

**COMMON COUNCIL
FINANCE COMMITTEE
MARCH 20, 2025**

The City of Noblesville Council Finance Committee met pursuant to public notice in the Planning Department conference room at City Hall on Thursday, March 20, 2025. The meeting was called to order at 8:15 a.m. with Mike Davis, Pete Schwartz, Aaron Smith, and Todd Thurston present.

Also present were City Clerk Evelyn Lees, Deputy Mayor Matt Light, Chief Financial Officer and Controller Jeff Spalding, Deputy Financial Officer Tom MacDonald, Deputy Controller Caitlin Kesner, Finance Executive Assistant Cindy Frye, and Ava Peterson of the Mayor's Office. Consultant Greg O'Connor attended electronically via Microsoft Teams. City Attorney Jonathan Hughes arrived at 8:21 a.m.

Claims Docket Review

The committee agreed to recommend approval of the claims.

Update – City Financial Software Enhancements

Mr. Spalding stated since there were no action items on the agenda, he decided to update the committee on a few items.

- *Accounts Payable (transition to Spendbridge)*

Ms. Kesner stated they had been working to improve processes and are working toward implementing a paperless accounts payable software to improve efficiency.

- *Financial Management Reporting (upgrades to OpenGov Reports)*

Mr. Spalding stated they had been working to make the report function more user-friendly.

- *Payroll Processing & Human Resources Tracking (upgrades to UKG Workforce Ready)*

Mr. Spalding stated they had recently added a Human Resources function for leave tracking and open enrollment in the payroll software. He stated a consultant was hired to assess our processes and make recommendations.

- *Enterprise Accounting (Boyce Systems acquired by BS&A Software)*

Mr. Spalding stated there had been discussions about Enterprise Resource Planning (ERP) for some time. He stated the City had used Boyce Systems' Keystone software for many years, but recently Boyce was acquired by BS&A, which is a large company that specializes in government accounting.

Mr. Hughes joined the meeting.

Mr. Spalding stated in their conversations with BS&A, they claimed to have software that was more robust and already does everything the City needs. He stated he had been impressed with what he had seen so far. Ms. Kesner stated Noblesville was Boyce's largest customer, and we had outgrown Keystone. She stated BS&A recently presented to a conference she attended. She

stated they do payroll from government entities and can manage complex situations. She stated they potentially could take over payroll and OpenGov. She stated the City falls in the middle of the size of their customers. She stated they also have a utility accounting model. Mr. Spalding stated he was positively inclined toward BS&A, but he wanted to be cautious. Mr. Schwartz asked if switching to BS&A would save money. Ms. Kesner replied it would be if it replaced other vendors. Mr. Spalding stated they had not received pricing yet. He stated the goal was not to save money, but to find what would work best for the City. The committee agreed the company was worth investigating. Ms. Kesner stated if BS&A was desirable, the City might not need to go through a Request for Proposals process. Mr. Hughes stated he was not sure that would be allowed, but he would research the matter. Mr. Schwartz asked if BS&A had worked with the State. Ms. Kesner replied Boyce had worked closely with the State Board of Accounts for many years.

Update – Municipal Finance Reform Legislation

Mr. Spalding displayed a chart comparing three tax reform proposals currently being considered by the General Assembly: Governor Braun's plan, Senate Bill (SB) 1, and House Bill (HB)1402. Mr. Light stated SB 1 was Governor Braun's plan, but it was modified in the Senate. He stated currently it was being debated by the House. He stated HB 1402 may be added to SB 1.

Mr. Spalding stated the Governor's plan cut property tax with no replacement of revenue to local governments. He stated the Senate amended the bill, and it became the least significant disruption of the three proposals, although it had a disproportionate effect on fast growing communities. He stated HB 1402 lowers Assessed Values and caps most taxes at three percent of Assessed Value. He stated the only revenue growth in this version would be Assessed Value growth. He stated the bill also included a dramatic business personal property tax cut. He stated this version had the greatest impact on local government. He stated according to the legislature's government analysis of the bill, this version would be favorable to Noblesville. He stated Noblesville would gain more than it would lose. He stated the bill shifted the tax burden from property tax to income tax and from businesses to individuals.

Mr. Light stated the bill was currently in the House Ways and Means Committee. He stated the House must act by April 10, after which the bill would be sent to conference committee. He stated Governor Braun's proposal was estimated to have the most fiscal impact on communities. He stated the house bill had the least impact, and the senate bill was between the other two. He stated Jeff Thompson, a senator from Lizton, knew an overhaul of the tax structure was needed, but it was a very complex subject. He stated Governor Braun campaigned on lowering property tax. He stated Senator Thompson said a committee had studied the subject for two years already. He stated the Mayor had pushed back on Governor Braun's narrative that local governments were overspending. He stated the house bill transitions Local Income Tax from the counties to local governments at a maximum 1.2 percent. He stated the local tax may be hard to explain to residents.

Mr. Smith stated there also are school referenda to consider. He stated a holistic conversation was needed. Mr. Spalding stated debt issuance also was affected. He stated it was easy for the

legislature to blame local governments. He stated the larger issue was what kind of state did Indiana want to be – a state with a good quality of life, or just the cheapest state. He stated the answer could affect business attraction. He stated it would be a statewide economic development debate.

Mr. Smith stated the excess levy appeal had been a relief valve for fast-growing communities. He stated local governments need to communicate that they were not against reform, but the legislature needed to find a better way. Mr. Light stated the property tax caps had been in place for 15 years, and Senator Thompson knew changes were needed, but the question was how. Mr. O'Connor stated the senate bill was the “kick the can” legislation. He stated it was a moving target. He stated he planned to speak with Senator Baldwin. The committee thanked Mr. Light and Mr. Spalding for their insight.

Mr. Smith left the meeting.

Mr. O'Connor stated the legislature wanted to push more responsibility to local governments. He stated we would all need to work through the system and then live with the results. Mr. Spalding stated the issue was difficult and complex and affects everyone. He stated Noblesville was in a relatively good financial position and could adjust to legislative changes as well as anyone. He stated the City's situation was not as dire as it would be for some communities. He stated Noblesville was in a good position.

Review of Agenda Addendum

There were no updates to the addendum.

Other Business at Discretion of Chairman

There was no other business.

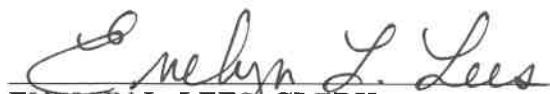
Fiscal & Debt Actions on Council Meeting Agenda – March 25, 2025

- *None*

The meeting adjourned at 8:57 a.m.



MIKE DAVIS, COMMITTEE CHAIR



EVELYN L. LEES, CLERK
CITY OF NOBLESVILLE