

**MINUTES OF A REGULAR MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA**

May 30, 2025

Minutes are not verbatim. To Hear Full Comments, Please refer to the – Watch City Meetings Section of the City of Valparaiso’s Website (WWW.CI.VALPARAISO.IN.US)

The Common Council of the City of Valparaiso, Indiana, met in special session on Friday, May 30, 2024 at 3:00 p.m. in City Hall. Attorney Patrick Lyp took roll call. Present were Councilmembers Reed, Cotton, Domer, Pupillo, Anderson (via Teams), and Kapitan. Councilmember Hunt was absent.

ORDINANCE NO. 9, 2025

**AN ORDINANCE AUTHORIZING THE CITY OF VALPARAISO TO ISSUE ITS
REVENUE BONDS, SERIES 2025 (VALPARAISO UNIVERSITY PROJECT) AND
APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO**

Councilmember Kapitan moved that Ordinance No. 9, 2025 be read a third time by title and be considered for adoption with the opportunity for the offering of amendments. Councilmember Reed seconded the motion. Attorney Patrick Lyp read Ordinance No. 9, 2025.

Mark Volpatti – VU is asking the City of Valparaiso to be the conduit for this one transaction. They were looking at up to \$117 Million dollars but it will be more around \$55 Million Dollars. Most of this is \$37 Million Dollars to refinance current debt. The other \$12-\$15 Million Dollars is for new capital projects and deferred maintenance.

Councilmember Cotton – He listened to the VEDC meeting. He is ok with this project.

Councilmember Kapitan – She asked Attorney Lyp to give a summary of the VEDC meeting.

Attorney Patrick Lyp – This Ordinance was before the Council at their last meeting. There was a presentation by VU. VU is asking the City to be a conduit. At the VEDC meeting it was shared that under the tax code VU is a non-profit entity. To have access to be able to issue non-taxable debt they need an intermediary. The City will do this. VU also came before the VEDC. There was a Public Hearing. At that time the focus was more on what the impact to the community will be. This is not a new project. There are no impacts to other universities or colleges within the City. The VEDC issued a report and signed a Resolution giving its approval to the City Council to move forward. Now they are looking for the Council to approve this Ordinance. That ends the City’s direct involvement. The work then goes to taking their permission and going to the market and being able to issue the debt and finding buyers to finance the bond.

Mark Volpatti – In the beginning they were considering refinancing the 2014 bonds. With the interest rates they decided it does not make financial sense right now.

Councilmember Cotton – It is his understanding that once they authorize the \$117 Million Dollars, if the interest rates change VU still reserves the right to go up to the \$117 Million dollars.

Mark Volpatti – They probably would use the Indiana Financing Authority.

Attorney Patrick Lyp – The City has no liability and this does not impact the City in any way. There was a Public Hearing at the VEDC meeting. The policy of the City has been that if folks do come out they will be allowed to briefly provide their opinion to the Council.

PUBLIC COMMENTS

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John Ruff – He is a Senior Research Professor at VU. He presented a Prepared Statement with 50 signatures. They ask that the Council give their permission conditioned on the University entering into a Deaccession Policy with the Brauer Museum of Art that will prevent the University from selling off more works of art for any reason other than to improve the collection. This is a widely accepted ethical principle observed by museums internationally. It will not hurt the University's reputation. He discussed reports that have been written and downgrading of the University's rating due to the sale of artwork.

Mark Volpatti – He understands the emotions involved with the sale of the artwork. They are here asking for the City to be a conduit. This is going to be a benefit to the University and the City. The artwork sale is a philosophical question. They are here asking the Council to review the request at hand and give that yes or no without any contingencies.

Richard Wheeler – 2410 Primrose. He was concerned about the City's liability. That has been cleared up. He would like to know where the money is going to be used. He encouraged VU to sell land and put it back on the tax rolls.

Questions/Comments from the Council

Councilmember Domer – Not one individual reached out to her in support of the Ordinance. One was opposed. And 28 were in support conditioned on VU putting into place a Deaccession Policy for the Brauer Museum of Art that would prevent them from selling off more works of art for any reason other than to improve the collection. Mr. Volpatti has made the statement that the artwork was sold because the assets were not contributing to the overall operational ability of the campus to run. This same situation can be used in the future to sell off any VU asset. This leaves the current artwork vulnerable. Bond counsel Nie says the successful completion of this financing transaction will support Valparaiso University to maintain a solid financial footing, operate with predictable cash flows and invest in academic programs to ensure the success of the institution. She supports the University adopting a deaccession policy and urges them to move forward with the policy. She cannot attach her decision with the bonds with this condition.

Councilmember Cotton – He would defer to making any additional controversy associated with the ability for our University to be here. They could have the most beautiful museum on this side of the Mississippi but if there are no students there is no institution. He would have to defer to circumstances that as a small institution confronted with a very difficult set of circumstances seeming to have a path forward, he is going to root for the University and hope that in future conversations there will be a move towards deaccession.

Attorney Patrick Lyp – He is not sure how it would be done as part of this process. There would be a lot that goes into the deaccession policy. His recommendation is to encourage the university to keep the art collection.

Councilmember Reed – She was hopeful that the artwork would not have been sold. She does not feel that is under the Council's purview here. She lives right next to the campus. This situation has been years in the making shaped by different events along with a series of decisions made by different individuals. These decisions gradually shifted focus away from the core mission of education and toward real estate development and ownership. She has noticed changes over time in her neighborhood. One such example is McIntyre Court. This was once a vibrant neighborhood lined with houses. Today it is a patchwork of remaining houses and empty lots. Another area was once a stable owner occupied neighborhood and is now largely university owned with only two properties remaining in private hands. The roads in that area are in poor condition. The City has a minimum capacity to justify investment where only two properties remain that are outside of the ownership of the University. In her precinct 40 homes have been demolished by VU. This is while government, civic and religious leaders are all emphasizing the urgent need for affordable and attainable housing. The irony is hard to miss. Prior to 2016 she had concerns about the number of properties being removed from the tax roles by the university. That number has only grown. As Valparaiso University's footprint has expanded our City has lost not just housing stock but also commercial properties. Both once contributed vital tax revenue. This revenue helped the City pay for roads, infrastructure and essential community service. Properties like 1502 Lincolnway used to be a laundromat that supported both the community and VU students. It came off the tax rolls in 2017 and still sits vacant. The Strongbow property came off the tax rolls in 2023. When an institution pays no property taxes it becomes far too easy to acquire land at scale without fully counting for the broader impact on the surrounding community. The result is a loss not only in land tax dollars but in neighborhood character, economic diversity and opportunity. She hopes the City's willingness to support the university in its time of need will be met with some reciprocation in the future. True partnership and mutual respect make a community thrive. Being a good neighbor must go both ways.

Councilmember Pupillo – We all have our opinions and we all have fielded a lot of opinions about the university. This is just the City helping the University. The University is so central to Valparaiso. We all want to see them succeed. There are serious concerns. The artwork and particularly the amount of land that is acquired and owned by the University. It is large. He thinks they may be the largest landowner in the City. From a policy standpoint and a development standpoint it becomes a challenge. He will support this Ordinance without any condition so they can do what they need to do to succeed.

Councilmember Anderson – No comment other than he supports the University.

Councilmember Kapitan – There are a lot of eyes on the Council and how they respond to this. Therefore, there are eyes on the University as well. Especially following the sale of the artwork. There are multiple housing projects within the City. She hopes this helps kick this off and be successful. She is glad they retold them what the funds will be used for. That is what a lot of comments were that she received. The push for a deaccession policy is huge. She hopes it is taken back to the University with the seriousness it deserves. She supports that and would like to see that conversation continue.

She was at a meeting recently where they stated the enrollment numbers. She asked if they could share those numbers and what this looks like going forward.

Mark Volpatti – Currently they are trending about equal to last year. They are about a 2,000 undergraduate institution and about 750 graduate institution. They are at the 2,000 mark now. They are looking to grow the graduate programming over the next couple of years by introducing some new programs. In a couple of weeks they have orientation for freshmen. That is where they solidify who is coming.

Councilmember Kapitan - There are 200 full time professors, 90 part time professors, and 375 full time and 150 part time staff and 300 working students during the school year. You also added that about 385 employees full and part time live in Valparaiso. This shows how important it is that the University is successful so that our City is successful. For that reason she is supportive of the bond. She hopes conversations had here are used to move into the future together.

Upon roll call Vote the Motion to adopt Ordinance No. 9, 2025 passed with a 6-0 vote. Councilmember Hunt was absent.

PUBLIC COMMENTS

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John Ruff – He is a Senior Research Professor at VU. He speaks for Richard Brauer and the people that support the Brauer Museum in saying they are happy to have had a chance to express their needs and desires. Richard withdrew from a court case because the University had threatened him with financial ruin if he did not withdraw. They have some anger and bitterness but want to move forward. No one asked the question why was the sale kept secret. This group has not been transparent. They have not offered to work together in any fashion. He hopes the University leadership takes to heart the Council's encouragement.

The Next Council Meeting will be June 9, 2025

The meeting was adjourned at 3:44 p.m.

/s/ Holly Taylor, Clerk-Treasurer

