

REGULAR MEETING OF THE COMMON COUNCIL (JUNE 21, 2016)
111 EAST JEFFERSON STREET, GOSHEN, INDIANA

The Common Council of the City of Goshen, Indiana, met in the Council Chambers for a regular session on June 21, 2016 at 7:00 P.M. Presiding Officer was Mayor Stutsman with members of the Council present as follows:

PRESENT: COUNCILMAN AHLERSMEYER, MCKEE, ORGILL, SCHARF, WEDDELL
COUNCILWOMAN GAUTSCHE, KING

ABSENT: NONE

DETERMINATION OF COMPLIANCE WITH STATEMENT OF BENEFITS –
SUPREME ERA

City Attorney Larry Barkes stated the Council is being asked to make a preliminary determination if each company is in compliance with the Statement of Benefits, commitments the company made at the time the abatement was given. The second step that is being asked of the Council is to again make a preliminary determination as to if there were reasonable efforts to substantially comply and if actual failure to comply was caused by factors uncontrollable by the property owner. Or if the property owner has not made reasonable efforts to substantially comply with the Statement of Benefits and the failure to comply was not caused by factors beyond the control of the property owner. The reason for the preliminary is that if the Council made a determination that the company is not in compliance they will come back to the next meeting and be given an opportunity to be heard to present evidence they are in compliance or they are not in compliance but due to factors beyond their control.

Matt Long, Supreme CFO, referred to his letter submitted to the Council and stated Supreme has more than done their part from a capital investment standpoint. They have not been able to enjoy the benefits of sales to support the investments. The investment they made has given them more than the ability to double production but not the sales and they have a lot of local competitors from a price standpoint that they are not able to keep up with.

Councilman Scharf stated he had a question and prefaced it by saying he doesn't want anything he asks about to suggest this is anything unsupportive of Supreme, a very valuable industrial employer. In regard to the findings, he has looked up some of the press releases and quarterly reports showing their profits and sales have been increasing substantially and questioned if Mr. Long could help the Council understand. Mr. Long stated that is information from consolidated locations of Georgia, Pennsylvania, Rhode Island, Texas, California and here in Goshen. Goshen is the largest of the business locations and is also the corporate headquarters for the company.

Councilwoman King stated if the investment is in equipment then it is something that could be moved elsewhere. Matt Long agreed but stated the equipment is in use but only by one shift which is the first shift which does not meet their previous expectations.

Councilman Weddell stated Mr. Long's indication is if the market changed here they obviously have the capacity to hire the additional employees and that is why they placed the exceeded investment in Goshen which is significant and why it is not due to lack of effort as to the reason they did not meet the number of employees. Mr. Long added that Supreme has replaced their VP of Sales twice in this period and they replaced the local director of sales. They are spending funds on training their sales personnel; just this region for whatever reason is not growing at the rate the others are.

Councilwoman King stated to Mr. Long she appreciates the jobs they do supply and their efforts.

Councilwoman Gautsche stated this is the fourth year Supreme has come to this review with no new jobs and last year the Council felt the investment that was made was significant. At that time she stated if the jobs were not forthcoming she was not comfortable continuing the phase-in as the contract is for two different things, investments and jobs. She would like to see this go to a hearing and discuss it further as the citizens of Goshen have not benefited in relation to the phase-in given.

The Council discussed the following:

- The abatement was given in April of 2012 and can continue through 2019.
- Last year Supreme offered that any Council person could come out and tour the facility. Mr. Long confirmed that is offered again this year.
- Mayor Stutsman explained the scoring sheet that is used to determine the possible length of the phase-in scores the company by looking at the anticipated investment, anticipated new employees and the current unemployment rate.
- After being questioned by Council President McKee, Mr. Long confirmed their starting rate for jobs is higher than it was 4 years ago. Council President McKee stated he believes that is important to Council Members as in most of the RV industry they are paying the employees less than they were 4 or 5 years ago.
- Councilwoman King requested to receive Supreme's lowest and highest salary amounts and how many in each category. Mr. Long stated he could get that information to her.
- Councilman Weddell stated it is obvious they are not in compliance therefore the Council has options two and three (which Attorney Barks stated should be combined in the memo as one option) or option four to find. They have made the investment and are ready to go; are they deliberately not doing something. They have provided us with the information tonight and if we bring them back for a hearing; are we going to hear anything different. They have no control over the market and that is why he has always leaned toward option two and three as they have made the investment in the buildings and equipment but due to the market it is beyond their control.
- Councilwoman King stated there is limited information here and it is hard to judge from this information. She also views how jobs benefit a community differently than equipment that could be moved elsewhere.
- Councilwoman Gautsche stated she feels she has a lack of information as it is hard to determine they are not in compliance due to factors beyond their control in this economy. She would like to find that they are not in compliance and they have not done

everything they could to bring those jobs. At a longer hearing with more information they may be able to convince us that it is beyond their control.

Councilman Scharf made a motion to find Supreme not in substantial compliance with the Statement of Benefits. Motion seconded by Councilwoman Gautsche.

The Council discussed and confirmed with each other that this vote is part one of two as the next vote will determine if it was due to factors beyond their control.

The Council roll call vote was as follows:

AYES: AHLERSMEYER, GAUTSCHE, KING, MCKEE, ORGILL, SCHARF, WEDDELL

NAYS: NONE

By a 7-0 unanimous vote, the motion passed.

Councilman Ahlersmeyer moved to find the property owner has made reasonable efforts to substantially comply with the Statement of Benefits and the failure to substantially comply was caused by factors beyond the control of the property owner. Motion seconded by Council President McKee.

The Council discussed whether or not to vote to require Supreme to come back to the Council for a hearing with more information.

Mr. Long confirmed their employee numbers are growing, after being questioned by Councilman Ahlersmeyer, just not at the rate they had anticipated.

Per the Council's request Mark Brinson stated with the City's point system Supreme would have lost 25 points for the decrease in job creations and would not have gained any additional points for the exceeded investment as it falls in the same bracket. With this scoring they would have been qualified for a 5 year phase-in.

President and CEO of the Economic Development Corporation of Elkhart County, Mark Dobson, stated he appreciates the debate of the Council and since Mr. Brinson confirmed even with a re-evaluation the scoring would still make a 5 year phase-in appropriate, he would like to respectfully request the Council honor that and at least give them a fifth year. The substantial investment they made in the equipment tells him they are staying in the community.

Angie Troyer requested the Council require Supreme to come back for a hearing with more information. She has questions regarding their plans for new jobs and wages.

Glenn Null, Goshen, stated new property purchased by Supreme is being fully taxed. They are a large employer in Goshen, he is in favor of approving this for another year as the motion was made and then review the jobs again next year.

David Daughtery, Goshen Chamber of Commerce President, spoke in support of Supreme and their efforts and granting this especially for one more year.

Mayor Stutsman stated with the information provided by Mr. Brinson he encourages the Council to approve this for one more year and review the jobs again next year.

The Council further discussed reasons to vote in favor or against the amendment, allowing one more year without substantial compliance due to the point system and the possibility of requiring an additional hearing for more information.

The Council roll call vote was as follows:

AYES: AHLERSMEYER, MCKEE, ORGILL, WEDDELL

NAYS: GAUTSCHE, KING, SCHARF

**DETERMINATION OF COMPLIANCE WITH STATEMENT OF BENEFITS –
LIPPERT II ERA**

(Councilman Ahlersmeyer left the room for this item due to his connection with Lippert)

Tom Bauters, Lippert Components Tax Director, stated there are several locations included in this phase-in but does not include 9 or 10 other locations they have in Goshen. They have a total of 12 locations in Goshen. They started this process in 2014 and had 3,200 employees at the Goshen locations in 2013; now they have 3,700. Mr. Bauters stated they have exceeded their investment but are deficient in jobs in the locations included in the Statement of Benefits but requested the Council look at the number of job increases including their other locations in Goshen and also requested continued support from the Council as they are up 500 jobs in Goshen in two years.

Councilwoman King questioned how much is Lippert's highest salary and lowest salary. Mr. Bauters stated that could not be used as a median as there are only a couple of people at those levels. He pointed out that their overall average salary is up from \$35,000 last year to \$37,000 this year and they have a wonderful benefit package. Mr. Bauters stated he could get information regarding their average hourly salary compared to \$13.00 in 2013 but could not provide that to Councilwoman Gautsche tonight.

Councilwoman Gautsche stated the City appreciates the investment and growth that Lippert has made in the community but at this particular plant they have not been able to increase the jobs to the number in the contract. Mr. Bauters stated the Department of Local Government Finance does not allow a company to place all of their buildings in the applications as options and it would be more likely to meet the goals if that were possible.

Mark Brinson stated by re-evaluating the scoring on Lippert with the current number of employees they also would qualify for a 5 year tax phase-in.

Mr. Dobson of EDCEC stated Lippert has grown to be the fourth largest private sector employer in Elkhart County with huge investments. They have begun a very diligent effort to compensate at a higher rate for the same type job classifications to lower job turnover. With the findings of the scoring system he would like to respectfully request the Council allow this to continue for a minimum of 5 years and continue to review annually. Councilwoman Gautsche stated she appreciates Mr. Dobson's information on the company as the Council does not have any of that.

Mayor Stutsman stated with the score re-evaluation he recommends the Council approves the phase-in to continue.

After being questioned by Councilwoman King, Mark Brinson stated according to the calculations provided by the County, Lippert has saved approximately \$80,000 with the phase-in.

Councilwoman Gautsche stated the phase-in was based on this project and she has a hard time not bringing Lippert back for a hearing.

Councilman Weddell moved to find the property owner has made reasonable efforts to substantially comply with the Statement of Benefits and the failure to substantially comply was caused by factors beyond the control of the property owner. Therefore, the property owner is to be treated as if in substantial compliance with the Statement of Benefits. Motion seconded by Council President McKee.

Councilman Scharf stated Mr. Bauters brought up the State's policy on this and the possible need for changes regarding they know where they need the jobs and may have to adjust their plans as they manage the business and facilities. He further stated this makes a tough position for both sides of this partition. Lippert does have great manufacturing facilities and the City is investing a lot of money in the south side of town building up the infrastructure and he is happy Lippert among others can run their operations better with the improved infrastructure.

The Council roll call vote was as follows:

AYES: MCKEE, ORGILL, WEDDELL

NAYS: GAUTSCHE, KING, SCHARF

Mayor Stutsman broke the tie vote by voting yes, and the motion passed.

ORDINANCE 4868

Council President McKee introduced Ordinance 4868 entitled "ESTABLISHING A LOIT SPECIAL DISTRIBUTION FUND."

Council President McKee asked the Deputy Clerk-Treasurer to read the Ordinance by title only for its first reading and moved its passage. Motion seconded by Councilman Ahlersmeyer.

Mayor Stutsman stated the Clerk-Treasurer provided him with some numbers and this fund will receive 75% of the distribution which amounts to \$2,608,503. This money has to be used for

road projects and equipment used for roads. He and staff are currently looking at how to best use the funds and what State matches are available over the next two years.

After being questioned by Councilman Orgill as to what the State is trying to accomplish here, Attorney Barkes explained it is his understanding money has been retained down at the State and this is distributing it back to where it should have gone.

By a 7-0 unanimous vote of the Council the motion passed.

Mayor Stutsman asked for unanimous Council consent to consider the Ordinance for passage during one meeting. As there were no objections, the Mayor declared that the Ordinance would be heard on second reading.

Council President McKee asked the Deputy Clerk-Treasurer to read the Ordinance by title only for second and final reading and moved its passage by roll call vote. Motion seconded by Councilwoman King.

Dave Daughtery stated this is the State giving money that was due to the community previously and he finds it insulting the legislators are telling you how to spend the money. The Indiana Chambers have been asking if local income taxes could be collected at the local level which could be done at a minimal cost. This would keep the funds local to be spent on what each community knows they need locally. He encouraged everyone to request your legislators allow Local Option Income Tax to be collected locally.

The Council roll call vote was as follows:

AYES: AHLERSMEYER, GAUTSCHE, KING, MCKEE, ORGILL, SCHARF, WEDDELL

NAYS: NONE

(ORDINANCE 4868 DULY PASSED AND ADOPTED THIS 21st DAY OF JUNE 2016.)

RESOLUTION 2016-20

Council President McKee introduced Resolution 2016-20 entitled “APPROVING THE INTERLOCAL MEMORANDUM OF UNDERSTANDING BETWEEN COUNTY OF ELKHART, CITY OF ELKHART, AND CITY OF GOSHEN FOR THE 2016 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT FORMULA PROGRAM AWARD.”

Council President McKee asked the Deputy Clerk-Treasurer to read the Resolution by title only and moved its passage by roll call vote. Motion seconded by Councilman Ahlersmeyer.

Assistant Police Chief Miller explained this is the annual grant that three of the agencies in the County jointly receive. This year our share is just over \$20,000 and we will be using it for equipment needs. Officer Miller explained they are getting some stop sticks devices replaced, a scanner/printer, some phasers with holsters, some portable radios, an idling device they are trying out with Central Garage to see if it saves on fuel are some of the items.

By 7-0 unanimous vote of the Council, Resolution 2016-20 was passed.

RESOLUTION 2016-21

Council President McKee introduced Resolution 2016-21 entitled “AN EMERGENCY RESOLUTION PROVIDING FOR THE TRANSFER OF FUNDS.”

Council President McKee asked the Deputy Clerk-Treasurer to read the Resolution by title only and moved its passage by roll call vote. Motion seconded by Councilwoman Gautsche.

Assistant Fire Chief Merv Miller explained the hospitals used to get this Medicaid Advantage Care but the EMS/pre-hospital care was not allowed to. Legislation has passed and now we can go back three years and get some funding assistance. Discussion is still being held as to if we will be allowed in 2017 to get funding for 2016. This is not a new program but was never before offered to EMS.

Mayor Stutsman stated after this money is paid and the City receives the return of funds, he would like the Council to support re-funding this line in this amount for the Fire Department’s usual budget expenses.

By 7-0 unanimous vote of the Council, Resolution 2016-21 was passed.

COMMUNITY RELATIONS COMMISSION APPOINTMENT OF CITIZEN MEMBER

Council President McKee stated he talked with CRC Chair, Nate Remple, and currently they do not have anyone on the horizon and would like to see this postponed to find someone interested. CRC Member, Councilman Ahlersmeyer, stated they do have some interested individuals so they will have some names to the Council soon.

The Council discussed further looking into getting notice of board and commission openings out to the public. Councilwoman King will investigate as to if an email notification regarding openings can be sent to the followers that have signed up for City of Goshen notifications.

PRIVILEGE OF FLOOR

Glenn Null, Goshen, stated he likes the idea of a form for people interested in getting involved. Further every time a non-profit such as IU Health opens up a new building the City is not receiving any taxes. IU Health needs a suggestion given as to how they should be contributing more to the community. He would like to commend Councilman Ahlersmeyer for leaving the room due to a conflict of interest during the Lippert ERA determination. Also he needs either the City or the County to help him with the lake (flooding) in his back yard. Finally the lake at Linway needs attention.

Angie Troyer, Elkhart County Voter Registration, stated she wants to speak about the possible student appointment to the Council. There will be a student election and Mayor Stutsman has agreed to honor the election results with his appointment.

Angie Troyer stated she loves the City's new website but she could not find the commission for civil rights or those who represent minorities. Councilwoman Gautsche explained that would be the Community Relations Commission.

Councilman Scharf stated some communities name their Council districts with descriptive names such as southern or western district so folks may have a better idea what district they live in rather than the number.

Councilman Weddell stated he appreciates the Mayor attending the School Board Meeting and requesting additional funding from the school on the crossing project on Plymouth Ave. The school is now giving an additional \$50,000 to the project.

Discussion was held on the Council adopting the most current version of Robert's Rules of Order. Mayor Stutsman stated Attorney Barkes is looking into this and some of the rules conflict with State Statute so we are holding off on that right now.

Council President McKee moved to adjourn. Motion seconded by Councilwoman Gautsche and the meeting adjourned at 8:45 P.M.

APPROVED: _____
Mayor, Jeremy Stutsman
Goshen, Indiana

ATTEST: _____
Tina M. Bontrager
City Clerk-Treasurer