

**COMMON COUNCIL
FINANCE COMMITTEE
FEBRUARY 18, 2021**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A213 at City Hall on Thursday, February 18, 2021. The meeting was called to order at 8:17 a.m. with Mike Davis, Greg O'Connor, and Wil Hampton present. Megan Wiles arrived at 8:23 a.m.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Economic Development Director Andrew Murray, Budget/Financial Analyst Sam Beres, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson. Controller Jeff Spalding arrived at 8:29 a.m. Community and Economic Development Director Sarah Reed joined virtually via Microsoft Teams at 8:25 a.m.

Seating was limited due to COVID-19 restrictions. Pursuant to Governor Holcomb's executive order 20-09, a call-in telephone number was provided for interested citizens to listen to the meeting.

Claims Docket Review

After discussion, the committee recommended approval of the claims.

Economic Development Area – Washington Business Park

Mr. Murray stated the approval of the establishment of an Economic Development Area is one statutory step in issuing bonds. He stated the Redevelopment Commission approved a declaratory resolution last week. He stated once the Plan Commission issues an order confirming the area conforms to the Comprehensive Plan, the matter comes before the Council for approval. He stated the same process has been followed for the Nexus project and other projects. Because City Hall was closed due to the snowstorm on the Plan Commission's regular meeting day, Mr. Murray was not sure they met to issue their order. The committee agreed to recommend approval of the resolution.

Ms. Reed and Mr. Murray left the meeting.

Appropriation Transfer – Downtown Streetscape Project

Mr. Beres stated this transfer appropriates \$100,000.00 from the Downtown Development Fund to the Engineering Department for partial payment of the design contract for the Downtown Improvement Project. Mr. Light explained the cost of the contract is shared between the Downtown Development Fund and the Engineering Department budget. He noted a similar transfer was approved in late 2020. After a brief discussion, the committee agreed to recommend approval of the transfer.

Request for Examination According to Generally Accepted Accounting Principles (GAAP)

Mr. Spalding stated very few communities issue a Comprehensive Annual Financial Report (CAFR), but Noblesville has for many years. He stated the State Board of Accounts requires a resolution that requests they audit the CAFR, even though they historically have done so. Mr. Light stated two laws were passed a few years ago requiring municipalities to use GAAP accounting. He stated credit rating agencies lobbied for the change. He stated because many municipalities do not use GAAP accounting, there has been a rolling implementation to help institute the change. He stated the resolution must be received by the State Board of Accounts before March 1. Mr. Davis asked if the resolution is required annually. Ms. Thompson stated Todd Caldwell at the State Board of Accounts said approving the resolution once was sufficient, but the statute does not specify. The committee agreed to recommend approval of the resolution.

Cancellation of Expired Warrants

Ms. Trexler stated a report of checks issued in 2018 that were never cashed will be presented to the Council. She stated the City made every effort to contact the payees. She stated checks that remain open will be voided. She noted that if at some time in the future a payee claims the amount, the City will re-issue the check. She stated most of the claims are from the Wastewater Utility. She stated customers moved and could not be found. Mr. Beres asked how often checks are reissued. Ms. Trexler replied she has never seen a check reissued, but records are kept for seven years. Mr. O'Connor asked if a stop payment is put on the checks. Ms. Trexler replied yes. She explained the face of the check states it is void two years after the issue date. Mr. Light stated municipalities are exempt from the State unclaimed money law.

Renew Authorization to Invest in CDs Statewide

Mr. Spalding stated statute requires a resolution to allow a municipality to invest in certificates of deposit from banks outside its jurisdiction. He stated this resolution allows the City flexibility to find the best rates statewide. He noted the resolution must be approved every two years to remain valid. The committee agreed to recommend approval of the resolution.

2022 Capital Development (CCD) Fund Tax Rate Reset

Mr. Spalding stated this ordinance is a routine one that must be approved each year in order to keep the tax rate from falling. He stated by law, the tax rate for this fund will drop incrementally every year unless the Council acts to keep it at the current level. He stated this action has been taken for the past three years. Mr. Beres noted the CCD tax rate does not affect the property tax rate of \$1.10. Mr. Spalding stated it is good fiscal practice to keep the rate at the maximum level. He stated the CCD Fund is used to pay the City's capital equipment leases, which are mainly for vehicles and some equipment for several departments. Mr. Hampton asked how much revenue this tax rate generates. Mr. Beres replied approximately \$1.4 million per year. The committee agreed to recommend approval of the ordinance.

2022 Fire Cumulative Capital (FCC) Fund Tax Rate Reset

Mr. Spalding stated this tax rate is confusing, because it has its own rate, but it is treated as within the City's maximum levy. He stated because of this, if the Fire Cumulative Capital rate is increased, it will take revenue away from other funds under the maximum levy. He stated the process to set the rate is similar to setting the CCD rate that was just discussed. He stated by law, the maximum FCC rate is \$0.0333, but the City's current rate is \$0.016. He stated the rate has not been actively managed for some time, and it should be. He asked the committee for their feedback on what the rate should be. He stated after some preliminary analysis, he believes setting the rate at \$0.02 would be appropriate for the budget. He stated the purpose for increasing the rate is to move payments for fire equipment from the CCD Fund to the FCC Fund, which would be more logical and transparent. Mr. Beres noted the rate set in the resolution is a maximum, but the actual rate is set as part of the budget. After discussion, the committee agreed to recommend setting the rate at \$0.02.

Fiscal (and Related) Actions on Council Meeting Agenda – February 23

- *Ordinance 08-02-21 – Bond Authorization for Nexus Apartments Project*
- *Ordinance 10-02-21 – Reset CCD Fund Tax Rate*
- *Ordinance 11-02-21 – Reset FCC Fund Tax Rate*
- *Resolution RC-10-21 – Authorizing the Investment of Public Funds Statewide*
- *Resolution RC-11-21 – Requesting Audits of GAAP-basis Financial Statements*
- *Appropriation Transfer TA-02-21 – Streetscape Design Costs (Downtown Development Fund)*

These items were discussed earlier in the meeting.

Review of Agenda Addendum

Mr. Spalding stated time frames on two addendum items have been changed. He stated the Nickel Plate Express Assistance Financing has been moved to March, and Downtown Improvements Project Financing has been moved to March or April. Ms. Wiles explained the original estimate for the Downtown Improvement Project was a \$6 million bond, but if sewer work is added, the cost will increase. She stated funding needs to be identified for the extra work. Mr. Light stated Wastewater Utility Director Ray Thompson is working on a plan for the sewer portion of the project. Mr. Spalding stated funding still needs to be found. Mr. O'Connor stated the sewer work needs to be done with the Downtown Improvement Project. Ms. Wiles stated she wanted the committee to be aware of the situation. Mr. Davis asked for an estimate of the cost of the sewer work. Mr. Light replied he would get a ballpark estimate.

Other Business at Discretion of Chairman

Mr. Hampton stated the founder of Safe Haven Baby Boxes met with him last week and wants to install a box at a Noblesville Fire Station. He stated a box costs \$10,000.00 to build and

approximately \$200.00 per year to maintain. He stated the Mayor and public safety chiefs want to install the box. He stated raising the funds through donations is a possibility, and the Administration also is considering paying for the box. He stated the project may be on the agenda soon. Mr. Light stated Public Safety Director Chad Knecht is considering including the box as part of the Station 74 remodel that is already being planned.

The meeting adjourned at 9:34 a.m.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK