

**COMMON COUNCIL
FINANCE COMMITTEE
FEBRUARY 8, 2024**

The City of Noblesville Council Finance Committee met pursuant to public notice in the mayor's conference room 2 at City Hall on Thursday, February 8, 2024. The meeting was called to order at 8:18 a.m. with Mike Davis, Dave Johnson, and Aaron Smith present. Megan Wiles arrived at 8:21 a.m.

Also present were City Clerk Evelyn Lees, Deputy Clerk Ilga Pruzinskis, Street Commissioner Patty Johnson, Economic Development Assistant Director Chuck Haberman, Economic Development Manager Amy Smith, Chief Financial Officer and Controller Jeff Spalding, Deputy Financial Officer Ian Zelgowski, Deputy Controller Caitlin Moss, and Executive Assistant Jacqueline Thompson. Utilities Director Jonathan Mirgeaux, Utilities Accounting Manager Steve Strycker, and Utilities Billing Administrator Felicia Hunt attended electronically via Microsoft Teams.

Mr. Johnson, Mr. Smith, and Ms. Wiles are also members of the Downtown District Council Committee, but no items pertaining to that committee were on the agenda or discussed, and they did not attend this meeting in their capacity as members of the other committee.

Claims Docket Review

Following a brief discussion, the committee recommended approval of the claims.

Fiscal Action(s) – Economic Development Manager Position

Mr. Zelgowski stated a transfer is needed to fully fund a new Economic Development Manager position in the Economic Development Department. Mr. Haberman stated someone has been hired and will begin work on February 20, but his skills and experience merit a higher salary than was anticipated in the budget. Mr. Zelgowski stated the compensation is still within the range in the salary ordinance for that position. Mr. Spalding stated because this action is a permanent increase to the Economic Development budget, it did not fall within the transfer authority given to the Controller, so a fiscal action by the Council is needed. The committee recommended approval of Transfer TA-01-24.

Fiscal Action(s) – Salt Barn Roof Replacement

Mr. Zelgowski stated a transfer is needed in the Street Department budget to move appropriation authority from the 300 expense series to the 400 series to pay for replacement of the roof on the west side salt barn. He stated the work was in the 2023 budget, but too much salt remained in the barn to be able to do the work, so the funding reverted to the General Fund at the end of the year. He stated this transfer moves unused funding that was budgeted for supplemental snow plowing to cover the cost of the roof. Ms. Johnson stated her department had solicited bids for supplemental snow plowing, but no bids were received. She stated contractors were unable to meet the bid's specifications. Mr. Spalding explained why a transfer rather than an additional

appropriation was best in this case. The committee recommended approval of Transfer TA-02-24.

YE 2023 Encumbrance Carry-Forward

Ms. Moss stated there were no changes to the projections presented to the committee a few weeks ago. She reviewed the list, which was organized by department and by expense series. The committee recommended approval of Resolution RC-4-24.

Reset Fire Cumulative Capital (FCC) Fund Tax Rate for Pay 2025

Mr. Spalding stated the maximum tax rate for the Fire Cumulative Capital Fund is set in state law at \$0.033 per \$100.00 of Assessed Value. He stated if the rate is not reset to the maximum each year, it will automatically decrease. Ms. Lees stated a public hearing is required, but for cumulative funds, notice of the public hearing must be advertised twice. She stated because the two papers we must advertise in only publish in print once per week and on different days, there is no way to advertise twice in time to have the public hearing on February 27. She stated for that reason, the second reading for the ordinance will have to be on March 12. The committee agreed and recommended approval of Ordinance #03-02-24.

Re-establish City Investment Policies per IC 5-13-9

Mr. Spalding stated only one of three related items will appear on the February 13 agenda. He stated the first reading for Ordinance #04-02-24 will be on the agenda, and then two resolutions will be on the next agenda with the ordinance's second reading, so that all three items can be approved on the same date. He stated the resolution approving an investment policy is the anchor of the three. He stated the resolution allows the City to take full advantage of all available investment options. He stated the resolution will sunset after four years. He noted the current resolution in force was approved in 2020 and expires on March 1. He stated the ordinance authorizes the City to invest public funds for more than two years and not more than five years, per statute. He stated the second resolution authorizes the City to invest in certificates of deposit at banks statewide and not only in Noblesville. He stated the ordinance and resolutions all expire on March 1. Mr. Zelgowski commended Ms. Thompson for keeping track of all the many deadlines and expiration dates. The committee recommended approval of the ordinance and resolutions.

Update – Quarterly Financial Reports – Q4 2023

Mr. Zelgowski stated the quarterly report is set up for three readers: one reader can look at the status bar for a quick overall status of actual revenue and expenditures versus the budget; another reader can read the key points for highlights of the report; and the third reader can read subsequent pages for more detail. He stated both revenue and expenditures were significantly better than the budget. He reviewed the report. Mr. Davis asked for percentages along with the dollar amounts. Mr. Spalding stated not all of the revenue estimates are accurate, since they tend to be very conservative. He stated expenditure estimates tend to be more accurate. He stated

reviewing obligations rather than expenditures is better, since there can be delays in spending. Mr. Johnson asked how this report compares to past years. Mr. Spalding replied it is hard to compare, because the data is still new. He stated a budget is planned with the expectation that revenue will exceed expenditures unless there is a major economic shock, which could prevent reversions. The committee thanked staff for the report.

Update – Investments Tracking Report

Ms. Moss reviewed the investment tracking report. She stated 34.34 percent of Civil City funds are currently invested. She stated staff decides how much money to invest, and then First Source Bank invests the funds for the best returns. She stated debt proceeds are invested by the bond trustees. She reviewed Utilities investments. She stated Utilities staff decide the amount to invest, and the investments are made by First Source Bank. She reviewed the Internal Services Funds. She stated staff are working with Human Resources to determine how much of the fund can be invested. Mr. Spalding stated investing Internal Services funds could marginally help reduce future premium increases. The committee agreed with the strategy. Mr. Spalding stated this report reviewed investment decisions, and First Source Bank will report on the amount of the investment returns.

Update – Negative Fund Balance Tracking Report

Ms. Moss reviewed negative fund balances in grant funds. She stated the grants are reimbursements for expenditures. She also reviewed negative balances in payroll funds which are balanced by payroll withholding over time. She stated tracking these balances is important for determining how much money can be invested. Mr. Spalding stated the negative balances are not cause for concern but just a matter of timing of payments. Ms. Moss stated currently there is a large deficit for the Pleasant Street, Phase I project due to money owed to the City by Hamilton County for the bridge over White River. She stated under the interlocal agreement, the City pays the contractor and notifies the County, which then has 60 days to reimburse the City. She stated a payment is due on February 13. She stated Engineering staff is not concerned. Mr. Spalding stated this report is being shared with the committee for the sake of transparency and to show that staff are monitoring the situation. The committee thanked staff for the report.

Update – Semi-Annual Debt Summary Report

Mr. Spalding reviewed the debt summary report. He stated often revenue streams are pledged to bonds, but the payments come from another source. He stated developer-purchased bonds are issued by the City, and TIF revenue is pledged to the developer to pay the debt service, but the City has no default risk. He reviewed sewer debt, which is funded by sewer revenue. He reviewed debt that is paid from split revenue sources. The committee thanked Mr. Spalding for the report.

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Fiscal & Debt Actions on Council Meeting Agenda – February 13

- *Ordinance #03-02-24 – Reset FCC Fund Maximum Tax Rate for Pay 2025*
- *Ordinance #04-02-24 – Investment of Public Funds pursuant to IC 5-13-9-5.7*
- *Resolution #RC-04-24 – 2023 Encumbrance Carry-Forward*
- *Transfer #TA-01-24 – Economic Development Manager Position (General Fund)*
- *Transfer #TA-02-24 – Salt Barn Roof Replacement (General Fund)*

These items were discussed earlier in the meeting.

Review of Agenda Addendum


There were no changes to the addendum.

Other Business at Discretion of Chairman

There was no other business.

The meeting was adjourned at 9:30 a.m.



MIKE DAVIS, COMMITTEE CHAIR

EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE