer TA-22-20 – EMS Protective Suits (General Fund)*

These items were discussed earlier in the meeting.

Claims Docket Review

The committee recommended approval of the claims.

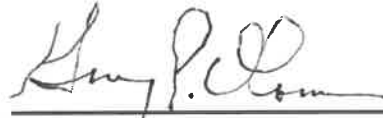
Review of Agenda Addendum

There was no update.

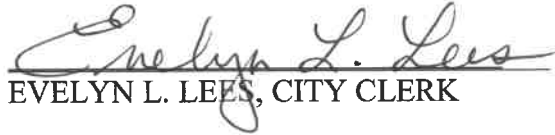
Other Business at Discretion of Chairman

There was no other business.

The meeting adjourned at 10:18 a.m.



GREG O'CONNOR, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK