REGULAR MEETING OF THE MISHAWAKA COMMON COUNCIL

October 2, 2023

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 2, 2023 at 7:00PM. The meeting was called to order by Council President Gregg Hixenbaugh. All were asked to stand for the Pledge of Allegiance.

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.

Clerk Block called the roll.

Roll Call.

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

Minutes for the Regular Meeting on September 18, 2023 were approved as received from the Clerk's Office.

Clerk Block read the following appeals and petition by title.

Appeal No. 2023-24	Use Variance to allow Daycare Center in R-1 Single Family District – 206 W. Eighth Street
Appeal No. 2023-20	Rezone from I-2 Heavy Industrial to C-4 Automobile Oriented Commercial – 1213 E. Jefferson Blvd. & Rezone from I-2 Heavy Industrial to R-1 Single Family Residential – 1212 Stanley Street
Petition No. 2023-21	Annexing Northern 13.55 Acres and Establish PUD & Amend PUD for Southern 6.88 Acres – Northwest corner of Fir Road and Beacon Parkway

Presentment of Revised Encumbered Funds

Mr. Hixenbaugh stated there was background information submitted by the Controller with regard to the revised encumbered funds presentment. Hearing no questions from the Council, the record reflected that the information had been presented to the Council as was required under Indiana law.

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

PROPOSED ORDINANCE NO. 2023-41

AN ORDINANCE OF THE COMMMON COUNCIL OF MISHSHAWAKA AUTHORIZING ADVANCE PAYMENTS ON CONTRACTS FOR PUBLIC WORKS PROJECTS AND GOODS AND SERVICES
(Assigned to Public Improvements Committee)

PROPOSED ORDINANCE NO. 2023-42

AN ORDINANCE DECLARING AN EMERGENCY AND TRANSFERRING AND REAPPROPRIATING FUNDS WITHIN THE BUDGET ADOPTED FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2023
Transfer and Re-appropriate Funds Park & Recreation Non-Reverting Fund - $25,000.00
(Assigned to Budget & Finance Committee)

PROPOSED ORDINANCE NO. 2023-43

AN ORDINANCE DECLARING AN EMERGENCY AND DETERMINING THE EXPENDITURE OF ADDITIONAL FUNDS FOR THE YEAR ENDING DECEMBER 31, 2023
Additional Appropriation: General Fund – Human Resources ($20,000.00) Park Fund – Insurance Claim ($50,000) Public Safety Local Income Tax Taser – Police ($450,000.00) Fire Truck ($750,000.00) Total – ($1,220,000.00)
(Assigned to Budget & Finance Committee)

PROPOSED ORDINANCE NO. 2023-44

AN ORDINANCE AMENDING ORDINANCE NO. 5829 FIXING THE SALARIES OF ALL SWORN PUBLIC SAFETY FOR THE CITY OF MISHAWAKA, INDIANA FOR THE YEAR BEGINNING SEPTEMBER 20, 2023
Amending Ordinance No. 5829 Fixing Salaries All Sworn Public Safety
(Assigned to Budget & Finance Committee)

PROPOSED ORDINANCE NO. 2023-45

AN ORDINANCE AMENDING ORDINANCE NO. 5811 FIXING THE SALARIES OF ALL EMPLOYEES OF THE CITY OF MISHAWAKA EXCEPT MISHAWAKA PARK DEPARTMENT, ELECTED OFFICIALS AND THE MISHAWAKA UTILITIES FOR THE CITY OF MISHAWAKA, INDIANA FOR THE YEAR BEGINNING SEPTEMBER 20, 2023
Amending Ordinance No. 5811 Fixing Salaries All City Employees – Human Resources Safety Director

PROPOSED ORDINANCE NO. 2023-46

AN ORDINANCE AMENDING ORDINANCE NO. 5820 FIXING THE SALARIES OF ALL SWORN POLICE OFFICERS FOR THE CITY OF MISHAWAKA, INDIANA FOR THE YEAR BEGINNING JANUARY 1, 2024
Amending Ordinance No. 5820 Fixing Salaries of all Sworn Police Officers
(Assigned to Budget & Finance Committee)

PROPOSED ORDINANCE NO. 2023-47

AN ORDINANCE FIXING THE SALARIES OF ALL EMPLOYEES OF THE CITY OF MISHAWAKA EXCEPT SWORN PUBLIC SAFETY, MISHAWAKA PARK DEPARTMENT, ELECTED OFFICIALS AND MISHAWAKA UTILITIES FOR THE CITY OF MISHAWAKA, INDIANA FOR THE YEAR BEGINNING JANUARY 1, 2024
Civil City Employee Salary Ordinance for 2024
(Assigned to Budget & Finance Committee)

PROPOSED ORDINANCE NO. 2024-48

AN ORDINANCE FIXING THE SALARIES OF CERTAIN ELECTED OFFICIALS OF THE CITY OF MISHAWAKA FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2024
Elected Officials Salary Ordinance for 2024
(Assigned to Budget & Finance Committee)

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

PROPOSED ORDINANCE NO. 2023-25

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 S-1 Extensive Open Space to C-3 City Center Commercial – Northeast corner of Cedar & E. Third St.

Mr. Mammolenti reported the Committee of Land Use Planning recommended this proposed ordinance should be adopted. Upon a second by Mr. Banicki, the motion carried.

Ken Prince, Director of Planning and Community Development, spoke in favor of **PROPOSED ORDINANCE NO. 2023-25**. Mr. Prince stated this was a city initiated request of change of zoning and it dealt with the former City Hall property. Mr. Prince stated the area of the princess where the statue used to be located when City Hall was relocated over there, for some reason that was zoned S-1 Open Space and the rest of the property was zoned C-3 City Center Commercial. Mr. Prince stated they were asking for was that the entire property, including the S-1 Open Space where the princess was located also be zoned C-3 City Center Commercial which would allow the future tenant, United Way from the One Roof program, to use the entire property. Mr. Prince stated essentially, the S-1 district was very restrictive on how it could be used and they continued this item for multiple meetings, because the One Roof program had changed its scope since July. Mr. Prince stated as the Council knew, they reduced the scope of the program and no longer intended to build a gym on the property where the princess was located and they were actually looking to do an open area for a playground to go in with the childcare that would be located in the building. Mr. Prince stated they still believed that the rezoning was appropriate to allow for that use. Mr. Prince stated last week, they redid the buy-sell agreement between the Redevelopment Commission and United Way for the property and they still had plans to start construction in the fall of 2023 if everything moved forward and he was happy to answer any questions.

Mrs. Voelker asked if the intention for the playground was for it to be used just by children attending One Roof activities or if it would be available for the community when it was not being used for programming for One Roof and if the latter was his understanding. Mr. Prince stated that was his understanding and he understood from dealing with public playgrounds that they had in the city that if they had issues of concern or vandalism that they would have the ability to lock it. Mr. Prince stated they had to keep it open, provided that it would be a public park but that was a commitment that they made that they would make the playground available to the public in off hours when the child care was not using it.

Mr. Hixenbaugh thanked Mr. Prince for his patience as they had worked through the evolution of this concept and he thought they all looked forward to hearing more from their friends at United Way with regard to how the One Roof project was going to move forward. Mr. Hixenbaugh stated he certainly was in favor of this and appreciated the work that he had done on the revised buy-sell agreement. Mr. Hixenbaugh stated he had fewer concerns with regard to that end of the transaction as opposed to the ARPA end of the transaction as they discussed at the last meeting. Mr. Hixenbaugh stated as many would recall, they made a significant contribution to this project out of their federal coronavirus relief funds and since that time, two of the three main players had indicated that they were not ready to move forward with the project, so he looked forward to hearing more as they all did on the Council from United Way about the One Roof project as it moved forward so that they could not only look at the use of the building but look at the use of the money they had approved to support the project.

Question was called for at 7:12PM for **PROPOSED ORDINANCE NO. 2023-25. Motion passed by unanimous roll call vote (summary: Yes = 9).**
Yes: Mr. Hazen, Mr. Bellovich, Mr. Mammolenti, Mr. Banicki, Mr. Emmons, Mrs. DeMaegd, Mr. Compton, Mrs. Voelker, Mr. Hixenbaugh. The proposed ordinance passed 9-0, thus it became **ORDINANCE NO. 5860**.

PROPOSED ORDINANCE NO. 2023-40

CIVIL CITY BUDGET AND TAX LEVY FOR 2024
Public Hearing – No Vote

Rebecca Maguire, City Controller, spoke in favor of **PROPOSED ORDINANCE NO. 2023-40**. Mrs. Maguire stated the Mayor sent his regrets as he could not attend that evening and she was going to present to them. Mrs. Maguire stated given the opportunity to present, she thought she would dig a little deeper into how the budget process worked and then go into a few of the highlights of the budget. Mrs. Maguire began by stating Deputy Controller Kayla Yoder was a huge benefit and she did a lot of the work behind the scenes, input a lot of data on their budget book, their gateway and their state program so she just wanted to make sure she mentioned her. Mrs. Maguire stated the budget process started right after June 30th where they started by estimating their future revenue for the rest of the year and for 2024. Mrs. Maguire stated with taxes, they had property and excise as well as other taxes like income tax and inner governmental and then they had their miscellaneous revenue which could be licenses, permits, tickets, EMS park program fees and interest. Mrs. Maguire stated in late July, they received their budget request from their various civil city departments. Mrs. Maguire stated in early August, they compiled a draft budget and in mid-August, individual department meetings with the Mayor took place where they sat down with different department heads and discussed their needs and their wants. Mrs. Maguire stated in late August, they worked on wages, what that would do to pension, employer taxes, deferred comp match and any insurance changes. Mrs. Maguire stated as they knew, early September to mid-September, they had individual department meetings with the Council and she wanted to say that that year, they were very beneficial and went very smoothly. Mrs. Maguire stated in mid-September, she met with the Mayor and finalized the budget as well as listen to his input and put together their budget book. Mrs. Maguire stated the budget process was really an 18-month budget because they started on July 1st. Mrs. Maguire stated they looked to determine expenses and whatever was left to spend of the 2023 budget got added to the 2024 budget and then, they added estimated circuit breaker laws for the following year and as a reminder, circuit breaker was the amount of property tax that they did not receive because it was capped and that applied to homeowners as well as business owners and landlords. Mrs. Maguire stated those three items together, the 2023 budget left to spend, the 2024 budget and the estimated 2024 circuit breaker loss, were the funds that were required. Mrs. Maguire stated when they went to revenue, the cash and different funds as of June 30th were added to the miscellaneous revenue that they were estimated to receive the rest of the year, along with an estimate of December 2023 tax collection which was the property tax and they also added their miscellaneous revenue for 2024. Mrs. Maguire stated this would be their funds that were available. Mrs. Maguire stated the funds that were required minus the funds that were available were the funds that were needed to raise and when you looked at the underlying items, those applied just for funds that received property tax. Mrs. Maguire stated when you took those underlying items away that applied to the other funds that did not receive property tax. Mrs. Maguire stated to determine property tax, they had to calculate a tax rate. Mrs. Maguire stated four funds received property taxes because those funds did not generate enough miscellaneous revenue on their own, so they supplemented with the property tax. Mrs. Maguire stated they had 15 total funds that they budgeted and a few other funds, including CEDIT, which was funded by income tax, Public Safety and Local Road and Street which was from the Motor Vehicle Highway funds were also funded by income tax. Mrs. Maguire stated when you looked at the funds that received property taxes which were the General fund, Motor Vehicle Highway, Park and Cumulative Capital Development, they had to set the rate for that and they also had to accommodate the Circuit Breaker laws, as she mentioned before. Mrs. Maguire addressed the tax rate calculation and how it was determined for their property tax. Mrs. Maguire stated the amount they raised was called the levy, so they took last year's levy multiplied by the new growth quotient, which was given to them by the state. Mrs. Maguire stated it was lowered .04 by the Legislative Branch. Mrs. Maguire stated they then added the Cumulative Capital Development fund estimate because that was already set at .05 and they knew what it was going to be and they then divided that by the net assessed value, which was provided to them by the county. Mrs. Maguire stated next, you would multiply that by 100 and that was the overall tax rate for the City. Mrs. Maguire the 2023 levy of $34,688,375 would be multiplied by 1.04 in this case to give them their new levy, $36,075,910. Mrs. Maguire stated you would then add the Cumulative Capital Development fund estimate, $956,885 and that would be the new money they could raise. Mrs. Maguire stated they needed to then divide that by their net assessed value, $1,845,554,651 and multiply it by 100 and that would be their tax rate for 2024, which was 2.0065. Mrs. Maguire stated nothing about the calculation for their tax rate involved the budget, but how it did matter was that if they over budgeted, the state would come back and say they could not fund that budget. Mrs. Maguire thought a lot of citizens believed that their budget determined what their tax rate would be and that was not the case. Mrs. Maguire stated they would like to see slow, steady growth and with that, before 2022 they had seven years where their tax rate was right around 2.00. Mrs. Maguire stated in 2023, as most residents knew, they had a large increase in the assessed value which caused their tax rate to drop. Mrs. Maguire stated for 2024, their assessed value actually went down $64 million, so that with the growth quotient of .04, brought the tax rate back up. Mrs. Maguire stated they did not like to see the different fluctuations but it did happen if the assessed value raised or lowered a large amount. Mrs. Maguire stated with that, in late September they had to input all of the budget information and the net assessed value calculations into Gateway, the state information site and the tax rate they calculated that they were sending to the state was 4.24 and not 2.00, because they wanted to calculate the approved tax rate with a lower net assessed value. Mrs. Maguire stated the state told them to be conservative and to not use a tax rate that was too low to generate the desired property tax levy and that was why they lowered the assessed value to produce a higher advertised, approved tax rate. Mrs. Maguire stated when the budget was submitted to the state, they were going to come back and readjust it all and say the budget was approved for the displayed amount but the rate would be reduced to remain within statutory levy limitation. Mrs. Maguire stated she was confident the tax rate was not going to get approved at the 4.2403, but that was what was recommended to do just to assure that they were going to have enough funding to come through to fund the budget. Mrs. Maguire stated the budget meetings were a four-step process with 1st reading, 2nd reading and public hearing, adoption and the final submission which was due by November 1st. Mrs. Maguire showed a PowerPoint slide of the General Fund with comparisons between the 2023 General Fund budget and the 2024 General Fund budget by the numbers, the dollar change between the two years and the percentage change between the two years. Mrs. Maguire stated the 2024 budget was just over $44 million, which was a $3.4 million increase. Mrs. Maguire stated a few of the departments that had higher than usual were Human Resources, which was hiring a new position of Office Manager for 2024. Mrs. Maguire stated there was an Office Manager position in the past, but that had not been filed for a few years. Mrs. Maguire stated Police, as they knew, were receiving increased wages and corresponding payroll tax and pension increases. Mrs. Maguire stated they knew they were going to be fully staffed at less than the budget number they had for 2023 but since 2024 was going to be a transitional year, it did not make sense to reduce overtime and the different items that fluctuated since they did not know who was going to retire in January or how many new officers were going to come on board. Mrs. Maguire stated to be conservative, they did not change a lot of the account lines and she expected they would have more changes in 2025 as 2024 cycled through. Mrs. Maguire stated they would have more discussion on changes in wages at their next meeting when they had public hearing on the wage ordinances. Mrs. Maguire stated with Central Service, they increased staffing for the budget to hopefully do more projects in-housing versus contracting them out. Mrs. Maguire showed a PowerPoint slide on all appropriated funds, including the General Fund. Mrs. Maguire stated they had their MVH funds, numerous Capital funds, Public Safety funds and their Pension funds. Mrs. Maguire stated the changes there included Local Road and Street with an increase in the number of plows they were purchasing in the following year. Mrs. Maguire stated their Cumulative Capital Development fund increased because they reestablished the tax rate at .05 that year and it was a very important fund as it funded all of their IT hardware and software. Mrs. Maguire stated they were increasing funding in the Law Enforcement Continuing Education for ammunition and training and finally in their Public Safety Local Income Tax, they were buying a complete set of new turn out gear for the Fire Department, optic duty pistols for the Police Department and they moved some service contracts from the Public Safety departments from the General Fund to the Public Safety fund. Mrs. Maguire stated other changes included in their EMS fund, they were buying a new ambulance and refurbishing one from the fleet. Mrs. Maguire stated in the ARPA fund, there was actually a reduction in appropriated funding as they funded new hires in Police and Fire in 2023 and in the next year, they were doing some improvements at the fire station. Mrs. Maguire stated in Park Non-Reverting, they were purchasing new golf carts, as they were purchased every three years along with a leaf sweeper as well. Mrs. Maguire displayed a pie chart of the General Fund and the percentages that each fund took up in the budget. Mrs. Maguire then displayed a pie chart of the Total budget with all 15 of the different funds included and their percentages. Mrs. Maguire was happy to answer any questions.

Mrs. Voelker asked when she was talking about establishing the tax rate, if it was correct that their assessed value went down in 2023. Mrs. Maguire stated it went down from 2023 to 2024 $64 million. Mrs. Voelker asked if she was saying in the last Total budget slide that the 57% of Public Safety included the Public Safety portion that was in the General. Mrs. Maguire stated yes.

Mr. Hixenbaugh thanked Mrs. Maguire for the work she did to put the presentation together and though it was really valuable for not only the public but for the Council as well. Mr. Hixenbaugh also thanked Mrs. Maguire for her patience in spending some quality time with the Council over the course of three evenings to go through the meetings with the individual department heads and it was always enjoyable for them to not only dig into the finances but to learn a little more about the day to day operations and have some good conversations, so they appreciated the work she did, the work the department heads did and the time that everybody spent. Mr. Hixenbaugh asked with regard to the tax rate calculation, when you looked at the 2.00 number if it was possible to give them a comparison that evening or follow up with a comparison of that number and how it would compare to the tax rate that was in place for 2023. Mrs. Maguire stated 2023 was 1.85, so a slight increase. Mr. Hixenbaugh asked if that was a function of the point that Mrs. Voelker illustrated that the drop in the assessed value happened to cause the increase in the tax rate in order to balance out the teeter totter, so to speak. Mrs. Maguire stated that was right and for 2023, they had such a large assessed value increase and it dropped the tax rate. Mrs. Maguire stated many cities and towns actually took on debt to the rate level but Mishawaka did not do that and it worked itself out. Mr. Hixenbaugh stated during the course of the budget meetings they had, they talked about a couple of salary and compensation related concepts that applied to their work groups, longevity pay and an enhanced deferred comp match and then some adjustments to some salaries within various departments. Mr. Hixenbaugh asked if they would hear more about that when they got to the employee's salary ordinance stage of the process in the next meeting. Mrs. Maguire stated yes and that was the plan. Mr. Hixenbaugh stated one other topic that came up and at that time, the numbers were not fully ripe to be able to share but asked if anything changed with regard to their anticipated health insurance costs for next year and if they knew exactly what the renewal amount would be at that point in time or if it was still in the process. Mrs. Maguire stated they had not had that meeting yet with their broker but their claims started off very poorly at the beginning of the year but they had really leveled off and actually had gone down more than average, so it was a good trend and they wanted to keep that up. Mr. Hixenbaugh stated lastly, at the prior Council meeting when he thanked everybody involved in the process of putting together the change in the Police Department staffing model and the move to 12-hour shifts, he neglected to thank her because unlike some of them who enjoyed that process, she always was a willing participant but he got the sense she did not enjoy it as much as others did but the work she did to put together numbers in that setting along with the work that she did for the budget was critical to what they did to try to arrive at a settlement with their

Public Safety employees. Mr. Hixenbaugh appreciated her help at all times, but particularly in assisting them to get to that 12-hour shift model which was going to be a net positive for the community. Mr. Hixenbaugh thanked her again for her work on that.

Mrs. Voelker echoed what Mr. Hixenbaugh stated as she always enjoyed the budget meetings and just talking to the people and learning about how things were going in their department and understanding what they discussed the year before and how things progressed as well as what their needs were. Mrs. Voelker also wanted to thank Mrs. Maguire for the visual representation because she thought it was very impactful and helpful.

Mr. Hixenbaugh concluded by thanking the Council for their participation in the budget meetings as it was a long week for them as well but as Mrs. Voelker and himself had said, it was really a beneficial use of their time and he thought it was important for them to be able to have those type of conversations with not only the Controller but with the department heads and he was confident in saying that there was a positive that came out of their interaction with the departments heads and the administration through that process that benefited the community as well. Mr. Hixenbaugh stated it was very interactive, very collaborative and very productive. Mr. Hixenbaugh thanked everybody on the Council once again who were able to participate.

The public hearing on **PROPOSED ORDINANCE NO. 2023-40** concluded at 7:37PM and a vote would take place and was scheduled to take place at the next regularly scheduled council meeting on the matter.

ADJOURNMENT 7:38PM

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