

**COMMON COUNCIL
FINANCE COMMITTEE
OCTOBER 6, 2022**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A214 at City Hall on Thursday, October 6, 2022. The meeting was called to order at 8:18 a.m. with Mike Davis, Greg O'Connor, and Aaron Smith present. Darren Peterson arrived at 8:24 a.m.

Also present were City Clerk Evelyn Lees, Community Development Director Sarah Reed, Public Safety Director Chad Knecht, Human Resources Director Holly Ramon, Economic Development Director Andrew Murray, Economic Development Assistant Director Chuck Haberman, Paralegal Lindsay Downing, Chief Financial Officer and Controller Jeff Spalding, Deputy Controller Steve Strycker, Deputy Financial Officer Ian Zelgowski, Accounting Manager Heather Trexler, and Executive Assistant Jacqueline Thompson.

Claims Docket Review

The committee recommended approval of the claims.

Economic Development Agreement – Amendment to RiverWest Agreement

Mr. Murray stated RiverWest is a new mixed use development at the northwest corner of River Road and 146th Street. He stated an economic development agreement was approved in September 2021. He stated Milhaus has asked for an additional incentive from the City, so three items have changed in this amended agreement. He stated the agreement extends the term of the developer-purchased bonds from 20 to 25 years, which will yield an additional \$1.5 million. He stated the developer has partnered with two other companies, so now the bonds will be issued in three series rather than one. He stated improvements to River Road are also a part of the project, and the developer has committed to make a good faith effort to acquire right-of-way on the east side of the road at their cost. He added a taxpayer agreement will also be included. He stated the bonds would be issued in 2023. Mr. Smith asked how much the right-of-way is expected to cost. Mr. Murray replied it is expected to cost approximately \$1.5 million. Mr. O'Connor stated an extra five years for the bond is acceptable given the rate of inflation. He stated the project improves the area. The committee recommended approval of Resolution RC-47-22.

Economic Development Agreement – Bier Brewery

Mr. Haberman stated Bier Brewery was founded in 2010, and Noblesville will be their third location. He stated they are currently in South Broad Ripple and in Carmel. He stated this will be the first time they have constructed their own facility. He stated they have secured funding for the project. He stated the brewery will be located on South 10th Street and will renovate and add to a former automobile repair shop. He stated they plan to build a large patio and a dog park to make their restaurant a destination. He stated they plan to invest \$3 million. He stated the City's incentive is not a contribution, but rather a cost savings for them. He stated sewer construction near the site that was already planned will be completed sooner than originally scheduled, and the City will grant \$50,000.00 in administrative fees. Ms. Reed explained the sewer behind the

building will be added to another existing project. Mr. Davis asked where parking will be for the restaurant. Mr. Haberman replied it will be on the front and side, with the amenities behind the building. He stated they may add a manufacturing component at a later date. Ms. Reed added the owners have asked for fewer parking spaces than are required, in hopes that most of their patrons will be pedestrians. Ms. Reed explained the Administration hopes this development will spur more development to improve this gateway to the City. Mr. Davis asked if they have already purchased the land. Ms. Reed replied yes, they have. Mr. Smith asked if there will be a zoning overlay of the area. Ms. Reed replied yes, an overlay is expected. Mr. Peterson observed this project does not concern taxes or jobs, but redevelopment. Ms. Reed agreed. The committee recommended approval of Resolution RC-48-22.

Ms. Reed and Mr. Haberman left the meeting.

2023 Salary Ordinances

Ms. Ramon reminded the committee that the salary ordinance is different since the First Person compensation analysis. She explained positions are now classified by job grades, and only the maximum salary for the position is listed on the ordinance. She stated only a few positions are listed by actual paid salary. She stated the changes to the ordinance are outlined in the accompanying letter. She stated pay is based on the market value of the position, rather than individual employees. There was a brief discussion of other benefits offered to employees.

Ms. Lees explained the elected officials salary ordinance includes a three percent increase for all officials, the same that was given to employees. She stated the Clerk received a larger increase after research showing the position was underpaid. She stated the Clerk will also receive extra pay for earning certifications, which is intended to incentivize future Clerks to attend training.

Mr. Murray left the meeting.

There was a discussion concerning pay for those who serve on boards and commissions. Ms. Ramon explained the Board of Public Works and Safety, the Plan Commission, and the Board of Zoning Appeals are all paid.

Mr. Murray and Economic Development Specialist Amy Smith joined the meeting.

Mr. Murray stated the Economic Development budget request includes a \$100 stipend for members of the Redevelopment Commission. Ms. Ramon had been unaware of the request, but she stated she would add the stipend to the salary ordinance. There was a lengthy discussion as to whether paid board and commission members should be paid as contractors or employees. Ms. Ramon stated they are currently paid as employees. Mr. Davis suggested they be paid as contractors.

Mr. Smith left the meeting.

Mr. Spalding stated the matter needs to be researched to see if statute requires particular procedures. He noted the salary ordinance can go forward as it is, and if changes are warranted, they can be changed at a later date. Mr. Davis agreed.

Mr. Murray and Ms. Smith left the meeting.

Mr. O'Connor asked if the compensation study recommended more pay for the Mayor compared to other communities. He asked to see the compensation study. There was a brief discussion regarding the five percent inflation relief bonus employees will receive in 2023 and how it will be administered. The committee recommended approval of Ordinances 63-10-22 and 64-10-22.

Ms. Ramon left the meeting.

2023 Civil City Maximum Property Tax Rate

Mr. Spalding stated Resolution RC-49-22 directs the Controller to finalize the maximum tax rate of \$1.10 per \$100.00 Assessed Value with the Department of Local Government Finance (DLGF).

Mr. Smith rejoined the meeting.

Mr. Spalding explained the budget allows for a tax rate higher than \$1.10, which allows him to address individual fund tax rates after passage of the budget but before the end of the year. He stated managing the tax rate in this way allows for organic growth rather than just raising taxes. He added because of the one percent cap on residential property tax, the City actually receives \$1.00, not \$1.10. He explained the tax rate is a proxy; each taxing unit receives a portion of approximately \$2.75 in taxes for Noblesville township, and the City's tax rate sets its share of the taxes, about 40 percent. He stated setting the tax rate is a tool for disciplined budgeting, so the growth of the budget is due to the growth of the City. Mr. Zelgowski observed that if the City were to raise its tax rate in order to receive a larger share of revenue, the other taxing units would most likely raise their rates too, which would result in no net change. The committee recommended approval of RC-49-22.

Pleasant Street Financing Update

Mr. Spalding stated the lease rental bonds for Pleasant Street, Phase I were sold on September 28, and closing will be on October 12. He stated the bids for the Phases II and III Bond Anticipation Notes (BANs) are due today. He displayed the Sources and Uses of the Phase I bond.

Ms. Ramon, Mr. Murray, and Ms. Smith rejoined the meeting.

Mr. Spalding reviewed the Sources and Uses of the bond, calling attention to actions that reduced the amount borrowed wherever possible. He noted lease rental bonds do not count against the City's constitutional debt limit.

Mr. Murray left the meeting. Deputy Mayor Matt Light joined the meeting.

Mr. Spalding displayed an amortization schedule for the bonds. He noted a tax to pay the bonds cannot be levied until the road is in use, so the bond was made larger to provide for payments on the bond until the road is completed and tax revenue is available. He stated this is standard practice.

Mr. Smith, Mr. Light, and Ms. Ramon left the meeting.

Mr. O'Connor pointed out a scrivener's error in Ordinance #59-09-22. Mr. Spalding replied the ordinance will be amended to correct the error before second reading.

Routine Appropriation Transfers – 3rd Quarter

Mr. Zelgowski reviewed the list of small, technical appropriation transfers authorized by Resolution RC-1-22. He explained the transfers are fiscally neutral, and only \$7,840.00 was transferred in the third quarter.

Routine Appropriation of Grant Proceeds – 3rd Quarter

Mr. Strycker reviewed the list of grant proceeds that were appropriated by the Controller's office in the third quarter as authorized by Resolution RC-2-22. Mr. Spalding added this report is very similar in nature to the report of appropriation transfers. He explained if grant proceeds are tightly defined, his office has the authority to appropriate them. He stated if grant proceeds are broadly defined, as they were for the American Rescue Plan Act (ARPA) funds, the Council still needs to appropriate them.

Fiscal and Debt Actions on Council Meeting Agenda – October 11

- *Ordinance #57-09-22 – 2023 Civil City budget*
- *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-49-22 – 2023 Maximum Property Tax Rate*

These items were discussed previously.

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Review of Agenda Addendum

Mr. Spalding stated there are no changes to the addendum, but First Source Bank will report soon on their investment of the Utility's cash reserves to the committee. He stated there will also be an update on Crowe's analysis of internal controls and the actions that resulted.

Mr. Zelgowski stated the budget summary is in draft form but will be complete in time for budget adoption.

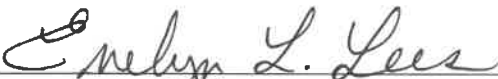
Other Business at Discretion of Chairman

Mr. Knecht reported on questions from the Council retreat regarding parking. He explained some costs were one-time for installation or setup, but other costs are ongoing. He noted the new parking enforcement software is more accurate and saves 49 percent of the cost of the old software for an annual savings of approximately \$12,000.00. Mr. Peterson asked if parking at the Levinson garage is generating revenue. Mr. Knecht replied 90 percent of users leave the garage before the four hour grace period is over.

The meeting adjourned at 10:04 a.m.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE