

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

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

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Parks and Recreation Director Brandon Bennett, Parks and Recreation Assistant Director Amber Mink, Parks and Recreation Office Manager Wendy StremLaw, Assistant City Engineer Jim Hellmann, Chief Financial Officer and Controller Jeff Spalding, Chief Accountant Heather Trexler, and Administrative Assistant Jacqueline Thompson. Budget/Finance Analyst Sam Beres arrived at 8:29 a.m.

Claims Docket Review

After discussion, the committee recommended approval of the claims.

Review of Federal Hill Garage Bond Sale

Mr. Spalding reviewed information on the bonds for the Village at Federal Hill parking garage, which is scheduled to close on November 30. He reviewed the detailed sources and uses. Mr. O'Connor stated interest rates are beginning to increase, but the rate on the bonds is very good.

Mr. Hellmann left the meeting.

Annual Parks/Golf Subsidy Status Report

Mr. Bennett stated nearly every year a park programs subsidy is needed. He stated recreation programs and golf are combined in the accounting system, but they are separate internally. He reviewed revenues and expenses year to date. He stated this has been another banner year for golf. He stated recreation camps and classes were also sold out. He stated a subsidy would not be needed this year, except extra lease payments had to be made to Ivy Tech for the Recreation Annex. He explained due to staff turnover in 2019 and a leadership change at Ivy Tech, the 2019 and 2020 lease payments to Ivy Tech had to be paid this year. He stated year end totals will depend on the success of the temporary ice rink at Federal Hill Commons, which is extremely weather dependent. He stated \$200,000.00 was budgeted for the subsidy, so a transfer of \$17,000.00 to the park programs may be needed to provide a cash balance at the beginning of the year. He stated his goal is for park programs to become self-supporting or even generate revenue. Mr. Beres stated the park programs used to be allowed to run a deficit that was corrected by transfer at year end, but that is not best practice. He stated everyone is making an effort to prevent deficits now. Mr. Bennett noted any part of the budgeted subsidy payment that is not needed will revert to the General Fund at year end. The committee was pleased with the report. Mr. Bennett stated he hopes to provide quarterly reports in the future. He thanked Ms. Trexler for her help in gathering the data.

Additional Appropriation – Park Programs Fund

Mr. Beres stated Council appropriated funding for park operations, but more revenue than expected was collected. He stated the extra revenue must also be appropriated before it can be spent. Mr. Bennett stated the Park Board used to approve appropriations, but now the Council must approve them. Mr. Beres stated City code stipulates that the Council must approve the appropriations. Mr. Spalding added the Council can refuse to approve the appropriation, but it would not be fiscally wise.

Appropriation Transfer – Parks Fund

Mr. Beres stated the Parks Fund is the parks' version of the General Fund and has \$100,000.00 budgeted for contingencies. He stated a sign at Federal Hill Commons was damaged by a motorist several years ago. He stated money was appropriated and the sign was repaired, but the appropriation lapsed by the time the insurance settlement was received. He stated a transfer is needed to cover the cost.

Mr. Spalding stated another transfer may be needed at year end, but no one will know until the time comes. He stated there are several options depending on the situation at the time.

Ms. Wiles left the meeting.

Restructuring of Park Funds

Mr. Spalding stated two parks funds were established in 1990 with specific purposes, but those purposes have eroded over time. He stated the Parks Capital Fund is no longer needed, and he would like to eliminate it. Mr. Bennett stated the fund was set up for dedicated capital expenses and was funded by a percentage of golf revenue which the Park Board would set each year. He stated the percentage has been zero for the last several years. He stated in 2020 he met with City Attorney Lindsey Bennett and found the Council must appropriate parks funding, so no money has been spent from the capital fund since then. He stated the only revenue that currently is deposited to that fund comes from cell tower and farmland leases. He stated that revenue will be moved to the operating fund. He noted the money could still be budgeted in the 400 series for capital expenses. Mr. Spalding agreed. He stated the operating fund already has some capital expenses, so the Parks Capital Fund is no longer needed. Mr. Light added there were discussions about the pros and cons of eliminating the fund. He stated Mr. Spalding was able to accomplish the City's goals for the money with less trouble. Mr. Spalding stated another fund could be created in the future if one is needed, but there was no point in keeping a fund that had become a nuisance.

Mr. Light stated there will also be an ordinance to modernize the Parks Non-Reverting Operating Fund in order to update City code. He stated when the fund was established, a list of specific events was included, and those events no longer exist. He stated the ordinance will amend City code to direct revenue from golf, recreation events, camps, and other activities to be deposited in

the fund with the approval of the Park Board. He stated the amendment aligns City code with current practice.

Update on Union Meet & Confer Negotiations

Mr. Light stated negotiations with the police and fire unions are nearly complete. He stated negotiations began in the summer but were paused for the compensation study. He stated talks resumed approximately six weeks ago, when the Administration shared the results of the compensation study and suggestions with the union representatives. He stated the unions provided feedback, and currently the chiefs are reviewing the agreements. He stated the agreements should be finalized soon. He stated both unions are open to a two year agreement cycle, but the Administration will insist on language that allows talks to reopen under certain circumstances. Mr. Light noted the Administration has compared our departments to a broader market, while the unions are focused on Carmel and Fishers. He stated the Administration acknowledges their concerns, but Fishers and Carmel are different from Noblesville. He stated the tax bases for those communities are much different from Noblesville's, and that reality cannot be glossed over. There was a discussion concerning longevity pay and its effect on employee retention. Mr. Light stated the Administration is gathering data to make informed decisions. Mr. O'Connor agreed that is an important step.

Fiscal and Debt Actions on Council Meeting Agenda – November 23

- *Ordinance #80-11-21 – Additional Appropriation for Golf Operations (Park Programs Fund)*
- *Ordinance #81-11-21 – Elimination of Parks Capital Projects Fund*
- *Ordinance #82-11-21 – Modernization of Parks Non-Reverting Operating Fund*
- *Appropriation Transfer #TA-11-21 – Sign Repair at Federal Hill Commons (Park Fund)*

These items were discussed earlier in the meeting. Mr. Spalding stated the next agenda will be focused on end of year actions.

Review of Agenda Addendum

Mr. Spalding stated the items concerning Parks funds have been removed, since they are on the Council agenda for next week.

Other Business at Discretion of Chairman

Mr. O'Connor asked if there are any bond approvals still outstanding for this year. Mr. Spalding stated the one year General Obligation bond is still pending. He stated he is personally offering the bond, rather than paying someone else. He stated because this bond is routine with no changes to documents other than the dates and amounts, he feels confident in offering the bond in house and saving costs.

The meeting adjourned at 9:36 a.m.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE