

**COMMON COUNCIL  
FINANCE COMMITTEE  
FEBRUARY 22, 2024**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A213 at City Hall on Thursday, February 22, 2024. The meeting was called to order at 8:15 a.m. with Mike Davis, Dave Johnson, Aaron Smith, and Megan Wiles present.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Deputy Clerk Ilga Pruzinskis, Public Safety Director Chad Knecht, Economic Development Director Andrew Murray, Economic Development Manager Kris Subler, Council consultant Greg O'Connor, Chief Financial Officer and Controller Jeff Spalding, Deputy Financial Officer Ian Zelgowski, Deputy Controller Caitlin Moss, and Executive Assistant Jacqueline Thompson, Utilities Director Jonathan Mirgeaux, Utilities Accounting Manager Steve Strycker, Utilities Billing Administrator Felicia Hunt, and Paul Gifford and Ally Powers with 1<sup>st</sup> Source Bank attended electronically via Microsoft Teams.

Mr. Johnson, Mr. Smith, and Ms. Wiles also are members of the Downtown District Council Committee, but no items pertaining to that committee were on the agenda or discussed, and they did not attend this meeting in their capacity as members of the other committee.

**Claims Docket Review**

The committee recommended approval of the claims.

**Economic Development Agreement; Tax Abatement Authorization – Justus Companies LLC**

Mr. Murray introduced Mr. Subler, who joined the Economic Development Department this week. Mr. Murray stated the economic development agreement and tax abatement are incentives for Justus Companies to relocate their headquarters from Indianapolis to their property at the northeast corner of State Road 32 and Little Chicago Road. He stated the project was competitive and would not have been possible without the incentive. He stated the City will offer a real property tax abatement on an approximately 19,850 square foot office building at an 80 percent abatement for ten years. He displayed a table calculating the results of the abatement. He stated the economic development agreement will include the City paying for approximately half of the Road Impact Fees due for the project. He stated the City's portion would be paid from the Promenade TIF fund. He stated there will be two resolutions for the incentives. He stated one resolution approves the form of an economic development agreement, and one resolution declares an Economic Revitalization Area in preparation for the proposed tax abatement.

Mr. Murray stated he had been asked earlier what other incentives have been given to Justus Companies. He stated a developer-backed bond with a term of ten years was issued for Promenade Trails, and prior to his arrival in 2019, a forgivable loan was issued to help finance sewer improvements. He stated the loan has been paid and was off the City's books some time ago. The committee recommended approval of Resolutions RC-6-24 and RC-7-24.

Mr. Murray and Mr. Subler left the meeting.

**Re-establish City Investment Policies per IC 5-13-9 (continued)**

Mr. Spalding stated Ordinance #04-02-24 had its first reading at the last Council meeting, so at next week's meeting it will receive a second reading, and two resolutions will be considered. He stated state law sets limits on municipal investments, but there are options available if certain requirements are met. He stated the City's investment policy must be re-established every four years by resolution. He stated the ordinance allows the City to invest for terms more than two years and up to five years. Up to 25 percent of funds can be invested. He stated the second resolution allows the City to use banks statewide rather than only local banks. He stated these actions allow for some flexibility. Mr. Gifford listed the types of investment instruments that are allowed by law. He stated all of the permitted investments are safe. The committee recommended approval of Ordinance #04-02-24, Resolution RC-10-24, and Resolution RC-11-24.

**Update – 2023 Investment Performance**

Mr. Spalding introduced Mr. Gifford and Ms. Powers. Mr. Spalding stated 1<sup>st</sup> Source Bank was hired through a Request for Proposals process several years ago. Mr. Gifford displayed a PowerPoint presentation. He stated they manage investments for the Utilities, the Civil City, and now for Internal Services. He stated all funds are invested according to the City's policies. He displayed charts summarizing Interest Rates and Inflation; Account Summaries; Activity Summaries; Holdings Details; Fixed Income Summaries; Maturity Ladders; and Performance Summaries for each investment. He stated there is little data available for the Internal Services investments because they were just received recently. Mr. O'Connor expressed approval. He told Mr. Gifford to stay the course. Mr. Johnson asked how much money was invested for Internal Services. Mr. Gifford replied \$1 million. Mr. Spalding thanked Mr. Gifford and Ms. Powers for their services. He commended them for their work and availability. He stated Mr. Gifford has often answered his questions about the investment markets.

Mr. Gifford and Ms. Powers left the meeting.

Mr. Spalding stated interest earnings are distributed to the City once per month, but the accrued interest on the summaries will not match the City's cash accounting system. He stated these presentations will be provided quarterly. Mr. Johnson asked what the Rainy Day Fund is. Mr. Spalding replied it is a fund with cash that is not needed immediately. He stated 99 percent of the Rainy Day Fund is invested with 1<sup>st</sup> Source Bank.

Ms. Wiles asked if there is a cyclical review period to decide if 1<sup>st</sup> Source Bank is performing well or if another Request for Proposals should be issued. Mr. Mirgeaux stated he watches the investment performance for the Utilities, and at this time the investments are performing slightly higher than the interest-bearing bank accounts.

Mr. Knecht left the meeting.

Mr. Spalding replied a review period is addressed indirectly in the resolution, but more direct language could be added in the future.

Mr. Smith and Mr. Light left the meeting.

Mr. Spalding explained his staff decides what amount to invest, and then Mr. Gifford invests on behalf of the City. He stated the City could limit Mr. Gifford's investments if it chose, but he did not recommend it.

#### **Update – Cancellation of Expired Warrants**

Ms. Moss stated state statute requires that a list of unpaid warrants expired by two years be presented to the Council each year. She stated there are not many this year. She stated no stop pays are needed, since the warrants have expired. She stated if the payees claim the checks at a later date, they can be reissued.

#### **Fiscal & Debt Actions on Council Meeting Agenda – February 27**

- *Ordinance #03-02-24 – Reset FCC Fund Maximum Tax Rate for Pay 2025*
- *Ordinance #04-02-24 – Investment of Public Funds pursuant to IC 5-13-9-5.7*
- *Resolution #RC-10-24 – Re-establishing City Investment Policy*
- *Resolution #RC-11-24 – Authorization to Invest Public Funds Statewide pursuant to IC 5-13-9-5*

Mr. Spalding stated the first item will be considered at the March 12 meeting, not the February 27 meeting. The rest of the items were discussed earlier in the meeting.

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

There were no changes to the addendum.

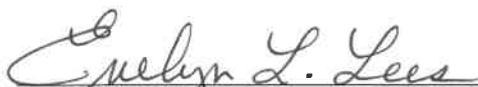
#### **Other Business at Discretion of Chairman**

There was no other business.

The meeting was adjourned at 9:11 a.m.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK  
CITY OF NOBLESVILLE