

**COMMON COUNCIL
FINANCE COMMITTEE
SEPTEMBER 8, 2022**

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

Also present were City Clerk Evelyn Lees, Deputy Controller Steve Strycker, Deputy Finance Officer Ian Zelgowski, and Accounting Manager Heather Trexler. Deputy Mayor Matt Light arrived at 8:17 a.m. Public Safety Director Chad Knecht arrived at 8:18 a.m. Chief Financial Officer and Controller Jeff Spalding arrived at 8:21 a.m.

Claims Docket Review

After discussion, the committee recommended approval of the claims.

City Code Revision – Change of Funding Source for Downtown Development Fund

Mr. Zelgowski stated the State Board of Accounts has advised the City that Local Income Tax (LIT) revenue should not be deposited into the Downtown Development Fund. He stated this ordinance will change the funding source to Food and Beverage Tax revenue. Mr. Peterson asked where the Food and Beverage Tax revenue is being deposited now. Ms. Trexler replied it is deposited into the General Fund. She explained last year the City received approximately \$2.3 million in Food and Beverage Tax revenue. Mr. O'Connor observed the Council appropriates \$500,000.00 per year to the Downtown Development Fund. He asked if that amount is enough. Mr. Peterson and Mr. Smith agreed more is needed. There was a brief discussion of current and planned uses for the Downtown Development Fund. The committee recommended approval of Ordinance #56-09-22.

Fiscal Action – Additional Appropriation for Technical Correction for Bond Payments on Olio Road Bonds of 2020

Mr. Spalding stated this action is very technical. He stated bond debt service must be appropriated exactly by the amortization schedule, but some bonds have a debt service payment and a lease payment. He stated lease payments tend to be slightly higher than debt service payments. He explained the appropriation for the Olio Road bond was calculated for the debt service payment rather than the lease payment, so the appropriation is short by \$7,950.00. He stated an additional appropriation to make the correction is required by the State Board of Accounts. The committee recommended approval of Ordinance #55-09-22.

Fiscal Action – Appropriation Transfer for Outside Legal Services

Mr. Zelgowski stated the Law Department needs more funding due to the departure of the City Attorney earlier this year and the need to contract for outside legal services until a replacement is found. He stated at the August 23 Council meeting, an additional appropriation ordinance was

introduced, which will be considered for approval on September 13. He stated an appropriation transfer is also needed to transfer \$135,000.00 from non-departmental contingency and from the Personal Services expense series in the Law Department budget. He stated the transfer will be considered for approval at the same time as the additional appropriation ordinance. Mr. Light added a total of \$285,000.00 is believed to be needed to cover expenses for the remainder of the year. He stated a trend analysis was used to determine the amount, and a small cushion was added to prevent the need for additional fiscal actions. He stated additional actions could still be needed if large unexpected expenses arise. Mr. Spalding explained that budget shortfalls are usually made up using transfers first, and then additional appropriations are used if the transfers do not cover the shortfall. Mr. Light added some of the recovered funds from the Indiana Transportation Museum litigation are being used to fund these fiscal actions. The committee recommended approval of Transfer TA-12-22.

Fiscal and Debt Actions on Council Meeting Agenda – September 13

- *Ordinance #53-08-22 – Additional Appropriation for Outside Legal Services (General Fund)*
- *Ordinance #55-09-22 – Additional Appropriation to Correct a Technical Error (Debt Service/Long Term Debt 15% Reserve Cap Fund)*
- *Transfer TA-12-22 – Outside Legal Services (General Fund)*

These items were discussed previously.

Review of Agenda Addendum

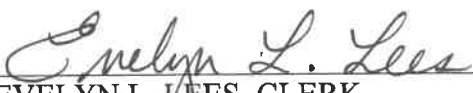
Mr. Spalding stated there was one change to the addendum. He stated Ordinance #56-09-22 is addressing one item, so it will be removed from the addendum.

Other Business at Discretion of Chairman

Mr. O'Connor asked for the status of the budget process. Mr. Light replied the budget is being finalized, and an update will be provided at a later date. Mr. O'Connor asked if the City's pension liability is being met. Mr. Spalding replied it is. He explained that ultimately the State is responsible for pension obligations in Indiana, so if there were a problem, the City would not be liable. He stressed that both the City and the State are in very good fiscal health regarding pension funds.

The meeting adjourned at 8:47 a.m.


MIKE DAVIS, COMMITTEE CHAIR


EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE