

**COMMON COUNCIL
FINANCE COMMITTEE
OCTOBER 20, 2022**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A214 at City Hall on Thursday, October 20, 2022. The meeting was called to order at 8:18 a.m. with Mike Davis, Darren Peterson, and Aaron Smith present. Greg O'Connor attended electronically via Microsoft Teams.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Community Development Director Sarah Reed, Public Safety Director Chad Knecht, Economic Development Specialist Amy Smith, Chief Financial Officer and Controller Jeff Spalding, Deputy Controller Steve Strycker, Deputy Financial Officer Ian Zelgowski, and Executive Assistant Jacqueline Thompson.

Claims Docket Review

After discussion, the committee recommended approval of the claims.

Economic Development Area - RiverWest

Ms. Smith distributed copies of Resolution RC-50-22. She stated this resolution is the next step in creating a TIF district and Allocation Areas for the RiverWest project. She stated the Redevelopment Commission approved a declaratory resolution on October 15, 2022. She stated the Plan Commission will consider the action on October 24. She stated three Allocation Areas are proposed – one for the age-restricted multi-family portion, one for the commercial portion, and one for the multi-family portion of the development. She stated the City has committed to pledging 90 percent of the TIF revenue to the developer to pay debt service on the bonds. Mr. Davis asked if the timeline for the project remains the same. Ms. Smith replied yes, it does. Mr. Peterson asked which areas of the project will be constructed first. Ms. Smith replied the portions in the TIF will be constructed first. For-sale townhomes will be constructed as a part of the project, but they are not eligible for TIF. The committee agreed to recommend approval of Resolution RC-50-22.

Ms. Smith left the meeting.

2023 Salary Ordinance Amendment – City Employees

Mr. Light spoke on behalf of Human Resources Director Holly Ramon. Mr. Light stated there have been five changes to the ordinance since the first reading. He stated a Principal Planner position has been added. He stated on the advice of Acting City Attorney Jonathan Hughes, the inflation response bonus has been changed to a stipend, since it is not based on performance. Mr. Davis asked if the stipend will be taxed. Mr. Light replied yes, it will. Mr. Peterson asked if the stipend will be paid to the elected officials as well. Mr. Light replied while the Administration is still working through the details, the stipend was intended and budgeted for everyone. Mr. Light stated the ordinance has also been amended to add the Redevelopment Commission to the

section regarding pay for the Board of Zoning Appeals and Plan Commission. He stated those serving will not be eligible for pay if they also hold another lucrative office, such as serving on a school board. Ms. Lees stated two members of the Redevelopment Commission also serve on the Board of Public Works and Safety, which is a paid position. Mr. Light stated he will consult the State Board of Accounts as to whether those members can be paid for both appointments. Mr. Light stated the final change to the ordinance is a \$1.00 per hour shift differential for Street Department employees who drive snow plows during the night shift as an incentive for more experienced drivers to work that shift. The committee agreed to recommend approval of the amendments to Ordinance #63-10-22.

High Assessed Value (AV) Levy Growth Appeal - Update

Mr. Spalding stated the State calculates an average to determine the maximum percentage a levy can increase, but because the average is unfair to fast-growing communities, an appeal process is in place. He explained the City has successfully appealed for the past few years. He displayed the calculation to determine eligibility for an appeal, which the City meets. He stated according to the calculation, the City is eligible for an additional levy of \$1,057,848.00 in 2023, but an appeal must still be filed and approved by the Department of Local Government Finance (DLGF). He stated he submitted the petition yesterday. He explained the petition was changed this year, requiring eligible communities to justify why they cannot meet their commitments without the additional levy. He noted the statute has not changed, and this appears to be a change only by the DLGF. He stated he is not sure what the outcome of the appeal will be. He stated if the appeal is denied, the City can still meet the \$1.10 tax rate by increasing the amount of the one-year bond. He explained the difference is that the bond proceeds can only be used for short-term capital projects and not for operating expenses. Mr. Davis asked if there is any recourse if the appeal is denied. Mr. Spalding replied he was not sure. Mr. Davis asked when the DLGF will rule on the appeal. Mr. Spalding replied he will receive a reply by the end of the year, when the DLGF issues the City's budget order.

Pleasant Street Financing Update

Mr. Spalding stated the Bond Anticipation Notes (BAN) for Phases II and III of the Pleasant Street project have closed for \$8,825,000.00, and the bond for Phase I has been issued. He stated the BAN will be combined with approximately \$4.5 million from the one-year bond to help finance the project. He displayed the bids for the BAN. He stated the BAN will be eligible to redeem at 12, 18, or 24 months. He explained the lowest bid was not selected, but the winning bid from Regions Bank provided the most flexibility for payment options while still being competitive. He stated the authorizing ordinance had been amended to increase the maximum interest rate on the bonds, but the amendment was not necessary. He stated the winning bid offered an interest rate under four percent, the original rate in the ordinance. He stated the BAN will close on or before October 26. Mr. O'Connor stated the terms sound reasonable. He asked if the bonds are tax exempt. Mr. Spalding replied yes, they are. He displayed the sources and uses for the BAN and reviewed the document.

Mr. Knecht left the meeting.

Mr. Spalding stated the bond funds for Phase I have been received by the trustee and are available for use.

Fiscal and Debt Actions on Council Meeting Agenda – October 25

- *Ordinance #58-09-22 – Bond Authorization – Redevelopment Authority Economic Development Tax Increment Revenue Bonds, Series A and B (Midland Pointe)*

Mr. Spalding stated the ordinance will receive a second reading. He stated the ordinance authorizes bonds for the Midland Pointe project, which will be purchased by the developer. He stated the City will pledge TIF revenue to the developer to pay debt service on the bonds.

Review of Agenda Addendum

Mr. Spalding stated there are no changes to the addendum, but First Source Bank will report to the Committee at the next meeting on their investment of the Utility's cash reserves.

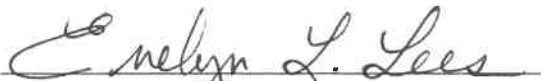
Other Business at Discretion of Chairman

There was no other business.

The meeting adjourned.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE