**REGULAR MEETING OF THE MISHAWAKA COMMON COUNCIL**

**October 17, 2022**

Be it remembered that the Common Council of the City of Mishawaka, Indiana met in the Council Chambers of the New Mishawaka City Hall and via telephone on Monday, October 17, 2022 at 7:00PM. The meeting was called to order by Council President Gregg Hixenbaugh. All were asked to stand for the Pledge of Allegiance.

Clerk Block called the roll.

**Roll Call.**

**Present: Mrs. DeMaegd (P), Mr. Banicki (P), Mr. Hazen (P), Mr. Mammolenti (P), Mr. Emmons (P), Mr. Bellovich (P), Mr. Compton (P), Mrs. Voelker (P), Mr. Hixenbaugh (P)**
**P: Present E: Electronically Participating A: Absent**

Others Present: Clerk Block, Mike Trippel

**Members attending virtually do so by WebEx. Public that attend can participate by WebEx or observe meetings by YouTube or Facebook live. The Council meetings are also streamed live on Michiana Access on Comcast/AT&T U-verse Channel 99.**

Minutes for the Regular Meeting of October 3, 2022 were approved as received from the Clerk's Office.

Clerk Block read a letter from the City Plan Commission regarding their recommendation from their October 11, 2022 meeting.

Honorable Members:

A regular meeting of the Mishawaka Plan Commission was held on the above referenced date at which time the following proposed ordinances were considered:

**Petition No. 2022-17** A petition submitted by Memorial Health Systems Inc. requesting to rezone the northeast corner of North Main Street and East University Drive from C-1 General Commercial District to S-2 Planned Unit Development to allow a mixed-use commercial and residential development.

The Commission, with a vote of 7-0, recommended approval subject to the attached conditions.

**Petition No. 2022-18** A petition submitted by Jinder Food Services Inc. requesting to amend the North Main Street Planned Unit Development to allow for a restaurant with drive-thru, reduction in number of parking spaces, and the use of fiber cement board at 5540 North Main Street.

The Commission, with a vote of 7-0, recommended approval.

Pursuant to I.C. 36-7-4-605 the Mishawaka Plan Commission hereby certifies to the Mishawaka Common Council the attached proposed ordinances regarding the above matters.

Respectfully,
Kari Myers, Administrative Planner
Secretary, Mishawaka Plan Commission

Clerk Block read the following proposed ordinances by title and assigned committee.

**PROPOSED ORDINANCE NO. 2022-37**

**AN ORDINANCE AMENDING CHAPTER 137 OF THE MUNICIPAL CODE OF THE CITY OF MISHAWAKA, INDIANA, AS FROM TIME TO TIME AMENDED, COMMONLY KNOWN AS "THE ZONING ORDINANCE OF 1966" OF THE CITY OF MISHAWAKA, INDIANA.**
**Rezone from C-1 to S-2 Planned Unit Development to all mixed use Commercial and Residential Development – NE Corner of N. Main St. & E. University Dr.**
**(Assigned to Land Use Planning Committee)**

**PROPOSED ORDINANCE NO. 2022-38**

**AN ORDINANCE AMENDING CHAPTER 137 OF THE MUNICIPAL CODE OF THE CITY OF MISHAWAKA, INDIANA, AS FROM TIME TO TIME AMENDED, COMMONLY KNOWN AS "THE ZONING ORDINANCE OF 1966" OF THE CITY OF MISHAWAKA, INDIANA.**
**PUD Amendment for a restaurant with Drive-Thru Reduced Parking and Fiber Cement Board – 5540 N. Main St.**
**(Assigned to Land Use Planning Committee)**

Clerk Block read the following resolutions by title and opened the public hearing.

**RESOLUTION R2022-29**

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MISHAWAKA, INDIANA, MAKING A FINAL DETERMINATION AND CONFIRMING THE DESIGNATION OF AREAS WITHIN THE CITY OF MISHAWAKA, INDIANA, COMMONLY KNOWN AS VACANT LAND BOUND BY W. FRONT STREET, N. HILL STREET, W. FIRST STREET, AND N. SPRING STREET AS AN ECONOMIC REVITALIZATION AREA AND ECONOMIC DEVELOPMENT TARGET AREA FOR PURPOSES OF REAL PROPERTY TAX ABATEMENT FOR FRONT STREET, L.L.C. AND/OR ITS ASSIGNS**

**Confirming Resolution for Real Property Tax Abatement for vacant land bound by W. Front, North Hill, W. First, and N. Spring Streets**

Ken Prince, Director of Planning and Community Development for the city of Mishawaka, spoke in favor of R**ESOLUTION R2022-29**. Mr. Prince stated he was filling in for Mr. Spier that evening and as presented during the declaratory resolution, the proposal was a four-story, 79,000 square foot mixed-use building with ground level commercial restaurant space and residential units. Mr. Prince stated the upper floors would be exclusively residential and the building would include 4600 square feet of commercial restaurant space for three tenants and between 106 and 109 apartment units, a rooftop deck and a 110 space surface parking lot. Mr. Prince stated the total investment was estimated at $25 million with the construction beginning hopefully in mid-November with the completion being in the spring of 2024. Mr. Prince stated as they discussed, the proposed request was for a five-year abatement on the improvements with a higher than normal annual percentage abatement schedule starting at 100% the first year and decreasing 5% annually over the next five years. Mr. Prince stated the abatement was identical to the tax abatements submitted for the River Rock apartments on Mishawaka Avenue and approved for the planned River Walk apartments west of Central Park. Mr. Prince stated one of the things he had to note was that accurately predicting the values and tax impacts for the abatement request was always a challenge for them, because they had to estimate what the assessed value was and that was something they just did not do. Mr. Prince stated historically, they had used 80% of construction value as the number, so that was the number reflected in the letter forwarded to the council. Mr. Prince stated he wanted to say in advance that they knew the numbers would likely be high, but they would rather be high in terms of estimating it than low. Mr. Prince stated here, they had used 80% rather than 60% or another number just to be conservative in terms of what the maximum benefit would potentially be. Mr. Prince stated using the calculator based on the 2021 tax rate and $20 million of assessed valuation, it would have an annual tax bill of $471,580 which meant the total tax over the five-year period would be $2.357 million. Mr. Prince stated the total taxes that would be paid would be roughly a tenth of that at $235,790 and taxes abated would be $2,122,000. Mr. Prince thought realistically that they would be looking at a million to a million in a half dollars in benefit for this but for the purpose of this, they wanted to be conservative. Mr. Prince stated he was happy to answer any questions.

Mr. Compton thanked Mr. Prince for the information and asked how much the Matthews group paid for that piece of property for Mishawaka. Mr. Prince stated it was in the development agreement and it was likely $10,000 or $20,000 for the property and it was in that range, but he did not have the exact number in front of them. Mr. Compton stated at the last meeting, there was discussion about ongoing environmental issues on the site and asked if he was aware of that. Mr. Prince stated with all of the former Uniroyal properties down there, they expect there to be ongoing environmental concerns and in the last 20 years of marketing that property, they found very early on that unless they provided essentially a comparable greenfield standard for the property that no developer would be interested in the property and what that meant was that every property that had been developed down there had taken on the environmental risk associated with the property. Mr. Prince stated then, if he was understanding it correctly, that they were financially responsible for any other mitigation that might be found. Mr. Prince stated in the agreement, with the first $5,000 of mitigation, if there were an encounter of old remnant in the basement type of thing, they would have to take care of it. Mr. Prince stated the first $5,000 was their responsibility and anything above that up to the $200,000 limit was our responsibility and then when you went beyond that, for example if they had some catastrophic thing in the ground they weren't aware of, then they would deal with either divvying up that cost or would kill the project. Mr. Compton asked if the city was really taking the risk on this as opposed to the developer. Mr. Prince stated yes. Mr. Compton stated he thought a lot about this and talked to him about these things and he agreed that this was a phase in of taxes. Mr. Compton stated his thought was these taxes, in theory, calculated to cover the cost of city services and that was what taxes were about. Mr. Compton stated putting it another way, they got $2.1 million of city services at no cost. Mr. Prince stated when you looked at the tax abatement and what they were trying to do with it was get the project to the finish line. Mr. Prince stated when they originally conceived this, they looked at the Mill as a major draw to the area when it was constructed and they had a much higher amount of city dollars that went into that project to encourage additional development to happen. Mr. Prince stated this project was originally envisioned in 2018 and they did not have any discussions on a tax abatement until most recently in the last few months, because the change of economics that had happened globally that had dramatically increased and made this project on the verge of not happening and that was why the tax abatement had been proposed at that time. Mr. Prince stated very specifically, tax abatement was one of the few incentives that the city had other than direct input of cash from the tax increment funding district that they had to change in property and they marketed the property in question as part of the Uniroyal for close to 20 years. Mr. Prince stated it had generated no taxes during that time and they had consistently held out thank you to the council and the three mayors he had worked for that they all had the vision of holding out for what he considered to be the highest and best use. Mr. Prince stated no one was in a rush to say this had to happen now and they had other projects where people were going to build single-family homes in this property and discovered this was not the right area for it and they wanted to be part of downtown and they thought it should be high density and they thought it should be mixed use, architecturally significant and pedestrian friendly as well. Mr. Prince stated they held out for that and they worked for the last four years with this developer to try to get this across the finish line to be constructed. Mr. Prince stated if the tax abatement did that, he thought it would have significant advantage because in five years, if you broke this into single-family homes what would the taxes be that you would be generating from that. Mr. Prince stated you would have the same amount of sewer in the road and the same amount of roads you would have to take care of in terms of city services, but you were going to have a much higher assessed valuation associated with the property based on this development versus a much lower density use and that was the reason to have the tax abatement incentive. Mr. Prince stated they had worked for four years on this and thought it was appropriate to get it over the edge or they wouldn't be there and he would feel differently if it was not city property and a developer driven property but in this case they felt it was appropriate. Mr. Compton stated he also thought about Joe Citizen in Mishawaka and while this was a phase in, in theory, the city services for this project would now be funded by the rest of the taxpayers for that period or partially. Mr. Compton asked Mr. Prince to help him on what he would tell Joe Citizen on the west end or in his district how this helped them and how this was good for them. Mr. Prince stated he would very specifically tell them that you were taking a long term view on what was best for the city and he would wholeheartedly present to them that all they had to do was look at the tax revenue from this property over 10 years compared to zero now or at a lower density development and this project would outdo whatever other proposal you would put in there. Mr. Prince stated he had represented these projects before and he did not have a bunch of developers sitting in the wings waiting to take this property. Mr. Prince stated they tried to work with the developers that came and wanted to work with them regarding what their vision was for the property and they had worked to that end over the last for years.

Mr. Mammolenti stated he had heard him reference that with this property, they were trying to market it for over 20 years with zero tax dollars collected. Mr. Mammolenti asked if he could tell them how many offers that they had or development that came with as strong of a plan that Mr. Matthews had. Mr. Prince stated there had been none with as strong of a plan as Mr. Matthews' group and they had multiple plans presented to them. Mr. Prince stated they had Bob Stevens who originally did the master plan for this and it was a concept plan and never brought to a level of where it was going to be funded. Mr. Prince stated the first phases of that was the townhouses and then the 112 building and then the great recession hit and that changed hands. Mr. Prince stated they had multiple developments done on other properties but typically it had been the draw of the river and the river frontage and what was unique about this property was it didn't have any of the river frontage. Mr. Prince stated they had other developers look at it, but no one took other properties in the area to the level they had taken it in this instance. Mr. Mammolenti asked, for some of the folks present that evening and/or listening online, to explain theoretically what the taxes collected within this would be. Mr. Prince stated with the taxes collected, they had a base level of assessed valuation in this case, because the city had owned it for that period of time and it was essentially zero. Mr. Prince stated the increment of what was captured before development and after development went into essentially a capital improvement fund that was the tax increment financing district that was used to fund sewers, roads and other infrastructure improvements all across the city. Mr. Prince stated they had one consolidated TIF district currently so it funded basically everything downtown that the city was invested in. Mr. Prince stated it built the Edison Lakes roads, widened Main Street, built the underpass and all that came from the tax increment funding district and they used those funds for specific reasons. Mr. Mammolenti asked, just to be a bit more specific, if it was not like with the funds that they would be collecting they could hire more officers or first responders outside of the TIF district and if that was correct. Mr. Prince stated that was right and they placed much of the downtown in the TIF district after Uniroyal was demolished which meant that increment went to that tax financing and did not get distributed to all the taxing units or to the general fund.

Mr. Hixenbaugh wanted to follow up on a couple of points his colleagues made and first of all, with regard to Mr. Compton and their discussion, he used the term greenfield and he wanted to look at it from the opposite perspective. Mr. Hixenbaugh asked if it was fair to say that in the world of development that this site and surrounding area was still viewed as a brownfield site that carried with it some particular challenges with regard to development. Mr. Prince stated very much so and this was because they saw the potential of it because of what had happened there but when you looked at any other properties around it, there were some levels of long-term decay they were tackling one piece at a time by doing developments like this and encouraging more investment over time. Mr. Prince stated that was one of the reasons why they were wanting to do it and it was a continued fight. Mr. Prince stated as they knew, many of the homes down there were broken up into multi-family worker type of housing and some of them had been converted back to single-family and some of them were well-maintained apartments and they wanted to continue to address that over time. Mr. Hixenbaugh asked if it was fair for them to assume then that there was a connection between was the history of less attractive development proposals for this site and the fact that it was in a brownfield area and asked if those were separate and distinct factors of if it was interrelated. Mr. Prince stated potentially they were related but he never looked at it that way and every property had certain limitations and positives and negatives. Mr. Hixenbaugh asked, as a general statement, if it was more difficult to develop in a brownfield area or non-brownfield area. Mr. Prince stated it was 100 times more difficult to develop in a brownfield area. Mr. Hixenbaugh appreciated his answer to Mr. Mammolenti's question regarding TIF and he thought it was important for them to emphasize that point. Mr. Hixenbaugh asked if it was fair for them to say that if there was no tax abatement with regard to the property, that had been requested or that would be approved, that the revenue that would be generated in terms of this new development would still be spent in the TIF district and would not go to the general fund and other revenue streams outside of the TIF for the city. Mr. Prince stated that was correct and the main TIF expired in 2039, so essentially this would go into the tax increment financing district until 2039 when it was completely gone. Mr. Hixenbaugh stated one of the other things they heard at the prior council meeting and it also was reflected in the information that they received from staff was that this project was originally scheduled to commence earlier in time but that was delayed based upon some requests on the part of the city with regard to some adjustments in the development plan and asked if that was correct. Mr. Prince stated that was correct and COVID also happened in there so that was another delaying factor. Mr. Hixenbaugh stated COVID was kind of an equivalent factor that had delayed everybody across the board. Mr. Hixenbaugh asked if he could talk a little about what it was that the city asked the developer to do that had some impact on the timeframe. Mr. Prince stated when they originally conceived this project in 2018, they had a shared parking area on the south side of where the building was located, with half of it going to be private. Mr. Prince stated they asked them to do what was similar to what they did on Mill Street and now also on Hill Street was they asked for additional right of way along Hill Street so they could widen the public parking in the street, which would allow them to make the entire area behind the building to the south private parking. Mr. Hixenbaugh appreciated his help.

Pat Matthews, representing Front Street LLC and the developers of the project, spoke in favor of **RESOLUTION R2022-29.** Mr. Matthews stated he was going to repeat some of the notes he made in the prior council meeting and emphasize some others. Mr. Matthews stated as they talked about originally, the development process was started in 2018 and back in 2019, it was their original intent to provide a market rate development without any financial assistance. Mr. Matthews stated they did not request anything from the city TIF funds and were ready to go. Mr. Matthews stated their initial pre-COVID construction estimate, not including land, soft cost and financing, was about $10 million back in 2019. Mr. Matthews stated they had already invested significant design expense at this time and then the city asked them to move the building by about 35 feet for the additional right of way Mr. Prince mentioned and at that time, they had already had significant design expense. Mr. Matthews stated they already had their renderings done and Mayor Wood had already presented a rendering at that time and at one of his State of the City addresses. Mr. Matthews stated the city then asked them to move it and flip it so that they could accommodate the planned North Hill Street pedestrian expansion, which they were excited about and they wanted to be a good business partner and a good neighbor and they went to work to accommodate that request, then unfortunately COVID hit and the dynamics changed dramatically. Mr. Matthews stated since 2019, they had experienced significant cost escalation, not only in terms of labor and materials but also large increases in the cost of financing. Mr. Matthews stated their most recent construction estimate, not including land, soft cost and financing had greatly increased since the 2019 budget. Mr. Matthews stated they believed in the city of Mishawaka and wanted the new market rate units to be built in the downtown area. Mr. Matthews stated he wanted to address a couple of points that came up at the first meeting, with one of the things being cash flow was the most important factor in the stability of a project, especially in the early years. Mr. Matthews stated granting a tax abatement was one of the easiest and best ways for governing agency to support growth and stability in a revitalized and growing urban area. Mr. Matthews stated tax abatements were an excellent win-win tool and one of the few tools in your toolbox that worked. Mr. Matthews stated a tax abatement was not a gift to a developer, it was an indirect incentive to a renter to live in Mishawaka. Mr. Matthews stated it was a simple formula; cost divided by number of units. Mr. Matthews stated if you were helpful in driving down costs, you would be helpful in allowing more residents to populate the downtown area. Mr. Matthews stated if you wanted businesses in the downtown area, first you needed housing. Mr. Matthews respectfully asked that the Mishawaka Redevelopment Commission and the Mishawaka Common Council grant their request for a five-year property tax abatement and stated he would be happy to answer their questions.

Mr. Compton thanked Mr. Matthews and appreciated the information he sent. Mr. Compton stated he was looking at the form he filled out and it appeared the estimated value of the property was $37,500. Mr. Matthews stated that would be from, he believed the property tax records currently. Mr. Compton asked if he got that property for $20,000. Mr. Matthews stated he would have to revisit that. Mr. Compton stated the point he was trying to make was that the city had invested in it already. Mr. Compton asked was if profit was calculated in the proforma and thought they would want to know so that would be part of the calculation of cash flows, so that the investors understood what they would receive. Mr. Matthews stated he had not completed the entire proforma yet and as he mentioned in his email that day, the primary driver on that proforma was cash flow and they were looking to make sure the bank was satisfied and that they could fulfill their debt ratios correctly. Mr. Compton stated a standard rate of around 8% was what he was looking at and that seemed reasonable if he was an investor risking his money in the investment. Mr. Compton asked what that was 8% of exactly. Mr. Matthews stated that would be 8% return on invested capital. Mr. Compton asked if he saw the concerns such as inflation, rising interest rates and other financial issues causing a problem renting space there if they entered into a recession and if they should wait for a better economic environment to develop that property. Mr. Matthews stated he did not believe they should wait at all and he was optimistic the project would be a success and the economy would turn around. Mr. Matthews stated he would like to hit the ground running and be prepared when the gates broke loose and the economy recovered. Mr. Compton stated he wanted his project to be successful and wanted him to do what he was doing, he just struggled with the community supporting it through a tax abatement and that at some point, these projects should stand on their own and that was his feeling. Mr. Compton stated he understood what he was asking and understood why he just struggled with it being the right thing to do for his constituents and the people who lived in his district. Mr. Compton asked if they passed something less in percentages that weren't what he was asking for if that would be a problem and obviously it depended on what those percentages were. Mr. Matthews stated, if he may respectfully, he believed the council was charged with running the business of the city of Mishawaka and certainly there were social requirements and the presentation he was making. Mr. Matthews stated he appreciated the questions but he was very business oriented and it was 110% the right thing to do in his mind. Mr. Matthews sated the property had been sitting vacant for 20 years, as Mr. Prince said earlier, and at some point he may have to ask his constituents or his constituents would be asking him why the land was still vacant, why they did not have a nice place to stay. Mr. Matthews stated there was no time like the present and it was never going to be cheaper than it was at that time. Mr. Matthews stated even though they had significant costs escalation, it would still be more expensive tomorrow. Mr. Matthews stated a delay would kill this project. Mr. Matthews stated it was a very simple formula and if you helped drive down the costs, it helped bring more parties into downtown Mishawaka and those parties would want good services and businesses would fill the mixed-use space and they would have a very vibrant community. Mr. Matthews stated there was no time like today to make that decision.

Mrs. DeMaegd stated she read in her exhibit A that was part of the paperwork that they had a market study completed in January of 2019 and then updated in June of 2022. Mrs. DeMaegd asked who conducted the study. Mr. Matthews stated a company out of Chicago, Tracy Cross that was recommended and recognized by several lending institutions in the area. Mrs. DeMaegd asked if they could see that market study. Mr. Matthews stated he would be happy to send it.

Mr. Compton stated he was looking at the form he sent in and the name and location of his five largest vendors and two of the construction contractors were on there and neither of them were local, which was another concern he had. Mr. Compton stated he would personally like to see local contractors on local projects. Mr. Matthews stated they would also like to see local contractors and local vendors and they certainly would have given local contractors and local vendors the opportunity to bid on the project. Mr. Matthews stated the vendors in the application were not necessarily the vendors on the project and they were several of the largest vendors that they had used in the past.

Stephen Studer, Kreig Devault Law Firm, spoke in favor of **RESOLUTION R2022-29.** Mr. Studer stated he was there in support of the tax abatement and one of the things he passed out was a photograph that he took in 1999 when he was honored by the city to represent it in connection with working with the EPA in the state with respect to the contamination issues that were present at the former Uniroyal facility. Mr. Studer stated the EPA said at the time it was the worst site in the entire region. Mr. Studer stated he showed them these photos to saw what was there 20 years ago and when you looked at the site now, they knew how incredible it really was and the city had made a huge investment. Mr. Studer stated the demolition of 57 buildings was quite an event when it occurred and he walked through every building himself and it was an absolute mess. Mr. Studer stated Mr. Prince was absolutely correct when he said that developing a brownfield site was really difficult and whether or not you had actual environmental issues or not was sometimes secondary to the fact that lenders perceive environmental issues. Mr. Studer stated Mr. Prince also mentioned the Mill project and the Mill project also was the beneficiary of over $10 million in other public money. Mr. Studer stated they would not be here if it wasn't for that import of the state money and the city money and as Mr. Prince stated, just like this property, they thought they got all the hot spots back in 1999, 2000, 2001 but they found a hot spot when developing the Mill that cost $200,000. Mr. Studer stated he saw two issues in the development agreement in this particular property, with one being the ground development and that was a cap at $50,000. Mr. Studer stated that was a risk the developer would have to take if it were to go over $50,000 and it would not be the city's risk at that point. Mr. Studer stated anyone who developed on the former Uniroyal site would be taking a risk and this property was still subject to an agreement in covenant not to sue with the EPA in the state but there was still a lot of issues at the site. Mr. Studer stated another thing he wanted to point out was the city spent over $12 million in developing the site. Mr. Studer stated they had the opportunity to improve the downtown neighborhood and would love to see the new development come in. Mr. Studer stated in five years, it would generate a lot of taxes and would help other businesses downtown as well. Mr. Studer stated he very much supported the tax abatement in the five-year request.

Mr. Compton thanked Mr. Studer for his comments and stated he was a little confused and thought Mr. Prince said the city of Mishawaka would do all of the environmental cleanup but it sounded anything over $5,000 would make them responsible. Mr. Studer stated in this particular development, the first $5,000 was by the developer and the next $50,000 was by the city and anything over that was by the developer and that related to ground preparation. Mr. Studer stated things such as construction debris and anything else they happened to find on the site would be on the developer's cost. Mr. Studer stated the city was only liable for the $50,000 between the $5,000 and $55,000 range. Mr. Compton asked if they found any contaminated soil, how that would work. Mr. Studer stated the city would pay the first $100,000 and the developer would pay anything over that according to the development agreement by the EPA. Mr. Studer stated

Mayor Dave Wood spoke in favor of **RESOLUTION R2022-29**. Mayor Wood stated urged the council to support this and it was rare the city supported tax abatements in general. Mayor Wood stated these were only brought in front of them with their support if they determined that there was a credible need for them and were not of the opinion that they just gave tax abatements to any projects in the area. Mayor Wood did not think that was a great practice and they were very judicious in supporting tax abatements, and even more judicious when it came to supporting residential tax abatements. Mayor Wood stated while the developer had asked for a bigger tax abatement, they went with precedent with a tax abatement model that already existed and that they had already seen in fact approved on other projects. Mayor Wood stated this project did not receive any other kind of stimulus and as they also herd, the site had sat empty and was not productive, generating zero for 20 years plus and was actually generating costs to the city. Mayor Wood stated this project likely would not go forward if this was not approved due to the extra costs incurred partially because of the city asking for a delay in the project so they could make some improvements that benefited their citizens and the development. Mayor Wood stated they were at a critical point downtown and they were trying to build a critical mass that would benefit all of their businesses downtown. Mayor Wood stated they thought this would be vital to a growing community and if this project did not move forward, they would lose the income taxes and a potential of 100 units full of people looking for employment. Mayor Wood stated when you thought about school referendum, those were above any abatements or caps and as the school proceeded now to pursue a new referendum, this would pay into that. Mayor Wood stated projects such as this one required a bigger investment to get to the standards the city expected, but they wanted housing for all in downtown Mishawaka and this filled a very unique niche. Mayor Wood stated this was right catty-corner to affordable housing and senior housing and it also was right across the street from luxury housing, which was a unique situation to be in. Mayor Wood stated this provided a more affordable situation and they wanted to be in that business of having a community that supported and provided those kinds of housing options. Mayor Wood stated they knew that over time, those TIF dollars would help them to provide more community benefit. Mayor Wood stated they would be good stewards of the TIF dollars but putting them into public infrastructure projects, public capital projects, etc. that benefited the entire community. Mayor Wood stated investing in these kinds of things would support their schools, made it a community that people may want to live in and raise their families in. Mayor Wood stated they used the TIF dollars wisely to the benefit of all. Mayor Wood stated this project would only add to the community and no support of this project would result in them mowing the grass for another 20 years until something else came along.

Mr. Compton stated as they knew, he did not support the last tax abatement and knew how important they were. Mr. Compton stated he mentioned setting precedent and Mayor Wood also referred to it and he knew they did not give it to other projects other than in downtown and the one in Twin Branch and at the current rates he could not support it. Mr. Compton wanted to make a motion that they amend the resolution to have it set at 100% the first year, 75% the second year, 50% the third year and 25% the fourth year for a four-year tax abatement. Mr. Compton stated he made the motion to set a new precedent going forward on projects similar to this that he thought was more acceptable.

The motion was made and seconded by Mrs. DeMaegd to amend **PROPOSED RESOLUTION 2022-29** to amend the length of time and yearly tax abatement amounts as mentioned by Mr. Compton.

Mr. Banicki was curious, before voting one way or another, about what the dollar amounts were versus what they had in the resolution currently. Mr. Banicki stated he would like to see the math on that.

Mr. Mammolenti stated he would also like some information prior to his vote regarding the motion and wanted to ask the developer what his thoughts were on the motion and he knew he mentioned that time and money was a strong concern that may potentially kill a project, so before he voted he wished to hear from him, with permission from the council president.

Mr. Mammolenti asked Mr. Matthews based on Mr. Compton's motion that he had on the table, about his initial thoughts on the motion. Mr. Matthews stated the project was very thin as it stood and every day, they were up against additional fed funds going up and interest rates rising. Mr. Matthews stated he could not speak to exact numbers, but he could tell them when looking at the amount of cash flow they had and meeting their ratios to satisfy the lenders, it was very, very thin. Mr. Matthews stated he could not say for sure one way or another, but it would be extremely disappointing that they got to this stage and the goal post would be moved.

Mr. Mammolenti verbalized some of his thoughts regarding the motion and would also be contingent on Mr. Prince's math of the numbers with the new percentages, but he did really want this project to move forward and would hate to jeopardize this project based on a couple of thousand dollars here and there and that was his only concern with the motion.

Mr. Compton stated he did the quick math and it looked like to him, that the taxes being abated over four years would be $1.179 million as opposed to $2.122 million so there would be almost $1.2 million taxes abated and also meant taxes paid would be the difference. Mr. Compton stated it would be about $1 million they would pay in taxes as opposed to $235,000 if his math was correct.

Mr. Hazen stated his understanding was it did not matter what they did that evening and the tax money that was gathered in the TIF area was going to stay in the TIF area and it was not going to benefit the rest of the community except for what they could do in the TIF area as far as infrastructure and those type of things and asked for clarification on that. Mr. Prince stated that was correct and although his numbers were a little different than Mr. Compton's, it was roughly a $1 million difference between the two. Mr. Compton stated what Mr. Compton proposed was 55% of what was recommended by staff in the assessed valuation. Mr. Prince stated the developer requested significantly more than that and they asked them to reduce it to come to their standards so this would be a reduction in addition to that. Mr. Hazen asked if he was comfortable with the money they had in TIF that they could do what they needed to do downtown and he was sure they wanted this million but they did not need it and it was not going to hinder projects. Mr. Prince stated they had not included the revenue from the property in their TIF cash flow projections but with that being said, they never had enough money. Mr. Prince stated if you looked at the TIF district, they had $600 million in desires and $300 million in funding until it expired. Mr. Prince stated they were not counting on this property to fund what they had allocated for improvements over the next 6 years. Mr. Hazen stated he looked at it as what they would gain to lose then, because they were not getting anything now on that property.

Mrs. Voelker appreciated Mr. Compton's thoughts on maybe coming up with a new standard for abatements, but also had to appreciate their developers thoughts in that they had been planning on an abatement that also had precedent with other residential abatements they had done on the past and of course the steelhead project on Capital. Mrs. Voelker stated her argument was that she thought they should stay with the abatement that was put forward that evening and then, if as a council they wanted to change that and put a precedent together for residential and industrial abatements they could do that but not at this time.

Mr. Hixenbaugh echoed Mr. Mammolenti's comments and as much respect as he had with the math and numbers crunched that evening, personally he was a little uncomfortable with making a decision of this gravity without having the numbers validated and worked through. Mr. Hixenbaugh appreciated Mr. Compton's concern and his motivation for the motion, but at that point in time he was not comfortable with amending the resolution in such a significant fashion on the fly without having the numbers further vetted.

Clerk Block polled the council on Mr. Compton's motion to amend the proposed resolution.

**Motion failed by unanimous roll call vote (summary: Yes = 2 No = 7).**
**Yes: Mrs. DeMaegd, Mr. Compton**
**No: Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mrs. Voelker, Mr. Hixenbaugh.** The amendment failed 7-2.

Mr. Mammolenti thanked his colleagues and the administration fir the caution and the pause they put forth in every abatement that came across their desk and the council's desk as well and thought they were being good stewards with the taxpayers' money. Mr. Mammolenti stated he knew at the last meeting, he should caution and some pause with the project and abatement and he did some reflection based on some presentations that evening and kept going back on the fact that the property had collected zero tax dollars over the last 20 years and the fact that it was very difficult to sell, develop and get the developers to come forward on a property like this that had some past contamination. Mr. Mammolenti stated as mentioned before, the taxes being collected would stay in the TIF district and it was not like they could pay their employees additional money or bring on additional officers or firefighters on payroll with this money and it would not get released into the general fund. Mr. Mammolenti stated he was not trying to be hung up on the amount of taxes that would be abated, but rather focusing on the fact that in year 6, the city would collect approximately $470,000 of new taxes into the city per year and that was a lot of money and a lot of projects that the city could potentially start or complete without dipping into the pockets of the taxpayers' dollars. Mr. Mammolenti stated with all that being said, he would be voting in favor of this that evening.

Mrs. Voelker appreciated developers like Mr. Matthews coming before the council and willing to take a risk and make an investment in Mishawaka in piece of property that was challenging which also was a project that was in her district and was close to her heart. Mrs. Voelker stated this was something she had been hoping for since her and her husband moved to Mishawaka in 1991, so they had been waiting like many people in the area for their downtown to be resurrected so to speak. Mrs. Voelker stated when you brought in people that lived in town and could support the local businesses in the downtown, as Mayor Wood said, that was what made a vibrant community and she believed it will happen. Mrs. Voelker stated there would be a critical mass of people supporting the downtown and thought that was phenomenal and would bring tax dollars to the city that would allow them to do a number of things. Mrs. Voelker thought in the long term this would be very substantial for the city of Mishawaka.

Mr. Compton apologized to his fellow council people for not doing a little more homework before the meeting, but these were presented to them as they were and this was the time to set the precedent. Mr. Compton stated what they were now doing was extending this precedent by one more project and would make it that much harder to say no to the next one. Mr. Compton asked their administration for abatements that he would like the opportunity to critique this a little bit more and give opinion and maybe even other options and what would transpire in the presentations, so they would not be scrambling. Mr. Compton again apologized, because he could have asked for that information and he failed and did not think about it until right then. Mr. Compton stated he would not support this and thought there would be a lot of people putting off projects because of the current economy and he was concerned they wanted to build it because where it was at and what it meant to all of them and he just was not sure those were the right reasons to move forward with it.

Mr. Hixenbaugh appreciated all of the information provided to them in writing that evening and it was all beneficial. Mr. Hixenbaugh stated of the information received, there were two components he found to be very unpersuasive with the first being the general narrative with regard to the market forces that were at play with regard to the development. Mr. Hixenbaugh stated that was a reality and they were all experiencing inflation, the city was experiencing inflation as was every other developer in the community and if that was the rationale for granting a tax abatement, then everyone who was getting ready to break ground in the city of Mishawaka ought to be entitled to a tax abatement, because their construction costs had risen at the same level as is applicable to this development. Mr. Hixenbaugh also thought the emphasis in the dialogue with regard to precedent was somewhat misplaced and went on record saying he did not feel bound by anything that had been done in the past. Mr. Hixenbaugh stated they did not, as other communities, have in place an ordinance that assigned each and every tax abatement to a matrix or rubric and applied a score to it. Mr. Hixenbaugh stated he believed one of the strengths that had rounded out their ability to be judicious with granting tax abatements, as Mayor Wood mentioned, was that they looked at them on a case-by-case basis and they had considered the merits and the fundamental first step always had to be to look at the site itself and he did think there was a danger at times that they did get excited that it was a beautiful development like Mr. Matthews' and he thought they lost sight of those fundamentals. Mr. Hixenbaugh stated what it was about that particular piece of property that made it difficult to develop and if the totality of the benefit out justify the deduction were what was important. Mr. Hixenbaugh stated the precedent here was a case-by-case precedent and his opinion, nothing they did that evening tied their hands with the next request that would come across their desks and nothing that had been done in the past tied their hands and quite frankly if they were going to really look at precedent, the numbers that were imbedded in this particular resolution did not reflect what he understood to be the most recent precedent which was the River Walk precedent that had numbers amended on the floor of the council that were different than what was in front of them. Mr. Hixenbaugh thought they needed to be careful with the concept of precedent and it was always appropriate to be able to establish and announce that whatever they did in the past, they had a new vision and would guide it by the law but they were not going to be constrained by what happened in the past. Mr. Hixenbaugh stated what caused him to slightly lean in favor of this was a series of other factors such as, as had been noted, this was within a TIF district and it did not mean they could ever be cavalier with regard to the impact of a tax abatement within the TIF district but the reality was that even if this abatement was not granted, the new tax revenue, if this was even built, would not flow into the general fund of the city of Mishawaka and it would not and impact and lower the tax rate paid by any resident. Mr. Hixenbaugh stated if any money generated, it was always going to be captured within that district until 2039. Mr. Hixenbaugh stated he was talking about their ability to be able to bond and to fund projects and at times what they did within the TIF district was going to delay the priority of certain projects, but this was revenue neutral to a certain extent with regard to how it impacted the residents throughout Mishawaka. Mr. Hixenbaugh stated what it did do was allow for a $25 million investment to be made in a brownfield site and bring in that potential income tax revenue that Mayor Wood referenced, which was ever more a source of important revenue for them as the built out their budget and as they looked at what they could do as a community to build amenities to hire staff, to pay them well and to do the things they all wanted to do. Mr. Hixenbaugh stated on balance, all of the other factors aside, he believed that what was still a difficult brownfield area that not every developer would want to tackle, the benefit outweighed the potential downside of the tax abatement. Mr. Hixenbaugh stated he would be voting in favor of this that evening but he did think Mr. Compton's comments were well taken and he thought they needed to engage in a broader dialogue with the administration so that they could speak with one voice as much as possible when these requests came to them. Mr. Hixenbaugh stated this was no criticism of anything that happened that evening and quite frankly, his individual preference would have been for them to start out at five years and a 50% abatement but that was just the starting point and undoubtedly, Mr. Prince would have good points to raise that would convince him he was off base, but that was the type of interactive dialogue he thought they needed to have. Mr. Hixenbaugh stated let's put precedence aside and take a look at things with a fresh set of eyes and look at realities now and what best served the future of Mishawaka but that was an issue for another day.

Question was called for at 8:15PM for **RESOLUTION R2022-29 Motion carried by unanimous roll call vote (summary: Yes = 8).**
**Yes: Mrs. DeMaegd, Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mrs. Voelker, Mr. Hixenbaugh.**
**No: Mr. Compton** The resolution passed 8-1.

**<u>RESOLUTION R2022-30</u>**

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MISHAWAKA, INDIANA, MAKING A FINAL DETERMINATION AND CONFIRMING THE DESIGNATION OF AREAS WITHIN THE CITY OF MISHAWAKA, INDIANA, KNOWN AS 1811 N. HOME STREET AS AN ECONOMIC REVITALIZATION AREA FORPURPOSES OF REAL PROPERTY TAX ABATEMENT**
**Confirming Resolution for Real Property Tax Abatement for 1811 N. Home St. – Helios Hydraulics Americas LLC**

Ken Prince, Director of Planning and Community Development, spoke in favor of **RESOLUTION R2022-30**. Mr. Prince stated this proposal was the confirming resolution for Helios Hydraulics who recently acquired Daman Products at 1811 North Home Street. Mr. Prince stated their plan investment was a total of $16.3 million with $4.8 million of that adding on to the building approximately 53,000 square feet and $11.5 million for new manufacturing equipment and a little bit into the IT area as well. Mr. Prince stated those were to two different abatements in front of them; the five-year on real property and the five-year on personal property with higher percentages on the personal property based on the higher level of investment. Mr.

Prince stated overall Helios was looking to retain 139 employees while adding an estimated 73 jobs as a result of the investment. Mr. Prince stated the hourly rate wage for 71 skilled new positions excluding benefits was estimated at $19.17 an hour and the two salary positions were estimated at $42.34 per hour. Mr. Prince stated the total annual salaries for the new jobs was estimated at approximately $3 million. Mr. Prince stated as they recommended in line with their tax abatement history, the five-year abatement for both the real and personal property tax abatements, the real property was recommended at their standard 100, 80, 60, 40 and 20 percent in the five-year span and the personal property was recommended at 100, 90, 80, 70 and 60 percent over the five-year span. Mr. Prince stated using the tax calculator based on the 2021 tax rate, the real property improvements proposed would have a corresponding estimated tax bill of $115,200 using 80% of the project construction cost to determine the assessed valuation. Mr. Prince stated the real property taxes associated with the project over the five year amount equated to $576,000 and over that period of time, the owner would have $345,600 abated and would pay $230,400. Mr. Prince stated the personal property tax abatement over the five years amounted to $1.38 million of property taxes and over that period of time, the owner would have $1.104 million abated and would pay $276,000. Mr. Prince stated they were very excited on this proposal and as he said multiple times, because of their as far as their growth in industry because of their geographic position and available land, it had been difficult to grow their tax base on the industrial side, so this represented real diversity in their economy. Mr. Prince stated it represented manufacturing jobs as well which were shipping products that exceeded or went out of the region and for those reasons they were very much in support of the request and he was happy to answer any questions.

Mr. Compton thanked Mr. Prince and asked if the number he quoted, $1.4 million, was the combined total. Mr. Prince stated on the personal property, which was the equipment, they had $1.38 million over the five-year period as a total tax bill and for the real property, the building expansion, they had it at $576,000.

Dave Mischler, President of Daman Products, spoke in favor of **RESOLUTION R2022-30.** Mr. Mischler stated the reason they chose to partner with Helios was because of their commitment to growth and what that growth would do to their employees, both existing and the area for new employees. Mr. Mischler stated they had a different model as far as manufacturing and they desired to hire unskilled labor and they hired for character and work ethic and liked to train them internally. Mr. Mischler stated these tax savings would really help them invest in training and becoming the employer of choice for people who did not necessarily go the college route and wanted to get into a nice company. Mr. Mischler stated they had dozens of employees who had been there 20 to 30 years or even longer and this was about growth and the new company meant business on that. Mr. Mischler stated they felt strongly that this was a good thing for the community.

Mr. Compton stated he would be supporting this tax abatement and this was what he thought tax abatements were about and there were going to be somewhere around a projection of 70 jobs added. Mr. Compton stated he knew people who had worked there and it was a desirable place to work, they made money, learned a skill and he thought this was what tax abatements should be about. Mr. Compton stated what they just did, he thought this was $2 million well spent.

Question was called for at 8:23PM for **RESOLUTION R2022-30 Motion carried by unanimous roll call vote (summary: Yes = 9).**
**Yes: Mrs. DeMaegd, Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mr. Compton, Mrs. Voelker, Mr. Hixenbaugh.** The resolution passed 9-0.

## RESOLUTION R2022-31

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MISHAWAKA, INDIANA, MAKING A FINAL DETERMINATION AND CONFIRMING THE DESIGNATION OF AREAS WITHIN THE CITY OF MISHAWAKA, INDIANA, KNOWN AS 1811 N. HOME STREET AS AN ECONOMIC REVITALIZATION AREA FOR PURPOSES OF PERSONAL PROPERTY TAX ABATEMENT**
**Confirming Resolution for Personal Property Tax Abatement for 1811 N. Home St. – Helios Hydraulics Americas LLC**

Mr. Hixenbaugh allowed the speakers to incorporate by reference their comments with regard to the earlier resolution in the portion of this public hearing.

Mrs. Voelker expressed her appreciation to the current owner of Daman and the new owners who were willing to make an investment in Mishawaka and as she said before, she also knew people who worked there that really enjoyed the company and again thanked them for their investment.

Mr. Hixenbaugh stated he would be in support of this and it was not only for those job retention and increased figures that Mr. Compton cited but it was also because of the unique area in which this facility was located and his guess was that it would be difficult, if not impossible, to develop that site at that location in this day and age if it had not already been built and the ability to be able to maintain that presence in Mishawaka and the jobs that were of benefit not just to the employees, but to the community was worth the investment in his mind and qualifies under statute. Mr. Hixenbaugh thanked them for the investment they were making and their commitment to Mishawaka.

Question was called for at 8:27PM for **RESOLUTION R2022-31 Motion carried by unanimous roll call vote (summary: Yes = 9).**
**Yes: Mrs. DeMaegd, Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mr. Compton, Mrs. Voelker, Mr. Hixenbaugh.** The resolution passed 9-0.

## PROPOSED ORDINANCE NO. 2022-32AA

**CIVIL CITY BUDGET AND TAX LEVY FOR 2023**
**VOTE ONLY**

Mr. Emmons reported the Committee of Budget and Finance recommended this proposed ordinance should be adopted. This was signed by the entire committee and upon a second by Mr. Banicki, the motion carried.

Mr. Hixenbaugh thanked Mayor Wood and the Controller for their work to put the budget together and it was always a daunting task but it was impressive to him that in this economy that they had in front of them a balanced budget that allowed them to continue to provide high quality services on behalf of the citizens of Mishawaka. Mr. Hixenbaugh stated clearly there was a need for them to dig into their surplus to do what they wanted to do within the budget as Mayor Wood mentioned the last time around, but this allowed them to get through the next year in good shape and not just tread water but thrive as a community. Mr. Hixenbaugh stated he also appreciated the fact that within the budget, there was an increase in spending in public safety. Mr. Hixenbaugh stated they could not overemphasize the fact that they were on the cusp of putting in place a fourth ambulance that would provide better service to the community. Mr. Hixenbaugh stated it was safe to say that one of the issues that really was of critical importance to the council that was embedded in the ordinance was the continued investment that they were making in the camera system along the River walk and in their parks. Mr. Hixenbaugh stated he thought it was safe to say that they as a council viewed that to be an important component of public safety in Mishawaka and they appreciated the investment and the ongoing care that was going to be given to that proposal as well. Mr. Hixenbaugh stated he did agree with one of the suggestions that was made by Mrs. Voelker during their budget meetings that although they made an investment in beefing up their Code Enforcement department by adding a staff member in last year's budget and it appeared to be paying dividends, he did think that it made sense for them to consider as their finances and staffing allow, the consideration of a rental inspection program to allow them to try to more comprehensively review those type of issues throughout the city and as a companion piece, they also had discussion during the budget meetings of a review of their code enforcement ordinances to see if they had empowered the administration and Code Enforcement with all of the tools they needed to address those type of issues throughout the city and certainly they as a council would be willing to part with the administration on any such changes that needed to be made. Mr. Hixenbaugh thanked everyone who had a role in bringing this to that point and thanked the council members who devoted their time to the budget meetings and the good news for the citizens of Mishawaka was they had a balanced budget that would allow them to move into 2023 in good shape and continue the positive momentum they've experienced in Mishawaka in recent memory.

Question was called for at 8:32PM for **PROPOSED ORDINANCE NO. 2022-32AA Motion carried by unanimous roll call vote (summary: Yes = 9).**
**Yes: Mrs. DeMaegd, Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mr. Compton, Mrs. Voelker, Mr. Hixenbaugh.** The proposed ordinance passed 9-0, thus it became **Ordinance No. 5809**.

## PROPOSED ORDINANCE NO. 2022-34

## AN ORDINANCE FIXING THE SALARIES OF CERTAIN ELECTED OFFICIALS OF THE CITY OF MISHAWAKA FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2023

**Elected Officials Salary Ordinance for 2023**

Mr. Banicki reported the Committee of Budget and Finance recommended this proposed ordinance should be adopted. This was signed by the entire committee and upon a second by Mrs. Voelker, the motion carried.

Mayor Wood spoke in favor of **PROPOSED ORDINANCE NO. 2022-34**. Mayor Wood stated they were requesting a 3% increase for all elected officials.

Question was called for at 8:34PM for **PROPOSED ORDINANCE NO. 2022-34 Motion carried by unanimous roll call vote (summary: Yes = 9).**
**Yes: Mrs. DeMaegd, Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mr. Compton, Mrs. Voelker, Mr. Hixenbaugh.** The proposed ordinance passed 9-0, thus it became **Ordinance No. 5811**.

## PROPOSED ORDINANCE NO. 2022-35

**AN ORDINANCE FIXING SALARIES OF ALL SWORN EMPLOYEES OF THE CITY OF MISHAWAKA EXCEPT FOR PUBLIC SAFETY, MISHAWAKA PARKS DEPARTMENT, ELECTED OFFICALS AND THE MISHAWAKA UTILITIES FOR THE CITY OF MISHAWAKA, INDIANA FOR THE YEAR BEGINNING JANUARY 1, 2023**
**Civil City Employee Salary Ordinance for 2023**

Mrs. Voelker reported the Committee of Budget and Finance recommended this proposed ordinance should be adopted. This was signed by the entire committee and upon a second by Mr. Banicki, the motion carried.

Mayor Wood spoke in favor of **PROPOSED ORDINANCE NO. 2022-35**. Mayor Wood stated they were also requesting a 3% increase for the vast majority of all of their city staff. Mayor Wood stated there were some exceptions to that and they did do a salary study. Mayor Wood stated they wanted to make sure they were paying fairly for similar duties than maybe some of their peers around the state of Indiana and they commissioned a study to see where they were in comparison to most and they found out they were in good shape as far as what their peers were paying. Mayor Wood stated they had chosen to address some outliers and there were about 8 employees that would receive beyond the 3% because they were essentially below the external rate of what some of their peers made, with them being in some cases 10% below or even 11% and 12% less and they had chosen to bring them up to the standard over the course of 2 years. Mayor Wood stated some examples were Senior Planner, being below the standard by 10.3% and the Project Coordinator in the Redevelopment department which was 8% below the low median, HR Assistant Director 11.4% below the low median, the Detective Secretary in the Police Department being 11.4% below, the Office Manager being 7.4% lower, Office Administrator in Motor Vehicle Highway being 12.1% below the low median, Chief Deputy Clerk being 5.5% below the low median and the Deputy Controller being 5.8% below the low median. Mayor Wood stated they also had two positions where they were changing the job title, with the Office Manager position in the Building department where they were proposing a Permit Tech more in line with the duties of the person and that would move into a new salary as well with the title and in the Controller's Office, they had a proposed title for a Senior Purchasing Agent that would essentially give a new salary for a new title for a person already working in the department. Mayor Wood stated a lot of their salaries were in range and had nothing to hide with their Salary Ordinance. Mayor Wood stated he was particularly happy to see most of their collective bargaining units were within the norms of what others around the state were making. Mayor Wood stated he knew they exceled at benefits and their benefit package was second to none, along with their Healthcare insurance. Mayor Wood stated they also had access to clinics, free prescriptions, free visits to doctors and they paid into retirement whereas other communities rarely did that. Mayor Wood stated they also put in deferred compensation and match some deferred compensation as well and when you looked at his perspective on compensation and salary, it went just beyond that evening and he looked at a package that was good for their staff, their families and their longevity as long as they wanted to work for the City of Mishawaka. Mayor Wood stated he did wish it was more. Mayor Wood stated they understood inflation was going up and the staff wanted cost of living and their cost of living had gotten a lot worse over the course of the past couple of years and all of their expenses were going up while their ability to pay for it was not. Mayor Wood stated they did not get a cost of living raise from their taxpayers and they were spending in deficit and would continue to spend in deficit which was a scary place to be heading into a recession. Mayor Wood stated based on what they were seeing in the news and what they were hearing from local employers, who they knew some were going into shutdown status for extended periods of time, meaning people will go through the holidays without pay but they would not be in that position and they were there to provide good, decent jobs for their outstanding public servants. Mayor Wood stated in this case, slow and steady won the race, they were able to provide good employment opportunities for their staff and he thought this proposal did exactly that and was sustainable.

Mr. Hixenbaugh thanked Mayor Wood for the information and the work that went into this as well and stated this ordinance was really geared toward the salary and hourly wage components of compensation but there was also an additional benefit with the insurance. Mr. Hixenbaugh asked what type of insurance premium increases were employees anticipated to have to take on in the coming year. Mayor Wood stated they did not and would not raise premium levels for their staff and that was a pretty impressive feat to try to manage their program to contain costs and keep them in line so that they did not have to pass along insurance increases to their staff and the city did not have to absorb big increases. Mayor Wood stated they would not pass those along and they had the best insurance they would find anywhere in the community and if they were to take it down to the 80% level, you would be talking a substantial pay decrease for their staff. Mayor Wood stated they thought it was the right thing to do and wanted a comprehensive compensation package for their staff because they wanted to look beyond just the paycheck and give them good benefits, good health insurance and a good retirement. Mayor Wood stated you also did not find a pension anymore out in the workplace unless you were working for the city or at another local government and those were promises made and they went beyond the promises made by contributing to that retirement and it was appreciated. Mr. Hixenbaugh stated he was pleased to hear that and if memory served, this was not the first year that they absorbed any increases and wanted to say they were two or three years into that cycle. Mayor Wood stated he could remember the last time they increased but it had been several years and again another rarity you would not find anywhere out in the workplace. Mr. Hixenbaugh stated they had some discussion at the State of the City and other opportunities with regard to ARPA and they recently approved some funding with regard to some non-city employee expenditures of those ARPA funds and his hope would be they could take a look at whatever flexibility they had within their remaining ARPA funds to revisit those concepts of employee bonuses and he knew he would always be in favor of that as well. Mr. Hixenbaugh stated from a council standpoint, they would be open to having that discussion as well. Mayor Wood stated they were open to looking into that and had done it on two separate occasions and felt like it was the right thing to do for their staff who never phoned it in during the pandemic and reported to work ready to do the service they were elected and obligated to do in incredible fashion. Mayor Wood stated they felt like that needed some rewarding during a pandemic and so they had done it on two separate occasions and were looking to do it a third time.

Question was called for at 8:50PM for **PROPOSED ORDINANCE NO. 2022-35 Motion carried by unanimous roll call vote (summary: Yes = 9).**
**Yes: Mrs. DeMaegd, Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mr. Compton, Mrs. Voelker, Mr. Hixenbaugh.** The proposed ordinance passed 9-0, thus it became **Ordinance No. 5810**.

## PROPOSED ORDINANCE NO. 2022-36

### AN ORDINANCE FIXING THE SALARIES OF ALL SWORN PUBLIC SAFETY OFFICERS FOR THE CITY OF MISHAWAKA, INDIANA, FOR THE YEAR BEGINNING JANUARY 1, 2023.

Mr. Banicki reported the Committee of Budget and Finance recommended this proposed ordinance should be adopted. This was signed by the entire committee and upon a second by Mrs. Voelker, the motion carried.

Mayor Wood spoke in favor of **PROPOSED ORDINANCE NO. 2022-36**. Mayor Wood stated right now it was held at zero and would not stay that way, but it was a zero just because they were in the middle of contract negotiations with the police department and fire department. Mayor Wood stated as they were involved in those, they knew how intricate and time consuming they could be, but they would have it wrapped up and to them with the necessary changes before the end of the year.

Mr. Hixenbaugh noted for the record that at their most recent negotiations with both the police and firefighters, they did advise them that this matter was on the agenda and that this zero percent was imbedded in the ordinance to allow the collective bargaining process to continue, so they were well aware of that and this would not take them by surprise.

Question was called for at 8:53PM for **PROPOSED ORDINANCE NO. 2022-36 Motion carried by unanimous roll call vote (summary: Yes = 9).**
**Yes: Mrs. DeMaegd, Mr. Hazen, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mr. Bellovich, Mr. Compton, Mrs. Voelker, Mr. Hixenbaugh.** The proposed ordinance passed 9-0, thus it became **Ordinance No. 5812**.

## PRIVILEGE OF THE FLOOR

Connie Johnson, 1719 Panama Street, spoke under **Privilege of the Floor**. Mrs. Johnson stated she lived by the old Southwest Little League and she knew that they had contracts with the little league, but she was told they broke the contract because they let for-profit teams play there. Mrs. Johnson stated one thing they may have missed was there was no running water down there and for this little league to make any money off of concession stands to help fund and keep their diamonds up, they did not have the opportunity to do so. Mrs. Johnson stated the city signed a contract with East End Little League to have use of this field and the diamonds without the use of water to maintain their fields, to fail to fail to open a concession stand so they could make money and have a for-profit team play. Mrs. Johnson stated she did not care who the teams were, she just loved seeing them there playing as she played there from age 9 to 18 and also coached, umpired and was involved in the little league for a good 5 to 7 years. Mrs. Johnson stated she would hate to see it go to Habitat for Humanity even though she loved the work they did and she just did not want to see any houses built by her house and that was a lot of houses for a small area. Mrs. Johnson stated they needed to open the diamonds up to all of the schools and allow them to play and practice there as opposed to going further away. Mrs. Johnson stated she talked to a parent who had a child on a travel team that played at Southwest and they came all the way from New Carlisle just to practice at Southwest. Mrs. Johnson stated Habitat for Humanity had a meeting a couple of weeks ago that she attended and the former president of Southwest Little League was also there and he said he signed a 99 year contract with Mayor Beutter and no one had that contract. Mrs. Johnson stated she would like to know if the city was aware of that and where it could be found. Mrs. Johnson stated from what she was told, she guessed the city could not find that contract anywhere and was asking for their help to look for it to help keep that area a little league. Mrs. Johnson stated they also could not get police out there now and if there was something bad to happen, there would be another 80 plus houses being built back there and they did not have enough police officers in the area to cover them. Mrs. Johnson stated she knew the police were shorthanded and a lot of things happened with the pandemic and she loved their police officers and they did their best to protect the citizens, but she was concerned about it. Mrs. Johnson stated her biggest concern though was losing her house if they went back there because she would not be able to afford the property taxes. Mrs. Johnson stated the property had been in her family since 1955 and she did not want to lose it.

Mr. Hixenbaugh thanked her for her comments and wanted to tell her that other than what they heard from her at a couple of council meeting and some email traffic they received as early as that day, there was not anything introduced to the council for them to take any action that had any relevance at all and had not been asked to do anything with regard to Southwest Little League. Mrs. Johnson stated she knew that Habitat for Humanity was having meeting and it was just in the works but she was doing everything to inform the council of it. Mr. Hixenbaugh stated he appreciated it and to keep in contact with them, but he just wanted her to know for the record that nothing had been asked of them that had anything to do with Southwest Little League and they were happy to help her in any way they could with regard to any type of contract. Mr. Hixenbaugh stated the only way they would have a record of it was if it would be through the records of the City Clerk and he doubted that, given what they were talking about. Mrs. Johnson stated she kind of knew that and did not know who else to turn to and was going to talk to Mr. Emmons and ask for his help on the Thursday meeting. Mrs. Johnson stated a gentleman from Habitat talked to her and some of her neighbors about this and it was just a lot to do in a small area. Mr. Hixenbaugh encouraged her to stay in touch with Mr. Emmons and it would be good to stay in contact with Mr. Prince and Mayor Wood as well. Mr. Hixenbaugh stated they would be happy to help as they could but nothing had been asked of them at that point in time. Mrs. Johnson stated she understood and she just wanted to keep them updated.

Mr. Emmons stated he had been out to talk to some of the neighbors and he invited them to the next neighborhood meeting Thursday. Mr. Emmons stated she referenced 80 homes and he had not been told of any amount of homes and nothing had been addressed to him about the number of homes. Mr. Emmons stated he had one meeting with them when they came to him and asked if they could come to his meeting and make a proposal that Notre Dame architecture students had developed, but nothing had been said or came before the council, raised to the Mayor of what they would propose and nothing had been brought to him as the representative of the area. Mr. Emmons stated the meeting on Thursday would simply be for the proposal and nothing was set in stone and he would be there to listen to the proposal just like her and her neighbors would be. Mr. Emmons asked her to not get upset and to not from an opinion yet, because nothing had been developed or proposed and he had not even been addressed on it as the representative of the area. Mr. Emmons stated he grew up in that area, played in that area and his son played at Southwest Little League, so he had a fond memory of the park and the neighborhood as a whole and would represent her along with the constituents in the area for what they wanted. Mr. Emmons stated all he asked was if she heard something to keep him informed and he would do the same. Mr. Emmons stated he would like her to come to the Thursday meeting to hear what he had to say to them, how he addressed him and what he thought should be done. Mrs. Johnson stated she just wanted to come before them to let the council know how she felt. Mr. Emmons thanked her for coming that evening.

**NEW BUSINESS**

Mr. Mammolenti announced that the Twin Branch Neighborhood Watch Meeting for October 19th, due to a scheduling conflict with both the potential speaker and some of the hosts of the meeting, would have to be rescheduled for November 16th. Mr. Mammolenti stated there would be no meeting that month and the next one would be on November 16th.

Mr. Emmons reiterated his West End Meeting would be Thursday October 20th at 7PM at St. Bavos talking about the proposal Habit for Humanity set up and wanted to talk about. Mr. Emmons stated there would also be West End donuts for everyone and looked forward to seeing everyone.

ADJOURNMENT 9:09PM

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| Deborah S. Block /s/ | Gregg A. Hixenbaugh /s/ |
| Deborah S. Block, IAMC, MMC, City Clerk | Gregg A. Hixenbaugh, President |