REGULAR MEETING OF THE MISHAWAKA COMMON COUNCIL

November 17, 2025

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 November 17, 2025, at 6:00PM. The meeting was called to order by Council President Gregg Hixenbaugh. All were asked to stand for the Pledge of Allegiance, followed by a moment of silence in remembrance of Angelo Rentin, Mayor Wood's Father-In-Law.

Mr. Hixenbaugh stated on behalf of the Mishawaka Common Council, their condolences were given to Mayor Wood, his wife Jaimi, and their entire family and may he rest in peace.

Members attending virtually do so by WebEx. Public that attends 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.

Present: Mrs. Hazen (P), Mrs. Voelker (P), Mr. Carroll (P), Mr. Banicki (P), Mr. Emmons (P), Ms. Hahn (P), Mr. Mammolenti (P), Mr. Violi (P), Mr. Hixenbaugh (P)
P: Present E: Electronically Participating A: Absent

The chair entertained a motion to amend the agenda by adding the Council's appointment to the School City of Mishawaka Board of Trustees that evening under New Business. Mr. Banicki moved the motion and with a second from Mrs. Voelker, a voice vote was held on the motion. The motion passed unanimously.

Minutes for the Regular Meeting on October 27, 2025, were approved as received from the Clerk's Office.

Clerk Block read a letter from the Board of Zoning Appeals and the City Plan Commission regarding their recommendations from their November 12, 2025, meeting.

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

PROPOSED ORDINANCE NO. 2025-32

AN ORDINANCE ANNEXING CONTIGUOUS TERRITORY TO THE CITY OF MISHAWAKA, INDIANA, AND PROVIDING ZONING CLASSIFICATION THEREFORE
Annex & Rezone to R-3 Multi-Family Residential for Apartment Complex – 53000 Block of Fir Rd.
(Assigned to Land Use Planning Committee)

<u>PROPOSED ORDINANCE NO. 2025-33</u>

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 R-4 to S-2 PUD Development for Single Family, Attached Single-Family, and Multi-Family dwellings and Clubhouse – SW corner of Byrkit & McKinley
(Assigned to Land Use Planning Committee)

<u>PROPOSED ORDINANCE NO. 2025-34</u>

AN ORDINANCE ANNEXING CONTIGUOUS TERRITORY TO THE CITY OF MISHAWAKA, INDIANA AND PROVIDING ZONING CLASSIFICATION THEREFORE
Annex & Zone to C-1 General Commercial District for Landscaping Contractor – SE corner of State Rd 23 & Toll Rd.
(Assigned to Land Use Planning Committee)

<u>PROPOSED ORDINANCE NO. 2025-35</u>

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 General Commercial to C-10 Filling Station Commercial for Fuel Kiosk and Pumps – Part of 3016 W. Indian Ridge Blvd.
(Assigned to Land Use Planning Committee)

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

<u>RESOLUTION R2025-25</u>

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MISHAWAKA, INDIANA, APPROVING A PETITION OF THE MISHAWAKA BOARD OF ZONING APPEALS FOR THE PROPERTY LOCATED AT: 1123 S. SPRING STREET MISHAWAKA, INDIANA
Use Variance to allow a Second Residential Unit – 1123 S. Spring St.

Chris Springer, 235 Ironworks Avenue Unit 163 Mishawaka, Indiana, 45644, spoke in favor of **RESOLUTION R2025-25**. Mr. Springer stated he was representing Hahn Janitorial Services with regard to the building on Spring Street. Mr. Springer stated Ms. Hahn came to him and he owned SC Services, a contractor that did business in North Central Indiana and Southwest

Michigan. Mr. Springer stated they were transitioning the building, which was an old eyesore for the neighborhood and the building went out of business in 2018, which used to be Gordies Bar and Grill. Mr. Springer stated anyone who had driven by the building over the past couple of months had seen the renovations that Hahn Janitorial had done to the building, which had enhanced the neighborhood greatly. Mr. Springer stated when they walked into the building over a year ago, the floors along with everything else had to be reconstructed and the building was essentially condemned. Mr. Springer stated it was certainly a work in progress, but he believed it was going to be a great thing for the neighborhood. Mr. Springer stated everybody he had spoken to who lived in the neighborhood really liked to see the change.

Mrs. Voelker asked how big the lot was behind the building and if it was an extra lot or if it was all one lot. Mr. Springer stated no and that the lot was best viewed from 13th Street, not Spring Street so if you turned the corner heading back you would be west on 13th Street. Mr. Springer stated at one time, Gordies Bar and Grill had a kitchen that was there on the backside of the lot and that kitchen since then had been removed and the space that was going to be occupied by another apartment was actually in the original building, so nothing more would be added to the building. Mr. Springer stated it also had come to their attention that because you needed 1.5 parking spaces per unit on that lot, they would fall short on that and that space where the old kitchen would be would eventually be a paved parking spot for somebody to come there and park. Mrs. Voelker asked for clarification if it was going to be enclosed in the original building. Mr. Springer stated yes. Mrs. Voelker stated with that being said, it would be a great building to bring to the Historic Commission for landmark status. Mr. Springer stated he agreed and it was a great building. Mrs. Voelker thanked Mr. Springer for the clarification.

Mr. Mammolenti stated he echoed what the neighbors had said in that the building looked amazing, and they had all done a great job with it. Mr. Springer thanked Mr. Mammolenti.

Ms. Hahn stated she would be recusing herself from the vote as this was her building and it would be her business that would be going in there.

Mr. Hixenbaugh thanked those who were involved with this, including Ms. Hahn, with regard to breathing new life into the property and he believed they all were pleased to see that rather than it being demolished, that it was going to be maintained. Mr. Hixenbaugh stated he loved the fact that there was going to be more living space that would be added to the mix and also had the advantage that evening of being able to take care of through the approval the non-conforming status with regard to the original apartment that was there that had long been there, so this was good for the neighborhood, good for the community, and he looked forward to supporting it.

Question was called for at 6:13PM for **RESOLUTION R2025-25 22 Motion passed by unanimous roll call vote (summary: Yes = 8 Abstain = 1).**
Yes: Mrs. Hazen, Mrs. Voelker, Mr. Carroll, Mr. Banicki, Mr. Emmons, Mr. Mammolenti, Mr. Violi, Mr. Hixenbaugh.
Abstain: Ms. Hahn. The resolution passed 8-1 with one recusal.

PROPOSED ORDINANCE NO. 2025-26

AN ORDINANCE AMENDING PART 1 CHAPTER 62 OF THE MUNICIPAL CODE OF THE CITY OF MISHAWAKA, INDIANA, AS FROM TIME TO TIME AMENDED
Amending Mishawaka Utilities Wastewater Rates & Charges
Requesting Amendment

The chair entertained a motion to amend **PROPOSED ORDINANCE NO. 2025-26** at the request of the Administration and as reflected in the amended copy of the ordinance that had been distributed to the Council. Mr. Banicki moved the motion and with a second from Mrs. Voelker, a voice vote was held on the motion. The motion passed unanimously, and **PROPOSED ORDINANCE NO. 2025-26** was amended.

Mr. Violi reported the Budget & Finance Committee recommended that this proposed ordinance be adopted. Upon a second by Mr. Banicki, the motion carried. The committee report passed unanimously.

Matthew Lentsch, Executive Director of Governmental Affairs, spoke in favor of **PROPOSED ORDINANCE NO. 2025-26**. Mr. Lentsch stated it was an honor for him to stand before the Council that evening to speak under the second reading for the Mishawaka Utilities Wastewater Division rate plan. Mr. Lentsch stated Mishawaka Utilities was one of the city’s greatest assets and he believed together, their divisions represented over $90 million in value providing safe, reliable, and affordable services to thousands of residents and businesses every single day. Mr. Lentsch stated wastewater in particular was something most people did not think about until there was a problem. Mr. Lentsch stated when you flipped a switch, ran water down a drain, or flushed a toilet, it was the Mishawaka wastewater that made their community run safely, sustainably, and responsibly. Mr. Lentsch stated that was why that evening was important and he was there to talk about the future. Mr. Lentsch stated nobody liked to see their rates increased and he was among them and understood that as did the Mishawaka Common Council and every family and business in the city, but what they also understood was that to not act in this case would be irresponsible. Mr. Lentsch stated utilities could not stand still, infrastructure aged, regulations changed, and the demand of tomorrow must be met with planning today. Mr. Lentsch stated that was why he had been working with a team of folks from Wastewater and Baker Tilly for eleven and a half months not only on a rate plan, but an exhaustive twenty-year capital assessment audit plan. Mr. Lentsch stated this had been one of the most detailed and comprehensive looks they had ever taken at their system, and they could not have done it alone. Mr. Lentsch thanked their friends at Baker Tilly and Tim Helite at T.Y. Lynn for the extraordinary partnership and great work as well as Jill and Johnny from Wastewater as well as the great people who had preceded them, had retired, and who had done great work to date. Mr. Lentsch stated this particular plan was about sustainability, affordability, and responsibility. Mr. Lentsch stated they were protecting and planning for long-term health of their wastewater system so it could continue to serve their residents and businesses for generations. Mr. Lentsch stated they would be using a measured stairstep approach, 3.75% increase per year over five years instead of a single sharp increase that you saw a lot of times from those who were not municipal utilities and were investor owned. Mr. Lentsch stated in Mishawaka's case, they were a municipal utility and were not nonprofit and it made their residents and ratepayers their stakeholders. Mr. Lentsch stated they wanted to spread out the impact, make it more predictable, and help households and businesses budget responsibly fort taking care of today's needs while planning for tomorrow's demands and for managing their assets well and not letting problems pile up for future councils or citizens to face. Mr. Lentsch stated this was the hard work of leadership and while it was not popular in the short term, it was absolutely necessary in the long term. Mr. Lentsch stated by adopting the proposed plan, Mishawaka would continue to have one of the most reliable and well-managed utilities in the state. Mr. Lentsch stated the Council would hear from their partners that evening and from the experts who had helped them build the plan, and from their team who kept the utilities running day in and day out. Mr. Lentsch stated his role that evening was to simply remind everyone what they were talking about with regard to the plan and it was not just pipes, pumps, and treatment plants but it was about the people, their community, their neighbors, and their friends. Mr. Lentsch stated it was about families who depended on safe, affordable services and it was about businesses who needed reliability to grow and thrive, and it was about ensuring Mishawaka remained strong, sustainable, and forward-looking. Mr. Lentsch thanked each of the council members for caring about the city and its future and for their leadership and stewardship. Mr. Lentsch thanked the people of Mishawaka for entrusting them with great responsibility. Mr. Lentsch stated they planned well, they were managing well, and together they would ensure that Mishawaka Utilities remained strong today, tomorrow, and for decades to come. Mr. Lentsch stated he and his partners with him that evening would be giving more of an executive review of the plan and he had five frequently asked questions and answers along with them regarding the proposed wastewater rate plan that he wanted to read to the Council.

Q: Why was Mishawaka Utilities Wastewater proposing a new rate plan?
A: The proposed five-year plan was part of a long-term strategy to ensure that Mishawaka's wastewater system remained reliable, compliant, and sustainable. The plan provided the financial stability needed to maintain infrastructure, meet federal and state environmental regulations, a lot of them being unfunded mandates, and to protect public health and safety.

Q: What is included in this rate plan?
A: The plan proposed a modest 3.75% annual increase in wastewater rates over five years beginning in 2026. This was a gradual stairstep approach that allowed the utility to responsibly fund essential capital projects, system maintenance, and regulatory compliance while minimizing the impact on their customers.

Q: How long has it been since wastewater rates were increased?
A: It had been over six years since the Mishawaka Utilities Wastewater last implemented a rate adjustment. During that time, operational costs, construction expenses, and regulatory requirements had all increased significantly. The current plan ensured that Mishawaka Utilities Wastewater could continue to meet service demands without compromising quality or compliance.

Q: How has TIF funded supported wastewater operations and is that subsidy ending?
A: Over the past several years, the city's tax incremental finance district has helped subsidize key wastewater infrastructure projects, particularly those supporting economic development and neighborhood revitalization. However, as the TIF districts matured and the obligations phased out, the temporary subsidy was expiring which meant $5 million in funding over the next five years or so would be going away. The new rate plan replaced the outside supports with a sustainable utility-based funding model that kept Mishawaka Utilities wastewater self-sufficient and strong in the long-term.

Q: If we raise rates for wastewater, can we lower them and another utility?
A: No. We are looking at all of our utilities to make sure they were all self-sustaining and that the assets were where they needed them to be. Each of the Mishawaka Utilities departments being Electric, Wastewater, Water and Solid Waste were operated as a standalone enterprise meaning Each must remain financially independent and self-sustaining. Transferring revenue between utilities would be irresponsible and inequitable effectively strengthening one utility at the expense of another. This rate plan ensured that each utility would remain strong and properly funded while maintaining the exceptional level of service that their residents expected.

Ms. Hahn thanked Mr. Lentsch for putting the rate plan and presentation together for the Council as it was very easy to read and understand. Ms. Hahn asked if there was anywhere the public could have access to the plan if they wanted to dig deeper into it. Mr. Lentsch stated they could place the plan on the city website and he would be happy to do it.

Mr. Mammolenti thanked Mr. Lentsch for his work that evening and also in the previous months leading up to the meeting. Mr. Mammolenti asked regarding the TIF expiration, when the entire TIF supplementation would expire. Mr. Lentsch stated it would be phased out completely in 2033 and the phase out of TIF credits began in 2025. Mr. Mammolenti asked if the entire phasing out added up to about $5 million per year. Mr. Lentsch stated the total amount of TIF credits for Mishawaka Utilities was $5 million. Mr. Mammolenti asked if the increases he was proposing that evening would absorb thayt and take care of that. Mr. Lentsch stated it would do that and more.

Mr. Emmons thanked Mr. Lentsch for his presentation and letting them know about the long-term control plan for the wastewater plant. Mr. Emmons stated a constituent asked him about a raise for the wastewater plant and they wanted to know whether there would be a reduced rate for senior citizens and asked Mr. Lentsch if there would be one. Mr.

Lentsch stated they had looked at senior citizen discounts and the bottom line was they had it for solid waste, but instead of a discount that would apply to one demographic, they were working with their friends at Baker Tilly on a ratepayer assistance fund and they were looking at other communities who already had this in place and South Bend as well as other communities around the state had it. Mr. Lentsch stated he believed that was the best and most equitable way to achieve that, because not every senior would need that discount just like not every demographic or every age group would. Mr. Lentsch stated from his vantage point, he thought they were best served by researching then introducing appropriately a ratepayer assistance fund. Mr. Emmons asked if that would be something that would be put out to the community so that the people that needed a reduced rate could come in and ask for it or get qualified for it. Mr. Lentsch stated they would work with a partner like Real Services who oversaw the energy assistance program, and they would want them to administer that. Mr. Lentsch stated once they had it all squared away and ready for the rollout, they would have all of the information necessary available to the public. Mr. Emmons asked if it would be ready in 2026. Mr. Lentsch stated his hope was that in the second or third quarter of 2026, it would be ready to go.

Mr. Violi thanked Mr. Lentsch for all of his work and appreciated the plethora of information he supplied the Council with on their request. Mr. Violi asked with the discount, if it would be more of a hardship case and not something that would be done in-house and done in partnership with Real Services. Mr. Lentsch stated they would create the program with help from their friends at Baker Tilly and they would look at the administration done mostly by a Real Services type of partner as they had not formally spoken to Real Services about the assistance fund but they would because they were the ones who worked with the state to administer the energy assistance program. Mr. Lentsch stated however, there were things that they would be able to do and one of the things their folks could do would be to ask a question to some of those who may need assistance on a regular basis and direct them to Real Services or whichever organization they would work with. Mr. Lentsch stated he thought there would be things that they did especially on the introductory end on the formation of it and then how they launched it and then there would be a role for all of their customer service folks to play. Mr. Lentsch stated in terms of the administration of it, he would want an agency that was really good at what they did and did it on a regular basis. Mr. Violi asked for clarification if their friends at Baker Tilly were already currently working on the ratepayer assistance fund project. Mr. Lentsch stated they had discussed it and were working on it to make it not a carbon copy of South Bend and wanted it to be unique and autonomous for Mishawaka. Mr. Violi stated Mr. Lentsch had mentioned that the last rate increase was six years ago and asked what the percentage of increase was. Mr. Lentsch stated he would have Baker Tilly answer that question.

Mrs. Voelker thanked Mr. Lentsch and stated she knew he had done a ton of work on this and answered a lot of questions, but she had been looking at the sewer insurance analysis that they had gone over the other day and she knew that he had mentioned wastewater o and m and asked what that was referring to. Mr. Lentsch stated that was their conglomeration of funds that was operational money they had in reserve. Mrs. Voelker stated she was looking at the balances and one year there was a balance of $1 million dollars and then the next year there was a balance of $7,000. Mrs. Voelker stated that was a really big difference in the balance in the fund and she did not see that the numbers were really all that different in terms of the activity and in terms of the usage of the fund. Mrs. Voelker asked if the difference in the fund was because they paid o and m back. Mr. Lentsch stated, if possible, yes that was part of it he believed but the basic reason why they were in their current position with the sewer insurance, which made up two cents of the dollar increase they were talking about that evening, four out of six years the insurance repairs had exceeded the premium deductibles collected by more than $350,000. Mr. Lentsch stated the insurance fund was no longer solvent and they were in insolvency and when you had less money coming in than you had going out, that was an issue, and it was an issue within wastewater that they had taken care of. Mr. Lentsch stated that was what he was proposing, and it was all part of the new rate increase. Mrs. Voelker stated she understood that and it was just a big difference as it was a million dollar difference in the fund from the end of 2024 to 2025. Mr. Lentsch stated they could provide her and the rest of the Council with more clarification, but the bottom line as he said was that they were simply not taking in enough money to cover the cost and that had made the insurance fund insolvent and by building that into the rates it was $1.56 that they were adding to the insurance he had looked at it commercially and the best he could find commercially and that was with the company that provided the water line insurance was $13.80 which was because of their aging infrastructure and all of the things that would go into rating them. Mr. Lentsch stated if they went to the open market, it would be $13.80 but the reason for it was inflation as well as aging infrastructure, the cost of excavation, pipe replacement labor, and restoration had risen sharply in their sewer system. Mr. Lentsch stated like most established communities, it included newer infrastructure and he himself had a house that was built around thirty years ago and within a month, they found out that they had a major problem with the infrastructure and what they found was roots had grown through the PVC and they had to dig down and found the issue and they had to replace it. Mr. Lentsch stated it would have cost them about $7,000 to $8,000 with the deductible and what they had to pay on their part to have the system flushed out, their cost was about $1,000. Mr. Lentsch stated without that, it would have been catastrophic and that was something many folks in the community would be dealing with. Mr. Lentsch stated it was really about protecting their ratepayers and the rate increase ensured that the sewer insurance fund remained solvent and able to cover repairs without shifting costs onto all ratepayers. Mr. Lentsch stated it had been about ten years since premiums were adjusted and the gap between cost and revenue had grown too large to ignore.

Mrs. Hazen stated one thing she wanted the city to be aware of was that NIPSCO Service Partners actually offered water and sewer line protection plans to Mishawaka Utility customers. Mrs. Hazen stated none of them knew how many customers that were Mishawaka Utilities had that, but it was a very wasteful thing for Mishawaka Utility customers to carry, and she was sure they did not ask them if they had that, but that was something that they probably really needed to look into. Mr. Lentsch stated one of the things they had done was try to educate their community, and they tried to be as transparent as possible, and that was something that they had educated folks about. Mr. Lentsch stated there was not just one company, NIPSCO, and there were probably five or more companies that were mailing into Mishawaka. Mr. Lentsch started they worked with a water line company, insurance company, and what they were offering as a utility, was really a bargain, because what they would pay through, they could get it through their homeowner's insurance too, but they would be paying a lot more. Mrs. Hazen stated her concern was just that they did not check with the people first to make sure they did not have the other company's protection plans, but she did not know if Mishawaka Utilities did that or not. Mr. Lentsch stated as people came in, that was something they tried to bring up, but they were not asking them to purchase the insurance, it was mandatory, and they would continue to do education to let people know that they did not have to look at water line insurance or sewer insurance if they had it already, because it was built into the rate through Mishawaka Utilities. T

Mr. Violi asked what their deductible was. Mr. Lentsch stated it was $250 for residential and $500 for businesses.

Mr. Hixenbaugh thanked Mr. Lentsch for the work he had done, and he was very responsive to questions throughout the process and he appreciated that. Mr. Hixenbaugh stated going back to some of the points his colleagues made, and the dialogue with regard to TIF credit roll off, it was a very proactive and appropriate step for them to take as a municipality to use the TIF revenue to successfully subsidize the cost of wastewater rates for citizens throughout the community. Mr. Hixenbaugh asked if it was not in fact the case that the 2033 deadline and expiration date that related to it for their consolidated TIF area was a function of Indiana law and not a local decision that they made and was at the behest of the Indiana General Assembly so their TIF revenue was going to be impacted and the TIF area would go away as of 2033 and if that was correct. Mr. Lentsch stated that was correct. Mr. Hixenbaugh stated with regard to the question Mrs. Voelker posed related to sewer insurance, he appreciated Mr. Lentsch's answer but his suggestion would be that perhaps their financial consultants would be able to address it a little more fully, because he did not think he totally heard a full answer to Mrs. Voelker's question, so he asked for Baker Tilly to address that in their presentation. Mr. Hixenbaugh stated with the hardship program that was mentioned, he knew from multiple conversations between them both and Mr. Violi, that this had been a topic that had been discussed going back to the electric utility rate increases that they considered in the past and he tended to agree with him that a broader scope and looking at hardship rather than age as the sole trigger made sense. Mr. Hixenbaugh stated what concerned him was the timeline and some of that was related to the fact that they had the discussion going back a year or more, so he was not comfortable with waiting until the second quarter of 2026 for something to be presented to the Council and he would love if it could be presented to them in 2025 and see some thoughts on it in writing from the Administration, but he was also sensitive to the fact that it was the time of year with the holidays being what they were and everybody's schedule being crazy may not be conducive to that, but his hope was that the Council could receive some tangible thought on that type of program by no later than the end of January. Mr. Lentsch stated they could do that. Mr. Hixenbaugh thanked Mr. Lentsch.

Tim Healey, Consultant with the TyLin Group, spoke in favor of **PROPOSED ORDINANCE NO. 2025-26**. Mr. Healey stated they had been able to work with the city of Mishawaka since the late 90s at the wastewater treatment plant. Mr. Healey stated to build the comprehensive 20-year plan that Matt alluded to, they started off working with Jill and Johnny at the Wastewater Treatment Plant and just really inventoried all the assets. Mr. Healey stated he knew some of them had been there taking folks on tours and it was a big, expensive facility that the community had invested in historically to protect the St. Joe River and deliver really great service to the community. Mr. Healey stated those assets were inventoried, and really what they were trying to get at was there was a lot there. Mr. Healey stated it was kind of like your house, but instead of just your roof and your air conditioner, you had blowers and pumps and mixers and each of those things could be a few hundred thousand dollars, and maybe you had eight or ten of that one item, so assessing all these, assigned costs to each, and again, just to give them a sense of those, that even as you wen=t along the river walk and you saw some of those tanks out there, even the tank that looked like it was just full of water could have 100,000 diffusers at the bottom of the tank, and they only lasted twenty years Mr. Healey stated they needed to be replaced, and by replacing them, they could save money and treat wastewater more efficiently. Mr. Healey stated similarly, they got a pump there in the presentation and it was one of the raw sewage pumps that were rebuilt instead of replaced so that they could get them back to factory specs but not have to spend the money to buy brand new equipment. Mr. Healey stated a few of the key things that they worked with Jill and Johnny to develop and then shared with Baker Tilly were just the utilities, they had a lot of the same experience that they had. Mr. Healey stated you could go to the grocery store or buy anything you buy, they had to buy chemicals to treat the wastewater, and those costs had gone up sixty to seventy-five percent during the period where they had not had a rate increase, so that was kind of eating away at their budget to be able to do other improvements. Mr. Healey stated they had talked a lot about an improvement fund to make sure that they got the funds on hand if there was an emergency, because they got buried infrastructure, you could not see it all the time. Mr. Healey stated it could be working great underground for seventy years and then all of the sudden you could have a sinkhole. Mr. Healey stated they had looked at one of the most expensive unplanned failures they had to date, and if you looked at that in 2025 dollars, that would be $6.5 million, so that went into supporting a fund so that if they had that emergency and something else happened at the same time, they wouldn't have to come back and seek an emergency rate increase. Mr. Healey stated they had heard about it for a long time, but the Combined Sewer Overflow Long-Term Control Plan, a big part of it, with it being federally mandated, there was just a lot of work that had to be done there over the years, and while they had talked about the plan, and they had talked about the Combined Sewer Overflow Long-Term Control Plan, it also included the Sewer Department that went out and cleaned sewers, lined sewers, and did smaller projects to improve drainage throughout the year. Mr. Healey stated as they looked not at the full twenty-year plan, but at the five-year plan, there were a few of the key projects that were targeted over that time period. Mr. Healey stated there was both work at the plant that you could see in 2025, there was focus on biosolids, which were the solids that were removed from wastewater and needed to be treated and beneficially farm applied afterwards, but then you would also see at the bottom of the lists, there were a number of lift stations throughout the community that needed to be repaired and replaced just so that they continued to function properly and they did not have lift stations backing up in neighborhoods. Mr. Healey stated and then lastly, he knew of recent they had some positive engagement with the regulators regarding the Long-Term Control Plan, trying to renegotiate that plan so that instead of being at zero overflows, they could be at two overflows in an average year. Mr. Healey stated it had been a long and frustrating process and they were hopeful that they could get them to move and get to two overflows, but he thought that the thing they wanted to share that evening was really that if they could do that, it would be great. Mr. Healey stated that would be great for the community long term, but the projects that could go away or be phased in a manner that would be more beneficial to the city were the ones that were farther out in the plan, so the first five years that they were looking at, if they were fortunate enough to get it, it really would not impact the projects that were planned for the next five-year cycle, so he thought trying to do that in an abbreviated fashion, he believed that was the extent of what he wanted to share with the Council that evening.

Mr. Emmons asked if their lift stations were the same size throughout the city. Mr. Healy stated they varied in terms of how big they were and the amount of flow they could pump. Mr. Emmons asked if there were two pumps per lift station. Mr. Healy stated that was the most common, but there were some that were unique. Mr. Emmon asked if that meant they had more pumps. Mr. Healy stated yes.

Mr. Hixenbaugh stated for the non-engineers and non-operators in the audience, he wanted to talk about what happened if they did not reinvest in their wastewater treatment system. Mr. Hixenbaugh stated one thing that even he knew was a reality, was that if they did not treat their wastewater appropriately, untreated sewage had a chance of being expelled into the St. Joe River and asked if that was correct. Mr. Healey stated that was correct. Mr. Hixenbaugh stated and that brought with it all the obvious environmental and health concerns, not just for Mishawaka, but for everybody up and down the line that would be subject to the flow of that water. Mr. Healey stated that was also correct and then if they were to get to that, then you had the risk of regulatory fines and things of that sort that you would bear as well. Mr. Hixenbaugh stated so if they did not have the emergency funds and resources on hand to deal not only with the major emergencies, but with regard to emergencies on the smaller scale, and he hesitated to say a pump station or a station going out was on the smaller scale, but asked if he could provide some detail for those of us who did not fully understand, what the impact on a resident in their home would be and what an impact on a business person in their place of business would be and those who were in close proximity to those locations when they had a major sewer emergency. Mr. Healey stated unfortunately, if everything went wrong, what would happen was all the sewage would continue to flow to the pump station and would not be leaving the pump station, so then you ran the risk of stacking up into people's basements, into businesses, you got sewage where nobody wanted it to be, or into the street and things of that sort. Mr. Healey stated in the worst case that that was what would be anticipated. Mr. Hixenbaugh stated that people would be dislocated out of their residence or their place of business during the cleanup process and they incurred some expense, he had to believe that with what he described, there were health risks as well that were attendant to them. Mr. Healey stated he lived in a combined sewer area as well, and having unfortunately experienced basement backups where you had that sewage coming up through the sump in your basement, it was a horrible feeling, and then afterwards you had to deal with what had to be done and it took a lot of bleach to make you feel comfortable with your kids playing in the basement after you had sewage going across your basement floor. Mr. Hixenbaugh stated unlike their friends in St. Joseph County where they had homes, even subdivisions that were totally on a septic system, in the city of Mishawaka, they did not allow for individual residences and businesses to be on a sump and they mandated a connection to their wastewater system and their sewage treatment plant and asked if that was correct. Mr. Healey stated he did not know if he could speak authoritatively about that, but he believed that was the case. Mr. Hixenbaugh thanked Mr. Healey.

Jeff Rowe, Principal with Baker Tilly, spoke in favor of **PROPOSED ORDINANCE NO. 2025-26.** Mr. Rowe stated first of all, that he appreciated the opportunity and support and patience throughout the last ten to eleven months from the Council and Mr. Lentsch's team and in the city. Mr. Rowe stated everyone had just been really supportive and great throughout the whole process. Mr. Rowe stated he was going to hit the high points in his slides in his PowerPoint presentation in an efficient manner. Mr. Rowe stated he knew they had talked about the plan before, but just to highlight the overarching goal of the comprehensive financial plan, which covered a span of short-term needs, five years, and then also long-term needs, which was twenty years, the overall goal, he believed could be summed up in sustainability and affordability. Mr. Rowe stated the comprehensive rate plan was put together and prepared in a way that did just that, in which it provided for future sustainability in having sufficient funds coming in every month, but also sufficient cash reserves on hand to continue to operate the system at a high level. Mr. Rowe stated in terms of affordability, it was a plan that would set a rate schedule in a way that provided for frequent incremental annual increases, modest increases over time, over a five-year period, so he believed they accomplished that with the plan in front of the Council that evening. Mr. Rowe stated they had already talked about the plan at some length that evening, the TIF credit roll-off, which would occur in 2025, $600,000, another roll-off in 2028, 2031, and then finally in 2033. Mr. Rowe stated if they were just looking at the five-year window or six-year window in front of them that the rate plan covered, as was mentioned before, that accounted for nearly $5 million of reduced revenue or subsidy that would be coming into the sewage works to help pay for operating capital needs. Mr. Rowe stated that $5 million and those roll-offs had been built into the rate model so that the utility continued to collect what it needed to collect in order to provide for operations. Mr. Rowe stated with they had talked about capital projects and the plan was heavily influenced by future capital needs. Mr. Rowe stated roughly $291 million of capital needs over the next twenty years had been identified based on the very detailed asset audit that had been completed. Roughly $100 million of the $291 million was needed from then until 2030, and then the balance, roughly $190 million was needed through the balance of the plan, so roughly the remaining 15 years or so. Mr. Rowe stated about $121 million of the capital needs related to the long-term control plan, and then about $170 million of capital needs related to just normal capital replacements and aging equipment and infrastructure. Mr. Rowe stated as a way to try to keep the rate plan as affordable as possible, they had included two funding sources for those capital projects with the first being bond-funded, about $223 million of capital to be paid for through future bond issues going forward, and roughly $3.4 million per year, about $3.4 million per year to be cash-funded, so on a pay-go basis through the rates and charges that were collected. Mr. Rowe stated with inflationary environment, they all knew they had seen the trend in costs since 2020, and even though inflation did not continue to increase at the same pace as what they saw in 2020, 2021, 2022, most of the price increases had not fallen back to their original price points, so there had not been a mechanism to address that within the sewage works from a financial standpoint because of the fact that the last rate increase, going back to 2020, since the last rate adjustment, was an 11% increase, which was, to the average user, $5.76, so that was, according to our records, when the last rate increase for sewage went into effect. Mr. Rowe stated they were fighting against the inflationary increases and working the increases, not only the inflationary increases that they had seen in place currently, but also over the next five years, looking at building in a modest 3% inflationary increase in costs going forward as well. Mr. Rowe stated lastly, he wanted to speak about the increased cost to provide residential sewer insurance. Mr. Rowe stated he knew Mr. Lentsch mentioned the history there, but looking to right-size the rate again so that it was sufficient to support the current insurance needs on an ongoing basis. Mr. Rowe stated as he mentioned, they were building in future inflation and they were building in assumptions for future bond issues to help pay for the capital needs. Mr. Rowe stated they had accounted for some modest customer growth, about 1% through the first half of the twenty-year period, and then they reduced that down to about 0.5% of growth over the balance of the twenty-year period. Mr. Rowe stated within the cash reserves, of course, but they were setting aside or looking to establish a floor within the capital improvement fund. Mr. Rowe stated that floor would be roughly $8 million to always have sufficient cash on hand, reserves on hand, to pay for any large capital repairs or emergency situations that may come up, always keeping that reserve in place. Mr. Rowe stated as he mentioned before, looking to build in replenishment for the sewer insurance fund going forward was important so that they would be operating in the black. Mr. Rowe stated 2024 actual total revenue requirements were about $25.2 million, estimating that to go up to about $28.5 million in 2025, then they saw some ebbs and flows over the next three or four years, and then finally landing on an estimated annual revenue requirement in 2030 of about $29 million. Mr. Rowe stated if they were to break the average residential bill down, looking at it on dollar and cent basis, he showed an illustration of roughly every dollar that would be paid, roughly $0.35 on the dollar went to operating expenses. Mr. Rowe stated roughly $0.02 went to insurance claims and expenses and about 46%, so the largest percentage of the dollar, went back to bond repayments and reserves. Mr. Rowe stated $0.08 goes to cash-funded capital improvements and about 9% went towards payment in lieu of taxes. Mr. Rowe stated if they were to look at each fund, their operating fund, their debt funds, their capital improvement funds, all of those requirements that were established within the bond ordinance, how much, at a minimum, would be required to be kept on hand and that number for 2025 was about $20 million. Mr. Rowe stated the financial plan was structured in a way that it would provide for sufficient cash reserves and would meet at a minimum the fund-required cash reserve needed at that point in time. Mr. Rowe stated the next schedule was just a historical representation of an average residential bill, assuming 4,000 gallons, and so you could see, dating back to 2017, that the average bill was about 4,668. Mr. Rowe stated there were a series of increases that were enacted within the city up through 2020, so you could see those increases that went into effect, 6039 in 2020, and then you could see that rates remained pretty steady over the following five-year period to where they were currently, which is at 6073, and then you could see the proposed rate plan and what that would mean in terms of the average bill going forward over the next five years on the graph provided. Mr. Rowe stated it was similar information for the proposed rate plan, only it showed the percentages and then it showed the dollar increase or the dollar impact to the average residential user, so 2026 rates, 3.75% increase in terms of dollars, and that included the increase in the insurance fund, total dollar increase of 228, when they got to 2027, an increase of about 3.73%, dollar increase was 235, in 2028, a dollar increase of 245, 2029 increase, dollar increase of 254, and then in 2030, a dollar increase of $2.64. Mr. Rowe stated current rates were really somewhere in the middle right now for the city compared to other communities, and then they were also showing the 2026 rate, that first phase increase, and how the city would stack up after the 2026 increase went into place. Mr. Rowe stated it was also important to note that the numbers continued to always change, so as he looked at the graph there, he knew that there were three or four of the other communities that were either already incurring increases that would go into effect going forward, multiple years, or were in the process of amending their rates and going through a rates study to increase rates and charges. Mr. Rowe stated the last schedule gave a visual representation of a total utility bill compared to peer communities, which would include sewer, storm water, water, electric, and if a community had municipal trash, it included trash recycling as well, so as they could see, based on the peer communities, the City of Mishawaka was the lowest at that point in time. Mr. Hixenbaugh thanked Mr. Rowe for his presentation and stated it was very well done.

Mayor Dave Wood spoke in favor of **PROPOSED ORDINANCE NO. 2025-26**. Mayor Wood stated he would not come to ask for a rate in case without publicly coming before the Council and speaking in favor of it, so he asked for their support of the plan that evening. Mayor Wood stated they operated a complex business with wastewater treatment, that was costly, but it was essential. Mayor Wood stated it was required by federal and state law, and just like every household that they served, their costs were going up. Mayor Wood stated they had seen the cost of everything from chemicals to equipment going up and certainly their labor costs had gone up as well since their last rate increase many years ago and they also had unfunded mandates that were required of them from the federal government. Mayor Wood stated they continued to work and make great progress and he would put their progress against any communities that they cared to look at. Mayor Wood stated they were great actors, he believed in the eyes of the federal and state regulators. Mayor Wood stated they had many challenges. Mayor Wood stated first of all, their operation and their plant was aging and they needed to invest in it which included everything from some of the pumps and equipment that they had seen and also security. Mayor Wood stated they needed to make sure their plant was secure because it was a vital operation service that they provided, and they must make sure that it was secure. Mayor Wood stated they had been blessed and fortunate over many, many years to have had a portion of their rates as citizens subsidized by Mishawaka's growth. Mayor Wood stated that meant Tax Incremental Finance had subsidized a portion of his and every resident and ratepayer’s wastewater bill. Mayor Wood stated as they heard that evening, that would be going away and the state of Indiana had sunset their TIF, not through their own action, but as a result of the state of Indiana General Assembly acting, so they lost that in 2033, but before that happened in 2033, Senate Enrolled Act 1 would chip away at their TIF revenues, which would mean increasingly that they needed to wean themselves off of TIF. Mayor Wood stated those costs had to go to the rate payer because they ran a non-profit utility, the city owned it, and they had to pay for those services. Mayor Wood stated they expected a high level of service, and that meant protecting their environment, so they heard they had a long-term control plan and they were attempting to put it together and renegotiate it over the past six or seven years. Mayor Wood stated they were making progress, but they had spent $300 million to date to make sure that their river quality was good and to redesign their system through no fault of their own. Mayor Wood stated they were a community where everything was combined underground and ran to the river, so they had to fix that and they had a responsibility to do that, and they would do that. Mayor Wood stated it was the right thing to do and they would be doing it responsibly and with common sense. Mayor Wood stated that was why they were renegotiating with the United States EPA and the Department of Justice and what that looked like was they were separating now more than they had in the past, rather than storing. Mayor Wood stated when you thought about some of the big projects you saw around Mishawaka, those were sewer projects and while TIF was going away, TIF had supported some of those major projects. Mayor Wood stated if it were in a TIF district, well, they were going to lose that ability. Mayor Wood stated secondly, they still had the unfunded mandate and they had to do some of the projects. Mayor Wood stated they had much bigger than a sewer influence on the neighborhood. Mayor Wood stated they had a much greater benefit in that they were putting in not only new sewer pipes, but they were replacing water main, and in some cases lead. Mayor Wood stated they were putting in new street lighting and they were are putting in new gutters, new curbs, new sidewalks in their oldest neighborhoods that needed some of that work the most. Mayor Wood stated it was having a very good redevelopment effect and a property value stabilizing effect and they had many projects under construction at that time. Mayor Wood stated they had many more planned that were not funded. Mayor Wood stated they could not go to TIF anymore to find them and sewer rates funded those projects. Mayor Wood stated they now had the ability with the rates and the projects that they had planned to address that. Mayor Wood stated they had already eliminated 99.95% of sewage discharge into the river and that was something as a community, as leaders, they should be very proud of and they all should be proud of, but they still had work to do and they still had unfunded mandates out there. Mayor Wood stated when you thought about PILOT, unfortunately, in their current fiscal environment, they were looking at all options to fill the gaps that were left through SEA1. Mayor Wood stated PILOT was one of those gaps and so they were simply doing what other communities around the state with similar utilities were doing and they were taking the PILOT to the max. Mayor Wood stated when you thought about some of their responsibilities, fixing a sewer break was not a cheap thing and many of their households could not afford to do that. Mayor Wood stated they could probably pau someone else to do that, but they did it themselves in a responsible fashion. Mayor Wood stated they self-funded their own program and they did it reasonably, but the program was not sustaining itself. Mayor Wood stated they were in deficit now and they needed to make it whole, and he thought it was a responsibility they could bear for all of their ratepayers, because God knows they would never need to use it, but when they did, they would be very grateful that it existed. Mayor Wood stated for those things, for those items and issues, he strongly encouraged the passage of it by the Council. Mayor Wood stated as he said before, he would not ask them to do anything or support anything without him getting up there publicly and telling them that he very much supported it.

Mr. Carroll stated he appreciated the thorough information that came out from everybody on the proposed ordinance and it was a tough decision. Mr. Carroll stated they did not like raising rates on anybody, and there were some people who spoke at the neighborhood meetings that were frustrated about that. Mr. Carroll stated, however, he did applaud that there had been a long-term vision involved in it, and that those were not a short-term Band-Aid fixes. Mr. Carroll stated he knew that when this plan was done, he would be eligible for Social Security, so he appreciated the long-term nature that they were looking at, and he thought it was a good thing, even though there was going to be some pain involved. Mr. Carroll stated for that reason, he was absolutely in support of it, and he urged everybody else to be as well and on the insurance fund, as an insurance professional, that was part of his work and when everybody put in, it eliminated many of the problems with insurance. Mr. Carroll stated they did not have to deal with adverse selection and they did not have to deal with insurance unwinding and that type of thing. Mr. Carroll stated he thought it was a great program, and he was glad they were getting it solved again.

Mr. Hixenbaugh stated as had been said multiple times that evening, including by Mr. Carroll, none of them wanted to raise rates and none of them wanted to have that be visited upon anybody in the community, especially in the economy at that point in time, but he believed that there were a couple of points that jumped out to him as a result of the information that they had received and again, he appreciated the thorough nature and the willingness to provide supplemental information that the Administration had evidenced throughout the process. Mr. Hixenbaugh stated it was that expense of what it costed to make sure that people's houses were secure and safe and when they looked at the slides and they saw not just millions of dollars, but tens and hundreds of millions of dollars of investment that was necessary, he did not know how they could avoid reinvesting in their system. Mr. Hixenbaugh stated from his perspective, he could understand the reluctance of anyone who did not want to raise any utility rates as he was not too crazy about it either nor had he been in the past, but it had always felt to him that if he did not cast a vote that went against what he really wanted to do, then in effect he was passing the buck down the line to the next people and he would be ignoring the immediacy of the issues that were front and center. Mr. Hixenbaugh stated it would not surprise him if there were people who were going to be less than enthusiastic about having to pay more of their utility rates and that was commonsensical and he did think that an important part of the process was for them to step back and in isolation from raising rates, look at the hard strip provision for those in the community who needed some additional support in order to be able to keep their families and themselves whole. Mr. Hixenbaugh stated he looked forward to working with the Administration on that initiative, but at the end of the day, as much as he did not like it, he could live with people being mad at him for raising the rates. Mr. Hixenbaugh stated what he could not live with was taking what would appear to be the easy way out and not raise the rates and he could not live with the thought that resulted in the potential of significant harm, catastrophic failure, emergency situations throughout the community that would not serve the best interests of the community, and he was simply not willing to gamble with public health and safety in that manner. Mr. Hixenbaugh stated that evening, he would also be supporting the measure.

Question was called for at 7:21PM for **PROPOSED ORDINANCE NO. 2025-26 Motion passed by unanimous roll call vote (summary: Yes = 9).**
Yes: Mrs. Hazen, Mrs. Voelker, Mr. Carroll, Mr. Banicki, Mr. Emmons, Ms. Hahn, Mr. Mammolenti, Mr. Violi, Mr. Hixenbaugh. The proposed ordinance passed 9-0, thus it became **ORDINANCE NO. 5954.**

NEW BUSINESS

The chair entertained a motion for purposes of an appointment to the School City of Mishawaka Board of School Trustees, Mr. Mammolenti made the motion and made a nomination to reappoint Mr. Dave Weber to the School City of Mishawaka Board of Trustees. Mr. Mammolenti stated Mr. Weber had done an amazing job and had done a great job of keeping the Council up to date on certain items and giving some perspective from the School Board and passing that information on to the Council. Mrs. Voelker seconded the motion; thus, a voice vote was held. The motion passed unanimously, and Mr. Weber was reappointed to the School City of Mishawaka Board of Trustees.

Mr. Emmons made an announcement that on November 20th, the 1st District West End Neighborhood meeting would be at 7PM at St. Bavos and they would be having their two neighborhood clubs represented at the meeting, the BK Club and the De Amicis Club, addressing and informing the people on exactly what they did in the community. Mr. Emmons stated it was amazing what they did, and a lot of people did not know what they did in the community and their goal was for community involvement and they would express that in the meeting. Mr. Emmons welcomed anybody and everybody to attend and listen to the representatives from the BK Club and the De Amicis Club. Mr. Emmons stated as usual, refreshments would be served from the West End Bakery.

Mr. Mammolenti announced with some scheduling conflicts, they would not be having a Twin Branch Neighborhood Watch Meeting in November and their next meeting would be January 21st at 7PM and the location and speaker were to be determined.

ADJOURNMENT 7:27PM

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

These minutes are a summary of actions taken at the Mishawaka Common Council meeting. The full video archive of the meeting is available for viewing at www.youtube.com/@cityofmishawaka635 for as long as this media is supported.