

GOSHEN COMMON COUNCIL

Minutes of the FEBRUARY 10, 2025 Regular Meeting

Convened in the Council Chamber, Police & Court Building, 111 East Jefferson Street, Goshen, Indiana

At 6:00 p.m., Council President Brett Weddell, substituting for Mayor Leichty, called the Common Council meeting to order and led the Pledge of Allegiance.

Council President Weddell asked Clerk-Treasurer Aguirre to conduct the roll call.

Present: Linda Gerber (At-Large) Phil Lederach (District 5) Doug Nisley (District 2)
Megan Peel (District 4), Donald Riegsecker (District 1) Matt Schrock (District 3)
Council President Brett Weddell (At-Large)

Absent: Youth Adviser Tageeya Galeb (non-voting)

Council President Weddell announced that Mayor Leichty was unavailable to preside at tonight's meeting due to sickness and he wished her well.

Approval of Minutes:

None available to review

Approval of Meeting Agenda:

Council President Weddell presented the agenda as prepared by the Clerk-Treasurer. Councilor Nisley moved to approve the agenda as presented. Councilor Peel seconded the motion. **Motion passed 7-0 on a voice vote.**

Privilege of the Floor:

At 6:02 p.m., Council President Weddell invited public comments for matters not on the agenda. There were none.

1) Public hearing: Resolution 2025-02 – A resolution related to the financing of the Shanklin Pool Project, the leasing of same to the City, as well as under which terms and conditions, the scheduling and notification of a March 24, 2025 public hearing and the ratification of the appointments of members of the Municipal Building Corporation

At 6:02 p.m., Council President Weddell opened a public hearing on Resolution 2025-02, *A Resolution of the Common Council*. No one asked to speak, so Council President Weddell closed the public hearing.



Council President Weddell then called for the introduction of Resolution 2025-02, *A Resolution of the Common Council*. Councilor Nisley asked the Clerk-Treasurer to read Resolution 2025-02 by title only, which was done.

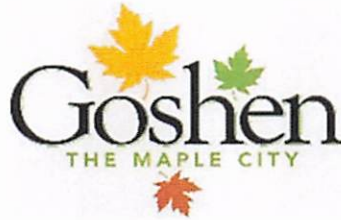
Councilors Nisley/Peel made a motion to approve Resolution 2025-02.

BACKGROUND:

Resolution 2025-02 would provide for the financing of the Shanklin Pool Project, the leasing of same to the City, as well as under which terms and conditions, the scheduling and notification of a March 24, 2025 public hearing and the ratification of the appointments of members of the Municipal Building Corporation.

According to Resolution 2025-02:

- The Goshen Municipal Building Corporation has been organized pursuant to the Indiana Non-Profit Corporation Act of 1991 for the purpose of acquiring a site or sites, constructing, renovating, expanding and equipping governmental buildings, including the construction of a new municipal pool, together with all necessary appurtenances, related improvements and equipment ("Project") for use by the City of Goshen, Indiana ("City"); and
- A petition in eight (8) counterparts, signed by fifty-four (54) taxpayers of the City has been filed with the Council requesting the construction of the Project by the Corporation and leasing the Project from the Corporation; and
- Such petition has been carefully considered and investigation has been conducted by this Council, both before and after the filing of said petition; and
- It is deemed desirable to proceed with the necessary negotiations and all other steps looking toward the construction of the Project by the Corporation and the lease of the Project to the City; and
- A proposed lease for the construction of the Project ("Lease") with the Corporation has been submitted; and
- The Lease provides that lease rentals will be payable from an ad valorem property tax levied on all taxable property in the City; and
- The City published a Notice of Preliminary Determination Hearings on Jan. 31, 2025 in *The Goshen News* and mailed such notice to the Elkhart County Clerk and any organizations requesting such notice as provided in Indiana Code 6-1.1-20-3.1, with respect to the ("Project"); and
- The first preliminary determination hearing was scheduled to be held on Feb. 10, 2025 and the second preliminary determination hearing was to be held on Feb. 24, 2025 in accordance with the notice and the law of the State of Indiana ("State"); and
- The City has made the following information available to the public at the public hearings: (a) the result of the City's current and projected annual property tax debt service payments divided by the certified net assessed value of taxable property within the City, which is 0.06%; (b) the result of (i) the sum of the City's outstanding long term debt, plus the outstanding long term debt of other taxing units that include any of the territory of the City, divided by (ii) the net assessed value of taxable property within the City, which is 9.42%; and (c) the estimated amount of the City's debt service levy and rate that will result during the following 10 years if the City enters into a lease and issues the bonds, after considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period as follows:



Year	Estimated Total Debt Service Levy	Estimated Total Debt Service Rate
2026	\$1,021,550	\$0.0545
2027	\$1,109,800	0.0592
2028	\$1,115,950	0.0596
2029	\$1,110,950	0.0593
2030	\$1,115,800	0.0596
2031	\$1,109,200	0.0592
2032	\$1,117,000	0.0596
2033	\$1,113,000	0.0594
2034	\$1,117,000	0.0596
2035	\$1,115,000	0.0595
2036	\$1,111,000	0.0593

- It now appears to this Council that the Project provides the necessary facilities for the citizens of the City, and that the proposed Lease with the Corporation, as Lessor, provides for fair and reasonable rentals.

Upon passage of Resolution 2025-03, it would be resolved by the Common Council:

Section 1. Providing for the financing of the Project by the Corporation and the leasing of same to the City is in the public interest of the citizens of the City, and it is a proper public purpose for which this Council agrees to cooperate with the Corporation and to assist it in fulfilling the requirements of all agencies of the federal, state and county governments.

Section 2. The terms and conditions of the proposed form of the lease are approved and agreed to as the basis for a hearing, as required by law, and that such hearing should be held by this Council upon the necessity for the execution of such lease and whether the lease rentals provided therein are fair and reasonable rentals for the proposed Project, prior to final determination of such questions, so that this Council may determine whether to execute such Lease as now written, or as modified, said hearing to be held March 24, 2025 at 6:00 p.m. in the Council Chambers, Police & Court Building, 111 East Jefferson Street, Goshen, Indiana

Section 3. The Clerk-Treasurer is authorized and directed to publish a notice of such hearing as required by law.

Section 4. Upon the redemption or retirement of the bonds to be issued by the Corporation, the City will accept from the City title to the Project, free and clear of any and all liens and encumbrances thereon.

Section 5. The Lease will be for a maximum term of twenty (20) years with a maximum annual lease rental of \$1,200,000 with regard to the Interim Tracts (as defined in the Lease) and, at the end of the Interim Period (as defined in the Lease), a maximum annual lease rental of \$1,500,000. The purpose of the Lease is to provide for the financing of the construction of the Project.

Section 6. The Council preliminarily determines to enter into a lease agreement and issue bonds for the Project.

Section 7. The maximum annual lease rentals have been estimated based upon an estimated principal amount of bonds of \$14,000,000, estimated interest rates ranging from 3.50% to 4.75%, and total estimated interest costs of \$7,050,000. The City's current debt service levy is \$350,585 and the current debt service rate is \$0.0197. After the City enters into the proposed lease agreement and the bonds are issued, the debt service levy will increase by a maximum of \$710,565 and the debt service rate will increase by a maximum of \$0.0399. The purpose of the lease agreement is to provide for the construction of the Project.



Section 8. The Clerk-Treasurer is hereby authorized and directed to publish, or cause to be published, the notice of adoption of this preliminary determination in accordance with Indiana law.

Section 9. If a petition pursuant to Indiana Code 6-1.1.-20-3.1 is received by the City, the Secretary of the City is hereby authorized to publish a notice of the applicability of the petition and remonstrance process pursuant to Indiana state law.

Section 10. The Common Council hereby ratifies the appointment of the following members of the Goshen Municipal Building Corporation: Jorge Montenegro, Sharon Welsh and Vince Turner.

Section 11. This resolution shall be in full force and effect from and after its passage.

SUMMARY OF FEB. 10, 2025 COUNCIL CONSIDERATION OF RESOLUTION 2025-02:

Council President Weddell called for the introduction of Resolution 2025-02. Councilor Nisley asked Clerk-Treasurer Aguirre to read Resolution 2025-02 by title only, which was done.

Councilors Nisley/Peel made a motion to approve Resolution 2025-02.

Councilors Peel/Gerber then immediately made a motion to table Resolution 2025-02, to the Feb. 24, 2025 Common Council meeting. Motion passed 7-0.

Elected Official Reports:

Council President Weddell asked if Councilors had any reports.

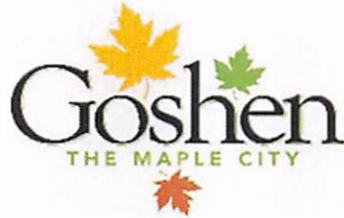
Councilor Gerber reminded Councilors that at 4 p.m. on Feb. 11, 2025 there would be a **public meeting at Chamberlain Elementary School to discuss the City's lead water service line replacement project.**

Councilor Gerber briefed Councilors on the proposed property tax growth caps in **Gov. Mike Braun's** draft budget, which is currently before the Senate Committee on Fiscal and Tax Policy as **Senate Bill 1**. Councilor Gerber said if SB 1 passes as proposed, the projected loss of revenue to the City of Goshen would be about \$9.5 million over the next three fiscal years, which she said would be "devastating" to City operations.

Councilor Gerber said, "I know **Mayor Leichty** has been participating in meetings in Indianapolis to advocate on behalf of the City, and I think we, as Councilors, have a responsibility to do so as well. I fully agree that the increases to assessed (property) values and our property taxes have been tough on a lot of property owners, but addressing that requires a viable revenue replacement which is currently missing. So, I encourage everyone on this Council who hasn't already done so to reach out to our Senator, (Blake) Doriot, and the members of the Fiscal and Tax Policy Committee to advocate on behalf of Goshen."

Councilor Gerber also said she has been working on a resolution with input from **Councilors Weddell and Peel** that is currently going through legal review and that she would like the Council to consider at the Feb. 24 Council meeting. She said the draft resolution is based on resolutions that have passed in three other communities. If passed, she said the resolution would be submitted to state lawmakers as a statement in opposition to Senate Bill 1.

Council President Weddell responded, "I'd agree with everything she's just said there The current proposal has a lot to do with changing the deduction format which, based upon my calculations, I think, would have minimal impact."



Council President Weddell said, "The real concern is the caps on growth. I think we can all agree that we don't like to see our property taxes go up, but that's also based upon your assessed value of your home and it's supposed to reflect current market rate value. And so, if that's what it is, then I think it's legitimate."

Council President Weddell continued, "So, I definitely have concerns about the issue of not replacing the revenues lost. I don't know how the City can function with the projections that are being proposed to us. So, I think Councilman Gerber will kind of get out (the resolution) to each of us so that we can review it ... I've worked on it with her, and so has Councilman Peel, but this isn't something that just the three of us are going to say, 'This is what we're going to sign.' I think everyone should look at and give input."

Council President Weddell said, "We didn't try and recreate the wheel on this. There's a lot of information out there and some (cities) already passed resolutions that really hit on the points that she addressed that need to be addressed. So, once that's out, I encourage all of you to reach out to myself, to Councilor Gerber Peel, or anyone else, and review these, and also talk with **Mayor Leichty** because she definitely has a better feel on what's going on with all the meetings that she's attended in Indianapolis."

Council President Weddell said Accelerate Indiana Municipalities (AIM), an organization that represents the state's cities, has disseminated information on the projected property tax losses of Senate Bill 1 on all counties. He said, "I think, for the Elkhart County as a whole, all taxing districts between \$32 to \$38 million dollars, which is significant."

Councilor Peel responded, "It seems kind of irresponsible on the Governor to propose such a tax reduction across the entire state without offering up possible options to replace it. I am in fever getting something out there."

Councilor Lederach said, "Goshen Community schools will have significant impact to the tune of around \$9 million dollars in the next three years, which would mean the possibility is to cut personnel. There's no other way to replace that (revenue)."

Council President Weddell said, "The personnel for both the City and the school is the largest portion of our budget and some of the most important aspects."

Councilor Gerber said, "You're as good as your people."

Councilor Gerber also said she would gather feedback on the draft resolution from Councilors, by sending individual emails, and would welcome suggestions for revisions.

At the consent of the **Council President**, **Clerk-Treasurer Aguirre** asked **City Attorney Bodie Stegelmann** if the Council will still need to convene a special meeting, as proposed for March 3, to hold a second public hearing on **Resolution 2025-02**. He noted that earlier in the day there were emails from the City's bond counsel stating that a March 3 Council meeting would be necessary if the public hearing on Resolution 2025-02 could not be held tonight. Since the public hearing was held, Aguirre asked if a meeting was still necessary on March 3. **City Attorney Stegelmann** said **Assistant City Attorney Don Shuler** was handling the issue, but said he thought the convening of the hearing tonight might have resolved the issue. **Council President Weddell** said the issue would probably be resolved in the coming week and that the second public hearing could be held on Feb. 24.

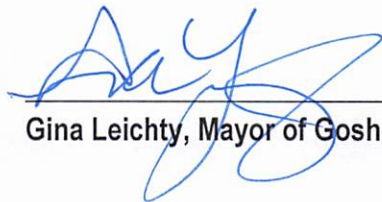


Adjournment:

Councilor Nisley made a motion to adjourn the meeting. Councilor Peel seconded the motion. By a 7-0 voice vote, Councilors unanimously approved the motion to adjourn the meeting.

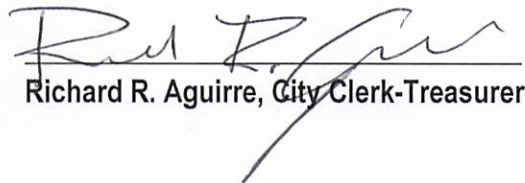
Council President Weddell adjourned the meeting at 6:11 p.m.

APPROVED:



Gina Leichty, Mayor of Goshen

ATTEST:



Richard R. Aguirre, City Clerk-Treasurer