



Common Council Meeting – Minutes for September 18, 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:** 12 (9 IP, 3 OL), and one member of the press (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. Council Member Geyer offered an opening prayer.
- Roll Call: Council members listed above were in attendance in person. Council Member Amy Rosa was unable to attend.
- Approval of Minutes from the September 5, 2023, Council meeting: Council Member Hollar motioned to approve the minutes. Council Member Geyer seconded. The minutes were approved unanimously by voice vote.
- Petitions or Comments by Citizens: Mayor Jenkins introduced the public hearing regarding Ordinance 1623 – Additional Appropriation. There was a procedural issue with the attempted first approval of the ordinance as there was oversight of the need for a public hearing. CT Knight showed proof of publication. CT Knight also noted that he added one sentence to the original ordinance that will allow for the cancellation of the duplicate carry forward purchase orders regarding City Hall and Board of Works. Mayor Jenkins opened the public hearing at 7:04 pm. There were no questions or comments. The public hearing was closed at 7:04 pm.
- There were no reports from committees, boards, or commissions.
- Unfinished Business:
 - Ordinance 1623 – Additional Appropriations:
 - 1st Reading – Council Member Geyer motioned to approve the ordinance on first reading. Council Member Veenstra seconded. Ordinance 1623 – Additional Appropriations was approved unanimously by voice vote on first reading.
 - Suspension of Rules to have a second reading at the same meeting: Council Member Leavitt motioned to suspend the rules. Council Member Geyer seconded. The rules were suspended by unanimous voice vote.
 - 2nd Reading – Council Member Leavitt motioned to approve the ordinance on first reading. Council Member Hollar seconded. Ordinance 1623 – Additional Appropriations was approved unanimously by voice vote on second reading.
 - Suspension of Rules to have a third reading at the same meeting: Council Member Hollar motioned to suspend the rules. Council Member Veenstra seconded. The rules were suspended by unanimous voice vote.
 - 3rd Reading – Council Member Hollar motioned to approve the ordinance on first reading. Council Member Geyer seconded. Ordinance 1623 – Additional Appropriations was approved unanimously by **roll call vote** on third reading.
- New Business:
 - Ordinance 1624 – 2024 Budget: Mayor Jenkins introduced the budget ordinance. He began with an overview of the notes that were provided dealing with the assumptions and known cost increases used in determining the 2024 budget. Overall this is a balanced budget. There is a general obligation bond and related debt service included in this budget. The focus for the next budget is on personnel more so than projects.



Mayor Jenkins opened the meeting up to questions. Council Member Geyer inquired if there was any way to capture more revenue than initially allowed by the 4% growth quotient. Mayor Jenkins asked Mr. Adam Wilcox (Baker Tilly) to explain the process whereby an additional levy increase may be applied for. Mr. Wilcox said there is a calculation used that is based upon the last three years of growth. The calculation was done for 2023 but the City did not qualify. CT Knight confirmed that he had spoken with Mr. Ross Hagan (Baker Tilly) regarding applying for the additional levy. Mr. Hagan indicated that average growth across the state was 15%. In order for the City to qualify for the additional levy its growth would have needed to surpass the 15% average by a certain percentage. The City did not meet that requirement. Council Member Geyer asked if that calculation is something that Baker Tilly completes every year on behalf of the City. Mr. Wilcox said yes.

Mayor Jenkins yielded the floor to Mr. Wilcox in order for him to walk the Council through the estimated cash flows. The Circuit Breaker for 2023 was 13.5%. Mr. Wilcox reminded the Council that the cash flows assume that the City spends every dollar appropriated. This is a worst-case scenario. Historically, the City does not spend every dollar appropriated. Baker Tilly has suggested that a 15% cash on hand as it pertains to the Estimated Operating Balance is sufficient. At this time, the City maintains an 81.79% coverage. Across all of the City's funds, not including the GO Bond that will be discussed later, the City maintains an estimated tax rate of 1.42%. Mayor Jenkins thanked Mr. Wilcox and each of the City Department Heads for the work completed on the budget process.

Council Member Geyer inquired of Planning Superintendent Nunemaker if there were additional permitting requirements for work on homes and businesses that will generate more revenue in 2024. Superintendent Nunemaker said those are not included, but that a rough estimate was looked at in the last Planning meeting. They have had one reading with another scheduled for the next meeting. He would like to have this completed in 2023 with the impact to revenue taking place in 2024, but the revenue is not included in the 2024 budget as presented. Mayor Jenkins and CT Knight briefly discussed how the revenue projections work in the budget process. Councilman Geyer continued by asking a question regarding the Senior Center and the dip in retirement for 2023. Mayor Jenkins explained the shift in staffing that took place during this time frame. The next question pertained to the Tree Board's increase in tree trimming and removal. CT Knight explained that this was due to an analysis that was supposed to have been completed a few years ago but was not completed until 2023 which showed more trees in the City's right-of-way. Thus there was more maintenance cost than was originally expected. The increased budget takes into account the additional maintenance requirement. Mayor Jenkins also noted that there were more storms that came through impacting the cost of cleanup. Council Member Geyer then asked about the change in the Fire Department's FICA. There is a line showing \$0. Mayor Jenkins explained that there were some lines that are on the spreadsheet from prior years and that the \$0 is actually consolidated into one line item totaling \$108,050. Council Member Geyer asked if that same explanation pertains to the retirement line item. Mayor Jenkins said yes and that it also represents the increased cost of shifting the Fire Firefighters to the 1977 retirement plan which constitutes a 17.2% employer match instead of the current 11.2% employer match. His final question pertaining to the Fire Department was the growth in the consolidated insurance for Fire and EMS to \$30,000. Mayor Jenkins noted that this was a number based upon actual costs for both and consolidated into one line item.

There were no further questions. Council Member Hollar motioned to approve Ordinance 1624 – Budget 2024 on first reading. Council Member Veenstra seconded. Ordinance 1624 – Budget 2024 was approved unanimously by voice vote on first reading.



- Ordinance 1625 – General Obligation Bond: Mayor Jenkins introduced Ms. Heather James (Ice Miller) who is the City’s Bond Council for the proposed GO Bond. He also prefaced the discussion by commenting that the need for a new fire station has been discussed for a couple of years and the City is now working through the financing possibilities. The discussions with Ice Miller and Baker Tilly led to the conclusion the best option for financing the fire station was via Tax Increment Financing (TIF) and Public Safety LIT. That probably will not hit until 2025. The City wanted to find a way to complete some capital projects while saving the TIF and Public Safety LIT. One such project was the planned turn lane on US 6 out by the airport. Initially this was to be paid for by TIF with an expected cost of \$2 million. This cost will now be shifted to the GO Bond. Mayor Jenkins then discussed the impact that the growth in assessed valuations has had upon the City’s tax rate. Due to the assessed value growth the tax rate has decreased by between .09 and .12 cents. The GO Bond will allow the City to recapture much of that lost rate. In order to move forward with the GO Bond, it needs to be approved this year and included in the budget for 2024.

Mayor Jenkins introduced Mr. Kyle Carlson (Baker Tilly) who discussed the financial analysis and how the amount of \$2.750 million was calculated. The term length of the bond will be eight years. Projects included in this bond issuance are the widening of US 6; improvement to downtown sidewalks, streetscapes, and Civic Plaza; adding a multi-use path connecting City parks; and adding sidewalks in neighborhoods. The sector most impacted by the recapture of property tax rate is the Commercial/Industrial sector. Most residents will not feel any impact. CT Knight noted that the City deems this a rate recapture and not a rate increase. Mayor Jenkins referred back to the question Council Member Geyer asked about trying to increase levy. By doing a GO Bond it allows a municipality to accomplish something similar.

Council Member Geyer asked if there was any other vehicle than a GO Bond that would allow the City to accomplish the same thing or if this was the best of all options. Mayor Jenkins responded that there are other vehicles such as Build-Operate-Transfer where there is a lease purchase agreement. Some cities are beginning to utilize the BOT method for road improvements. With the good interest rates available via the Indiana Bond Bank, the thinking is that this is the best method to pursue. CT Knight interjected that if the City had used the traditional BOT process and used local institutions to finance the project, the interest rates would have been higher than those presented by the IBB for this project. Mr. Carlson commented that the IBB is being used more at this current time due to the good interest rates offered. Mayor Jenkins also noted that the City could have utilized more cash on hand but wanted to save that for the fire station. Council Member Geyer asked if the rates drop if there is an opportunity to refinance. Mr. Carlson responded that In the bond documents there is a 30-day notice provision for early redemption. He said that they will push for a favorable redemption. Council Member Leavitt said that his only concern was how this debt would be impacted by a bond offering for the fire station. Mayor Jenkins replied that those issues are being worked through now. With TIF and Public Safety LIT, it is felt that all of the debt should be able to be covered. The City should have a better feel in January for the cost of the fire station.

Ms. James walked the Council through the Bond and timing associated with the approval process. The Bond ordinance discusses maximums. There are some blanks on the document. These will be filled in once the terms come back from the IBB.



With no further questions at this time, Council Member Geyer motioned to approve Ordinance 1625 – GO Bond on first reading. Council Member Veenstra seconded. Ordinance 1625 – GO Bond was approved unanimously by voice vote on first reading.

- Ordinance 1626 - General Obligation Bond Appropriation: Council Member Geyer asked if all of the appropriations for the \$2.750 million will go through the Council process. Mr. Leavitt had the same question. Mayor Jenkins said that the road widening on US 6 was specifically mentioned as the project was already planned and in process. That project will cost \$2 million. The remaining projects were left in broad terms in order to cover them as they became more prevalent. As additional projects come up, Mayor Jenkins said he had no problem getting sign-off from the Council even though it fell under the auspices of the Board of Works. Ms. James stated that the language in the bond was broad enough to cover future projects and that no wording changes were necessary. Council Member Hollar asked if the City administration had always planned on using a GO bond. He remembered the conversation including the use of Public Safety LIT. Mayor Jenkins and CT Knight both said that numerous options had been discussed but this was determined to be the best option.

Council Member Geyer motioned to approve Ordinance 1626 – GO Bond Appropriation on first reading. Council Member Hollar seconded. Ordinance 1626 – GO Bond Appropriation was approved unanimously by voice vote on first reading.

- Set Public Hearing for General Obligation Bond Appropriation – October 2, 2023: Council Member Leavitt motioned to set the public hearing for the GO Bond Appropriation for the October 2, 2023, Council meeting. Council Member Hollar seconded. The public hearing was set for October 2, 2023, unanimously by voice vote. Mayor Jenkins thanked Ms. James and Mr. Carlson for their attendance and presentations.
- Approval of Accounts Payable Vouchers - 2023 APV's Totaling \$248,017.38: CT Knight told the Council that these vouchers contain normal course of business expenses, including the transfer of the funds to purchase the property for the fire station (\$119,000). There are no payroll expenses in these APVs. Council Member Leavitt motioned to approve the APV's. Council Member Hollar seconded. The APV's were approved unanimously by voice vote.
- Reports by City Officers: There were no reports from City officers.
- Adjournment: With no further business to be discussed, Council Member Hollar motioned to adjourn the meeting and Council Member Leavitt seconded. The meeting was adjourned at 8:11 pm by unanimous voice vote.

Phil Jenkins, Mayor

Attest: _____
Jeff Knight, Clerk of the Council