

**COMMON COUNCIL
FINANCE COMMITTEE
JUNE 20, 2024**

The City of Noblesville Council Finance Committee met pursuant to public notice in room A213 at City Hall on Thursday, June 20, 2024. The meeting was called to order at 8:15 a.m. with Mike Davis, Aaron Smith, and Megan Wiles present. Dave Johnson attended electronically via Microsoft Teams.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, City Attorney Jonathan Hughes, Economic Development Director Andrew Murray, Economic Development Manager Amy Smith, Consultant Greg O'Connor, Chief Financial Officer and Controller Jeff Spalding, Deputy Financial Officer Ian Zelgowski, Deputy Controller Caitlin Moss, and Attorneys Justin Swanson and Lindsey Moss of Bose Public Affairs Group.

Mr. Johnson, Mr. Smith, and Ms. Wiles are also members of the Downtown District Council Committee, but 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.

Ordinance – Update Credit Card Use Policy for City Employees

Ms. Caitlin Moss stated this policy has been in development since she began work for the City. She stated most changes are to modernize the policy and align City code with current practice. She stated under the new ordinance, department directors will sign off on credit limits for their employees. She stated the Office of Finance and Accounting (OFA) staff will issue the cards and monthly statements. She stated itemized receipts will be required for all purchases. She stated the employee will be personally liable for any amounts that are missing receipts. She stated employees will not be allowed to save their credit cards to digital wallets such as Google Pay or Apple Pay, and the card information may not be saved online. She stated both of these measures are to prevent exposure to fraud. Mr. Smith asked if the credit card claims will still be identified by department. Ms. Caitlin Moss replied yes, they will continue to be charged by department. She stated the payments on the docket are to the credit card company, but OFA maintains all documentation of the individual expenses. The committee recommended approval of Ordinance #27-06-24.

Mr. Spalding stated this ordinance is another step in updating City code. He stated an updated travel policy for employees will be presented next. Mr. O'Connor asked if the UKG timekeeping software has an expense module, which would be more efficient. Ms. Caitlin Moss replied updates to the travel policy will include a per diem rather than reimbursements.

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Bond Authorization; Economic Development Area Authorization – Noble West Project

Ms. Smith stated on April 9, 2024, the Council approved an economic development agreement for development of property at Hazel Dell Road and Edenshall Lane. She displayed a map of the area. She stated the developer, Cityscape Residential, plans to construct a mixed-use development including 284 market-rate apartments, not more than 150 for-sale townhome units, and 30,000 square feet of commercial/retail space in the Noble West Planned Development. She stated the City's commitment to the agreement will be to issue bonds to be purchased by the developer. She stated the bonds will not exceed \$6.7 million at a maximum of 8 percent interest for 25 years. She stated the bonds will be issued only on the apartment portion of the development. She stated the bonds will include issuance cost and capitalized interest. She stated the Redevelopment Commission will pledge 83 percent of TIF revenue to the developer for debt service, per the agreement. She stated the Resolution RC-28-24 approves the Redevelopment Commission's declaratory resolution creating a Noble West Allocation Area for the apartments. She stated the property is currently in the Noblesville Consolidated TIF. She stated the Plan Commission has approved the Redevelopment Commission's declaratory resolution. She stated pending Council approval, a confirmatory resolution will be considered by the Redevelopment Commission in July. Mr. O'Connor asked if there were any issues with the bond issuance. Mr. Hughes replied no, none have been identified. He stated bond counsel Dennis Otten has been apprised of the situation. The committee recommended approval of Ordinance #26-06-24 and Resolution RC-28-24.

Other Business at Discretion of Chairman

Mr. Light stated Mr. Swanson and Ms. Lindsey Moss have come to discuss possible changes to property tax by the General Assembly. He stated there has been a summer study committee on the subject. Mr. Swanson stated during the last session, he and Ms. Lindsey Moss were able to secure ten additional liquor licenses for Noblesville. He stated they also assisted the Mayor with his Community Cares Initiative to provide grants for mobile integrated health programs around the state. He stated the State and Local Tax Review (SALTR) task force is meeting this summer. He stated they are studying local unit funding and property tax reform.

Ms. Lindsey Moss stated Local Income Tax (LIT) is based on the unit's proportion of the county property tax levy, which is quirky. She stated there has been contention between Carmel and Fishers regarding distribution. She stated by 2026 or 2027, the state hopes to have the technology to tie income tax distribution to population. She stated it may be necessary to increase income tax to replace property tax revenue. She stated local units may be allowed to set their own income tax, but the legislature is not sure how to do it. She stated two years ago, the Maximum Levy Growth Quotient was artificially capped by the legislature for two years. She stated the legislature did not renew the cap this year, but they agreed to study it. She stated they do not want to incentivize debt. She stated the consensus in the legislature is to do something to reform property tax, but they are not sure what. She stated LIT will probably be reformed in some way. Mr. Spalding stated reform can be a four to six year process. Ms. Lindsey Moss stated a bill passed the House of Representatives raising the threshold to qualify for a maximum levy appeal,

but it did not pass the Senate this year. She stated the Senate understood that the maximum levy appeal is the only recourse for fast-growing communities to be able to raise revenue to provide services. She stated there will be a larger conversation regarding the appeals. Mr. Swanson stated while there have not been many public meetings, there have been many conversations between lawmakers. He stated the issues will most likely be addressed in the 2025 budget session. Mr. Smith asked what other communities have appealed their maximum levy. He stated those communities would be allies when speaking with legislators. Mr. Spalding stated the information is publicly available. Ms. Lindsey Moss replied there are approximately 70 units, but not all are municipalities. Mr. Spalding stated the real issue to study is the Maximum Levy Growth Quotient calculation, rather than appeals. He stated something for the City to consider concerning LIT changes is how much the state Department of Revenue would be willing to do. He stated collecting LIT based on population rather than a property tax levy is more rational. Mr. O'Connor stated first the technology has to be in place. Ms. Lindsey Moss stated the Indiana Office of Technology and the Department of Revenue are working toward that goal. She stated the first analysis was very rudimentary. She stated more robust information and analysis is needed before moving forward. Mr. Swanson stated reform will take a few years to accomplish. He stated 2025 is a biennial budget year. He stated the session will begin in mid-January and be finished by April 30. He stated the session will be hectic, and no one knows what impact a new governor will have. He stated the budget will be the first priority, followed by property tax reform. He stated road funding is also a concern. Ms. Lindsey Moss stated the Funding Indiana Roads for a Safer Tomorrow (FIRST) task force is studying the issue. She stated gasoline tax revenue is steadily declining due to electric vehicles and more efficient gas-powered vehicles with higher miles per gallon. She stated inflation is also a concern. She stated the task force is studying possible funding streams for road maintenance. She stated the Community Crossings Matching Grant program has been problematic for small communities, who struggle to find matching funds. She stated larger communities' awards are capped at less than they need. She stated INDOT expects significant funding shortfalls. She stated there are many ideas being offered for solutions. She stated no meetings have been held yet, but legislators are talking, because gas tax funding is not sustainable.

Mr. Light asked if there were updates on TIF reform. Ms. Lindsey Moss stated at this year's session, AIM presented an explanation of TIF to the Ways and Means Committee. She stated schools have complained that TIF keeps them from growing. She stated she expects some bills restricting TIF, but to date the Senate has acted as a backstop. She stated there may be more discussion regarding annexations next year. Mr. Light stated an important factor will be whether the new governor retains or replaces officials and staff. The committee thanked Mr. Swanson and Ms. Lindsey Moss for the information.

Fiscal & Debt Actions on Council Meeting Agenda – June 25

- *Ordinance #26-06-24 – Authorization to Issue Bonds for the Noble West Project*

This item was discussed earlier in the meeting.

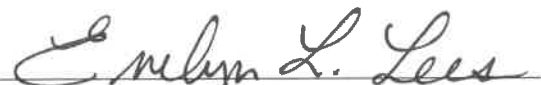
Review of Agenda Addendum

Mr. Spalding stated the semi-annual budget modifications are scheduled to be presented to the committee on July 18. Mr. Light stated an update from the Friends of Central Pool is scheduled for the same meeting.

The meeting adjourned at 8:56 a.m.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE