



Common Council Meeting – Minutes for September 16, 2024

Council Members in Attendance: Ben Leavitt, Austin Yoder, Dustin Geyer, Kelbi Veenstra

Also Present: Mayor Phil Jenkins **City Attorney** Brian Hoffer, **Clerk-Treasurer** Jeff Knight **Guests:** 9 (7 IP, 2 OL), and one member of the press (1 IP) were in attendance.

- Call to Order: Mayor Jenkins called the meeting to order at 7:00 pm and led the Council in the Pledge of Allegiance. CM Veenstra offered the opening prayer.
- Roll Call: Council members listed above were in attendance in person. CM Rosa was unable to attend the meeting.
- Approval of Minutes from the September 3rd, 2024, Council meeting: CM Geyer motioned to approve the minutes. CM Leavitt seconded. The minutes were approved unanimously (4-0) by voice vote.
- There were no petitions or comments by citizens and no reports of committees, boards, and commissions.
- Unfinished Business:
 - 3rd Reading – Ordinance 1632 – Rezoning for Homestyle Furniture Shoppes, LLC by Lamar and Marilyn Schmucker: Mayor Jenkins reintroduced this request. This is being rezoned from an I-1 Industrial to a B-2 General Business. CM Leavitt motioned to approve the rezoning request on third reading. CM Veenstra seconded. The request was approved unanimously (4-0) by roll call vote on third reading.
- New Business:
 - 1st Reading – Ordinance 1633 – Rezoning for Family Express: Mayor Jenkins introduced the rezoning request to change this from an I-1 Industrial to a B-2 General Business. A letter from the Plan Commission indicated they voted in favor of recommending that the Nappanee Common Council approve the rezoning request with a 5-0 vote. Planning Superintendent Nunemaker commented that this property is located by the new Family Dollar and O'Reilly Auto Parts. This property has been subdivided into three lots. Family Express has developed lot one for their convenience store/gas station/car wash/dog wash. Lots 2 and 3 are for future sale and development. A set of design standards has been established for this area including the lots to be developed in the future. Mr. Steve Snyder, representing Family Express, provided a handout including a pictorial representation of the store as well as a signed copy of the voluntary conditions for approval of a rezoning requested by Family Express. CM Geyer asked if this falls within a TIF area. It does not. CM Leavitt asked if the City or the company would be responsible for pavement/concrete upkeep. Mayor Jenkins responded that this is a privately owned property, and they would be responsible. CM Leavitt motioned to approve the rezoning request on first reading. CM Yoder seconded. The rezoning request was approved unanimously (4-0) by voice vote.
 - Resolution 781-24 – Approving Bonds, Indenture and Ratifying Lease for Fire Station: Mayor Jenkins presented the resolution. He introduced Ms. Heather James (with Ice Miller) who serves as the Bond Counsel to the City and Mr. Kyle Carlson (Baker Tilly) who is a financial consultant to the City. Both have been instrumental in getting the bond(s) set up. Ms. James discussed the resolution. This resolution is a statutory requirement for the Council to approve the bond(s) and their parameters. The maximum amount of the Bonds is \$6 million, for 20



years, at 5%. These are the not-to-exceed maximums. She continued by talking briefly about the next item on the agenda (the introduction of Ordinance 1636) that pledges general revenues to the repayment of the bonds. This allows the Council/City to use any general-purpose revenues as they see fit to repay the bond. The Redevelopment Commission (RDC) and Redevelopment Authority (RDA) will meet on September 24th. They have already taken their required actions regarding the lease. They will, similarly to the Council, act regarding the bonds and the financing. The potential special Council meeting to be held would be to act on the Ordinance prior to the October 2nd closing date with the Indiana Bond Bank. Mayor Jenkins noted that there was an error on the resolution for the maximum bond(s) amount. The resolution showed \$5.5 million, and it will be corrected to reflect \$6 million. Mr. Carlson interjected that the actual bond amount will be \$5,710,000 with a rate of 3.57% and a term of 15 years. Mayor Jenkins commented that along with this bond amount, the RDC has agreed to putting \$2 million towards the downpayment of the project and the City agreed to put in up to \$3 million. The City will not be required to pay the full \$3 million as the project funding will be a little less than originally anticipated. All in, the project is under \$11 million.

CM Geyer inquired if there was any variability in the rate that was presented. Mr. Carlson said no, the rate is fixed. He also added that there is a ten year call on this bond. After ten years this can be paid off early. CM Geyer asked if there was penalty for an early payoff after the ten-year period. Mr. Carlson said no. CM Yoder motioned to approve the resolution with the corrected maximum bond amount of \$6 million. CM Veenstra seconded. Resolution 781-24 was approved unanimously (4-0) by voice vote with the noted correction.

- o 1st Reading – Ordinance 1636 – Lease Pledge for Fire Station: Since this was discussed along with the resolution, there was no additional discussion. Mayor Jenkins commented that the debt service for the bonds will be with public safety local income taxes (PSLIT) equating to approximately \$400,000 and redevelopment funds equating to \$100,000. CM Geyer motioned to approve Ordinance 1636 on first reading. CM Yoder seconded. Mayor Jenkins voiced his appreciation for all of those who have worked so hard on pulling this project together from a financing perspective (Ms. James, Mr. Carlson, the Baker Tilly staff, City Council Hoffer, the RDC, and RDA). Ordinance 1636 was approved unanimously (4-0) by voice vote on first reading.
- o 1st Reading – Ordinance 1634 – 2025 Budget: Mayor Jenkins presented the 2025 budget notes to the council that walked through all the major assumptions, including the maximum levy growth quotient, salary increases, realignment of expenses, and major projects. The net result of the budget process is an essentially balanced budget once capital projects are removed. The notes are attached for reference purposes. Mayor Jenkins then introduced Mr. Ross Hagen (with Baker Tilly) who gave an overview of the estimated cash flows for the City for 2025. Overall, there is an anticipated reduction in cash of approximately \$2.68 million due to the cash downpayment requirement for the fire station project. Mr. Hagen commented that the City does not normally spend down the entirety of its budget and that the cash flows assume the budget is completely spent. Also of note is that due to the cap placed on growth with the much larger growth in assessed values, the tax rate will drop from \$1.48/\$100 to \$1.43/\$100. This makes it more difficult to fund the services the City provides to the residents. Mayor Jenkins thanked Mr. Hagen for his efforts in putting the cash flows together.



The conversation then moved back to the 2025 Budget Worksheets provided to the Council. Mayor Jenkins referred to the summary page for an overview of the results of the budgeting process by department and overall. After the summaries provided, the Council wished to take the budget with them, review it more in depth, and then return at the next meeting (October 7th) with questions.

CM Geyer did ask about the impact of the increase in Selective Insurance for property casualty insurance on a department-by-department basis. CT Knight said that by department it would have to be figured out, however the year-over-year growth was \$50,000 (from \$220,000 to \$270,000). Included in the budget for 2025 is \$270,000 plus a 10% growth quotient due to the renewal being completed at mid-year. This cost has been shifted from the various departments to the Board of Works as a City expenditure not a departmental expenditure. This was also done with software expenses. Mayor Jenkins also noted that over the course of the last four years, the emphasis was on removing the fat out of the budget. It is now about as lean as possible. CT Knight said that the 4% maximum growth for 2025 placed a great deal of stress on the general fund and that expenses needed to be shifted to various areas, such as CEDIT or Public Safety LIT, to free-up general fund dollars. CM Veenstra motioned to approve Ordinance 1634 – 2025 Budget on first reading. CM Geyer seconded. Ordinance 1634 – 2025 Budget was approved unanimously (4-0) on first reading.

- Approval of Accounts Payable Vouchers: City 2024 APV's Totaling \$899,116.61: CT Knight presented the APV's and discussed the major expenditure items. At the last meeting CT Knight answered a question from CM Geyer regarding the completion of Woodview Drive. One of the invoices for payment was for Phend and Brown and was for retainage, this was not for Woodview Drive but another project. Street Superintendent Warren commented that it is hoped that the final invoice and closeout of the Woodview Drive project will be the September invoice. CM Leavitt motioned to approve the APVs. CM Yoder seconded. The APVs were approved unanimously (4-0) by voice vote.
- Reports by City Officers:
 - Fire: Report was submitted in writing. No action was required.
 - Mayor Jenkins requested to have a special meeting on either the September 23rd or September 30th to deal with the Lease Pledge and 251 N. Main Street. There was a conflict with the 23rd, but all members present were available to meet on the 30th. CM Leavitt motioned to have a special meeting on September 30th at 7:00 pm. CM Veenstra seconded. The special meeting to be held on September 30th at 7:00 pm was approved unanimously (4-0) by voice vote.
- Adjournment: With no further business to discuss, CM Geyer motioned to adjourn the meeting and CM Leavitt seconded. The meeting adjourned at 8:07 pm by unanimous (4-0) voice vote.

Mayor Jenkins

Attest: _____
Jeff Knight, Clerk of the Council



City of Nappanee

2025 Budget Notes

General Notes

Maximum Levy Growth Quotient (MLGQ) from Department of Local Government Finance (DLGF) – 4% maximum increase for 2025. DLGF reported lower Income Tax revenue for 2025 than in 2024. Our goal is to work within the revenues projected for our operating expenses.

Balanced Budget – 2025 will again see a balanced budget. Projected expenses do not exceed projected revenues. Total Budget increase from 2024 is 1.2%

Salaries – Most departments will see a 4% increase in salaries. 1st Class Police Patrolmen will receive approximately 8% increase to get us closer to State Police and surrounding police department salaries.

Healthcare Insurance – The increase in healthcare premiums for 2024 will be 3%.

Notable Departmental Changes within General Fund

Planning (Budget decrease of 35%)

- Funding for Salaries shifted to CEDIT
- Added Assistant Planner and Administrative Assistant

EMS Quarters (Budget decrease of 20%)

- Reduced budget due to scheduled completion of new fire station in September/October 2025

City Court (Budget increase of 15%)

- Increased budget for court-appointed attorney costs

Board of Works (Budget increase of 9%)

- Shifted Property/Liability/Casualty Insurance costs and Software Subscription Costs from individual departments to Board of Works

Senior Center (Budget increase of 15%)

- Added 1 additional part-time staff

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The categories below make up the rest of the overall City Budget

Park (Budget increase of 5%)

- Added one full-time staff for Building Grounds Maintenance.

Miscellaneous (Budget decrease of approximately \$270,000)

- Cumulative Capital Development includes funding for vehicle/equipment purchases for Planning and Park Department
- County Economic Development Income Tax (CEDIT) - Infused funds from Rainy Day Interest to offset Trash/Recycling costs to cover Planning Department salaries.
- Public Safety Local Income Tax - Increased contribution to Fire and Police Health and Accident Insurance and removed vehicle purchases (future GO Bond)

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