

**MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA
January 25, 2021**

The Common Council of the City of Valparaiso, Indiana, met on Monday January 25, 2021 at 6:00 p.m. in City Hall. Mayor Murphy called the meeting to order. The Pledge of Allegiance was said. Present were Councilmembers Reed, Cotton, Schmidt, Pupillo, Anderson, Costas and Douglas.

MINUTES

Councilmember Douglas moved to approve minutes of the January 11, 2021 meeting. Councilmember Reed seconded the motion. Upon voice vote the motion to approve passed with a 7-0 vote.

ORDINANCE NO. 1, 2021

AN ORDINANCE APPROPRIATING FUNDS IN THE FIREFIGHTING FUND AND PROVIDING FOR PUBLICATION OF NOTICE

Councilmember Douglas moved that Ordinance No. 1, 2021 be read a second time by title and a third time in full and be considered for adoption and the opportunity be given for the offering of amendments. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read the Ordinance.

Chief Dutz explained this is an annual appropriation. Revenue for this Fund comes from inspection fees and the Valparaiso University payment.

Mayor Murphy stated Ordinance No. 1, 2021 requires a Public Hearing. He presented Proof of Publication that at tonight's meeting the Council will hear comments for and against an appropriation in the Firefighting Fund. Attorney Patrick Lyp stated no requests have been received from the public to speak for or against this Ordinance. Seeing no one to speak on this Ordinance, Mayor Murphy closed the Public Hearing.

Upon roll call vote the motion to adopt Ordinance No. 1, 2021 passed with a 7-0 vote.

ORDINANCE NO. 2, 2021

AN ORDINANCE APPROPRIATING FUNDS IN THE UNSAFE BUILDING FUND AND PROVIDING FOR PUBLICATION OF NOTICE

Councilmember Douglas moved that Ordinance No. 2, 2021 be read a first time and considered on first reading. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Ordinance No. 1, 2021.

Vicki Thrasher explained this is an annual request to cover any demolitions they may have this year.

Councilmember Douglas moved to carry Ordinance No. 2, 2021 to the February 8, 2021 meeting. Councilmember Reed seconded the motion. Upon voice vote the motion passed with a 7-0 vote.

RESOLUTION NO. 1, 2021

A RESOLUTION APPROVING THE TRANSFER OF FUNDS IN THE FIRE PROTECTION TERRITORY EQUIPMENT REPLACEMENT FUND

Councilmember Douglas moved that Resolution No. 1, 2021 be read and considered for passage. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Resolution No. 1, 2021.

Chief Dutz explained this was incorrectly listed in the 2021 budget as capital assets. This fixes the problem.

Councilmember Douglas moved to adopt Resolution No. 1, 2021. Councilmember Reed seconded the motion. Upon roll call vote the motion to adopt Resolution No. 1, 2021 passed with a 7-0 vote.

RESOLUTION NO. 2, 2021

A RESOLUTION TRANSFERRING FUNDS TO THE RAINY DAY FUND

Councilmember Douglas moved that Resolution No. 2, 2021 be read and considered for passage. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Resolution No. 2, 2021.

Clerk-Treasurer Taylor explained this is the same amount transferred in 2020. She could have transferred more but with not knowing what this year will bring she stayed conservative. The Rainy Day Fund balance is \$4.5 Million.

Councilmember Costas asked if this is a typical transfer. Clerk-Treasurer Taylor explained we can only transfer 10% of our unspent appropriations. For 2020, unspent appropriations were at \$1.8 million. We could have transferred \$180,000, however with the reduction in some revenue sources and the uncertainty ahead of us for 2021, she opted to remain conservative.

Councilmember Douglas stated with 2020 being a covid year and all that went on, it is good that we can transfer this much. He asked if money can be appropriated out of the Rainy Day Fund and Clerk-Treasurer Taylor replied yes.

Councilmember Pupillo asked what the goal is for the balance of the Rainy Day Fund. Mayor Murphy explained the previous administration had set a goal of \$5 Million Dollars. When we get to that amount it can be discussed.

Councilmember Reed asked if Rainy Day Funds have been used recently. Clerk-Treasurer Taylor replied a few years ago there was an emergency involving a bridge on Harrison. A bridge was washed out during a rainstorm. Rainy Day funds were used for that repair project.

Councilmember Cotton stated this shouldn't be looked at as a replacement of every single dollar.

Councilmember Douglas moved to adopt Resolution No. 2, 2021. Councilmember Reed seconded the motion. Upon roll call vote the motion to adopt Resolution No. 2, 2021 passed with a 7-0 vote.

RESOLUTION NO. 3, 2021

A RESOLUTION AUTHORIZING THE CLERK-TREASURER OF THE CITY OF VALPARAISO TO MAKE TEMPORARY LOANS TO TAX SUPPORTED FUNDS FROM THE RAINY DAY FUND

Councilmember Douglas moved that Resolution No. 3, 2021 be read and considered for passage. Councilmember Reed seconded the motion. Clerk-Treasurer Taylor read Resolution No. 3, 2021.

Clerk-Treasurer Taylor explained this money helps the Fire Territory while they are waiting for the tax draws to come in.

Councilmember Pupillo asked how long we have been doing this for the Fire Territory. Chief Dutz and Clerk-Treasurer Taylor explained the Department used to get a Tax Anticipation Loan from the State of Indiana. In 2017 the City was able to do this transfer instead of getting the loan. The amount they request each year is getting less. This has saved money interest for the City.

Councilmember Douglas asked if anybody else has had to do that. Clerk-Treasurer Taylor replied not that she is aware.

Councilmember Cotton asked what the rate is for the Tax Anticipation Loans. Clerk-Treasurer Taylor replied she is not sure since the City has not needed to get one, but she does know the rate is 2% for equipment loans.

Councilmember Douglas moved to adopt Resolution No. 3, 2021. Councilmember Reed seconded the motion. Upon roll call vote the motion to adopt Resolution No. 3, 2021 passed with a 7-0 vote.

Redevelopment Commission Report

Brandon Dickinson gave a presentation on the Redevelopment Commission. The Redevelopment Commission has a six-member board. Three appointments from the Mayor, two are appointed by the Council and one from the school board. Their budget is separate from the City's budget. It is a self-approved budget. Revenue for the RDC comes from TIF Districts. Expenditures must take place in the tax allocation area or be a service that is used in that area. Their Core projects this year are \$2.2 Million Dollars on Bus Service; \$2.2 Million Dollars on Journeyman Distillery; \$1 Million Dollars on Industrial Parks; and \$600,000 proportionately to the East Porter Schools and Valparaiso School Corporation. The money to the schools is an annual payment.

The pandemic has changed the bus service. A lot of the people who went into Chicago every day have found that now they only need to be there one or two days a week. This puts Valparaiso in a good light for people wanting to move out of Chicago.

The roof, restoration of the water tower and the transit center are part of the Journeyman project. The water tower will be renovated and will be a landmark for the distillery.

They are negotiating with businesses to come to Valparaiso. These cannot be discussed right now. But it is all exciting things that are happening.

Another investment they are working on is the Lincolnway/Campbell intersection. They have been working on this for a few years now. They have been working to get grants for the work.

They made a significant jump in funding for the neighborhoods and art. They will help with funding and will work with Code Enforcement. If a home goes to sale, they can purchase it and turn it around. This increases the assessed value for the property. The Neighborhood Grants has been successful. Public art is important, so they are working to expand that throughout the community. They have allocated \$400,000 for sidewalks and pathways. Their goal is to add one mile of pathways every year. Their Debt Service figure is a healthy figure. They utilize several law firms to work on projects and they use Cender for financial needs. They do not anticipate any new debt.

Councilmember Douglas thanked the Council for reappointing him to the RDC. It is interesting to see that arts and the neighborhoods are higher than the industrial parks. The RDC sees the value being made with the Neighborhood projects and arts.

Councilmember Costas said it has been a pleasure to serve on the RDC Board. He is glad there are Neighborhood Grants. As a member of the RDC Board and living in a neighborhood that has received a grant, it is a great experience to see the process go full circle.

Councilmember Schmidt said the RDC has a broad range of where they help. It is seen all over the City. With covid, a lot could have been lost but it appears the RDC has been doing great.

Councilmember Reed stated she is looking forward to the new businesses coming to the City. She asked if covid has caused a reduction in bus service. Beth Shrader replied the DASH is down to running two buses. The V-Line and South Shore Connect are running a normal schedule.

Councilmember Cotton discussed the money that was spent on parking at the bus area. He wonders if there has been any discussion regarding utilizing that area for housing. He stated Beth reported the DASH is down to two buses. What had it been? Beth Shrader replied they were up to five buses. It is too early to determine what the recovery will be from the pandemic. As far as land use for the DASH lot, its function is for the DASH and other purposes.

Councilmember Cotton discussed the land mass in the Redevelopment Area. He believes it is 35% that is in a TIF. The revenue generated in a self-budgeting entity is usually about 20% of what the City runs on. So the 35% is extraordinarily high. At what time does what is being done in a TIF become a negative impact. It is cautioned that 10% is where it should be.

Brandon answered he is not sure about the 35%. He has no reason to dispute that number. It is important to remember that the RDC does do pruning. There is a constant ebb and flow. There has been no substantial annexation of land into a TIF district. In Indiana there are areas that have become stagnant. In Valparaiso we are busy. It is important to have a strong RDC and RDC budget to attract business. You need to be proactive. Valparaiso outperformed every community in Northwest Indiana because of our location, planning and ability to govern responsibly.

Councilmember Cotton asked if any money passes through to the owners of any of the RDC projects. To what extent does the declining AV on a building get passed on? Does any of the cost of the negative get passed on to help the taxpayers with such negative cash flow circumstances on some of these projects? Brandon replied comparing it to purchasing a house with a hole in the roof. The offer will be lower to allow for fixing the hole or the seller can fix the hole and get a better price. The benefit of Journeyman locating here is great for the City of Valparaiso. Investments in Valparaiso create a higher assessed value and new assessed value so individual's tax payments go down.

Councilmember Cotton discussed the difference between helping small businesses that have been the corner stone of our City versus large business.

Brandon talked about this being an incomplete analysis. Until it is known what a deal will produce, it is not known if it pays off or was a wrong project. You don't always get your money back immediately on an investment.

Councilmember Douglas stated when the RDC has projects they don't write checks to the people's pockets. The RDC is spending money on downtown. The RDC is spending money in industrial parks. This helps everybody. The success of the RDC is not judged one year from the completion of a project but possibly 25 years out. He also discussed how the projects bring new people to Valparaiso. This increases the shopping, restaurants, buying homes and many more aspects that improve Valparaiso. This increases over many years. That is why you don't look at the first year of a new business and its impact on the City.

Councilmember Cotton discussed the RDC projects and the appropriateness of them. He was told to not consider the investment of real estate as a portfolio. The direction and message should stay consistent with what we have now accrued.

Councilmember Schmidt stated he does not consider helping a business a negative cash flow. He considers it an investment. There is risk and reward. He believes the City's growth is on the right path.

Councilmember Douglas stated most projects that go through the RDC are private/public partnerships.

Councilmember Pupillo stated the Neighborhood Grants are great. He asked if the \$2.2 Million Dollars for Journeyman is just for this year. Brandon replied yes. It will fix the roof and restore the water tower. The Bus Service is a yearly budget. They adjust it based on demand. Valparaiso does not have a lot of office space available. But it has the people to do the office work and are willing to commute. He expects to see more people move here and then commute to Chicago once or twice a week. Industrial Parks has \$1 Million Dollars in the budget. Councilmember Pupillo said he sees the Hobart and Merrillville industrial parks are growing. Brandon replied they are growing because they are right on Interstate 65. This will eventually spill over to Valparaiso. The City needs to continue to be proactive investing in industrial parks.

Next year might be different. Brandon expects more interest from Illinois and Michigan. Councilmember Pupillo asked how surrounding cities and states handle business parks. In Illinois it seems as soon as one park is filled; another one is built. Brandon replied it is important for a community to emphasize what they are good at. He is sure when the current spec building sells, the question will be asked if another one should be built. It will have to be looked at and all possibilities considered. They want to attract good companies, good jobs and high ratings.

Councilmember Cotton discussed pending legislation and how vulnerable the City is?

In April Brandon will present the 2020 year-end financial report. AIM keeps the City apprised of pending legislation.

Councilmember Cotton stated he wants a flow chart showing line by line expenses.

Other Business

Councilmember Schmidt reported on the Parks. The General Fund and Non-Reverting Fund will show positive cash flow. Even with covid, they had revenue of over \$1 Million dollars in golf. They are working with the Health Department to see if they can get a skating schedule. They are working on the five-year Master Plan.

Mayor Murphy reported that the City is working with the City, County, and School Corporation on a solution to improve safety at the Highway 49 and 500N intersection. This is in response to a recent school bus accident at that intersection.

Mayor Murphy reported there is a community call with Dr. Stamp regarding covid. It is 35-40 minutes and discusses vaccines. It is very informative, and he encouraged listening to it.

Public Comment

No public comments have been received for tonight's meeting.

The meeting adjourned at 7:24 p.m.
/s/ Holly Taylor, Clerk-Treasurer