

**COMMON COUNCIL  
FINANCE COMMITTEE  
JUNE 7, 2018**

The City of Noblesville Council Finance Committee met pursuant to public notice on Thursday, June 7, 2018. Greg O'Connor and Wil Hampton were present. Roy Johnson participated by telephone. Megan Wiles was absent.

Also present were City Clerk Evelyn Lees, Controller Jeff Spalding, and Chief Accountant Heather Trexler.

**2017 CAFR Audit Update**

Mr. Spalding stated the project is expected to be complete by June 21<sup>st</sup>. The Comprehensive Annual Financial Report (CAFR) is due for submission by June 30<sup>th</sup>, but a 30-day extension is also available if needed. He stated the report is submitted to the Government Financial Officers Association (GFOA) for their approval, which is highly desirable and helps the City's credit rating. He stated he met with the State Board of Accounts auditors and O.W. Krohn and Associates to compare results and review any differences. He stated none of the differences were material. Mr. Spalding noted that in the past the approach has been transactional, whereas he prefers a long term focus on processes. He stated O.W. Krohn also worked independently with the auditors in the past, but he is participating in the process. He stated there has been a period of adjustment, but there have not been any major problems. Ms. Trexler stated one of the auditors is also a Noblesville resident, and he has been very impressed with the City's financial state.

**Changes to Monthly Financial Report**

Mr. Spalding stated he had been very busy and stopped issuing monthly reports for a time. He stated he wants feedback on the reports that he has resumed. He noted he will include a quarterly summary, because one month differences are often not worth noting and tend to resolve within a quarter. He stated he is working with Mike Reuter to make changes to the monthly report. He stated he plans to standardize revenue by fund and include the same categories within each fund, rather than using unique names as is done currently. He stated this should make the report more consistent and easier to understand. He noted the City will benefit by showing the fiscal position of individual funds more accurately. He noted that differences in Cable Franchise Fees and Court Fines and Fees are really due to changes in reporting and accounting. Mr. O'Connor asked why the General Fund – Capital is 99% below pro-rata. Mr. Spalding replied most of that money is for IT and the Fire Department and has not been spent yet.

**Protection of Official Records**

Ms. Lees stated she has received a quote from Boyce for rebinding old Council minutes books and ordinance books. She explained ordinance books were used before the City codified its ordinances. The total quote is \$15,625.00. She noted this project will not need to be done again for many, many years. She shared photographs of the books to illustrate their condition to the committee. She stated the same company recently restored many records for the Hamilton County Recorder with good results.

Mr. O'Connor asked if the books have been digitized. Ms. Lees replied no, not yet. She looked into it before, but this seemed to be the more urgent project. Mr. O'Connor asked if the books could be digitized while they are being rebound. Ms. Lees replied she did not know, but she would ask. She explained that according to the State Archivist, the only acceptable permanent records are hard copies and microfilm; while electronic versions are very convenient, digital files can be corrupted easily and are not yet considered safe as permanent record storage.

Ms. Lees stated the rebinding is expected to take four to six weeks. Mr. Spalding stated the cost will be funded by a transfer to the Clerk's budget.

### **Other Pending 2018 Ordinances/Resolutions on Fiscal Matters**

#### **Appropriation Transfer of Personal Services Contingency Reserve**

Mr. Spalding stated the expenses so far this year are under budget, so the transfer needed should be much less than anticipated. He stated this is most likely due to vacant budgeted positions. He stated the vacancies have absorbed the pay increase. He noted this is good news, because payroll is the City's biggest expense. Mr. O'Connor noted this should help next year's budget.

Mr. Spalding noted the City is also tracking participation in the deferred compensation benefit. He stated Ms. Ramon plans to present more information about this and other employee benefits at the July 5<sup>th</sup> meeting.

**Amend City Code (Ord 69-11-90) to Link Mileage Reimbursement Rate to IRS Rate – On Deck**

**Appropriation of Park Impact Fee Fund (198) and Road Impact Fee Fund (199) – On Deck**  
**Resolution for Prior Authorization of Budget Neutral Appropriation Transfers – On Deck**  
**City Code Revision (OFA Matters) – On Hold**

These items were not discussed. Mr. Spalding stated they remain on the agenda to keep them in the forefront.

### **Update of Ongoing and Planned Financial Initiatives and/or Process Improvement Projects**

#### **New Chart of Accounts**

Mr. Spalding stated the City has one bond that was pledged by the COIT fund to make debt service payments. He stated he had intended to eliminate the COIT fund but now feels it should be retained as a COIT Debt Sinking fund. He stated the money should be appropriated, although state law allows debts to be paid without appropriation. He stated appropriation would be more transparent. He stated the bond was for improvements at Fox Prairie Golf Course, and the debt service will be complete in 2019. He stated he plans to charge the payments to the Parks – Golf budget, which will cause the payments to appear on reports of Parks expenditures. He noted these payments have not been tracked in the past. He stressed that the absence of tracking was neither right nor wrong, but tracking will provide more accurate information that will lead to

better decision-making. Ms. Trexler noted that recreation and golf used to be combined in the Parks budget, but Parks Director Brandon Bennett has separated them. She stated he has more detailed data now to make better decisions regarding park programs and funding.

### **OpenGov Budget Builder & Personnel Cost Forecasting Module**

This item was not discussed.

### **OFA Staff Structure**

The committee urged Mr. Spalding to hire someone as soon as possible. Mr. Spalding stated he is working toward that goal.

### **Fleet Management Advisory Service**

Mr. Spalding stated he and Deputy Mayor Cooke will meet with Enterprise tomorrow. He stated some departments are reluctant to use the service, but it is important for everyone to participate in order to collect accurate data.

### **Cash Advisory Service – On Hold**

### **Key Purchase Card Program & Centralized Purchasing – On Hold**

These items were not discussed.

### **Claims Docket Review**

The committee recommended approval of the claims.

### **Other Business**

Mr. O'Connor asked about the status of capital projects funding. Mr. Spalding replied he is having internal meetings with legal and engineering staff. He stated Mr. Cooke is working with City Attorney Mike Howard on a resolution to come before Council this summer, but there are still no specifics on funding. He stated the preliminary resolution will list what the City hopes to accomplish and a timeline, but land acquisition can delay projects. He stated the Council may have to delay some projects in order to finance other projects. He stated projects that receive federal funding also tend to take longer because of the extra requirements that have to be met. He noted they have identified the maximum amount needed from the taxpayers for the projects, but every day they are working to find ways to lower that amount. Mr. O'Connor stated he will meet with the Administration to help the projects move forward.

Mr. O'Connor stated developers are starting to request TIF funding from the City for their projects, which amounts to the City acting as an investor. He stated it is important for the City to decide if we want to participate in this type of arrangement. He stated he wants to make sure there will be value for the taxpayers. Mr. Spalding agreed that it would be helpful to have an

internal policy concerning this type of agreement. Mr. Johnson agreed. Mr. Hampton stated each project would have to be examined on its own merits. Mr. Johnson expressed concern that if this Council begins offering TIFs to developers, several years in the future it may become the rule rather than the exception even though it began with good intentions. Mr. Spalding noted that is possible, but it could be mitigated with clear documentation stating the reasons for any participation. Mr. Spalding noted that there are ways for the City to benefit from profitable projects; the City could require payments from the developer as the value of the property increases. He stated the taxpayers could benefit from lower fees in the long term. The committee agreed that thorough research is needed before any commitments are made.

Mr. O'Connor requested that Police Chief Jowitt and Noblesville Schools safety specialist Mark Booth present their plans for additional school resource officers to the committee before presenting to the full Council. Mr. Spalding stated he will work with them to schedule their presentation. Mr. Hampton stated he has spoken with multiple people who are willing to pay higher taxes for greater security measures at the schools.

The meeting adjourned at 10:26 a.m.



GREGORY P. O'CONNOR, COMMITTEE CHAIR



EVELYN L. LEES, CITY CLERK