

**COMMON COUNCIL  
FINANCE COMMITTEE  
SEPTEMBER 22, 2022**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A214 at City Hall on Thursday, September 22, 2022. The meeting was called to order at 8:18 a.m. with Mike Davis, Darren Peterson, and Megan Wiles were present. Greg O'Connor attended electronically via Microsoft Teams. Aaron Smith was absent.

Also present were Mayor Chris Jensen, City Clerk Evelyn Lees, Deputy Mayor Matt Light, Community Development Director Sarah Reed, Public Safety Director Chad Knecht, Acting City Attorney Jonathan Hughes, Economic Development Director Andrew Murray, Economic Development Specialist Amy Smith, Chief Financial Officer and Controller Jeff Spalding, Deputy Controller Steve Strycker, Deputy Financial Officer Ian Zelgowski, Accounting Manager Heather Trexler, Executive Assistant Jacqueline Thompson, and a member of the media. Bond counsel Lisa Lee attended electronically via Microsoft Teams.

**Claims Docket Review**

The committee recommended approval of the claims.

**Bond Authorization – Pleasant Street Project (One Bond; One BAN)**

Mr. Hughes stated bids for construction of Pleasant Street Phase I came in under the engineer's estimate. He stated now the City can move forward with the bond to pay off the earlier Bond Anticipation Note (BAN) and fund construction through a lease rental between the Redevelopment Authority and the Redevelopment Commission. Ms. Lee explained the first resolution approves the lease and pays off the first BAN. She stated the amount of the bond is not to exceed \$59.5 million and is expected to close on or around October 12. She stated the second resolution authorizes a BAN for phases II and III of the Pleasant Street project. She stated the second BAN will go through the same process as the first BAN. She stated the second BAN is expected to be negotiated on October 10 and close on October 24, so both the bond and the BAN should be completed in October.

Mr. Light added there are savings from the Phase I BAN that can be used to buy down the amount of the bond, along with four other revenue streams: the wheel tax; a Pleasant Street sub-fund of Road Impact Fees; and two TIF districts. Mr. Hughes stated the Administration is comfortable with the amount of the bond, and it may be less than authorized at closing. Mr. Hughes stressed the lower bids and lower bond amount are due to excellent management of the project, primarily by the Engineering Department. He commended their work on the project. Mr. O'Connor agreed; he stated he had expected higher costs. The committee recommended approval of Resolutions RC-44-22 and RC-45-22.

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### **Economic Development Area; Bond Authorization – Midland Pointe**

Ms. Smith stated Resolution RC-42-22 approves establishment of an Economic Development Area for Midland Pointe, which will develop the southeast corner of State Road 32 and Hazel Dell Road south to the Midland Trace Trail. She stated in the agreement, the City will commit to issue a developer-purchased bond, which is not to exceed \$13 million. She explained two Allocation Areas also will be created: Allocation Area 1 for the commercial portion of the project, and Allocation Area 2 for the residential portion. She stated the City also will pledge 95 percent of the tax increment generated to the developer to pay debt service on the bond. The ordinance approved issuance of the bonds. Mr. Murray added the developer needs to close by 2023; they are anxious to start the development. The committee recommended approval of Resolution RC-42-22 and Ordinance #58-09-22.

Ms. Lee left the meeting.

### **Economic Development Agreement – Promenade Trails**

Ms. Reed presented an Economic Development Agreement with Justus at Promenade Senior LLC to develop a portion of the Promenade area with age “55 and better” residences. She explained much of the area has lain dormant since 2008, and Justus recently has been developing the land. She stated 59 cottage homes and 151 apartments are planned. She stated as a part of the agreement, the developer will build a culvert at Mill Creek and pedestrian connections to the City’s trail system, which fits the City’s connectivity plan. She stated the City will provide an incentive not to exceed \$1,780,000.00. She stated the City also will receive right-of-way for a future roundabout at State Road 32 and Hazel Dell Road/Little Chicago Road. Mayor Jensen explained Justus has master-planned development of the area and plans to have it fully developed by 2025. He approved of the development. The committee recommended approval of Resolution RC-43-22.

Mayor Jensen and Ms. Smith left the meeting.

### **2023 Civil City Budget**

Mr. Spalding noted this item is a preview of the budget presentation to Council on September 27. He stated there may be minor adjustments to the presentation before the Council meeting. He stated the Mayor has provided guiding principles for the budget, and the priority is for the City to live within its means for the long term. He stated the process has been for departments to share all of their needs with the Controller’s office, and then they work together to fit those needs within the available funds. He explained this method provides his office with more operational information. He added a general five percent growth rate has been assumed in the budget, and larger requests are part of the strategic spend-down of cash reserves.

Mr. Zelgowski displayed a PowerPoint presentation. He explained New Budget Features regarding ongoing versus one-time expenses. He added pilot programs and sunseting expenses will be considered one-time expenses. He reviewed the Budget in Perspective, a Budget

Overview, and a Fund Balances Overview. He presented charts showing projected Revenue by Source and by Fund Type. He displayed charts depicting the introduced budget by fund type and the introduced budget compared to the base budget. He reviewed one-time versus ongoing budget increases, as well as budget increases by expense category and department. He reviewed details of ongoing spending requests and one-time spending requests. He displayed pie charts of 2023 Appropriations by Department for all Civil City Funds, for Operational Funds only, and for Property Tax Debt Levy Funds only. He also displayed pie charts for appropriations by expense category for all Civil City Funds and Operational Funds only. He reviewed Capital Project Funding.

Mr. Peterson left the meeting.

Mr. Zelgowski displayed a list of planned 2023 Capital Projects, which are subject to change. He explained other notable items, including insurance costs, the parks program subsidy, the parking subsidy, and contingency appropriations.

After a brief discussion, Mr. O'Connor expressed approval of the five percent budget increase.

#### **High Assessed Value (AV) Levy Growth Appeal**

Mr. Spalding stated this item follows discussion of the budget because they are directly related. He stated the AV levy growth appeal is for fast-growing communities to appeal the state tax rate. He explained the community's AV growth must be more than two percent or more higher than the state's rate to qualify. He stated the City has qualified for the past few years and qualifies again this year. He added the resolution authorizes the Controller to file the appeal with the State. He stated the budget assumes the City will win its appeal, as it has in recent years, but the appeal is not automatic and could be rejected. He explained the budget plans for either result.

#### **Bond Authorization – 2023 One Year Bond, Series A & B**

Mr. Spalding stated one-year bonds have been used for the past few years as a tool to manage the City's tax rate to \$1.10. He explained Indiana law does not allow a municipality to simply set a tax rate; several factors must be considered. He stated the one-year bond this year could be used to lower the second BAN for Pleasant Street or to lower the second bond. Ms. Wiles spoke in favor of using short-term debt to reduce the amount of long-term debt.

#### **Fiscal and Debt Actions on Council Meeting Agenda – September 27**

- *Ordinance #55-09-22 – Additional Appropriation to Correct a Technical Error (Debt Service/Long Term Debt 15% Reserve Cap Fund)*
- *Ordinance #57-09-22 – 2023 Civil City budget*
- *Ordinance #58-09-22 – Bond Authorization – Redevelopment Authority Economic Development Tax Increment Revenue Bonds, Series A & B (Midland Pointe)*

- *Ordinance #59-09-22 – Bond Authorization – Capital Projects Short-term General Obligation Bond of 2022, Series A*
- *Ordinance #60-09-22 – Appropriation of Debt Proceeds for Capital Projects Short-term General Obligation Bond of 2022, Series A*
- *Ordinance #61-09-22 – Bond Authorization – Capital Projects Short-term General Obligation Bond of 2022, Series B*
- *Ordinance #62-09-22 – Appropriation of Debt Proceeds for Capital Projects Short-term General Obligation Bond of 2022, Series B*
- *Resolution RC-44-22 – Bond Authorization – Redevelopment Authority Lease Rental Bonds of 2022 (Pleasant Street, Phase I)*
- *Resolution RC-45-22 – Bond Authorization – Redevelopment Commission Bond Anticipation Note (BAN) for Pleasant Street, Phases II and III*
- *Resolution RC-46-22 – 2023 High Assessed Value Levy Growth Appeal*

These items were discussed previously.

#### **Review of Agenda Addendum**

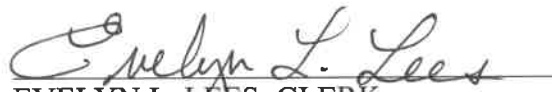
There were no changes to the addendum since the last meeting.

#### **Other Business at Discretion of Chairman**

There was no other business.

The meeting adjourned at 9:25 a.m.

  
 MIKE DAVIS, COMMITTEE CHAIR

  
 EVELYN L. LEES, CLERK  
 CITY OF NOBLESVILLE