



Common Council Meeting – Minutes for July 19th, 2021

Council Members in Attendance: Ben Leavitt, Dana Hollar, Amy Rosa, David Kauffman

Also Present: Mayor: Phil Jenkins, **City Attorney:** Brian L. Hoffer, **Clerk Treasurer:** Jeff Knight, 10 guests (of the 10 guests, 3 attended via videoconference) and 1 member of the press.

- Call to Order: Mayor Jenkins called the meeting to order at 7:00 pm and opened the session with the Pledge of Allegiance. Councilman Hollar prayed.
- Roll Call: Council members listed above were in attendance in person. Councilmen Miller was unable to attend the meeting.
- Approval of Minutes from July 6th, 2021: Councilwoman Rosa motioned to approve the minutes. Councilman Leavitt seconded. The minutes were approved unanimously (4-0) by voice vote.
- Petitions or Comments by Citizens: There were none.
- Reports of Committees, Boards, and Commissions: Clerk-Treasurer Knight submitted the 6/30/21 month ended CT Report. CT Knight briefly talked about the revenue received from the state as the first semi-annual distribution of property taxes General (\$1.7 million), Street (\$196 thousand), Park (\$531 thousand), and TIF (\$849 thousand). The total distribution was roughly \$3.4 million. Councilman Kauffman pointed out a typo on the report that reflected a 35% interest rate on the First Financial – City Investor CD. CT Knight said that will be corrected. It should have been .35%. The cell just needed to be reformatted. Councilman Kauffman also asked a question regarding an APV for \$1 million. CT Knight commented that this was an internal reallocation. The funds were not spent. There were no further questions or comments. Councilman Kauffman motioned to approve the CT Report. Councilman Hoffer seconded. The CT Report was approved unanimously (4-0) by voice vote.
- Unfinished Business: There was none.
- New Business:
 - Preliminary Plat for Aero Ranch Industrial Park: City Planning Superintendent Todd Nunamaker presented the preliminary plat to the Council. It is a 5-lot industrial subdivision. Only four lots are buildable with a total frontage of approximately 400 feet. Lots 1 and 2 will have a shared drive, as will lots 3 and 4. Ms. Crystal Welsh, with Abonmarche, noted their excitement to get this completed and that they were looking forward to submitting the secondary subsequent to the decision made at the meeting this evening, at the next Planning

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Commission meeting. There is a lot of interest in the property and development should begin very soon. Councilman Hollar motioned to approve the preliminary plat. Councilman Kauffman seconded. There were no questions or concerns from the Council. The preliminary plat was approved unanimously (4-0) by voice vote.

- Discussion of Funding Options for Park Projects: The project consists of a restroom/locker room/concession building for Wellfield Park, and restroom facilities for Little Paws and Stauffer Park, South Park, and Recovery Park. Mayor Jenkins commented that the City has worked with Meyer Najem who has contacted all of the contractors and put the final pricing together. This discussion is to review the potential funding options at the City's disposal. Ms. Heidi Amspaugh and Mr. Ross Hagan (both with Baker Tilley) attended the meeting via ZOOM videoconference in order to give a thorough overview of the options. A handout, provided by Baker Tilley, was provided to the Council members. The handout contained a comparison of 5 funding options (Cash, BOT Bank Loan, BOT Lease, Traditional Financing Lease, Traditional Financing Bond). Ms. Amspaugh walked the Council through each option and the nuances associated with each.

Councilwoman Rosa inquired about the total cost of the project. Mayor Jenkins responded \$3.4 million and proceeded to show a breakdown of construction costs and soft costs. Councilman Kauffman asked what the City's portion of the financing would be. Mayor Jenkins responded by giving an overview of who will be involved in paying for the project (\$900 thousand from the Wa-Nee Schools, \$1 million from TIF, and \$1.5 million from the City). City Attorney Brian Hoffer commented that this was a good overview. While Lisa Lee, representative from Ice Miller, was unable to attend the meeting, Attorney Hoffer said that if there were any legal questions, he and she would get the Council an answer. Mayor Jenkins asked Ms. Amspaugh about the public bidding requirement if Cash was used. Ms. Amspaugh noted the BOT process may still be utilized if the proper process is followed.

Councilman Kauffman paraphrased the various financing options in order to get further clarification. Councilwoman Rosa asked if there was a priority listing of future projects. Mayor Jenkins said that is being worked on. However, a new fire station and Woodview Drive are two projects that would be on the list. Mr. Hagan suggested that if the Council chooses the Cash approach then a separate meeting could be held to deal with the projects to be contained in a Bond issuance. If the Council chose to use the Bonding approach now, then a list of projects should be determined now in order to best utilize the bond and also limit bond



issuance costs. Councilman Rosa asked CT Knight if he felt comfortable paying cash for this project. CT Knight said yes and then discussed why. The City is in a good cash position at this time. The percentage of cash on hand to operating expenses far exceeds what is recommended by Baker Tilley. Thus, there is more than sufficient amount of liquidity available to cover the costs and still have more than 70% of all invested funds for future needs. One of the reasons CT Knight noted to proceed with cash is that it will expedite the construction process getting started and therefore lock in the contractors that have been contacted for the work. With the increases in commodity prices, the longer it takes to get the project started, the more likely it would be to have a contractor back out due to pricing fluctuations. Also to be considered is that by using cash now, it does not diminish the City's capability to go the G/O Bond route for the next round of projects. The City would still have a bonding capacity of \$2.1 million.

Councilman Hollar asked about the timing of future projects. Mayor Jenkins responded the no RFP's or RFQ's have been issued for any design work to be completed, so another 9 months to a year for design work. Adding in construction, the timing could be 1 to 2 years. Councilman Kauffman interjected that he was in favor of the cash approach and saving the bonding capacity for future projects. CT Knight also talked about how cheap money was right now, so using cash for this project and then using bonding for upcoming projects in the near term may be very beneficial. Councilwoman Rosa asked if the costs associated with this project came in where the Mayor expected. Mayor Jenkins responded that the final costs came in about \$14,000 under the original estimate. Councilman Kauffman noted that during the winter, prices will go up and since the City is not getting much of a return on the invested dollars that now would be the time to use free cash.

Councilman Kauffman thanked Ms. Amspaugh and Mr. Hagan for the efforts in creating the overview. Councilwoman Rosa commented that her only need from the Mayor is a listing of the City's top project needs for the next few years in order to make sure the City has the financial wherewithal to handle them. Mayor Jenkins said that he would like to have the list to them within the next couple weeks. CT Knight concluded the discussion by noting it was his intent to return at the next meeting and request to proceed using cash on hand. Mayor Jenkins thanked Baker Tilley and the Council members for their time.

- **Approval of Accounts Payable Vouchers: 2021 APV's Totaling \$1,752,579.62:** Councilwoman Rosa motioned to approve the APV's. Councilman Leavitt seconded. CT Knight commented briefly on the



composition of the APVs. There were no further questions or comments. The APV's were approved unanimously (4-0) by voice vote.

- Reports from City Officers: The various department heads submitted their monthly reports. Each was available for review on Google Drive. There were no questions asked regarding the reports. Mayor Jenkins gave a brief update on operations at the Elder Haus. He also noted there will be an Open House at Nappanee Center on Saturday for the new Doug Grant Family Exhibit (Emma Schrock paintings) and the cartoon exhibit. Timing will be conveyed later.

Adjournment: With no further business to be discussed, Councilman Kauffman motioned to adjourn the meeting and Councilwoman Hollar seconded. The meeting was adjourned at 8:04 pm by unanimous (4-0) voice vote.

Phil Jenkins, Mayor

Attest: _____
Jeff Knight, Clerk of the Council