

**COMMON COUNCIL
FINANCE COMMITTEE
DECEMBER 15, 2022**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A214 at City Hall on Thursday, December 15, 2022. The meeting was called to order at 8:15 a.m. with Mike Davis, Darren Peterson, and Aaron Smith present. Greg O'Connor attended electronically via Microsoft Teams.

Also present were City Clerk Evelyn Lees, Public Safety Director Chad Knecht, Street Commissioner Patty Johnson, Economic Development Assistant Director Chuck Haberman, Chief Financial Officer and Controller Jeff Spalding, Deputy Controller Steve Strycker, Deputy Financial Officer Ian Zelgowski, Accounting Manager Heather Trexler, and Executive Assistant Jacqueline Thompson. Community Development Director Sarah Reed and Economic Development Director Andrew Murray attended electronically via Microsoft Teams. Deputy Mayor Matt Light arrived at 8:20 a.m.

Claims Docket Review

After discussion, the committee recommended approval of the claims.

Economic Development Agreement; Tax Abatement Authorizations – Patch WBP Lot 3, LLC (Washington Business Park)

Mr. Haberman stated Patch Development is constructing its third speculative building in Washington Business Park. He stated the site is in the southeast corner of the business park, on the 156th Street cul de sac. He stated the building will be 130,000 square feet, and Patch Development anticipates investing \$11.5 million. He stated the first two buildings are almost completely leased, and there are prospective tenants for the proposed building. He stated construction is planned for spring 2023. He stated Patch Development has met all commitments in their previous agreements and abatements. Mr. O'Connor asked if the language in the agreements is consistent with the previous agreements. Mr. Haberman replied yes, including language to cover tax-exempt tenants. Mr. Spalding asked what the protection for the City would be. Mr. Murray replied because any tax exempt entities are tenants, there would be no effect on the assessment. Mr. Haberman stated the agreement includes an agreement not to appeal the assessment or apply for an exemption. The committee agreed to recommend approval of Resolutions RC-56-22 and RC-57-22.

Mr. Haberman left the meeting.

2023 High AV Growth Levy Appeal

Mr. Spalding stated the Department of Local Government Finance (DLGF) approved the appeal, so there will be a permanent increase to the City's maximum tax levy of \$1,047,848.00. He stated approval was assumed in the budget, also subjective approval by the DLGF caused some

uncertainty. Mr. Smith asked if other nearby taxing units also are appealing. Mr. Spalding replied they may be, but he was not aware of any.

Bond Sale – Capital Projects Short-Term GO Bond of 2022, Series A & B (2023 One Year Bond)

Mr. Spalding stated the one year bond is used to manage the tax rate at \$1.10. He stated Series A will be used for small capital projects, and Series B will be used for the Pleasant Street project. He displayed the sources and uses for the bonds. He stated the bonds will be issued for a total of \$9,455,000.00. He stated because these bonds are smaller amounts, they were able to save fees by not hiring an underwriter to help find buyers. He stated the bonds were marketed in-house. Mr. O'Connor approved. Mr. Spalding stated because these bonds are a yearly process and fairly routine, in the future he may try to find a bond counsel for lower fees. Mr. O'Connor agreed.

Fiscal Action(s) – Street Department Equipment

Ms. Johnson stated a transfer is need in the Street Department budget. She stated three trailers were ordered in 2021. She stated by the time the trailers were delivered in 2022, the price had increased substantially. She stated other trailers were found at another vendor. She explained while the price was more than the original price, it was less than the increased price of the first vendor. Mr. Zelgowski stated money for the trailers was encumbered from 2021 to 2022 for the first vendor, but once the vendor changed, the purchase order had to be liquidated and other funding had to be found. He stated this transfer to cover the cost of the trailers is within the Street Department budget. Mr. O'Connor stated the original vendor should have honored its quote, even if the price did increase. He stated while it isn't right to increase the price, it is happening everywhere. Mr. Spalding stated this type of situation is due to statutory restrictions that don't exist in the private sector. He stated the transfer will be taken from contingency. The committee agreed to recommend approval of Transfer TA-21-22.

Ms. Johnson left the meeting.

Routine Appropriation Transfers – 4th Quarter

Mr. Zelgowski reviewed the resolution authorizing small transfers to be reported to the Council each quarter. He stated more transfers were made in the fourth quarter due to end-of-year statutory requirements. Mr. Spalding added negative balances are not allowed by law. He stated any last minute end-of-year transfers will be reported to the Council in February. Mr. Zelgowski reviewed the list of transfers. There was a brief discussion.

Routine Appropriation of Grant Proceeds – 4th Quarter

Mr. Strycker reviewed the grant proceeds that were received and appropriated by the Office of Finance and Accounting in the fourth quarter. He noted two grant disbursements were not appropriated because they reimbursed expenses that were already appropriated. He stated a \$150,000.00 grant from the Indiana Economic Development Corporation was received this year

for the Make My Move program, and \$65,000.00 has been expended so far. The Committee questioned why so little of the grant was unexpended.

Mr. Haberman rejoined the meeting. He explained that the grant proceeds are expended when the applicants for the program actually move to Noblesville.

Mr. Haberman left the meeting.

Update – 2022 Year-End Encumbrance Carry Forward

Mr. Strycker presented the list of open purchase orders that may be carried forward to next year. He noted the list was as of December 14, and departments have until December 16 to request a purchase order to remain open. He stated any purchase orders that are not requested to carry forward will be closed. Ms. Trexler added many of the purchase orders will drop from the list, and end-of-year bond payments will close out as well. She stated the final list will be much shorter, and it will be reported to the Council in February.

Fiscal and Debt Actions on Council Meeting Agenda – December 20

- *Ordinance #74-12-22 – Additional Appropriation – Parking Services (Parking Meter Fund)*
- *Ordinance #75-12-22 – Additional Appropriation – Damaged Vehicle Replacement (Cumulative Capital Development Fund)*
- *Ordinance #76-12-22 – Additional Appropriation – Additional Revenue from Golf Operations (Parks Program Fund)*
- *Transfer #TA-21-22 – Street Department Equipment (Local Road & Street Fund)*

The items were discussed earlier in the meeting.

Review of Agenda Addendum

There were no changes since the last meeting.

Other Business at Discretion of Chairman

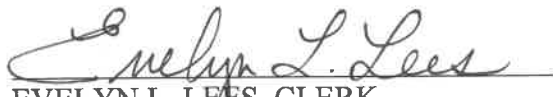
Mr. Light presented Ordinance #63-10-22A, amending the employee salary ordinance. He distributed copies of the ordinance. He stated upon further review, there are several compensation adjustments for employees. He stated there are changes to Street Department positions that were discussed during the budget presentation. He stated Human Resources Director Holly Ramon recommends the changes. He stated the amendment includes equity increases for seven positions. He stated ten percent of staff are receiving merit increases within the existing ordinance, but the range in the ordinance needed to be increased for seven positions. He stated he will request passage on first reading so that the pay change will be effective for the first check in January. Mr. Davis asked why these changes were not addressed when the

ordinance was originally presented in October. Mr. Light stated some of the changes became apparent after further review. He stated some changes have been made to address recruiting and retention challenges, which is not surprising in the current employment climate. Mr. O'Connor asked what the fiscal impact of the changes is. Mr. Light stated the change will use \$43,000.00 of the \$163,000.00 personnel contingency. There was a discussion of the shift from paying employees the maximum allowed to merit-based pay within a salary range over the past two years. Mr. Light discussed the competitive situation the City faces in recruiting and retaining employees. He stated each change was requested by the department director or Ms. Ramon. Mr. Davis objected to receiving the request at the last minute without time to thoroughly review and digest the information. He expressed concern that additional pay increases cannot be sustained in the future. Mr. O'Connor stated while he understood Mr. Davis' concerns, the job market is difficult right now. He stated it is important to retain staff. He requested more background information on the requested changes. Mr. Davis also requested historical information on pay increases for the positions. Mr. O'Connor stated he expects the trend to slow down in the future. Mr. Peterson stated the Engineering and Planning Departments have lost staff, and now developers see delays in receiving building permits. He stated some are giving up and building in Westfield. Mr. Smith stated he was not comfortable with passage on first reading, and Mr. Davis agreed. Mr. Light agreed it was not necessary. There was a brief discussion concerning whether pay increases could be made retroactively to the first check in January. Mr. Light stated next year the Administration will be in a better position to make a full review when the salary ordinance is passed. Mr. Spalding stated some entities separate salary review from the budget process and align them with performance appraisals. Ms. Lees stated the employee salary ordinance may have been considered at the same time as the budget partly because statute requires both to be adopted before November 1.

The meeting adjourned at 9:40 a.m.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE