

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

The City of Noblesville Council Finance Committee met on Thursday, March 19, 2020. Greg O'Connor called the meeting to order at 8:21 a.m. with Mike Davis, Darren Peterson, and Megan Wiles present.

Also present were City Clerk Evelyn Lees, Community and Economic Development Director Sarah Reed, Attorney Michael Howard, Economic Development Specialist Aaron Head, Controller Jeff Spalding, Budget/Financial Analyst Sam Beres, and Chief Accountant Heather Trexler. Administrative Assistant Jacqueline Thompson participated by telephone. IT Director Jamie Yost arrived at 8:35 a.m. Deputy Mayor Matt Light arrived at 8:40 a.m.

Opus Development Company, LLC – Saxony Corporate Campus (Lot U)

Mr. Howard stated Opus Development has proposed a new project on the southwest corner of Bergen Boulevard and 146th Street, which is zoned Light Industrial. He stated Opus is a national firm that builds speculative developments. He stated in 2005, the City entered into a development agreement for the Saxony Corporate Campus with Republic and its subsidiary, Interchange Diversified, LLC. He explained a part of the agreement was pre-approved tax abatements based on a building's square footage. He stated the current Administration is focused on jobs rather than square feet, but jobs are difficult for a speculative development to quantify. He noted the proposed building is for 157,500 square feet, and negotiations are in progress with one prospective tenant, Centrasep Technologies. He stated Centrasep is currently in the building that Nexxt Spine recently purchased for their expansion, so Centrasep must find a new location. He stated the proposed building is just north of their current location. He stated Opus Development hopes to have a lease in place by the time a confirmatory resolution comes to the Council. Ms. Reed stated Opus Development has already received a letter of intent from Centrasep, and the location is a logical move.

Mr. Howard stated an amendment to the 2005 development agreement is expected to come to the Council for approval at the same meeting and immediately prior to presentation of the confirmatory resolution for Opus Development. Ms. Wiles asked how much of the new building Centrasep would occupy. Mr. Howard replied approximately 25 to 30 percent. Ms. Reed stated the new building will still have to meet the City's standards. She stated as a part of this process, the City obtained right-of-way from the Sleepy Bear Campground on 146th Street. She stated the right-of-way will allow for construction of a longer right turn lane for the development entrance and to Bergen Boulevard. Mr. O'Connor asked who will be responsible for funding construction of the right turn lane. Mr. Howard replied the developer will be responsible.

Mr. Howard stated the preliminary resolution includes a declining ten year real property tax abatement, but the City will have the right to consider jobs and payroll. Ms. Reed stated the amendment to the 2005 agreement is needed for many reasons, and will also give the City the ability to modify tax abatements in the future. Mr. Howard noted that Mr. Head's work on this project was exemplary. He announced that tomorrow is Mr. Head's last day with the City; he

will be working for Ginovus. The committee congratulated Mr. Head and said he will be missed. Mr. Head stated it is necessary to amend the 2005 development agreement in order to bring dollar amounts in line with today's standards; they are much too low in the current agreement.

Mr. Yost joined the meeting.

Mr. Howard noted Opus Development plans to build the project regardless of whether a lease with Centrasep is finalized. The committee recommended approval of the resolution.

Ms. Reed, Mr. Howard, and Mr. Head left the meeting.

Microsoft Software Licensing

Mr. Beres stated \$75,000.00 was budgeted in the General Fund for Microsoft licensing.

Mr. Light joined the meeting.

Mr. Beres stated the nature of the Microsoft licensing contract is each year to recount the number of licenses and true up the amount owed. He stated after the IT department audited the number of licenses, it was found Microsoft is owed an additional \$29,821.00 for 2019. He stated the City will also owe an additional \$13,935.00 on the new 2020 contract for additional licenses. He stated OFA also has determined that the appropriate fund from which to pay the licenses is the Cumulative Capital Improvement (CCI) Fund, which has restricted uses. He explained Transfer TA-12-20 moves the full amount of \$118,757.00 from non-departmental contingency to the IT budget in the CCI Fund, which will free up \$75,000.00 for other uses in the unrestricted General Fund. Ms. Wiles asked if the Microsoft contract would be approximately \$90,000.00 going forward. Mr. Yost replied yes, the contract for 2020 will be approximately \$88,600.00. He stated the true up payment must be paid before Microsoft will sign a new agreement. He noted the new agreement will also lock in a price for Microsoft 365 as well, which the City is working toward using. Mr. Beres noted the increase is approximately \$43,000.00 this year, but it is budget neutral. He stated only a transfer is required, not an additional appropriation. Mr. Spalding noted the IT department operates from multiple funds. Mr. Davis asked if funding for the agreement will be in the appropriate fund going forward. Mr. Spalding replied yes, it will be. The committee recommended approval of Transfer TA-12-20.

Mr. Yost left the meeting.

Parks & Recreation Capital Projects

Mr. O'Connor stated at the Mayor and Deputy Mayor's request, this item will be postponed to a later meeting.

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

- *Appropriation Transfer TA-12-20 – Microsoft Software Licensing Agreement (Cumulative Capital Improvement Fund)*

This item was discussed earlier in the meeting.

Claims Docket Review

The committee recommended approval of the claims.

Review of Agenda Addendum

There were no updates to the addendum. Mr. Spalding stated he had planned to have City Attorney Lindsey Bennett explain Park Board authority to the committee, but her presentation has been postponed due to the COVID-19 crisis.


Other Business at Discretion of the Chair

Ms. Wiles and Mr. O'Connor stated they would like a report on the ice rink's revenue and cost this year. Mr. Light stated he and the Mayor received a preliminary report in January, but he will follow up and bring the information to the committee. Ms. Wiles stated it may be necessary to evaluate whether the ice rink is an appropriate use of the City's resources. Mr. O'Connor was in favor of having an early discussion to prevent confusion later.

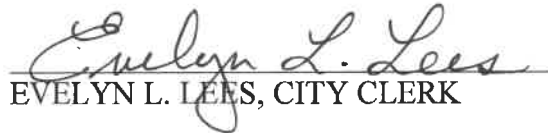
There was a discussion concerning the golf pro contract and the expense of the golf program in general. Ms. Trexler stated with the newer software, there will soon be a full year of accurate data on the golf program. Mr. Light stated a discussion with Council is planned for the golf program and the Hobbs Station project. Mr. Peterson stated he needs clarity concerning the golf program before he can approve the Hobbs Station project. Mr. O'Connor agreed that the Council needs clarity concerning the golf program.

Regarding the COVID-19 crisis, Mr. Light reviewed Resolution RB-9-20, by which the Board of Public Works and Safety approved use of sick bank hours to employees who must quarantine because of the virus. Mr. O'Connor asked for cash balances in the General Fund and Rainy Day Fund. Mr. Spalding replied the projected year-end balance in the General Fund is \$10.5 million, and the projected year-end balance in the Rainy Day Fund is \$16.7 million. Mr. Spalding noted there is cash in other funds as well, but the use of those funds is restricted except for extreme emergencies. Mr. O'Connor noted the City has solid reserves and can weather this storm. He stated the City will need to act wisely, because there is much uncertainty. Mr. Spalding noted he will designate a special project code for the COVID-19 crisis, so that related emergency expenses can be tracked, especially for public safety. He stated it is possible there may be an opportunity for reimbursement from the state or federal government at a later date.

The meeting adjourned at 9:12 a.m.



GREG O'CONNOR, COMMITTEE CHAIR



EVELYN L. LEERS, CITY CLERK