

Westfield City Council February 13, 2023

The Westfield City Council held a meeting on February 13, 2023 at Westfield City Hall. Present were Mike Johns, Scott Frei, Scott Willis, Jake Gilbert, and Joe Edwards. Troy Patton attended virtually. Kim Strang, Anne Poindexter and Manny Herceg were also in attendance.

Mayor Cook called the meeting to order at 7:00 PM

Changes to Agenda

The Q4 and Year-End Report will be heard prior to the 2023 RDC Budget Presentation.

Approval of Minutes:

Scott Willis made the motion to approve the January 23, 2023 minutes as presented. Joe Edwards seconded. Vote: Yes-6; No-0. Motion carries.

Claims:

Joe Edwards made the motion to approve the claims. Jake Gilbert seconded. Vote: Yes-6 ; No-0. Motion carries.

Miscellaneous Business/Special Presentation

Presentation: Oversight Committee Meeting Review/Jake Gilbert and Marla Ailor

Jake Gilbert stated that all boards and commissions of the city were being reviewed to ensure that the policies and procedures were being followed, term limits were recorded and up to date, and the records of such meetings were being kept. Mr. Gilbert stated they were looking into the Oath of Offices forms being completed and submitted to the Clerk's office for record retention and that they were currently working with legal to make sure all members were covered through a Surety Bond.

Marla Ailor announced that she had created a form which can be found on the city website (under resident drop down) where citizens may choose up to 3 boards/commissions where they might want to serve. The forms will be retained in the Clerk's office for review when a board opening becomes available.

Mr. Gilbert stated that the Preservation Commission has 5 appointees to be chosen by the Mayor.

Mayor Cook appointed the following: Diana Peyton, Kevin Mueller, Randy Zentz, Melody Jones, and Teresa Skelton.

There are also 3 appointments needed yet on the Fire Merit Board.

Mr. Gilbert thanked Marla Ailor, Kevin Todd, and others involved in getting this information collected.

Presentation: Q4 and Year-End Report/Linda Naas and Bob Beaudry

Bob Beaudry said he would be summarizing the basic items covered each month of the quarter.

October- The commission covered the Aptiv Battery Training Grant, had a presentation on the overlapping taxing units, ratification of GP user agreements, and 2023 budget approval (not including legal expenses).

November- GP user agreements were ratified, 2023 RDC meeting dates approved, and the Aptiv training grant was approved. Jeremy Lollar stated that Council wishes for the RDC to assume responsibility for legal fees generated in course of conducting commission business, including legal fees generated by and attributed to the RFP process at Grand Park.

Mr. Beaudry expressed concerns on the commission never being advised or approving the initiation of the RFP process, who authorized the approval, and if fees were being paid out of the correct EDA/ TIF areas. (Stating that you can't pay services out of one EDA to cover services in another one). Mr. Beaudry stated he would like to see Council approve an RDC operating budget reflected in council's general fund budget. He urged council to exercise oversight over the RDC due to concerns about using the "core 4" as a vehicle to finance all RDC expenditures.

December- User agreements were ratified; and a recap of Colts Training Camp. Mr. Beaudry stated that they had received an updated budget that varied from the budget approved in October. This budget included legal fees that were added in for the 2023 RDC budget and what EDA's they would be pulled from. This was never voted on by the commission. Mr. Beaudry asked John Rogers if the claims on the docket would be paid out of TIF funds, to which Mr. Rogers responded affirmatively. Further discussion continued.

Mike Johns clarified that the RDC budget that was presented and approved in October did not include any legal expenses.

Linda Naas stated the budget that they approved in October had an increase in TIF services funds in each TIF districts from \$68,500 to \$157,500 per year. The explanation they received was that it would be going towards new big projects coming to the city. The budget for repayment of the \$6M to the city for Grand Park, was budgeted to several different TIF districts. Mrs. Naas stated the commission has seen a changed budget but they have not approved it yet. Mrs. Naas stated there are required yearly reports, with the next report due on June 15th that shows the annual reporting process to determine what amount if any of assessed values should be passed through to underlying taxing units. Council has the approval authority of the RDC commission's determination or modify the amount of the excess assessed value to be passed through. Mrs. Naas asked council to review the report and to look if the expenses being paid are coming out of the correct TIF's (examples given).

Mike Johns asked if the RDC currently has a strategic plan for each TIF area. Mrs. Naas stated that the commission never talks about plans or votes on them, stating that she feels Indiana Code isn't always being followed. Mayor Cook asked legal counsel if the RDC was doing things 100% legally, to which Mr. Herceg replied, yes.

Presentation: Joe Plankis on RDC 2023 Budget

Joe Plankis stated that the document that he gave to council last Friday in regards to the budget, shows the cash balance for the 2023 budget, this is the actual beginning balance for the year. There is now a line item for legal fees associated with the RDC. Jeremy Lollar and Manny Herceg reviewed the 2022 actual costs to help determine what costs can be anticipated in 2023. This includes a maximum of \$100,000 going to RFP's for Grand Park, repayment of the \$6M (coming out of 4 different TIFS). The tax increment revenue that is anticipated for 2023 was based on a 7.9% reduction in the city tax rate and the increased assessed value within each individual TIF district.

Troy Patton asked Mr. Plankis if the budget has changed and if the commission has voted on it. Mr. Plankis stated the budget he had sent out to council on Friday is the revised budget including legal fees which was not in the approved budget in October. The RDC will need to vote on the revised budget at the next RDC meeting.

Mr. Patton also voiced his concerns on the legal fees being paid out of several different TIF's and according to SBOA this is not something that should be done. Mr. Patton encouraged legal counsel to work with the SBOA to get them to approve or to say what we are doing is accurate.

Mr. Gilbert asked if the RDC had been given the line by line breakdown of the legal fees, and what TIF's there were being paid from. City attorney, Manny Herceg, responded by telling Councilor Gilbert that the "serves and benefits test" is a legal distinction for which SBOA could not interpret as it "would be a power they don't have." Mr. Gilbert stated he thought it would be a good idea to give this information to the commission to review, because clearly, they feel uninformed.

Mike John expressed concern that they had currently seen 3 different budgets, the one approved in October, one in January, and the current one received on Friday. Each time the budget revenue projections are lower than the previous one. Mr. Plankis said they were recalculated based on a new tax rate, which wasn't received until a couple of weeks ago along with the assessed value from the county.

Joe Plankis stated that the RDC has a five-year plan that shows where all the bond money gets paid from, and what expenses are. The RDC needs to decide what dollar figure is a safe amount to have in reserve.

Jake Gilbert asked Mr. Plankis what the maximum amount that he mentioned would be spent on the RFPs for Grand Park. Mr. Plankis replied in working with Mr. Herceg and Mr. Lollar that a \$100,000 was budgeted as the maximum amount for the RFPs in 2023.

Scott Frei questioned where the additional expenses would come from. Mr. Plankis replied "it will be a gift, if they go over that is their problem". Mr. Frei confirmed with counsel they are capping their billable hours related to the RFPs at \$100,000.

Presentation: 2022 Year-End Budget Discussion

Jeremy Lollar gave an overview of the 2022 year-end budget vs actual. Overall Mr. Lollar stated that in looking at all departments we came in 17.8% under budget and have \$8.4 M in reserve. Mike John expressed his concerns over the Economic Development budget and suggested that moving forward, it might be increased to achieve what the city wants to see happen.

Old Business:

Ordinance 22-37: Authorizing the City of Westfield to Become a Member of the Central Indiana Regional Development Authority

Council Introduction: August 22, 2022

Adoption Consideration: September 12, 2022 (Voted to continue to future mtg.)

Adoption Consideration: February 13, 2023

Jeremy Lollar presented stating joining CIRDA would allow the city to pursue Federal and State dollars for projects that would make regional economic improvements. The state of Indiana has ready grant money available (\$300M). Joining CIRDA is the only way the city can pursue any of these dollars. There is no cost to join currently but there are five-year commitments that the city would be committing to. There was discussion among council, mayor and legal.

Jake Gilbert made the motion to approve Ordinance 22-37 as presented. Joe Edwards seconded. Vote: Yes-6; No-0. Motion carries. Mayor thanked council for approving.

Resolution 22-114: Adopting a Preliminary Strategic Economic Development Plan for Central Indiana Regional Development Authority

Council Introduction: August 22, 2022

Adoption Consideration: September 12, 2022 (continued)

Adoption Consideration: February 13, 2023

Mike Johns stated that this is the associated Resolution related to the above Ordinance, adopting the preliminary economic development plan.

Joe Edwards made a motion to adopt Resolution 22-114 as presented. Scott Willis seconded. Vote: Yes-6; No-0. Motion carries.

Resolution 23-100: Approving Certain Amendments to the Grand Junction Economic Development Area and Allocation Area

Council Introduction: January 23, 2023

Adoption Consideration: February 13, 2023

Jeremy Lollar presented stating that this Resolution and the following one are basically cleaning up TIF areas and removing residential parcels from the economic development area. This Resolution is approving the order that allows the parcels to be removed. After the Declaratory Resolution was passed, we elected to have some of the parcels although residential currently, they are prime for commercial use in the future and were added back into the TIF area. The Confirmatory Resolution will be amended to show this.

Scott Willis made a motion to approve Resolution 23-100 as presented. Troy Patton seconded. Vote: Yes-6; No-0. Motion carries.

Resolution 23-101: Approving Certain Amendments to the Eastside Economic Development Area and the Allocation Area

Council Introduction: January 23, 2023

Adoption Consideration: February 13, 2023

Jeremy Lollar stated that this is the same process, same timeline of the above Resolution. There are parcels also removed but some now have been elected to put back in the TIF area.

Scott Frei made a motion to approve Resolution 23-101 as presented. Joe Edwards seconded. Vote: Yes-6; No-0. Motion carries.

Ordinance 22-19: Woods, Robinson, Briggs PUD Amendment II

Council Introduction: June 13, 2022

APC Public Hearing: July 5, 2022

APC Recommendation: February 6, 2023

Adoption Consideration: February 13, 2023

Weston Rogers presented stating 4.5 acres is being added to the existing PUD, modifying the general regulations of district one, modifying the proposed Park Trailhead District standards, and replacing the district map, concept plan and character exhibits with revised versions.

Mike Johns asked about the Community Park, would the developer complete the park? Kevin Todd assured Mr. Johns that yes, the developer would complete the park. There is a provision written into this PUD Ordinance that there is a timing mechanism that requires the installation of the park (district 2). The park must be applied for within a year of the first permit of the residential area being issued and another year beyond that for construction. Building permits will be withheld if the two-year time frame is not met.

Scott Willis made the motion to approve Ordinance 22-19 as presented. Joe Edwards seconded. Vote: Yes-6; No-0. Motion carries.

Interlocal Agreement with INDOT and the City of Westfield (SR 32 and Mule Barn Rd.)

Council Introduction: January 9, 2023

Adoption Consideration: February 13, 2023

Johnathon Nail presented stated that the city had planned to widen Mule Barn Road and INDOT sees the need for safety improvements at the intersection of SR 32 and Mule Barn. INDOT has agreed to give the city up to \$1.5M for the construction of the intersection as part of this project. During construction, for liability reasons, the intersection will be owned by the city and given back once the intersection is complete.

Joe Edwards made the motion to approve the Interlocal Agreement as presented. Jake Gilbert seconded. Vote: Yes-6; No-0. Motion carries.

New Business

Resolution 23-103: Approving Certain Real Property Improvement Within the City of Westfield for Tax Abatement (Stellhorn Northpoint LLC Shell Buildings)

Kai Chuck presented stating that an Economic Revitalization Area was established in October 2019. The property being discussed is located within the established Northpoint Commerce Park. The developer (Stellhorn Northpoint LLC) desires to improve the property through the construction of three shell office/industrial buildings. This would be a ten-year abatement starting at 100% for the first year, decreasing by 10% each year following.

Lot 1 consists of 2 acres, the building will total 16,000 sq. ft, with \$2.9M in investments (6 new jobs average pay is \$28/hour). The 10-year abatement value is \$290,000.

Lot 2 consists of 2.3 acres, the building size would be 32,000 sq. ft., with about \$6M in investments (4 new jobs, average pay is \$27/hour, retaining 8 jobs at \$44/hour). The 10-year abatement value is \$605,000.

Lot 4 consists of 5 acres, the building will total 54,000 sq. ft., with 7.8M in investments (12 new jobs, average pay is \$28/hour). The 10-year estimated abatement value is \$789,000.

Andy Freiburger spoke saying along with his brother Jr. they own Stellhorn Northpoint LLC, which own 30 acres in Northpoint and JRF Construction. Mr. Freiburger stated they are working with an AG Company, currently located in Westfield to move into building 1. The corporate office for JRF construction would occupy part of building 2 and building 3 would be a shell building for a large corporation looking for space with limited time to occupy a space. The tax abatement would greatly help in attracting these kinds of businesses. Stellhorn would be obligated to assure potential companies meet the details per the abatement.

Ordinance 23-01: Appropriating Infrastructure Improvement Funds for Spend in 2023

Council Introduction: February 13, 2023

Public Hearing: February 27, 2023

Adoption Consideration: February 27, 2023

Jeremy Lollar stated that at the last council meeting he was granted the authority to pursue the purchase of property located at 2510 East 171st St. The city did purchase the property for below the appraised value. The purchase is suggested to come out of the Infrastructure Improvement Fund which is the monies repaid from the RDC (loan from the city). The fund had \$543,000 of proceed utility sale dollars prior to the repayment. It is being suggested that all of the money be appropriated from the Infrastructure fund, which is \$3,543,617.00. \$710,000 would be appropriated for the land purchase & additional closing cost, the remaining \$2,833,617. would be appropriated for the SR 32 and Street Scape project.

Guests: None

Clerk Treasurer Comments: Marla Ailor stated that one of the struggles of the Clerk's office is paying the November RDC claims that were approved but at the time had no legal lines. There was no place to attribute the dollars to, but there was also a discrepancy on the claims, so therefore we could not certify them because the total was incorrect. These claims came in November, approved in December, and reapproved in January. Previously twelve thousand dollars came out of admin legal for fees associated with RFP's. The question remains do you want these additional claims coming out of admin legal as well or taken out of a legal line in the RDC budget? Reminder that the RDC budget approved in October does not have legal lines. Mrs. Ailor wanted council to understand why the claims have not been paid, and asked for guidance moving forward. Manny Herceg agreed to wait for payment until the RDC approved their budget with legal lines at their next meeting.

Mayor Cook stated that it is difficult when you have various emails going back in forth regarding claims and payment of claims. He is asking that the Clerk's office, Jeremy, and legal counsel meet once a month to discuss such matters.

City Council Comments:

Troy Patton- Asked for the 5-year plan for the RDC that Joe Plankis referenced to be made public or sharable on the city website.

For the Finance Committee meeting in April Mr. Patton asked that the property/commercial tax abatements and the roll-off dates for the abatements be presented and reviewed.

Mike Johns- APC update/Asked council for clarification if they would look into the UDO and the requirement on the usage of brick and stone for the façade. A developer is asking to make the requirement 25% brick or stone because others have done it in the past. As a representative of the council on the APC, Mr. Johns is asking council if they feel with the continued growth of the city, that we should be strengthening our UDO's making them a little stricter and improving the

quality of the buildings we approve. Moving forward Mr. Johns will tell a developer that is asking for standards to be lowered, that council is in general agreement to raise the standards and improve the UDO's to maintain the growth and overall qualities of the city.

Mayor Comments:

Without any further business, the meeting adjourned at 8:57 PM



Clerk-Treasurer



President