



## ***Common Council Meeting – Minutes for March 6, 2023***

**Council Members in Attendance:** Ben Leavitt, Dana Hollar, Dustin Geyer, Kelbi Veenstra

**Also Present: Mayor:** Phil Jenkins, **City Attorney:** Brian Hoffer, **Clerk-Treasurer:** Jeff Knight, **Guests:** 7 (5 IP, 2 OL) and 1 member of the press (IP).

- Call to Order: Mayor Jenkins called the meeting to order at 7:00 pm and led the Council in the Pledge of Allegiance and an opening prayer.
- Roll Call: Council members listed above were in attendance.
- Approval of Minutes from the February 13, 2023, Council meeting: Councilman Hollar motioned to approve the minutes. Councilman Leavitt seconded. The minutes were approved unanimously by voice vote.
- There were no petitions or comments by citizens, and no reports of committees, boards, or commissions.
- Unfinished business:
  - 3rd Reading – Ordinance 1614 – Funds for CCMG and Federal Highway: Mayor Jenkins presented the ordinance for third reading. Councilwoman Veenstra motioned to approve Ordinance 1614 on third reading. Councilman Hollar seconded. Ordinance 1614 was approved unanimously on third reading by roll call vote.
  - 3rd Reading – Ordinance 1617 – Amending Ordinance 1597 – 2022 Salary Ordinance: Mayor Jenkins presented the ordinance for third reading. Councilman Geyer motioned to approve Ordinance 1617 on third reading. Councilwoman Veenstra seconded. Ordinance 1617 was approved unanimously on third reading by roll call vote.
  - 3rd Reading – Ordinance 1618 – Amending Ordinance 1610 – 2023 Salary Ordinance: Mayor Jenkins presented the ordinance for third reading. Councilman Leavitt motioned to approve Ordinance 1618 on third reading. Councilman Geyer seconded. Ordinance 1618 was approved unanimously on third reading by roll call vote.
- New Business:
  - Resolution 772-23 – Establishment of the Wellfield Residential Economic Development Area: Mayor Jenkins introduced Ms. Heather James (with Ice Miller) and Mr. Kyle Carlson (with Baker

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the City should contact the Office of the City Clerk-Treasurer as soon as possible but no later than 48 hours before the scheduled event. Contact Info: 300 West Lincoln Street, Nappanee, Indiana 46550. Telephone (574) 773-2112. Email: [jknight@nappanee.org](mailto:jknight@nappanee.org).



Tilly) who have been instrumental in putting the documentation together and working through the Residential TIF process with the City. Mayor Jenkins then walked the Council through the timeline, reviewing the steps this process has been through and what lies ahead. Ms. James explained that this is the last step in the process of establishing an economic area and that upon doing so the DLGF and the Elkhart County auditor will be formally notified and it will establish a base assessment point of January 1, 2023. The increment can then be collected as soon as the increased assessment is recognized. Those increment dollars will be used to pay the debt service on the bond. Mayor Jenkins displayed the layout of the subdivision. This phase/parcel includes 20 duplex units and 35 single family residences. Upon completion of phase one, if phase two were to move forward, then phase one and phase two would each be established as separate development areas. Mr. Carlson noted that, by doing so, it would allow the City to maximize the 25-year TIF life on the second phase/parcel. Mayor Jenkins recognized all of those that have helped get the process to this point, Ice Miller, Baker Tilly, Kindig & Sloat, and Yoder Ainlay. CT Knight asked what his responsibility will be once all of this is approved in terms of recording documentation with the County and DLGF. Mr. Carlson said that Baker Tilly would handle most of the reporting as would the Trustee. The responsibility of the CT is to track payments being made. Councilwoman Veenstra motioned to approve the resolution. Councilman Geyer seconded. With not further questions or comments Resolution 772-23 – Establishment of the Wellfield Residential Economic Development Area was approved unanimously by voice vote.

- 1<sup>st</sup> Reading – Ordinance 1619 – Bonds for Wellfield Residential TIF: Mayor Jenkins introduced the bond ordinance and yielded the floor to Ms. James who walked the Council through the details. The Economic Development Commission will have a public hearing on March 13, 2023 to discuss the bond financing. Once that is done, they will issue a recommendation to the Council to approve this ordinance. The meeting this evening is simply to introduce the ordinance to the Council. The purpose of this particular ordinance is to find that the Council wishes to move forward with financing this project and issuance of the bonds, and also providing the funds from the bonds to the company/developer so they can move forward with the construction of the project. The debt service will come from the increased assessed value from the project. The Redevelopment Commission has already met and pledged that tax increment. Mr. Carlson then gave an overview of the financial metrics involved. There is no burden on the City to make debt service payment from anything other than the pledged increment revenue. If there is any shortfall in development by the company, it would be their burden to bear. The TIF area will have a 25-year life. The maximum principal amount of the bonds is not to exceed \$3.2 million.



The bond is expected to be \$2.9 million with a 7.1% interest rate. This should generate \$2.2 million in revenue to the developer. Mayor Jenkins then discussed the difference between the City purchasing the bonds and the developer purchasing the bonds. In this case, the developer is purchasing the bonds which gives them incentive to get the project completed more quickly and get paid back more quickly as well. Councilman Hollar asked if the City was limited in the number of TIF districts it could have. Mayor Jenkins responded that there is a 1% rule pertaining to residential TIF's. But there is no limit to the number of TIF's a City can have for commercial or industrial. Councilman Leavitt inquired where the City of Nappanee fell as it pertains to the 1% rule. Mr. Carlson responded that you look at the last three years of new residential development. The City was about half of 1%. With no further questions or comments, Councilman Geyer motioned to approve the ordinance on first reading. Councilwoman Veenstra seconded. Ordinance 1619 – Bonds for Wellfield Residential TIF was approved unanimously on first reading by voice vote.

- 2023 Baker Tilly Scope of Services Agreement: Mayor Jenkins presented the agreement, noting it was between Baker Tilly, the City of Nappanee, the Utilities, and the Redevelopment Commission for accounting, reporting, and planning consultation services. The rate for 2023 will be \$7,675 as compared to \$6,900 in 2022. CT Knight mentioned that the increases took place after the 2023 budget season which caught the City off guard. Baker Tilly had two hourly charge increases in the November time frame and again in January of 2023. Councilman Geyer asked if the City has requested any work done that has fallen outside of scope. CT Knight and the Mayor said yes, in certain circumstances. City Attorney Hoffer interjected that the appendix to the agreement does not include items like the bond issuance just discussed. Councilman Geyer was concerned that there may be a time when the out of scope issues would cause a doubling or tripling of the normal budgeted amount. CT Knight said that it has not been anything that extreme. A few hundred dollars here and there. Councilman Leavitt motioned to approve the agreement as presented. Councilman Hollar seconded. With no further questions or comments, the 2023 Baker Tilly Scope of Services Agreement was approved unanimously by voice vote.
- Interlocal Agreement regarding BID-NIFTY Grant Program: Mayor Jenkins presented the agreement. The acronym BID stands for Building Improvement District and is located in the four-block area of downtown Nappanee. NIFTY is the grant program for the downtown area for store exterior improvements. Since 2024 will be the 150<sup>th</sup> year for Nappanee, Redevelopment wanted to do something special for the City and is investing another \$75,000 into NIFTY via BID for façade



improvements. This agreement is between BID and NIFTY in order for BID to invest the additional funds. Councilman Leavitt noted that the fund is growing and confirmed that the amount per grant has gone up as well. Mayor Jenkins said yes. The goal is to increase participation in the programs. Councilman Hollar asked if the requirements were restrictive. Mayor Jenkins commented that the only restriction is the store owner needs to get three quotes. Councilman Hollar motioned to approve the agreement. Councilman Leavitt seconded. The Interlocal Agreement regarding BID-NIFTY Grant Program was approved unanimously by voice vote.

- EMS – Ambulance Write-offs for April through December 2022: CT Knight discussed the multi-month ambulance write-offs that are due primarily to Medicare and Medicaid thresholds that will not allow the City to recoup more funds than what have already been received for ambulatory care. Councilman Geyer asked how this trend compares to years past. CT Knight said it was higher, but it was due primarily to increasing rates charged for ambulatory care. Councilman Leavitt commented that some of the increased write-offs may be attributable to the higher call and response volume for the year. CT Knight concurred. Mayor Jenkins noted the City only bills when it transports. Councilman Geyer asked if the City accrues for the write-offs. CT Knight responded since the City is on a cash basis, there are no accruals involved. Councilman Geyer inquired about the impact the write-offs would have on the EMS budget. CT Knight said they would not have an impact. The budget is forecast based upon current year revenues. Councilman Hollar motioned to approve the write-offs. Councilwoman Veenstra seconded. The EMS – Ambulance Write-offs for April through December 2022 were approved unanimously by voice vote.
- Approval of Accounts Payable Vouchers: 2023 APV's Totaling \$1,255,612.00: CT Knight told the Council the AP included two payrolls, one pension payroll, a \$15,000 stipend for the Art Council, B&G Club monthly payment of just over \$10,000, \$50,000 for Oakland Trail, \$7,000 for Granicus for creation of the new City website, \$10,000 for new fire helmets, and \$22,000 for the water damage done at Elder Haus. The water damage is an insurance claim. Councilman Leavitt motioned to approve the APV's. Councilman Hollar seconded. The APV's were approved unanimously by voice vote.
- Reports by City Officers: CT Knight presented the 2022 Year End Fund Report for informational purposes. These are the balances used for completion of the Annual Financial Report. Upon completion of the Utility Budgets for 2023, the data will be able to be loaded into the accounting system, FYE 2022 can be closed out, and new appropriation reports can be run reflecting activity for 2023.



- Adjournment: With no further business to be discussed, Councilman Leavitt motioned to adjourn the meeting and Councilman Geyer seconded. The meeting was adjourned at 7:57 pm by unanimous voice vote.

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Phil Jenkins, Mayor

Attest: \_\_\_\_\_  
Jeff Knight, Clerk of the Council