

REGULAR MEETING – October 6, 2020

The Common Council of the City of Michigan City, Indiana, met in a Regular session on Tuesday evening, October 6, 2020 at the hour of 6:30 p.m., local time, at Krueger Memorial Park, 801 Liberty Trail, Michigan City, IN.

The meeting was called to order at 6:30 p.m. by Council President Fitzpatrick.

Roll call was authorized, and the following were noted present and/or absent.

PRESENT: COUNCIL MEMBERS Bryant Dabney, Sean Fitzpatrick, Michael Mack, Angie Nelson Deutch, Don Przybylinski, Paul Przybylinski, Gene Simmons, Dalia Zygas and Tracie Tillman (9).

ABSENT: None (0).

ALSO, PRESENT: Attorney Jim Meyer, Gale Neulieb City Clerk and Dawn Debald Deputy Clerk

A QUORUM WAS NOTED PRESENT

President Fitzpatrick asked the Council if it is ok to allow members of the public to comment now instead of the end of the meeting since there is a long agenda this evening; there were no objections; asking if there was anyone from the public who wished to speak.

Barbara Hunter, 801 W. 9th Street addressed the Council explaining issues she is having with her landlord during Covid-19; asking what can be done?

Councilman Dabney gave Ms. Hunter his phone number and asked that she call him tomorrow.

Councilwoman Deutch stated Ms. Hunter has already spoken to a few Council members and Chief Dion Campbell.

Kent Lange, 404 S. Porter Street addressed the Council with concerns he has regarding the tornado alarm testing that is done the 1st Saturday of each month at 11:00 a.m.; and the cruelty it does to the animals at the zoo; stating he contacted Jaime Huss, Director of the Zoo asking if there is anything that can be done to cut down on the length of the testing; advising she stated there is nothing that can be done because the testing is computer programmed.

Councilwoman Deutch asked Mr. Lange to contact Larry Butcher, Emergency Management Director.

Rodney McCormick, 617 Union Street stated concerns he has with the Social Status of African American Males Commission and corruption at the Michigan City Housing Authority, drug testing and criminal background checks for people sitting on boards and commissions; asking the Council to pass an ordinance that prohibits people from sitting on more than one (1) board at a time.

APPROVAL OF MINUTES

President Fitzpatrick inquired whether there were any corrections, deletions, or additions to the minutes of the Regular meeting of September 15, 2020.

President Fitzpatrick asked for a motion to approve the minutes of the Regular meeting September 15, 2020; with a motion from Councilman D. Przybylinski, second by Councilman Dabney. The minutes were approved as printed 9 – 0.

REPORTS of STANDING COMMITTEES

Councilman Dabney presented the Finance Committee meeting minutes for October 6, 2020; they are as follows:

The Finance Committee meeting was called to order at 6:03 p.m. by Chairman Dabney to review claims filed since the last meeting. Committee members Tillman and Paul Przybylinski were present as well as Council members Fitzpatrick, Zygus, and Don Przybylinski. City Controller Yvonne Hoffmaster was in attendance as well as City Attorney Jim Meyers. Claims reviewed totaled \$0.00 from the Riverboat Fund, \$11,710.00 from the Boyd Development Fund, for a total docket of \$11,710.00.

There was an ordinance discussed to adopt a **policy to allow 5% of Riverboat funds to be used to fund the city's operating expenditures from the general fund, and dedicating 50% of the riverboat revenues to increase the rainy day fund balance up to a minimum of \$6 million dollars.** After discussion, the finance committee made a 3-0 recommendation to the rest of the council to table the ordinance.

Councilman Paul Przybylinski moved to recommend approval of the docket, and with a second by Councilwoman Tillman, the motion was approved unanimously. On a motion made by Councilman Paul Przybylinski and a second by Councilwoman Tillman, the meeting was adjourned at 6:26 p.m.

The summary of claims are as follows:

From the Riverboat Fund:

TOTAL from Riverboat Fund: \$0.00

From Boyd Development:

James F. Giannini & Associates - \$11,435.00
Johnson Johns and Septic - \$275.00

TOTAL from Boyd Development: \$11,710.00

TOTAL CLAIMS DOCKET - \$11,710.00

CLAIM DOCKET

President Fitzpatrick read the claims dockets as follows:

October 6, 2020	Riverboat/Boyd Claim Docket		
	Fund #2042 – Riverboat – Claims-	\$	0.00
	EFT	\$	0.00
	Fund #2031 – Boyd – Claims-	\$	11,710.00
	TOTAL CLAIMS	\$	11,710.00

President Fitzpatrick asked if there was a motion to approve the claims from October 6, 2020; Councilman Dabney made a motion to approve the claims; second by Councilwoman Tillman.

President Fitzpatrick asked all in favor to pay the claims signify by saying "AYE" all responded "AYE" those opposed; there was no response. Claims were approved (9-0).

REPORTS of SPECIAL or SELECT COMMITTEES

President Fitzpatrick asked if there were any Reports of Special or Select Committees

Councilwoman Deutch presented the Tax Abatement Committee meeting minutes for September 29, 2020; they are as follows:

The Tax Abatement Committee meeting was called to order at 10:30 a.m. by Chairman Sean Fitzpatrick; Committee members Angie Nelson Deutch, Michael Mack were present as well as Council member Dalia Zygus, MCEDC members, Clarence Hulse, and Jenilee Haynes, Planning Director Skyler York, CDBG Director Sherry Neal and Mayor Duane Parry; the meeting was turned over to Executive Director of the MCEDC, Clarence Hulse, to review 24 current abatements on the 2020 Compliance report. All Council members received a copy of the report. Many companies didn't meet the job numbers but Mr. Hulse and Jenilee Haynes expressed most of these have met the numbers in previous years and they would provide us additional data. He spoke about the impact Covid-19 has had on organizations. He also, for the sake of new Council members, explained how local businesses impact taxes for residential taxes. Mr. Hulse explained how the MCEDC has transitioned from ten year abatements to shorter time frames based on a criteria matrix. The committee requested a copy of the matrix and this will be provided to the Council. The committee also asked for a detailed future report to give a historical review of the abatements. Committee members asked about new abatements on the agenda. Mr. Hulse gave a little background and advised that the companies would be at the next Council meeting. In closing, the committee recommended the Council certify the abatements.

President Fitzpatrick read the City of Michigan City Tax Abatement Compliance Report – Michigan City Economic Development Corporation as follows:

On behalf of the EDCMC, I am presenting the annual Tax Abatement Compliance for companies in the City that were granted abatements by the City for investments in personal property and / or real property.

In addition to the CF1 forms for each abatement, you have a cover sheet summarizing the overall statistics for 24 abatements for the 15 companies (KTR Corporation, Michigan City Paperbox, Sager Metal Strip Company, and Sullair all have multiple abatements). As the summary indicates, 5 companies have complied based on their projected job creation and investments.

The EDCMC followed up with companies that were below the job projections and received the following explanations attached.

Market conditions and COVID-19 have played a significant role in the 5 companies that were not able to meet their employee requirements.

I would ask that the Common Council move to certify these Compliance Statements of Benefits. The companies not in compliance are due to lack of employee availability, market forces, and the COVID-19 pandemic and therefore out of the company span of control. They are in the process of trying to rectify and we will keep monitoring for next year.

Once approved, the Council President will need to sign the second page of the forms and then submit to the County Auditor for processing.
Clarence Hulse/EDCMC Executive Director

President Fitzpatrick asked if everyone received the attachments and explanations from the companies that are in compliance.

Note: Filed in the Clerk's Office if anyone needs to review.

REPORTS of OTHER CITY OFFICERS and DEPARTMENTS

President Fitzpatrick asked if there were any Reports of Other City Officers and Departments; advising

Clarence Hulse, Executive Director Economic Development Corporation was present to answer any question the Council had regarding the 2020 CF-1 forms.

Councilwoman Deutch made a motion to certify the tax abatements for 2020; second by Councilwoman Tillman.

President Fitzpatrick asked all in favor to certify the tax abatements for 2020 to signify by saying "AYE" all responded "AYE" those opposed; there was no response. The tax abatements for 2020 are certified (9-0).

COMMENTS FROM THE MAYOR

Mayor Parry stated his concerns with Councilman P. Przybylinski voting on certain budgetary issues on the agenda; and also had concerns with Councilwoman Tillman's request for information regarding longevity for City employees.

PETITIONS

President Fitzpatrick asked if there were any petitions; there was no response.

COMMUNICATIONS

President Fitzpatrick asked if there were any communications; there was no response.

President Fitzpatrick asked the Council if it is ok to allow boards and commissions that would be under unfinished business at the end of the meeting to be presented now since there is still a lengthy agenda ahead; there were no objections; asking to hear the nominations.

UNFINISHED BUSINESS

President Fitzpatrick advised the Common Council has one (1) appointment to the Revolving Loan Fund Committee. Term expires on 10/18/2020. Incumbent: Jay Niec.

Clerk Neulieb advised she received two (2) applications for the Revolving Loan Fund Committee; those being Erica Miller and Jay Niec.

Councilwoman Deutch nominated Erica Miller to the Revolving Loan Fund Committee; second by Councilman Dabney.

Councilman D. Przybylinski nominated Jay Niec for the Revolving Loan Fund Committee; giving a little background on Mr. Niec's expertise; second by P. Przybylinski.

President Fitzpatrick asked for a vote.

Councilman D. Przybylinski called a point of order; advising the vote will be taken at the next meeting.

President Fitzpatrick advised the Common Council has one (1) appointment to the Youth Leadership Commission; term expired on 06/01/2020; incumbent Nathan Patrick.

Clerk Neulieb advised she received one (1) application for the Youth Leadership Commission; from Brandon Thompson.

Councilwoman Deutch nominated Brandon Thompson; second by Michael Mack.

Councilman D. Przybylinski asked if incumbent Nathan Patrick filled out an application. Clerk Neulieb responded no, he joined the military and is unable to serve.

President Fitzpatrick asked if there were any objections having the vote tonight being there is only one (1) nomination; there was no response.

President Fitzpatrick asked all in favor of appointing Brandon Thompson to the Youth Leadership Commission to signify by saying "AYE" all responded "AYE" those opposed; there was no response.

President Fitzpatrick congratulated Mr. Thompson.

President Fitzpatrick advised the Common Council has one (1) appointment to the Police Civil Service Commission due to the resignation of Mike Buda

Clerk Neulieb advised she received several applications for the Police Civil Service Commission; those being William Walker, Lela Simmons, Tommy Amiko, Dennis Babcock, Pastor Dennis Carroll, Walter Jakobowski, and Darryll Borton.

Councilwoman Tillman nominated Lela Simmons; giving a background on Ms. Simmons; second by Councilwoman Deutch.

Ms. Simmons addressed the Council regarding why she feels she would be an asset as a member of the Michigan City Police Civil Service Commission that she feels she can give some insight and help on getting more communications needed within our community between our police officers and the neighborhoods; asking the Council for their vote.

Councilman D. Przybylinski nominated Dennis Babcock; stating that he is a citizen of Michigan City, lifelong resident, is involved in the Pee Wee Football association and many youth sports in our community; second by Councilman P. Przybylinski.

Mr. Babcock advised he lives in the 4th Ward of Michigan City advising why he would like to be considered to serve on this commission; that he would like to see the commission reach out to surrounding colleges and universities trying to recruit young people that are interested in criminal law; reaching out to students regarding our police department and what we have to offer for new recruits

Councilman Mack nominated William Walker; stating he is a lifelong resident of Michigan City, graduated from high school and dental college, had a ten (10) year pro-basketball career; and is currently an assistant coach for the Michigan City Wolves and would be an excellent choice to serve as a Michigan City Police Commissioner; a second motion was made by Councilman Simmons.

Councilman Mack also nominated Tommy Amiko; being a lifelong resident, he works for our Federal Government-Housing Urban Department for several years and a compassion for our community and would be an asset to the police commission; there wasn't a motion to second the nomination; with the nomination failing.

President Fitzpatrick asked if there were any other nominations for the appointment to the police commission (repeating three times); there were no responses; with President Fitzpatrick advising the vote for this appointment will be at the Councils regular meeting on October 20, 2020.

RESOLUTION

The Clerk read the following proposed resolution by title only,

MICHIGAN CITY COMMON COUNCIL

RESOLUTION NO. [4786](#)

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA GRANTING AQUAGENICS TECHNOLOGIES, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR DEPRECIABLE PERSONAL PROPERTY, PURSUANT TO INDIANA CODE 6-1.1-12.1

WHEREAS, a Deduction for Rehabilitated or Redevelopment of Real Property in Economic Revitalization Areas is authorized under Indiana Code 6-1.1-12.1 *et seq.* (the "Act") in the form of deductions of assessed value for: (i) qualified real property improvements under Section 3; (ii) the installation of qualified personal property under Section 4.5; and (iii) of the occupancy of an eligible vacant building primarily used for commercial or industrial purposes under Section 4.8 of the Act, each as a result of new development, redevelopment and/or rehabilitation; and

WHEREAS, Resolution No. 4733 (the "ERA Resolution") of the Common Council of the City of Michigan City, Indiana (the "Common Council"), as approved and adopted on November 20, 2018, designated and established a certain area located within the City of Michigan City, Indiana (the "City"), being the entire corporate municipal jurisdiction of the City, as the Economic Revitalization Area (the "ERA"); and

WHEREAS, The ERA Resolution remains in full force and effect as adopted and approved, such that the designation of the ERA and the effectiveness of the ERA Resolution expires on December 31, 2022; and

WHEREAS, **Aquagenics Technologies, Inc.** (the "Company"), pursuant to Section 4.5(a) of the Act has filed with the Common Council a **Statements of Benefits Personal Property (FORM SB-1/PP)** (the "Statement of Benefits") dated September 25, 2020, **EXHIBIT A** attached hereto, which proposes the relocation of existing equipment and the purchase of depreciable personal property machinery and equipment ("PPME") for installation (the "Project") on real property located at 921 Woodland Avenue in the City (real property tax numbers: 46-01-33-427-001.000-022 and 46-01-33-476-004.000-022) with a personal property tax number to be determined by the Office of the LaPorte County, Indiana Assessor upon filing of the Company's initial FORM 103-Long and FORM 104 filings, and

WHEREAS, the Company, upon approval of economic development incentive(s) by the City, intends to relocate existing equipment from other states' operations and purchase new PPME as part of a capital investment plan during the period from October 1, 2020 through December 31, 2022 in a total amount anticipated to be **\$10,000,000** for the Project, to be placed into service over a three-year investment period and assessed annually each January 1 through 2023 (the "Assessment Dates").

WHEREAS, The Economic Development Corporation, Michigan City, Indiana ("EDCMC") submitted to the Common Council, as the designating body pursuant to Section 4.5(a) of the Act, the following documents related to the Company's request for an assessed valuation deduction of qualified depreciable personal property within the ERA: (i) the Statement of Benefits ("FORM SB-1/PP") as completed and (ii) other supplemental information related to said request for an ERA assessed valuation deduction; and

WHEREAS, The Common Council has confirmed that the Company's facility located at 921 Woodland Avenue is within the boundaries of the ERA, and therefore the Common Council may make a

determination pursuant to Section 4.5 of the Act, based upon the evidence, as to whether Company shall be allowed an assessed valuation deduction of qualified depreciable personal property investments made within the ERA.

NOW, THEREFORE, BE IT RESOLVED that the actions of the Common Council of the City of Michigan City, Indiana pursuant to Section 4.5(b) of the Act are based upon the evidence as presented by the Company after review of the Statement of Benefits as well as other pertinent information provided by the EDCMC and upon the following findings in the affirmative also pursuant to Section 4.5(b) of the Act, that:

1. The Project is reasonable for a project of its nature;
2. The estimated number of individuals, who will be employed or whose employment will be retained can reasonably be expected to be a result of the Project and the installation of depreciable personal property;
3. The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to be a result of the Project and the installation of depreciable personal property; and
4. The totality of the benefits is sufficient to justify an assessed valuation deduction as a result of the Project and the installation of depreciable personal property.

BE IT FURTHER RESOLVED that pursuant to Section 2(k) of the Act, the Common Council acknowledges that the Project is not located within a designated allocation area of the Redevelopment Commission of Michigan City, Indiana under Indiana Code 36-7-14-39 or Indiana Code 35-7-15.1-26.

BE IT FURTHER RESOLVED that the Common Council hereby grants the Company an assessed valuation deduction (Tax Abatement) from qualified depreciable personal property investments – machinery and equipment (“PPME”) as relocated to the State of Indiana and as newly purchased **limited to a cost of \$10,000,000 to be installed and placed into service by the Company between October 1, 2020 and December 31, 2022, which is to be fully assessed on the Assessment Dates, from January 1, 2021 through 2023** to be stated and identified on the Company’s FORM 103-Long and FORM 104 filings for a tax identification number to be determined the Office of the LaPorte County, Indiana Assessor upon initial filing of said form, all in accordance with the Act as it relates to the Project and as identified on the Statement of Benefits.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction of the Project for investments in qualified depreciable personal property shall be made by the appropriate Michigan Township, Indiana Assessor, LaPorte County, Indiana Assessor, other LaPorte County, Indiana agency, review board, or State of Indiana agency.

BE IT FURTHER RESOLVED that pursuant to Sections 4.5(c) and 17 of the Act, the Common Council, based upon its affirmation of criteria pursuant to Section 4.5(b) of the Act as stated previously, hereby grants the Company an assessed valuation deduction period of **five (5) years** from the first assessment date of which PPME is assessed on a FORM 103-Long and FORM 104 filings, including all required deduction form required by the Act and the Indiana Department of Local Government Finance (the “DLGF”) for submission and filing, for which said deduction percentage schedule for qualified depreciable personal property applies over said this five (5) year abatement period, more specifically identified in **EXHIBIT B** attached hereto.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as set forth in **EXHIBIT B** during the five (5) year abatement period is attached hereto in order to meet the requirements of Sections 4.5(c) and 17 of the Act.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as identified in **EXHIBIT B** shall begin upon the installation, placement into service, and the full assessment of depreciable personal property as a result of the Project (to be not later than January 1, 2023) by the appropriate assessing authority, regardless of the expiration date of the ERA as established by the ERA Resolution.

BE IT FURTHER RESOLVED that the Common Council may impose a fee on the tax savings realized by the Company pursuant to Section 14 of the Act as a result of the application of an ERA deduction as calculated by the Office of the LaPorte County, Indiana Auditor and as billed by the Office of the LaPorte County, Indiana Treasurer.

BE IT FURTHER RESOLVED that, pursuant to Ordinance No. 4417 of the Common Council, adopted and approved on January 3, 2017 and having received the consent of the Company in accordance with Section 14(b) of the Act, a copy of which is attached hereto as **EXHIBIT C** and is made a part hereof and incorporated herein, and pursuant to Section 14(b) of the Act, for each year the Company's personal property tax liability is reduced by an assessed valuation deduction related specifically to the installation, placement into service, and the full assessment of depreciable personal property as a result of the Project, the Company shall pay to the LaPorte County, Indiana Treasurer a fee in the amount computed and determined by the LaPorte County, Indiana Auditor pursuant to the provisions of Section 14(c) of the Act (the "Imposed Fee") such that:

1. The Common Council hereby determines that **fifteen percent (15%)** shall be the percentage to be applied by the LaPorte County, Indiana Auditor for purposes of STEP TWO of Section 14(c) of the Act;
2. Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or fifteen percent (15%) of the additional amount of personal property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had not been in effect, i.e., 15% of the Company's personal property tax savings attributable to a deduction from the assessed valuation from the Project; and
3. Pursuant to Section 14(d) of the Act, the Imposed Fee, as collected, shall be distributed to the **Economic Development Corporation, Michigan City, Indiana** as a tax exempt governmental (nonprofit) entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

BE IT FURTHER RESOLVED that the Company has agreed to the following imposed reasonable conditions during the abatement period upon approval of an assessed valuation deduction for PPME as herein specified and authorized under Section 2(i)(6) of the Act and to be included under Item G (page 2) of the approved FORM SB-1/PP:

Condition #1: The Company by May 10 of each calendar year during the period for which an ERA assessed valuation deduction is applicable shall submit to the City or its authorized representatives as it applies to the Project, the FORM 103, FORM 103-EL and/or FORM 103-ERA to supplement the FORM CF-1/PP ("Compliance with Statement of Benefits") that is annually filed with the City for each personal property ERA assessed valuation deduction so that the City may verify and confirm the following: (i) the ERA assessed valuation deductions reported by the Company and/or approved by the Office of the Assessor for Michigan Township, Indiana and (ii) the calculation of the Imposed Fee by Office of the LaPorte County, Indiana Auditor.

Condition #2: The Company understands and agrees that the annual deductions during the five (5) year abatement period shall be **limited to a cost of \$10,000,000** as a result of ERA assessed valuation deductions from depreciable personal property installed, placed into service, and assessed on the Assessment Dates of January 1, 2021 through 2023, and for which ERA assessed valuation deductions are applied. The City, from the first year of assessment for which a depreciable personal property ERA assessed valuation deduction is applied and for the duration of the five (5) year abatement period shall annually cause to be prepared a schedule monitoring the annual, total, and cumulative tax savings realized; such that, once this limit of tax savings realized is attained, the City's Common Council will: (i) notify the Company and (ii) take action to terminate this ERA assessed valuation deduction prior to a subsequent January 1 assessment date.

BE IT FURTHER RESOLVED that the City agrees to comply with the privacy notices of said FORM 103, FORM 103-EL and FORM 103-ERA as confidential filings in accordance with I.C. 6-1.1-

35-9 and that said documents: (i) are not statutorily required filings to the City to review a personal property assessed valuation deduction of the Company but as a reasonable condition as herein specified and included under Item G (page 2) of an approved FORM SB-1/PP and (ii) are submitted to supplement the Company's annually filed FORM CF-1/PP for each personal property ERA assessed valuation deduction such that the City may only utilize said forms to verify and confirm: (a) ERA assessed valuation deductions reported by the Company and/or as approved by the Office of the Assessor for Michigan Township, Indiana and (b) the calculation of an Imposed Fee by Office of the LaPorte County, Indiana Auditor; and, therefore said documents are deemed not to be public record(s) and shall not be made available to the public.

BE IT FURTHER RESOLVED that the City agrees not to impose a claw back provision for tax savings for any tax years in which the Company complies with the Statement of Benefits, the annual filings required pursuant to the Act, the conditions of this Resolution and the reasonable and timely payment of an applicable Imposed Fee during the five (5) year abatement period for which an ERA assessed valuation deduction is applied.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the Assessor for Michigan Township, Indiana as it applies to this Resolution and the approval of the Company's ERA assessed valuation deduction, more specifically the following documents or information:

1. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the LaPorte County, Indiana Assessor as it applies to this Resolution and the approval of the Company's ERA assessed valuation deduction, more specifically the following documents or information:

1. The Statement of Benefits, as approved, properly completed consistent with this Resolution, and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the LaPorte County, Indiana Auditor as it applies to this Resolution and the approval of the Company's ERA assessed valuation deduction, more specifically the following documents or information:

1. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

This Resolution shall be in full force and effect from and after its passage and adoption by the Common Council and upon approval of the Mayor.

INTRODUCED BY: /s/ Tracie Tillman, Member
Michigan City Common Council

/s/ Dalia Zygas, Member
Michigan City Common Council

NOTE: EXHIBITS "A-B-C-D" ARE FILED IN THE CLERK'S OFFICE WITH RESOLUTION NO. 4786 FOR RECORD

President Fitzpatrick asked if the author had anything to add.

Councilwoman Tillman stated the proposed tax abatement we are granting is Aquagenics Technologies, Inc and is a company that will benefit the City of Michigan City and the residents; advising this will be their headquarters and will be located just off of Woodland Avenue behind Dekker Vacuum and will be bringing approximately one-hundred (100) new jobs in our region and increase business by local Indiana vendors; Mr. Hulse EDCMC Director is present if any of our members have any questions.

Councilwoman Zygas stated this a bio-tech company and they do work with water treatment filtration sanitation and is timely and useful.

Clarence Hulse EDCMC Director addressed the Council stating they are excited that Aquagenic Technologies has chosen Michigan City for their headquarters; bringing jobs to our community and residents.

Fred Newcomb, CEO of Aquagenic Technologies, Inc. addressed the Council advising they appreciate the opportunity and are excited to move from the western suburbs of Chicago to Michigan City and expand their development and research in this community.

Councilwoman Tillman stated in regard to the transfer and expansion of this facility and bringing in the opportunities for one hundred (100) new jobs; that those applicants will be first looked upon within the city of Michigan City; before having to branch out to other surrounding communities.

Mr. Newcomb stressed to Ms. Tillman they would be focusing on employment within Michigan City; advising Ms. Tillman that jobs should be starting at \$20.00 per hour.

Discussion ensued between Mr. Newcomb and Councilman D. Przybylinski regarding the average pay and benefits for employees; with the average pay at \$45,000 annually and benefits that will be offered with a percentage that the employee has to pay to enroll with the Indiana plan package.

Councilman P. Przybylinski commented on the high technical lab scope; asking if this was what they would be focusing on; with Mr. Newcomb advising they will be focusing on the expansion of their laboratory capacity; explaining their future in the building they are renovating.

President Fitzpatrick asked if there were any other comments or questions from the Council; with him asking Mr. Newcomb what their primary product or service was.

Mr. Newcomb advised they have over four hundred (400) products that are sold across different states; Home Depot, Lowe's, Target, and Walmart supplying them different products they manufacture.

President Fitzpatrick asked if there were any other questions or comments;

Councilman Mack welcomed Aquagenic Technologies, Inc. to Michigan City and look forward to finally seeing someone moving into this plant/building.

President Fitzpatrick asked if there was anyone from the public that wished to comment on this proposed resolution; there was no response.

President Fitzpatrick asked if there were any other Council comments; there was no response.

Councilman Dabney made a motion to adopt the proposed resolution, second by Councilman P. Przybylinski.

President Fitzpatrick asked all in favor of adopting the proposed tax abatement resolution for personal property to signify by saying "AYE" all responded "AYE" those opposed; there was no response. The resolution was adopted vote 9 – 0

The Clerk read the following proposed resolution by title only;

MICHIGAN CITY COMMON COUNCIL

RESOLUTION NO. 4787

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA GRANTING AQUAGENICS TECHNOLOGIES, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR REAL PROPERTY, PURSUANT TO INDIANA CODE 6-1.1-12.1

WHEREAS, a Deduction for Rehabilitated or Redevelopment of Real Property in Economic Revitalization Areas is authorized under Indiana Code 6-1.1-12.1 *et seq.* (the "Act") in the form of deductions of assessed value for: (i) qualified real property improvements under Section 3; (ii) the installation of qualified personal property under Section 4.5; and (iii) of the occupancy of an eligible vacant building primarily used for commercial or industrial purposes under Section 4.8 of the Act, each as a result of new development, redevelopment and/or rehabilitation; and

WHEREAS, Resolution No. 4733 (the "ERA Resolution") of the Common Council of the City of Michigan City, Indiana (the "Common Council"), as approved and adopted on November 20, 2018, designated and established a certain area located within the City of Michigan City, Indiana (the "City"), being the entire corporate municipal jurisdiction of the City, as the Economic Revitalization Area (the "ERA"); and

WHEREAS, The ERA Resolution remains in full force and effect as adopted and approved, such that the designation of the ERA and the effectiveness of the ERA Resolution expires on December 31, 2022; and

WHEREAS, Aquagenics Technologies, Inc. (the "Company"), pursuant to Section 3(a) of the Act has filed with the Common Council a **Statements of Benefits Real Property (FORM SB-1/Real Property)** (the "Statement of Benefits") dated September 25, 2020, **EXHIBIT A** attached hereto, which proposes moving their facility to Michigan City and relocating personal property and equipment and setting up manufacturing facilities (the "Project") constructed on real property located at 921 Woodland Avenue in the City (real property tax numbers: 46-01-33-427-001.000-022, 46-01-33-476-004.000-022, 46-01-34-302-001.000-022, 46-01-34-351-008.000-022, and

WHEREAS, the Company, upon approval of economic development incentive(s) by the City, intends to implement redevelopment and rehabilitation improvements to facilities and structures related to the Project during the period of October 1, 2020 through December 31, 2021 in a total amount anticipated to be **\$4,000,000** for the Project, to be fully assessed by **January 1, 2022 (the "Assessment Date")**.

WHEREAS, The Economic Development Corporation, Michigan City, Indiana ("EDCMC") submitted to the Common Council, as the designating body pursuant to Section 3 of the Act, the following documents related to the Company's request for an assessed valuation deduction of qualified real property within the ERA: (i) the Statement of Benefits ("FORM SB-1/Real Property") as completed and (ii) other supplemental information related to said request for an ERA assessed valuation deduction; and

WHEREAS, The Common Council has confirmed that the Company's facility located at 921 Woodland Avenue is within the boundaries of the ERA, and therefore the Common Council may make a determination pursuant to Section 3 of the Act, based upon the evidence, as to whether Company shall be allowed an assessed valuation deduction of qualified real property investments made within the ERA.

NOW, THEREFORE, BE IT RESOLVED that the actions of the Common Council of the City of Michigan City, Indiana pursuant to Section 3 of the Act are based upon the evidence as presented by the Company after review of the Statement of Benefits as well as other pertinent information provided by the EDCMC and upon the following findings in the affirmative also pursuant to Section 3(b) of the Act, that:

5. The Project is reasonable for a project of its nature;
6. The estimated number of individuals, who will be employed or whose employment will be retained can reasonably be expected to be a result of the Project;
7. The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to be a result of the Project; and
8. The totality of the benefits is sufficient to justify an assessed valuation deduction as a result of the Project.

BE IT FURTHER RESOLVED that pursuant to Section 2(k) of the Act, the Common Council acknowledges that the Project is not located within a designated allocation area of the Redevelopment Commission of Michigan City, Indiana under Indiana Code 36-7-14-39 or Indiana Code 35-7-15.1-26.

BE IT FURTHER RESOLVED that the Common Council hereby grants the Company an assessed valuation deduction (Tax Abatement) from qualified real property investments **limited to a cost of \$4,000,000 for redevelopment and rehabilitation activities to structures and facilities by the Company between October 1, 2020 and December 31, 2021, which is anticipated to be fully assessed on Assessment Dates, being not later than January 1, 2022,** all in accordance with the Act as it relates to the Project and as identified on the Statement of Benefits.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction of the Project for investments in qualified real property shall be made by the appropriate Michigan Township Assessor, LaPorte County, Indiana agency, review board, or State of Indiana agency.

BE IT FURTHER RESOLVED that pursuant to Sections 3(c) and 17 of the Act, the Common Council, based upon its affirmation of criteria pursuant to Section 3(b) of the Act as stated previously, hereby grants the Company an assessed valuation deduction period of **seven (7) years** on fully assessed real property from the Assessment Date for which said deduction percentage schedule for qualified real property applies over said seven (7) year abatement period, more specifically identified in **EXHIBIT B** attached hereto.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as set forth in **EXHIBIT B** during the seven (7) year abatement period is attached hereto in order to meet the requirements of Sections 3(c) and 17 of the Act.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as identified in **EXHIBIT B** shall begin upon the completion and the full assessment of real property improvement as a result redevelopment and rehabilitation activities related to the Project (anticipated to be not later than January 1, 2022 as the Assessment Date) by the appropriate assessing authority, regardless of the expiration date of the ERA as stated the ERA Resolution.

BE IT FURTHER RESOLVED that the Common Council may impose a fee on the tax savings realized by the Company pursuant to Section 14 of the Act as a result of the application of an ERA deduction as calculated and applied by the Office of the LaPorte County, Indiana Auditor.

BE IT FURTHER RESOLVED that, pursuant to Ordinance No. 4417 of the Common Council, adopted and approved on January 3, 2017 and having received the consent of the Company in accordance with Section 14(b) of the Act, a copy of which is attached hereto as **EXHIBIT C** and is made a part hereof and incorporated herein, and pursuant to Section 14(b) of the Act, for each year the Company's real property tax liability is reduced by an assessed valuation deduction related specifically to the construction and the full assessment of real property as a result of the Project, the Company shall pay to the LaPorte County, Indiana Treasurer a fee in the amount computed and determined by the LaPorte County, Indiana Auditor pursuant to the provisions of Section 14(c) of the Act (the "Imposed Fee") such that:

4. The Common Council hereby determines that **fifteen percent (15%)** shall be the percentage to be applied by the LaPorte County, Indiana Auditor for purposes of STEP TWO of Section 14(c) of the Act;
5. Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or fifteen percent (15%) of the additional amount of real property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had

not been in effect, i.e., 15% of the Company's real property tax savings attributable to a deduction from the assessed valuation from the Project; and

6. Pursuant to Section 14(d) of the Act, the Imposed Fee, as collected, shall be distributed to the **Economic Development Corporation, Michigan City, Indiana** as a tax exempt governmental (nonprofit) entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

BE IT FURTHER RESOLVED that the Company has agreed to the following imposed reasonable conditions during the abatement period upon approval of an assessed valuation deduction for real property as herein specified and authorized under Section 2(i)(6) of the Act and to be included under Item D (page 2) of the approved FORM SB-1/Real Property:

Condition #1: The Company understands and agrees that the annual deduction to be applied shall be limited to **\$4,000,000 of assessed valuation** during the seven (7) year abatement period as a result of ERA assessed valuation deductions from incremental real property improvements assessed. The City from the first year of the abatement period for which a real property vacant building assessed valuation deduction is applied and for the duration of the seven (7) year abatement period shall annually cause to be prepared a schedule monitoring the annual, total and cumulative tax savings realized.

BE IT FURTHER RESOLVED that the City agrees not to impose a claw back provision for tax savings for any tax years in which the Company complies with the Statement of Benefits, the annual filings required pursuant to the Act, the conditions of this Resolution and the reasonable and timely payment of an applicable Imposed Fee during the seven (7) year abatement period for which an ERA assessed valuation deduction is applied.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the Assessor for Michigan Township, Indiana and the Office of the LaPorte County, Indiana Auditor as it applies to this Resolution and the approval of the Company's assessed valuation deduction, more specifically the following documents or information:

4. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
5. A certified copy of this Resolution; and
6. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

This Resolution shall be in full force and effect from and after its passage and adoption by the Common Council and upon approval of the Mayor.

INTRODUCED BY: /s/ Tracie Tillman, Member
Michigan City Common Council

/s/ Dalia Zygas, Member
Michigan City Common Council

NOTE: All Exhibits are attached to Resolution No. 4787 in File CR-100

President Fitzpatrick asked if the authors had anything to add; there was no response

President Fitzpatrick asked if there was anyone from the public that wished to comment on the proposed resolution; there was no response.

President Fitzpatrick asked if there was anyone from the Council that have any questions or comments; there was no response.

Councilman Simmons made a motion to adopt the proposed resolution, second by Councilwoman Tillman.

President Fitzpatrick asked all in favor of adopting the proposed tax abatement resolution for real property to signify by saying "AYE" all responded "AYE" those opposed; there was no response. The resolution was adopted vote 9 – 0

The Clerk read the following resolution by title only;

MICHIGAN CITY COMMON COUNCIL

RESOLUTION NO. 4788

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA GRANTING AQUAGENICS TECHNOLOGIES, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR A VACANT BUILDING DEDUCTION PURSUANT TO INDIANA CODE 6-1.1-12.1

WHEREAS, Deduction for Rehabilitated or Redevelopment of Real Property in Economic Revitalization Areas is authorized under Indiana Code 6-1.1-12.1 *et seq.* (the "Act") in the form of deductions of assessed value for: (i) qualified real property improvements under Section 3; (ii) the installation of qualified personal property under Section 4.5; and (iii) of the occupancy of an eligible vacant building primarily used for commercial or industrial purposes under Section 4.8 of the Act, each as a result of new development, redevelopment and/or rehabilitation; and

WHEREAS, Resolution No. 4733 (the "ERA Resolution") of the Common Council of the City of Michigan City, Indiana (the "Common Council"), as approved and adopted on November 20, 2018, designated and established a certain area located within the City of Michigan City, Indiana (the "City"), being the entire corporate municipal jurisdiction of the City, as the Economic Revitalization Area (the "ERA"); and

WHEREAS, The ERA Resolution remains in full force and effect as adopted and approved, such that the designation of the ERA and the effectiveness of the ERA Resolution expires on December 31, 2022; and

WHEREAS, Aquagenics Technologies, Inc. (the "Company") pursuant to Section 4.8(a) and (b) of the Act has filed with the Common Council a **Statement of Benefits Vacant Building Deduction (FORM SB-1/VBD)** (the "Statement of Benefits") dated September 25, 2020 (reference **EXHIBIT A** attached hereto) which proposes the occupation and use of an eligible and qualified vacant building by the Company as defined pursuant to Section 1(17) of the Act for the purposes and use of approximately 540,651 square feet of vacant facilities including the use of 36.91 acres of real property land owned by the Company to develop microbial products and natural remediation technologies (the "Project") located at 921 Woodland Avenue upon approval of economic development incentives by the City, but no later than December 31, 2020 for the January 1, 2021 assessment date (the "First Assessment Date"); and

WHEREAS, , The Economic Development Corporation, Michigan City, Indiana ("EDCMC") submitted to the Common Council, as the designating body, before the occupation and use of an eligible and qualified vacant building the following documents related to the Company's request for an assessed valuation deduction of an eligible and qualified vacant building within the Alliance ERA: (i) an Application for Designation as an Economic Revitalization Area (the "Application"), including the necessary application fee; the Statement of Benefits as completed, and (iii) other supplemental information related to said request and the Application; and

WHEREAS, The Common Council has confirmed that the facility located at 921 Woodland Avenue (real property key number 46-01-33-427-001.000-022, 46-01-33-476-004.000-022, 46-01-34-302-001.000-022, 46-01-34-351-008.000-022) is within the boundaries of the ERA; and, therefore the Common Council may make a determination pursuant to Section 4.8(b) and (e) of the Act based upon the evidence as to whether Company shall be allowed an assessed valuation deduction of an eligible vacant building.

NOW, THEREFORE, BE IT RESOLVED that the actions of the Common Council of the City of Michigan City, Indiana are based upon the evidence as presented by the Company after review of the Statement of Benefits as well as other pertinent information provided by the Economic Development Corporation, Michigan City, Indiana (the “EDCMC”) and upon the following findings in the affirmative also pursuant to Section 4.8(e) of the Act, such that:

- (1) The estimated number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the Project and the occupation of the eligible vacant building;
- (2) The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the Project and the occupation of the eligible vacant building;
- (3) The Project and the estimates and expectations contained in the FORM SB-1/VBD are reasonably expected to result from the Project and the occupation of the eligible vacant building;
- (4) The occupation of the eligible vacant building will increase the tax base of the City and assist in the redevelopment, rehabilitation and development of the ERA; and
- (5) The totality of the benefits is sufficient to justify an assessed valuation deduction on the Project.

BE IT FURTHER RESOLVED that the facility structures located at 921 Woodland Avenue (real property key numbers 46-01-33-427-001.000-022 and 46-01-33-476-004.000-022) are real property currently zoned for industrial purposes (M2-2, Manufacturing District).

BE IT FURTHER RESOLVED that the Company has proposed the occupation and use of an eligible and qualified vacant building as defined pursuant to Section 1(17) of the Act located 921 Woodland Avenue (real property key number 46-01-33-427-001.000-022 and 46-01-33-476-004.000-022) for the purposes and occupancy of the eligible vacant building as part of the Project is a permitted land use, pursuant to the City’s Zoning Requirement under the Permitted Uses-Processing of the M2-2 Manufacturing zoning district.

BE IT FURTHER RESOLVED that the structures and facilities located at 921 Woodland Avenue (real property key number 46-01-33-427-001.000-022 and 46-01-33-476-004.000-022) have been unoccupied and vacant for at least one (1) year before the Company purchased said real property for proposed occupation of the eligible vacant building.

BE IT FURTHER RESOLVED that pursuant to Section 2(k) of the Act, the Common Council acknowledges that the Project is not located within a designated allocation area of the Redevelopment Commission of Michigan City, Indiana under Indiana Code 36-7-14-39 or Indiana Code 35-7-15.1-26.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from of an eligible vacant building for a period of **seven (7) years** to **Aquagenics Technologies, Inc.** in accordance with Section 4.8(f), (g) and (h) and Section 17(b) of the Act as it relates to the Project and as identified on the Statement of Benefits.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction of the Project of an eligible vacant building shall be made by the appropriate LaPorte County, Indiana agency, review board, or State of Indiana agency.

BE IT FURTHER RESOLVED that pursuant to Sections 4.8(h) and 17 of the Act, the Common Council, based upon its affirmation of criteria pursuant to Section 4.8(e) as stated previously hereby approves a deduction percentage schedule applicable to the amount of assessed valuation deduction of the

Project of an eligible vacant building over said a seven (7) year period as more specifically identified in **EXHIBIT B** attached hereto.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as set forth as identified in **EXHIBIT B** shall begin upon full assessment of the Project on the First Assessment Date (anticipated to be January 1, 2021) by the appropriate assessing authority, regardless of the expiration date of the ERA as established by the ERA Resolution.

BE IT FURTHER RESOLVED that the Company has agreed to the following imposed reasonable condition for approval of an assessed valuation deduction for an eligible vacant building as herein specified and authorized under Section 2(i)(6) of the Act and to be included under Item B (page 2) of the approved FORM SB-1/VBD:

Condition #1: The Company understands and agrees that the annual deduction to be applied **shall be limited to \$7,000,000 of assessed valuation** during the seven (7) year abatement period as a result of ERA assessed valuation deductions from an eligible vacant building. The City from the first year of the abatement period for which a real property vacant building assessed valuation deduction is applied and for the duration of the seven (7) year abatement period shall annually cause to be prepared a schedule monitoring the annual, total and cumulative tax savings realized.

BE IT FURTHER RESOLVED that the Common Council may impose a fee on the tax savings realized by the Company pursuant to Section 14 of the Act as a result of the application of an ERA deduction as calculated and as applied by the Office of the LaPorte County, Indiana Auditor.

BE IT FURTHER RESOLVED that having received the consent of the Company and in accordance with Section 14(b) of the Act, a copy of which is attached hereto as **EXHIBIT C** and is made a part hereof as incorporated herein, and pursuant to Section 14(b) of the Act for each year the Company's real property tax liability is reduced by an assessed valuation deduction related specifically to the Project of an eligible vacant building, the Company shall pay to the LaPorte County, Indiana Treasurer a fee in the amount computed and determined by the LaPorte County, Indiana Auditor pursuant to the provisions of Section 14(c) of the Act (the "Imposed Fee") such that:

7. The Common Council hereby determines that **fifteen percent (15%)** shall be the percentage to be applied by the LaPorte County, Indiana Auditor for purposes of STEP TWO of Section 14(c) of the Act;
8. Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$0) or fifteen percent (15%) of the additional amount of real property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had not been in effect (i.e., 15% of the Company's real property tax savings attributable to a deduction from the assessed valuation from the Project of an eligible vacant building; and
9. Pursuant to Section 14(d) of the Act, the Imposed Fee as collected shall be distributed to the **Economic Development Corporation, Michigan City, Indiana** as a tax exempt governmental (nonprofit) entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

BE IT FURTHER RESOLVED that the City agrees not to impose a claw back provision for tax savings for any tax years in which the Company complies with the Statement of Benefits, the annual filings required pursuant to the Act, the conditions of this Resolution and the reasonable and timely payment of an applicable Imposed Fee during the seven (7) year abatement period for which an ERA assessed valuation deduction is applied.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the Office of the Michigan Township Assessor and the Office of the LaPorte County, Indiana Auditor as it applies to this Resolution and the approval of the Company's ERA assessed valuation deduction related specifically to the Project of an eligible vacant building, which includes the following documents or information:

1. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;

2. A certified copy of this Resolution; and
3. An approved and signed copy of the meeting minutes which approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

This Resolution shall be in full force and effect from and after its passage and adoption by the Common Council and upon approval of the Mayor.

INTRODUCED BY: /s/ Tracie Tillman, Member
Michigan City Common Council

/s/ Dalia Zygas, Member
Michigan City Common Council

NOTE: All Exhibits are attached to Resolution No. 4788 in File CR-100

President Fitzpatrick asked if the authors had anything to add at this time; there was no response.

President Fitzpatrick asked if there were any questions or comments from the general public regarding the proposed resolution; there was no response.

President Fitzpatrick asked if there were any questions or comments from the Council; there was no response.

Councilman Dabney made a motion to adopt the proposed resolution, second by Councilwoman Tillman.

President Fitzpatrick asked all in favor of adopting the proposed tax abatement resolution for a vacant building deduction property to signify by saying "AYE" all responded "AYE" those opposed; there was no response. The resolution was adopted vote 9 – 0

The Clerk read the following resolution by title only;

MICHIGAN CITY COMMON COUNCIL

RESOLUTION NO. 4789

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA GRANTING SHADY CREEK VINEYARD LLC AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR REAL PROPERTY, PURSUANT TO INDIANA CODE 6-1.1-12.1

WHEREAS, a Deduction for Rehabilitated or Redevelopment of Real Property in Economic Revitalization Areas is authorized under Indiana Code 6-1.1-12.1 *et seq.* (the "Act") in the form of deductions of assessed value for: (i) qualified real property improvements under Section 3; (ii) the installation of qualified personal property under Section 4.5; and (iii) of the occupancy of an eligible vacant building primarily used for commercial or industrial purposes under Section 4.8 of the Act, each as a result of new development, redevelopment and/or rehabilitation; and

WHEREAS, Resolution No. 4733 (the "ERA Resolution") of the Common Council of the City of Michigan City, Indiana (the "Common Council"), as approved and adopted on November 20, 2018, designated and established a certain area located within the City of Michigan City, Indiana (the "City"),

being the entire corporate municipal jurisdiction of the City, as the Economic Revitalization Area (the "ERA"); and

WHEREAS, The ERA Resolution remains in full force and effect as adopted and approved, such that the designation of the ERA and the effectiveness of the ERA Resolution expires on December 31, 2022; and

WHEREAS, Shady Creek Vineyard LLC (the "Company"), pursuant to Section 3(a) of the Act has filed with the Common Council a **Statements of Benefits Real Property (FORM SB-1/Real Property)** (the "Statement of Benefits") dated August 21, 2020, **EXHIBIT A** attached hereto, which proposes to create a production facility capable of fermenting close to 15,000 gallons of wine (compared to under 2,000 currently), a barrel room capable of aging 8,280 gallons of wine (compared to 420 gallons currently), and a storage facility capable of housing over 100 pallets of wine. In addition, they will be adding multiple new roles to help facilitate an expanded retail footprint, dramatically increased seating space, and the development of new business lines (the "Project") constructed on real property located at 2030 Tryon Road in the City (real property tax numbers: 46-01-24-300-015.000-022), and

WHEREAS, the Company, upon approval of economic development incentive(s) by the City, intends to construct the Project during the period of December 1, 2020 through December 31, 2021 in a total amount anticipated to be **\$2,510,000** for the Project, anticipated to be first assessed on **January 1, 2022 (the "Assessment Date")**.

WHEREAS, The Economic Development Corporation, Michigan City, Indiana ("EDCMC") submitted to the Common Council, as the designating body pursuant to Section 3 of the Act, the following documents related to the Company's request for an assessed valuation deduction of qualified real property within the ERA: (i) the Statement of Benefits ("FORM SB-1/Real Property") as completed and (ii) other supplemental information related to said request for an ERA assessed valuation deduction; and

WHEREAS, The Common Council has confirmed that the Company's facility located at 2030 Tryon Road is within the boundaries of the ERA, and therefore the Common Council may make a determination pursuant to Section 3 of the Act, based upon the evidence, as to whether Company shall be allowed an assessed valuation deduction of qualified real property investments made within the ERA.

NOW, THEREFORE, BE IT RESOLVED that the actions of the Common Council of the City of Michigan City, Indiana pursuant to Section 3 of the Act are based upon the evidence as presented by the Company after review of the Statement of Benefits as well as other pertinent information provided by the EDCMC and upon the following findings in the affirmative also pursuant to Section 3(b) of the Act, that:

9. The Project is reasonable for a project of its nature;
10. The estimated number of individuals, who will be employed or whose employment will be retained can reasonably be expected to be a result of the Project;
11. The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to be a result of the Project; and
12. The totality of the benefits is sufficient to justify an assessed valuation deduction as a result of the Project.

BE IT FURTHER RESOLVED that, pursuant to Section 2(k) of the Act, the Common Council has confirmed, acknowledges, and recognizes that the Project **is not located** within a designated allocation area of the City's Redevelopment District under Indiana Code 36-7-14-39 or Indiana Code 35-7-15.1-26.

BE IT FURTHER RESOLVED that the Common Council hereby grants the Company an assessed valuation deduction (Tax Abatement) from qualified real property investments **limited to a cost of \$2,510,000 to be constructed by the Company between December 1, 2020 and December 31, 2021, which is anticipated to be fully assessed on the Assessment Date, being and January 1, 2022**, all in accordance with the Act as it relates to the Project and as identified on the Statement of Benefits.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction of the Project for investments in qualified real property shall be made by the appropriate Michigan Township Assessor, LaPorte County, Indiana agency, review board, or State of Indiana agency.

BE IT FURTHER RESOLVED that pursuant to Sections 3(c) and 17 of the Act, the Common Council, based upon its affirmation of criteria pursuant to Section 3(b) of the Act as stated previously, hereby grants the Company an assessed valuation deduction period of **seven (7) years** on fully assessed

real property from the Assessment Date for which said deduction percentage schedule for qualified real property applies over said seven (7) year abatement period, more specifically identified in **EXHIBIT B** attached hereto.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as set forth in **EXHIBIT B** during the seven (7) year abatement period is attached hereto in order to meet the requirements of Sections 3(c) and 17 of the Act.

BE IT FURTHER RESOLVED that the assessed valuation deduction percentages as identified in **EXHIBIT B** shall begin upon the completion and the full assessment of real property as a result of the Project (anticipated to be January 1, 2022 or the Assessment Date) by the appropriate assessing authority, regardless of the expiration date of the ERA as stated the ERA Resolution.

BE IT FURTHER RESOLVED that the Common Council may impose a fee on the tax savings realized by the Company pursuant to Section 14 of the Act as a result of the application of an ERA deduction as calculated and applied by the Office of the LaPorte County, Indiana Auditor.

BE IT FURTHER RESOLVED that, pursuant to Ordinance No. 4417 of the Common Council, adopted and approved on January 3, 2017 and having received the consent of the Company in accordance with Section 14(b) of the Act, a copy of which is attached hereto as **EXHIBIT C** and is made a part hereof and incorporated herein, and pursuant to Section 14(b) of the Act, for each year the Company's real property tax liability is reduced by an assessed valuation deduction related specifically to the construction and the full assessment of real property as a result of the Project, the Company shall pay to the LaPorte County, Indiana Treasurer a fee in the amount computed and determined by the LaPorte County, Indiana Auditor pursuant to the provisions of Section 14(c) of the Act (the "Imposed Fee") such that:

10. The Common Council hereby determines that **fifteen percent (15%)** shall be the percentage to be applied by the LaPorte County, Indiana Auditor for purposes of STEP TWO of Section 14(c) of the Act;
11. Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or fifteen percent (15%) of the additional amount of real property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had not been in effect, i.e., 15% of the Company's real property tax savings attributable to a deduction from the assessed valuation from the Project; and
12. Pursuant to Section 14(d) of the Act, the Imposed Fee, as collected, shall be distributed to the **Economic Development Corporation, Michigan City, Indiana** as a tax exempt governmental (nonprofit) entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

BE IT FURTHER RESOLVED that the Company has agreed to the following imposed reasonable conditions during the abatement period upon approval of an assessed valuation deduction for real property as herein specified and authorized under Section 2(i)(6) of the Act and to be included under Item D (page 2) of the approved FORM SB-1/Real Property:

Condition #1: The Company understands and agrees that the total cumulative tax savings realized **is limited to a real property improvement cost investment of \$2,510,000** during the seven (7) year abatement period as a result of ERA assessed valuation deductions from real property constructed and assessed on the Assessment Date, and for which ERA assessed valuation deductions are applied. The City, from the first year of assessment for which a real property ERA assessed valuation deduction is applied and for the duration of the seven (7) year abatement period as layered shall annually cause to be prepared a schedule monitoring the annual, total, and cumulative tax savings realized; such that, once this limit of tax savings realized is attained, the City's Common Council will: (i) notify the Company and (ii) take action to terminate this ERA assessed valuation deduction prior to a subsequent January 1 assessment date.

BE IT FURTHER RESOLVED that the City agrees not to exercise the discretion to impose a claw back provision for tax savings any tax years in which the Company reasonably complies with:

4. The Statement of Benefits, the annual filings required pursuant to the Act, the conditions of this Resolution, and the reasonable and timely payment of an applicable Imposed Fee during the seven (7) year abatement period for which an ERA assessed valuation deduction is applied to an assessment date.
5. The employment benchmarks and targets identified in the Statement of Benefits.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with the **Office of the Assessor for Michigan Township**, Indiana as it applies to this Resolution and the approval of the Company's assessed valuation deduction, more specifically the following documents or information:

7. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
8. A certified copy of this Resolution; and
9. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the filing of all appropriate approval documents related to this Resolution with **the Office of the LaPorte County, Indiana Auditor** as it applies to this Resolution and the approval of the Company's assessed valuation deduction, more specifically the following documents or information:

4. The Statement of Benefits, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
5. A certified copy of this Resolution; and
6. An approved and signed copy of the minutes of the meeting at which the Common Council approved this Resolution and the Statement of Benefits.

BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

This Resolution shall be in full force and effect from and after its passage and adoption by the Common Council and upon approval of the Mayor.

INTRODUCED BY: /s/ Angie Nelson Deutch, Member
Michigan City Common Council
/s/ Gene Simmons, Member
Michigan City Common Council

NOTE: All Exhibits are attached to Resolution No. 4789 in File CR-100

President Fitzpatrick asked if the authors had anything to add at this time;

Councilman Simmons stated that Shady Creek Winery meet all the requirements and guidelines to receive a City tax abatement; welcoming the new owners of Shady Creek Winery and reinvesting in their company, expanding and believing in the City of Michigan City community; as well as adding more employment.

Councilwoman Deutch added that she knows these are new owners; advising she did the first tax abatement when Shady Creek first opened more than ten (10) years ago when they built the facility and that she appreciates the new owners investing 2.5 million dollars expanding this facility and production. That the owners are here if any of the Council had any questions.

Clarence Hulse, MCEDC, Director, stated this company has been located here in Michigan City for twelve or fourteen years, Tim Anderson (previous owner) has done some great things with this facility; explaining we have new owners that bought this property and are looking to expand the production and facility and are looking forward to what is coming in the future.

J.T. Schwartz, President of Shady Creek Vineyard LLC addressed the Council regarding the future plans they have for the vineyard and what drew his family to this

winery are the people who owned it and the community and tourists that Michigan City draws; stating they are excited to be in the Michigan City and look forward to working with everyone in the community.

Mr. Schwartz advised Councilman P. Przybylinski that there will be five (5) additional jobs in the production room as well as more celler hands as they grow with their goal to make Shady Creek a regional destination

President Fitzpatrick asked if there were any comments or questions from the public; there was no response.

President Fitzpatrick asked if there were any other comments from the Council; there was no response.

Councilwoman Deutch made a motion to adopt the proposed resolution, second by Councilman Simmons.

President Fitzpatrick asked all in favor of adopting the proposed tax abatement resolution for real property to signify by saying "AYE" all responded "AYE" those opposed; there was no response. The resolution was adopted vote 9 – 0

Clerk Neulieb read the following proposed ordinance on first reading by title only,
**AMENDING ORDINANCE, NO 4546 TO ESTABLISH TIME PERIOD
FOR IMPLEMENTATION OF RULES ESTABLISHED THEREIN**

Introduced by: Paul Przybylinski

President Fitzpatrick asked if the author had anything to add at this time;

Councilman P. Przybylinski advised this is the proposed amendment that he spoke with a few Council members about after Ordinance No. 4546 was adopted and approved by the Mayor; wanting to bring these changes to the original ordinance to have a time period on the restrictions in the parking lots; commenting his concerns about not hearing from the administration or Park Department when the proposed ordinance was TABLED for several weeks suggesting any changes to his proposed ordinance; commenting on why he brought this ordinance to the Council; that he feels the Park Department administration and board had sufficient time to get a plan together to address the opening of the parking lots at Washington Park for the safety of the citizens of Michigan City.

President Fitzpatrick asked if there was anyone from the public that wished to speak regarding the proposed ordinance;

Phil Latchford, 439 Boyd Circle and Park Board member addressed the council advising he and the Park Board and the Park Administration can manage the issues at the park; stating they did put plans in place, but their authority was trumped due to the Mayor's Executive Order and the Council's resolution; with them doing a good job historically and having done well.

Mr. Latchford commented on Ordinance No. 4546 that was adopted; advising the Park Board did send the Council correspondence asking them to repeal it; due to some of the language in this ordinance it creates maybe some unintended consequences; with repealing this ordinance it will let the Park Board then re-establish the necessary protocols and rules whether Covid-19 has forced us to make some corrections; again stating the board and administration is fully capable of managing Washington Park.

President Fitzpatrick asked if there was any other comments or questions from the general public; there was no response.

President Fitzpatrick asked if there were any comments from the Council;

Councilman D. Przybylinski commented on the letter the Council members received from the Park Board and read the following first paragraph questioning the time frame

1. Allowing only LaPorte County residents with 2019 or 2020 annual stickers to park in Washington Park from the day after Labor Day through the 2nd Friday in May annually (we open the 2nd Saturday in May) would deny access to the park to residents or visitors, who do not have a park sticker, for nearly 9 months out of the year. Many residents did not have an opportunity to acquire a sticker in 2020 due to Washington Park and the sticker distribution office closing early in the season because of the pandemic. Additionally, the Park Department has no gate staff to verify LaPorte County residency.

stated in this paragraph; stating the only time park stickers are needed to enter the park is from Memorial Day to Labor Day; that after Labor Day you don't need a sticker.

Councilman D. Przybylinski addressed the following paragraph questioning

1. The Ordinance sets daily hours of 10 am to 8 pm and requires the Park Department to limit parking to not more than fifty percent of the authorized parking spaces in the park at any one time. The Park Department has no gate staff to monitor the parking lots or open the gates at 10 am daily. The Michigan City Police Department closes the park gates each night.

the time frame that was agreed upon in the Mayor's workshop that was called after Ordinance 4546 was adopted and before Labor Day weekend began; with Council members, Park Administration and Park Board members being present to discuss how to let the citizens of Michigan City enjoy our lakefront.

Councilman D. Przybylinski advised that the Mayor could VETOED the adopted ordinance, brought it back to the table, within the ten (10) day grace period and made a few corrections; stating this wasn't brought to the Council to have strict oversight on the Park Department but was to bring direction regarding the rules and regulations on issues in our park; communication is so important with all of us having until spring to make any changes that are needed; moving this forward instead of arguing.

President Fitzpatrick asked if there were any other Council comments;

Councilman Dabney read the following letter the Council received this last week from the Park Board:

Dear Common Council Members,

The Michigan City Park Board has reviewed your amendment to Ordinance NO. 4546, titled "Amending Ordinance No. 4546 to Establish Time Period for Implementation of Rules Established Therein."

The amendment would create additional unintended problems which are listed below.

The new Ordinance, as currently written, and if approved, would pose the following problems:

1. Allowing only LaPorte County residents with 2019 or 2020 annual stickers to park in Washington Park from the day after Labor Day through the 2nd Friday in May annually (we open the 2nd Saturday in May) would deny access to the park to residents or visitors, who do not have a park sticker, for nearly 9 months out of the year. Many residents did not have an opportunity to acquire a sticker in 2020 due to Washington Park and the sticker distribution office closing early in the season because of the pandemic. Additionally, the Park Department has no gate staff to verify LaPorte County residency.
2. The Ordinance will only allow those with 2019 and 2020 stickers to visit the park after Labor Day 2021; it doesn't allow those who have purchased or obtained a free resident sticker in 2021; or in future years, to enter the park during the nearly 9-months the park is not staffed.
3. The Ordinance sets daily hours of 10 am to 8 pm and requires the Park Department to limit parking to not more than fifty percent of the authorized parking spaces in the park at any one

time. The Park Department has no gate staff to monitor the parking lots or open the gates at 10 am daily. The Michigan City Police Department closes the park gates each night.

Therefore, it is the Park Board's recommendation that the Common Council repeal Ordinance No. 4546 in its entirety. The Park Department will then return Washington Park to "normal" operations and if a problem(s) occurs it will be addressed by the Park Board, Police and/or Mayor.

Thank you for your consideration.

Respectfully,

Phil Latchford
Michigan City park Board President

Councilman Dabney stated there were years in the past when the weather stayed warm and the Park Department would charge on weekends to enter and park after the Labor Day deadline for stickers to bring in additional revenue; stating that he agrees Ordinance No. 4546 needs to be repealed as soon as possible.

Councilman Mack stated he was in agreement with Councilman Przybylinski on the portion of us having a meeting with the Park administration and Park Board; as the Liaison of the Park Department and having attended several of their meetings, they show professionalism and he has total confidence in their ability to handle this.

Councilman Mack commented that we can go over and over how we got to this point but there is a short version and that is "COVID-19"; week after week we changed our ability to open, close, open the park; then we proposed Ordinance No. 4546, it was adopted and signed by the Mayor with a lot of confusion; stating to go back to see where the problem lies isn't the thing to do, we have until next season; the pressure of the problems at the beach and the parking issues isn't going to go away in the near future; COVID isn't going away.

Councilwoman Zygag agrees with Councilman Mack that she doesn't feel the Council should be legislating rules for the Park Board, we need to be flexible since we don't know what the parking space is based on; that there is a lot of problems with Ordinance No. 4546; the Park Department and their board is capable of doing their job.

President Fitzpatrick asked if there were any other Council comments; stating that Ordinance No. 4546 was a bad ordinance to begin with and he believes all of this is because of being under COVID-19; advising that if the pandemic situation would not of happened this would of never been in front of the Council for discussion.

President Fitzpatrick asked if there were any other comments; hearing none this ordinance will be held over on 2nd reading at the October 20, 2020 regular Council meeting.

The Clerk read the following proposed ordinance on first reading by title only,
REPEALING ORDINANCE NO 4546 ENTITLED "ESTABLISHING RULES FOR ATTENDANCE AT AND THE USE OF WASHINGTON PARK AND PENALTIES FOR VIOLATING SAME FOR VIOLATING PARK DEPARTMENT RULES CONCERNING THE USE OF WASHINGTON PARK AND THE ZOO"

Introduced by: Bryant Dabney
Dalia Zygag

President Fitzpatrick asked if the authors had anything to add.

Councilwoman Zygag advised the comments she made during the last proposed ordinance is how she feels; that the Park Board should have the authority to do their job making the rules for Washington Park and their department.

Councilman Dabney stated this is an ordinance that he spoke about; we need to repeal Ordinance No. 4546 and start over.

President Fitzpatrick asked if there was anyone from the public that wish to speak on the proposed ordinance; there was no response.

President Fitzpatrick asked if there was any Council comments or questions regarding the proposed ordinance;

Councilman D. Przybylinski stated he totally disagrees with Councilman Dabney's comments about repealing Ordinance No. 4546 start over or don't do anything; that we adopted Ordinance No. 4546, the Mayor signed it, it is in front of us, and we adopted it for a reason; to get things taken care of under the COVID-19 pandemic/crisis and that there are some good things in this ordinance and there may be some language that needs to be amended; and we had to pay a few Park Department employees overtime, some salary people also helped; stating it is a good ordinance; we need to get together with the Park Department Board and set up a workshop and move forward for next season.

Councilman D. Przybylinski stated when Ordinance No. 4546 was adopted and the Mayor signed it; there was a workshop held by the Mayor where they were told the Park Department would follow this ordinance; manning the gates from 10 am to 8pm daily until it was amended; advising that the park department stopped manning the gates on October 4 with the ordinance not being amended or repealed to date.

Councilman P. Przybylinski reiterated that he spoke with a few Council members after the last council meeting; advising that he was going to amend Ordinance No. 4546 at this meeting; stating that if anyone thinks something is going to happen if you repeal this ordinance it won't; this ordinance was put into place because there was no action being taken by the administration or Park Board until he started asking if the park rules were ever codified.

Councilman P. Przybylinski asked if there was a plan right now that could be implemented by the Park Board to be put in place if this ordinance is repealed.

Ed Shinn, Superintendent of the Park Department; stating he would like to pull the reins in and clarify a few items; agreeing with Councilmen Dabney and Mack's comments and who knew that Chicago would be closing their beaches during this pandemic and our beaches would be overrun.

Councilman P. Przybylinski called "Point of Order" stating that he wasn't here to be questioned.

Mr. Shinn addressed the Council advising they are doing a good job by listening to the people regarding the situation that happened during the 4th of July weekend at our park; after that weekend the park came up with a re-opening plan to open the beach safely and route the out of town people to another location; letting the Michigan City residents enter the lake front; then the Council came up with Ordinance No. 4546, advising that the Park has a re-opening plan and he will forward it to the council tomorrow morning.

Councilman P. Przybylinski asked Mr. Shinn if the plan has been given to their attorney and is in front of the Park Board for their approval.

Mr. Shinn stated that he went over the plan he is proposing at a Park Department meeting.

Discussion ensued between Councilman P. Przybylinski and Mr. Shinn regarding Ordinance No. 4546, the proposed plan for re-opening Washington Park and the situation regarding the Chicago beaches being closed this season due to Covid-19.

President Fitzpatrick asked Mr. Shinn to send a copy of his re-opening plan to the Clerk's office first thing in the morning for distribution to the Council.

President Fitzpatrick asked if there were any other comments from the Council; there was no response; stating the proposed ordinance will be held over on second reading at the October 20, 2020 Council meeting.

The Clerk read the following ordinance on first reading by title only, **AMENDING MUNICIPAL CODE SECTION 2-457 COMMISSION ON THE SOCIAL STATUS OF AFRICAN-AMERICAN MALES**

Introduced by: Tracie Tillman

President Fitzpatrick asked if the Author had anything to add;

Councilwoman Tillman stated the reason she is proposing this ordinance is in regards to some miscommunication in regards to how many members are allowed to be on the commission of Social Status of African-American Males board; advising according to their by-laws there should be thirteen (13) members; explaining what had occurred after Mr. A. Payne (Mayor's appointment) resigned, he was President and her position which was a council appointment leaving that open due to her being a Council member, she then was appointed as their liaison.

Councilwoman Tillman stated this is a commission created by a Council; which should be run efficiently following the ordinance that was created for this board along with the by-laws that were created by this commission; that who has been appointed to serve on this commission shouldn't matter that the members are appointed to serve and make things happen in our community for young black American males.

Councilwoman Tillman stated she took the liberty of making a proposed amendment to their ordinance requesting fifteen members which three (3) of those members now be to be appointed by the Council; commenting that people that want to serve on any board or commission should be able to; stating several concerns regarding the rights an individual wanting to serve on a board and not being able to because of who they are.

President Fitzpatrick asked if there was anyone from the public that wish to speak on this ordinance;

Rodney McCormick, 617 Union Street, addressed the Council stating he believes the person Councilwomen Tillman is speaking about is himself; stating several concerns regarding himself being appointed to the Social Status of African American Males Commission in February by this Council and to date has not been to a meeting; with Mr. Payne resigning and not having an election to date; commenting on lack of communications and when asking a question about rules and what should be followed, again, no answers; rules should be followed. Mr. McCormick stated he would like to serve on this commission and will be following their ordinance and bylaws.

President Fitzpatrick asked if there were any other public comments on the proposed ordinance; there was no response.

Councilwoman Tillman advised Councilwoman Zygus met the other six members are the Mayor's appointments.

Councilwoman Tillman advised Councilwoman Deutch that the representation of organizations being appointed didn't change.

Discussion ensued between Councilwoman Tillman and Councilwoman Deutch regarding the attendance to the meetings and being removed if being absent five (5) days or more.

Councilwoman Deutch commented on her conversation with Mr. McCormick regarding his question about "Roberts Rules of Order"; and Mr. Payne resigning from this board; stating that if you are going to run for Vice President of an organization you better be prepared to take over if need be as president.

Attorney Meyer addressed the Council regarding the language in this proposed ordinance regarding the appointing authority.

President Fitzpatrick asked if there were any other comments from the general public or council; there was no response; stating the proposed ordinance will be held over on second reading at the October 20, 2020 Council meeting.

NOTE: A seven (7) minute recess was taken

The Clerk read the following Ordinance on second reading by title only; **AMENDING SECTION 70-101 IN DIVISION 3 OF CHAPTER 70 OF THE MICHIGAN CITY MUNICIPAL CODE REGARDING THE POLICE MERIT COMMISSION**

Introduced by: Paul A. Przybylinski

President Fitzpatrick asked if the Author had something to add;

Councilman P. Przybylinski made a motion to add the following to section (b) 1:

(b) Qualifications; Oath. Qualifications to serve are as follows:

1. Under reorganization of the commission a nominee` must successfully complete a criminal background check.

Stating that nominees for this commission should complete a background check; they are interviewing applicants that want to be a police officer and they should hold the same standards as someone wanting to be a police officer for our City.

President Fitzpatrick asked if there was anyone from the public that wished to speak on the proposed ordinance; there was no response.

Councilman P. Przybylinski advised Councilman D. Przybylinski that if the proposed ordinance is adopted the background check is an administrative function and would come from the attorney or personnel office to be done.

Councilman Simmons stated he believes the Police Department does the investigations for the background checks of applicants applying.

Discussion ensued between Councilman P. Przybylinski, President Fitzpatrick and Council members Simmons and Deutch regarding who would be responsible to do the background checks.

Councilman P Przybylinski made a motion to "TABLE" the ordinance on second reading until the next regular meeting on October 20, 2020; second by Councilwoman Deutch.

President Fitzpatrick asked if there were any other Council comments; there was no response; stating the proposed ordinance will be TABLED on second reading until the October 20, 2020 Council meeting by the following vote 9 0.

President Fitzpatrick asked all in favor to "TABLE" the proposed ordinance until the October 20, 2020 Council meeting signify by saying "AYE"; all responded "AYE" those opposed; there was no response. The resolution was adopted vote 9 – 0

The Clerk read the following Ordinance on second reading by title only, **APPROVING REDUCTION OF APPROPRIATIONS IN THE CITY'S 2020 ANNUAL BUDGET**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add;

Councilman Dabney stated that we are basically reducing the budget; after looking it over for 2020 it was realized that the projective revenues that were out there were projected to high; advising if we allowed the city departments to spend up to their budget we wouldn't have the revenue to cover; so what we are doing is a de-obligation of actual figures/dollars to make sure we have monies to cover them.

President Fitzpatrick asked if there was anyone from the general public that wish to comment on the proposed ordinance; there was no response.

President Fitzpatrick stated that there would be a formal public hearing this evening (repeating three times) "is there anyone from the public that wished to comment on the proposed ordinance"; there was no response and the public hearing was closed.

President Fitzpatrick asked if there were any questions or comments from the Council at this time;

Councilman Dabney advised Councilwoman Zygus that if the departments that are being proposed to de-obligate monies didn't have the monies, they would have to look at other departments that would.

President Fitzpatrick asked if there were any other Council comments; there was no response; stating the proposed ordinance will be held over on third reading at the October 20, 2020 Council meeting.

The Clerk read the following ordinance on second reading by title only, **ORDINANCE OR RESOLUTION FOR APPROPRIATIONS AND TAX RATES**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add; there was no response.

President Fitzpatrick stated that there would be a formal public hearing this evening (repeating three times) "is there anyone from the public that wished to comment on the proposed ordinance"; there was no response and the public hearing was closed.

President Fitzpatrick asked if there were any comments from the Council at this time; there was no response; stating the proposed ordinance will be held over on third reading at the October 20, 2020 Council meeting.

The Clerk read the following ordinance on 2nd reading by title only, **AN ORDINANCE SETTING SALARIES AND WAGES FOR APPOINTED OFFICIALS AND EMPLOYEES OF THE CITY OF MICHIGAN CITY, INDIANA, FOR THE CALENDAR YEAR 2021**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add at this time; there was no response.

President Fitzpatrick asked if there were any comments or questions from the public; there was no response.

President Fitzpatrick asked if there were any questions or comments from the Council;

Councilwoman Tillman asked if the current ordinance being read now for the 2021 annual budget the council isn't going over at this time?

President Fitzpatrick asked if there were any other Council comments;

President Fitzpatrick stated during the budget hearing process, it was brought to our attention that 2021 would be a year with 27 weeks and with that being said it gave everyone an extra paycheck; so essentially it increased their salaries.

Mr. Fitzpatrick stated the administration said the budget would be presented to the Council without pay increases; but that seems to be to contrary because everyone is getting an extra paycheck and he is not sure how this should be dealt with; advising he doesn't feel this council should be approving it without making any additions or adjustments to make the salaries what they should be.

President Fitzpatrick asked Attorney Meyer what his advice is for the Council to do at this time regarding the additional 27th week; stating the thought that he had is the salaried employees should receive their annual salary from 2020 divided by 27; not an extra paycheck.

Attorney Meyer commented the hourly workers will receive their hourly pay for how many hours they work; the salary employees which he felt the administration wanted to treat them same and pay them for the 27th (40 hour) week; or take the 2020 annual salary and divide it into 27 pays; that the proposed budget only gives the bi-weekly amount not the annual amount.

President Fitzpatrick asked if there were any other Council comments;

Councilwoman Tillman asked Attorney Meyer at the end of the year if the amount being proposed in the ordinance would it be greater than the amount at the end of this year 2020.

Attorney Meyer advised Ms. Tilman that the salaried employee's W-2 at the end of 2021 due to the 27th pay will be greater than at the end of 2020 because of only having 26 pays in 2020.

Councilwoman Tillman asked when moving forward and going into 2022 and it only having 26 weeks, will the city go back to the amount salaried employees received annually in 2020 or keep the increase from the 27th pay in 2021.

Attorney Meyer stated that would be addressed and determined during the proposed 2022 budget

Councilman Dabney advised there is never two years in a row having the 27th pay.

Councilwoman Deutch stated that they received a notice where she works that they will be receiving the same annual pay divided by 27 weeks; making the bi-weekly less in 2021.

Councilwoman Tillman stated being an employee of LaPorte County they took your annual salary and divided by 27 pays; receiving a memo advising that this was what the county was doing due to the additional pay week.

Councilman P. Przybylinski stated if you are a salaried employee the amount you receive annually doesn't change unless there is a pay increase; and that hourly employees aren't getting a pay increase but will work an additional 40 hours in that 27th week; advising the Police and Fire Department are covered under a contract.

Councilman P. Przybylinski stated every salaried employee should know what they get paid annually and that he feels their annual pay should be divided into 27 pay periods

Discussion ensued between Councilwoman Tillman and Controller Hoffmaster regarding if a salaried employee only works six (6) months and decides to leave would that employee receive the bi-weekly pay rate that is being proposed for 2021 even though they aren't working the 27th week.

Councilman D. Przybylinski asked Controller Hoffmaster what the extra 27th paycheck for salaried City employees for 2021 would increase the budget approximately to.

Controller Hoffmaster said she didn't know the number exactly.

Councilman Dabney said that it would be an approximate \$700,000 increase for the 27th week. (this amount is for hourly and salaried employees)

Controller Hoffmaster advised that all hourly employees have to get paid for the hours they work in that 27th week; the salaried employees won't get paid for working that 27th week.

Discussion ensued between Controller Hoffmaster, Attorney Meyer, President Fitzpatrick, and Councilman Dabney regarding the hourly employees receiving their hourly pay for the hours they work during the 27th week of 2021; with the salaried employees not being paid for the 27th week but will be paid bi-weekly per their annual salary divided by 26 pays.

President Fitzpatrick asked if all appointed officials (salary employees) are punching in and out for lunches, breaks at the beginning of the day and end of day to account for how many actual hours they are working; with Controller Hoffmaster advising there is an electronic time system; all employees clock in and out and it tracks how many hours per day that each employee works; with the city policy it doesn't include employees punching in and out for lunches.

Councilwoman Deutch questioned that hourly employees get paid for whatever they work by the hour; but the salaried employees are paid bi-weekly; asking why not just divide their annual salary by 27 pays.

Controller Hoffmaster explained the budget shows the increase due to the extra liability that falls in the calendar year 2021; stating in a typical year the payroll liability is 2,080 hours per employee and that every ten or eleven years the liability increases for their employer to 2,150 hours; and to keep all the compensation rates at the 2020 level this will increase the annual payroll liability and increase it through the budget; but no one is receiving a raise they are being paid at the same rate, but there will be more hours that fall into the calendar year 2021; stating this is a liability on the city not an actual increase in the rate of pay being given but extra hours that fall into the 2021 calendar year; advising that there is approximately sixteen salary employees the 27th pay will affect.

Controller Hoffmaster advised President Fitzpatrick that the increase for the additional liability to the city would be approximately \$10,000 to \$15,000.

Attorney Meyer stated that would have to be approximately \$30,000 for sixteen employees.

Ms. Hoffmaster advised Councilman P. Przybylinski a Council member's annual salary is \$14,200.00 for 2020; with that being said the Council's annual salary will be \$15,112.71 for 2021; stating several concerns regarding this 27th pay.

Councilwoman Deutch asked if the Council members decide not to take the 27th pay would it be easier to change the amount or not give the council one pay; with Controller Hoffmaster advising it wouldn't matter, either way.

Councilman P. Przybylinski stated we sat in negotiations and told the fire fighters that we have no money to give them and then this Council is going to take a pay raise; advising he won't be supporting this 27th pay; asking to have amendments on third reading to take this out.

Councilman D. Przybylinski asked Controller Hoffmaster to get a list together and forward to all Council members all the salaried people that the 27th pay would affect and the amount of money it will increase to the 2021 budget.

Councilman D. Przybylinski agreed with Councilman P. Przybylinski comments regarding not being able to negotiate with Fire and Police due no extra monies in the 2021 budget.

Councilman Mack commented on how he feels about being a salaried employee in his employment history with each organization and how they deal with it differently; asking Ms. Hoffmaster what the past practice was within the City and how was it handled.

Ms. Hoffmaster advised she has been with the City thirty-six years and this is the third time the city has come across this; advising it has been both ways divided by 26 pays or adding the 27th week pay to their salary; advising the City made a policy this year knowing that we were going to be addressing it again; with the City administration going along with the union contracts and pay all salaried employees the 27th week.

Councilman Dabney questioned that the City would be paying hourly employees the 27th week and the not pay the salary employees for working the 27th week for forty hours.

Discussion ensued between Councilman Dabney and Ms. Hoffmaster regarding hourly city employees and City salaried employees and the 27th week there is in 2021.

President Fitzpatrick asked if city employees receive all the benefits that contracted (fire, police, street etc,) employees receive without union organization.

Councilman Dabney advised that the Council needs to make a decision this evening; that third reading is coming up at our next regular meeting and there can't be any amendments made on third reading; with the budget having to be submitted by November 1, 2020.

Councilwoman Deutch stated that we have a policy in place; understanding what we are saying about the extra 27th pay in 2021; but again when you think of salary; the amount is for your annual wage and most City salary employees are appointed or are elected employees; stating that she wouldn't assume that she was getting an extra pay; and agreeing with Councilman D. Przybylinski, that we need a list of the people and the total amount. Councilwoman Deutch commenting on hours a salaried person might have to work in a week and not be compensated for.

Councilwoman Deutch stated that we talked about amendments on third reading; we would need unanimous consent for that; asking if it needs to be addressed right now; making a motion if there is no objection to have amendments on third reading;

Councilman Dabney stated as being the Chair for the Finance Committee and starting the Finance hearings for the 2021 budget; he presented instructions of how the meeting would run; that please ask questions before hand; advising that he would stop all amendments on third reading and it is way too late to adjust the budget; benefits, insurance, everything pertaining to what is being proposed at the October 20, 2020 Council meeting.

Councilwoman Deutch stated with that being said and being an elected official and I don't understand something; advising she has the right; but if he wants to object to it she would be fine with TABLING the budget on 2nd reading; doing 2nd and 3rd reading at the October 20, 2020 regular Council meeting and would prefer not to do that.

President Fitzpatrick asked if there were any objections to having amendments on third reading with Councilman Dabney objecting.

Councilman P. Przybylinski made a motion to TABLE the proposed ordinance setting salaries and wages for appointed officials and employees; second by Councilman D. Przybylinski.

Councilwoman Deutch asked if there were any budget cuts that needed to be voted on; that maybe we should do those before we take the vote on TABLING this ordinance.

The ordinance was TABLED until the Regular Council meeting on October 20, 2020 by the following vote: **AYES:** Council members Fitzpatrick, Deutch, D. Przybylinski, Simmons, P. Przybylinski, and Tillman (6) **AYES:** Council members Dabney, Mack, and Zygas (3).

The Clerk read the following ordinance on second reading by title only, **AN ORDINANCE SETTING THE ANNUAL SALARY FOR THE MAYOR**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add, stating that we might as well TABLE each ordinance that has to do with salaries; due to each of them having to be calculated regarding the 27th pay.

Attorney Meyer advised that the Council can read each title and TABLE them or do them each individually; it is up to the Council.

President Fitzpatrick asked if there were any comments from the general public,

Mayor Parry stated that the Council needs to stop talking about the 27th pay as a raise; because it isn't, yes everyone is going to make additional monies in 2021 due an extra week; but they are working more hours too;

President Fitzpatrick asked if there were any other public comments, there was no response.

President Fitzpatrick asked if there were any questions or comments from the Council;

Councilman P. Przybylinski made a motion to TABLE this ordinance, second by Councilwoman Tillman.

The ordinance was TABLED until the Regular Council meeting on October 20, 2020 by the following vote: **AYES:** Council members Deutch, D. Przybylinski, Simmons, P. Przybylinski, Tillman and Fitzpatrick (6) **NAYES:** Council members Dabney, Mack, and Zygas (3).

The Clerk read the following ordinance on second reading by title only; **AN ORDINANCE SETTING THE ANNUAL SALARIES FOR THE COMMON COUNCIL MEMBERS**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add, there was no response.

President Fitzpatrick asked if there were any public comments, there was no response.

President Fitzpatrick asked if there were any questions or comments from the Council;

Councilman P. Przybylinski made a motion to TABLE this ordinance, second by Councilwoman Tillman.

The ordinance was TABLED until the Regular Council meeting on October 20, 2020 by the following vote: **NAYES:** Council members Deutch, D. Przybylinski, Simmons, P.

Przybylinski, Tillman, and Fitzpatrick (6) **NAYES:** Council members Mack, Zygas, and Dabney (3).

The Clerk read the following ordinance on second reading by title only; **AN ORDINANCE SETTING THE ANNUAL SALARY FOR THE CITY CLERK**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add, there was no response.

President Fitzpatrick asked if there were any public comments, there was no response.

President Fitzpatrick asked if there were any questions or comments from the Council;

Councilman Simmons made a motion to TABLE this ordinance, second by Councilman D. Przybylinski.

The ordinance was TABLED until the Regular Council meeting on October 20, 2020 by the following vote: **AYES:** Council members Deutch, D. Przybylinski, Simmons, P. Przybylinski, Tillman and Fitzpatrick (6) **AYES:** Council members Dabney, Mack, and Zygas (3).

The Clerk read the following ordinance on second reading by title only, **AN ORDINANCE ESTABLISHING SALARIES FOR THE FIRE DEPARTMENT OF THE CITY OF MICHIGAN CITY FOR THE CALENDAR YEAR 2021**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add; Councilman Dabney stating this a contract with the MCFD and they will be receiving the 27th pay.

President Fitzpatrick asked if there were any public comments, there was no response.

President Fitzpatrick asked if there were any questions or comments from the Council; there was no response; stating this ordinance will be held over on third reading at the regular Council meeting on October 20, 2020.

The Clerk read the following ordinance on second reading by title only, **AN ORDINANCE ESTABLISHING SALARIES FOR THE POLICE DEPARTMENT OF THE CITY OF MICHIGAN CITY FOR THE CALENDAR YEAR 2021**

Introduced by: Bryant Dabney

President Fitzpatrick asked if the author had anything to add; with Councilman Dabney stating this a contract with the MCPD and they will be receiving the 27th pay in 2021 as well.

President Fitzpatrick asked if there were any comments or questions from the public; there was no response.

President Fitzpatrick asked if there were any comments from the Council; there was no response stating this ordinance will be held over on third reading at the regular Council meeting on October 20, 2020.

The Clerk read the following ordinance on second reading by title only; **ADOPTING POLICY TO ALLOW 5% OF RIVERBOAT FUNDS TO BE USED TO FUND THE CITY'S OPERATING EXPENDITURES FROM THE GENERAL FUND AND DEDICATING 50% OF RIVERBOAT REVENUES TO INCREASE THE RAINY DAY FUND BALANCE UP TO A MINIMUM OF \$6 MILLION DOLLARS**

Introduced by: Sean Fitzpatrick

President Fitzpatrick added that serving on the Council and going through the budget hearings the last two years and looking at the shortfall we had last year, facing covid-19 this year and not having monies we usually depend on from Boyd Gaming; he feels there is a dire need to have a rainy day fund established where we have funds that are available at our disposal; stating it is a blessing the monies we have received from Boyd Gaming to do improvements to our city as well as using a lot of this money on pet projects/studies within our city; stating that we are doing the public a disservice and as someone representing the public duty is to have something in place to make sure the funds we are receiving are not all being spent.

President Fitzpatrick asked if there were anyone from the public that wished to speak on this ordinance;

Rodney McCormick, 617 Union Street, commented on the spending of the riverboat monies the city received in the last nineteen years; stating several of his concerns regarding the monies wasted; stating it is time to give back to people that live in this community improving our neighborhoods.

President Fitzpatrick asked if there were any other public comments; there was no response.

Councilman Dabney stated that in the current 2021 budget we are looking at it does have a million dollars that will come out of the Riverboat and go into the Rainy-day Fund account; commenting that if we take an additional 5% of Riverboat monies and put it in the rainy-day fund the city will be short 4.5 million dollars for the upcoming budget and it would have to come out of the general fund; stating several concerns on what would have to be cut within the budget; that he does understand that we need to work back and get this amount in the rainy-day fund slowly and it would be devastating if we did this now.

Councilman P. Przybylinski stated he supports this concept of getting the riverboat funded as Mr. McCormick alluded to about doing something with the monies for our community and neighborhoods; that we should put an ordinance in place so that so much monies goes into this fund and what it is regulated for; and he is sure the citizens of Michigan City will respect us for doing it.

Councilman D. Przybylinski commented on the financial situation of the City; it was being done without any of the last Council's knowledge and weren't aware of what was going on until December of 2019 when the City was going to have a four (4) million dollar short fall; with that being said we are in a situation where we have 1.9 million dollars in the river boat account and covid-19 going on; advising at the end of every year there is would be usually 6 million dollars; agreeing there should be a workshop called if we are going to move forward the council members need to know if anyone is going to lose their jobs, if there are projects that are planned and not going to be able to be completed, programs canceled before deciding on the percentage; requesting to have a workshop scheduled.

Councilwoman Tillman stated hopefully as long as every year when we are doing the budget the City will plan to put the 6 million dollars each budget; anticipating three million dollars and short comings will be able to get to our goal sooner; stating that she would be in support of this ordinance in 2022; but the 2021 budget we are still facing Covid, the shortfall of monies in the budget, people may have to be furloughed, laid off; agreeing that we need to start this; not saying we are going to do be able to do this today but it could go into effect for 2022; with the hopes of being able to increase and

receive funding to go into the rainy-day fund; making a motion to TABLE this ordinance on second reading until the next regular meeting on October 20, 2020, scheduling a workshop before the next meeting; with a second motion by Councilwoman Deutch.

President Fitzpatrick stated there is a motion and a second; President Fitzpatrick asked all in favor to TABLE the proposed ordinance on second reading until the October 20, 2020 Council meeting signify by saying "AYE" all responded "AYE" those opposed; there was no response. The ordinance was TABLED by a vote 9 – 0.

Councilman D. Przybylinski agreed with Councilwoman Tillman that the Council needs to start somewhere; stating in his estimation we need to start small, be prudent and be specific on exactly what we want to do to make this rainy-day fund work.

President Fitzpatrick stated the ordinance is TABLED until the October 20th Council meeting and a workshop is scheduled.

Attorney Meyer advised the budget is on the TABLE for second reading at the October 20th regular council meeting; questioning if the Council wants to go back to this ordinance and make amendments that were decided by the Finance Committee this evening; there would have be a unanimous consent to do so on third reading.

Attorney Meyer advised that a motion would have to be made to be able and go back make the amendments on second reading.

President Fitzpatrick asked if there were any objection, to go back to re-read the second reading for a "Resolution or Ordinance for appropriation to Tax Rates", there was no response, asking the Clerk to read the following ordinance on second reading by title only, **ORDINANCE OR RESOLUTION FOR APPROPRIATIONS AND TAX RATES**

Introduced by: Bryant Dabney

Councilman Dabney read the following:

When the council started the 2021 budget process, the council was handed a balanced budget, and by balanced budget I mean the projected revenues exceeds the projected expenses. This budget also already reflected 10% cuts across the board for all city departments in supplies and other expenses like membership dues and education. The total advertised budget for all funds in 2021 is \$53,222,223.

The city took major steps, primarily putting a freeze on both hiring and capital expenditures in this budget. That means that all capital expenditures will now have to come through the city council for approval. These changes are a must, as each year circuit breakers continue to increase, leaving less tax revenue to support the city.

The 2021 budget has numerous funds still requiring subsidizing with Riverboat funds, listed as follows: General Fund - \$3,191,975, the motor vehicle highway fund - \$753,637, Park Operations - \$750,000, Aviation - \$80,000, Cemetery - \$100,000, and the golf course - \$140,000. These funds totaling \$5,015,612, which is 52% of the City's estimated Riverboat funds based on a conservative estimate of Riverboat revenues. Also included in the Riverboat budget is a \$1,000,000 transfer to the rainy-day fund. Also, this year due to the way the calendar falls, the City also must fund a 27th payroll in 2021, which come to approximately \$700,000.

This budget did not require any decreases in salaries and benefits like vacation buy backs and longevity benefit of any city employees to make this budget balance. It was handed to us with all these priorities being met.

The city council president appointed finance committee of Councilman Bryant Dabney, Councilwoman Tracie Tillman, and Councilman Paul Przybylinski, along with any other council members who could participate met over a span of a couple weeks to review and make any deemed necessary cuts to the presented budget, and those cuts totaling about \$110,000 out of a

\$53,222,223 million, or 0.21% of the balanced budget will be voted on by the entire council tonight.

Councilman Dabney read the following recommended budget cuts:

City Hall: Acct. No. 423.031: Repair & Maint. Small Tools: Orig. Budget: \$1,805.00: Recommended Cut: \$500.00: Amended Balance - \$1,305.00: Committee Vote 3 – 0. The budget cut was approved by the following vote: **AYES:** Council members D. Przybylinski, Simmons, Zygas, P. Przybylinski, Tillman, Dabney, Fitzpatrick, Mack, and Deutch (9). **NAYS:** None (0).

Park Dept. (2056 PK & Rec Fund): Acct. No. 362.042 Rental of North Point: Orig. Budget: \$3,900.00: Recommended Cut: \$3,900.00: Amended Balance \$0.00: Committee Vote 3 – 0. The budget cut was approved by the following vote: **AYES:** Council members Simmons, Zygas, P. Przybylinski, Tillman, Dabney, Fitzpatrick, Mack, Deutch, and D. Przybylinski (9). **NAYS:** None (0).

Park Dept. (2056 PK & Rec fund) Acct. No. 439.090: Other Contractual: Orig. Budget \$800.00: Recommended Cut: \$800.00: Amended Balance \$0.00: Committee Vote 2-1 (BD). The budget cut was approved by the following vote: **AYES:** Council members P. Przybylinski, Tillman, Fitzpatrick, Mack, Deutch, D. Przybylinski, and Simmons (7). **NAYS:** Council Members Zygas and Dabney (2).

Historic Rev. Board (Board Compensation (Eliminate Secretary) Acct. No. 411.015: Orig. Budget \$2,400.00: Recommended cut \$2,400.00: Amended Balance \$0.00. Committee Vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members P. Przybylinski, Tillman, Fitzpatrick, Mack, Deutch, and Simmons (6). **NAYS:** Council Members Dabney, D. Przybylinski, and Zygas (3).

Historic Rev. Board (Other Service Contractual (Cut legal) Acct. No. 439.090: Orig. Budget \$6,317.00. Recommended cut \$1,669.00: Amended Balance \$4,648.00: Committee Vote 2-1(BD) The budget cut was approved by the following vote: **AYES:** Council members Tillman, Fitzpatrick, Mack, Deutch, D. Przybylinski, Simmons and P. Przybylinski (7). **NAYS:** Council Members Dabney, and Zygas (2).

Tree Board (Board Compensation (Eliminate Secretary) Acct. No. 411.015: Orig. Budget \$2,400.00: Recommended cut \$2,400.00: Amended Balance \$0.00. Committee Vote 2-1(BD) The budget cut was approved by the following vote: **AYES:** Council members Fitzpatrick, Mack, Deutch, D. Przybylinski, Simmons, P. Przybylinski and Tillman (7). **NAYS:** Council Members Dabney and Zygas (2).

Tree Board Other Services & Charges Membership Dues: Acct. No. 439.080: Orig. Budget \$475.00; Recommended cut \$475.00: Amended Balance \$0.00. Committee Vote 2-1(BD) The budget cut was approved by the following vote: **AYES:** Council members Fitzpatrick, Mack, Deutch, Simmons, P. Przybylinski and Tillman (6). **NAYS:** Council Members D. Przybylinski, Zygas and Dabney (3).

Tree Board Other Services & Charges Education: Acct. No. 439.091: Orig. Budget \$950.00: Recommended cut \$450.00: Amended Balance \$500.00. Committee Vote 2-1(BD) The budget cut was approved by the following vote: **AYES:** Council members Mack, Deutch, D. Przybylinski, Simmons, P. Przybylinski, Tillman and Fitzpatrick (7). **NAYS:** Council Members Zygas and Dabney (2).

Police Department Operating Supplies – Household Supplies: Acct. No. 422.031: Orig. Budget \$18,050.00: Recommended cut \$3,000.00: Amended Balance \$15,050.00. Committee vote 3-0. The budget cut was approved by the following vote: **AYES:** Council members Deutch, D. Przybylinski, Simmons, Zygas, P. Przybylinski, Tillman, Dabney, Fitzpatrick and Mack (9). **NAYS:** None (0).

Police Department Rental Equipment: Acct. No. 422.03: Orig. Budget \$902.00; Recommended cut \$500.00; Amended Balance \$402.00. Committee vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members P. Przybylinski, Tillman, Fitzpatrick, Mack (4). **NAYS:** Council members D. Przybylinski, Simmons, Zygas, Dabney, and Deutch (5).

President Fitzpatrick stated the proposed budget cut fails; vote 4 – 5

Fire Commission Board Compensation (Eliminate Secretary): Acct. No. 411.015: Orig. Budget \$2,862.00; Recommended cut \$2,862.00; Amended budget \$0.00. Committee vote 2-1(BD) The budget cut was approved by the following vote: **AYES:** Council members P. Przybylinski, Tillman, Fitzpatrick, Mack, Deutch, and D. Przybylinski (6). **NAYS:** Council members Simmons, Zygas, and Dabney (3).

Police Commission Board Compensation (Eliminate Secretary): Acct. No. 411.015; Orig. budget \$2,862.00; Recommended cut \$2,862.00; Amended budget \$0.00. Committee vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members P. Przybylinski, Tillman, Fitzpatrick, Mack, Deutch, and D. Przybylinski (6). **NAYS:** Council members Zygas, D. Przybylinski, Dabney and Simmons (3).

Police Commission Other Services and Charges: Acct. No. 439.090: Orig. Budget \$14,042.00; Recommended cut \$14,042.00; Amended budget \$0.00. Committee vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members P. Przybylinski, Tillman, Fitzpatrick, Mack, and Deutch (6). **NAYS:** Council members Dabney, Simmons, and Zygas (3).

Board of Works Repairs Maint. Building: Acct. No. 436.010: Orig. Budget \$3,610.00; Recommended cut \$3,610.00; Amended budget \$0.00. Committee vote 3-0. The budget cut was approved by the following vote: **AYES:** Council members Tillman, Dabney, Fitzpatrick, Mack, Deutch, D. Przybylinski, Simmons, Zygas, and P. Przybylinski (9). **NAYS:** None (0).

Board of Works Repairs Maint. Equipment Traffic/Street Light repairs: Acct. No. 436.020: Orig Budget \$171,475.00; Recommended cut \$56,237.00; Amended budget \$115,238.00. Committee vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members Fitzpatrick, Mack, Deutch, P. Przybylinski, and Tillman (5). **NAYS:** Council members Dabney, D. Przybylinski, Simmons, and Zygas (4)

Planning & Inspection Rental Equipment: Acct. No. 437.020: Orig. Budget \$2,707.00; Recommended cut \$500.00; Amended budget \$2,207.00. Committee vote 3-0. The budget cut was approved by the following vote: **AYES:** Council members Fitzpatrick, Mack, Deutch, Simmons, Zygas, and P. Przybylinski, Tillman, and Dabney (8). **NAYS:** Council member D. Przybylinski (1).

Planning & Inspection Membership Dues: Acct. No. 439.080: Orig. Budget \$2,030.00; Recommended cut \$500.00; Amended budget \$1,530.00. Committee vote 2-1 (BD). The budget cut was approved by the following vote: **AYES:** Council members Mack, Deutch, Simmons, P. Przybylinski, Tillman, and Fitzpatrick (6). **NAYS:** Council member D. Przybylinski, Zygas and Dabney (3).

Cemetery Operating Supplies Gas: Acct. No. 422.021: Orig. Budget \$9,476.00; Recommended cut \$1,500.00; Amended budget \$7,976.00. Committee vote 3-0. The budget cut was approved by the following vote: **AYES:** Council members Deutch, D. Przybylinski, Simmons, Zygas, P. Przybylinski, Tillman, Dabney, Fitzpatrick, and Mack (9). **NAYS:** None (0).

Central Maintenance Utilities-Electric: Acct. No. 435.010: Orig. Budget \$28,880.00; Recommended cut \$6,680.00; Amended budget \$22,200.00. Committee vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members D. Przybylinski, Simmons, P. Przybylinski, Tillman, Fitzpatrick, Mack and Deutch (7). **NAYS:** Council members Dabney and Zygas (2).

Vector Control Salary & Wages - Overtime: Acct. No. 411.016: Orig. Budget \$10,000.00; Recommended cut \$3,000.00; Amended budget \$7,000.00. Committee vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members Simmons, P. Przybylinski, Tillman, Fitzpatrick, Mack, Deutch, and D. Przybylinski (7). **NAYS:** Council members Zygas and Dabney (2).

Vector Control Repair Maint. Supplies Repair parts: Acct. No. 423.021: Orig. Budget \$4,512.00; Recommended cut \$2,500.00; Amended Budget \$2,012.00. Committee vote 2-1(BD). The budget cut was approved by the following vote: **AYES:** Council members P. Przybylinski, Tillman, Fitzpatrick, Mack, Deutch, and Simmons (6). **NAYS:** Council members Zygas, D. Przybylinski and Dabney (3).

Total Cuts \$109,887.00

Councilman Dabney stated he believes he hasn't missed any of the recommendations from the Finance Committee; that there were a few typo's, will correct them and resend them out to the Council.

Councilman Tillman stated being part of the Finance Committee and doing the annual budgets of the City and for those who were able to attend the budget hearings or were able to observe from home; would like everyone to understand that we didn't come in to these meeting to make these decisions quickly; that there was a 10% cut across each city department in the work sheets that they received and that the Finance Committee met with each department individually and reviewed what was being proposed, making these decisions.

Councilman Dabney stated the departments with proposed cuts were the ones that came up with a vote from the Finance Committee of 3-0 recommendation.

President Fitzpatrick asked if the Council was going to receive minutes from the Finance Committee hearings; with Councilman Dabney advising he would be providing the minutes at the October 20, 2020 Council meeting.

Councilman P. Przybylinski stated he would like to concur with Councilwoman Tillman about the process of the 2021 budget hearings with each department head; commenting that it is the Finance Committee's job to save monies and bring back their recommendations to this Council to be able to approve the 2021 budget; that he feels that they were productive meetings, receiving pertinent information.

Councilman P. Przybylinski questioned Finance Committee Chair Dabney that 1.5 million dollars will be received from the state; with \$750,000 of these monies going to the Street Department; \$750,000 has to go for road repair in the City; with Mr. Dabney asking Controller Hoffmaster to address his question; with Ms. Hoffmaster advising Councilman P. Przybylinski this was correct; questioning if that is true that the city has to take an additional \$750,000 to fund the street department as well.

Councilman D. Przybylinski questioned where the one million dollars that is proposed in the 2021 budget is coming from to go in the Rainy-day fund; Councilman Dabney stated that these monies is coming from the Riverboat Fund.

Discussion ensued between Councilman D. Przybylinski and Councilman Dabney regarding moving this money from one City account to another; that it must come in front of the City Council to get appropriated

President Fitzpatrick advised there are a few more items we have to address on the agenda.

President Fitzpatrick asked if there were any other comments from the Council regarding this proposed ordinance (“Ordinance or Resolution for Appropriations and Tax Rates”)

Councilman P. Przybylinski commented on Councilman Dabney’s remark “semantics”; advising the citizens of Michigan City deserve the right to know where this million dollars being proposed is going and if it can be spent today or if it is going into an account for the rainy-day that is being proposed.

Councilman Mack stated for the public the Rainy-day fund is like saving money for an emergency like COVID; that you aren’t saving money for any reason but just in case an emergency arrives it is there; stating as a gambling city we should have something to show being given the monies we have received from Boyd Gaming in our community.

Councilman Simmons stated the casino has been a blessing to our city and yes we have an empty rainy-day fund; but in the beginning a lot of these monies from Boyd Gaming was put into infrastructure and then it went to needs and wants; not putting anything in the Rainy-day fund that was created.

President Fitzpatrick asked if there were any other Council comments; there was no response; stating that the proposed ordinance will be held over on third reading at the October 20, 2020 Council meeting.

NEW BUSINESS

President Fitzpatrick stated the “Declaration of Fiscal Body/Michigan City Public Library” was received in the Clerk’s Office on October 4, 2020.

NOTE: this was for informational purpose only (Attorney Meyer stated that this didn’t need any recommendation from the Council)

COMMENTS FROM THE MAYOR

President Fitzpatrick asked if the Mayor had any comments this evening; with Mayor Parry stating not at this time.

COMMENTS FROM THE PUBLIC

President Fitzpatrick asked if there were any comments from the public; there was no response.

COMMENTS FROM THE COUNCIL

Councilman D. Przybylinski addressed the Council regarding what the plans and future holds for the old St. Anthony’s Hospital on Wabash Street.

Councilman D. Przybylinski commented on the statistics about the Covid-19 numbers in LaPorte County; advising everyone to take this seriously and wear our masks and social distance.

Councilman D. Przybylinski addressed the Council regarding what needs to be done if wanting to serve on the Michigan City Economic Board in 2021.

Councilwoman Tillman addressed the comment that was made by Mayor Parry in regard to longevity; advising that she didn't say anything about cutting anyone's longevity, but did request documentation regarding who is receiving longevity or vacation and was hired between 2018 - 2020 of this and is receiving these benefits.

Councilman P. Przybylinski commented on statements made by the Mayor about Councilwoman Tillman on her lack of physical knowledge/awareness; stating it has been a pleasure working with her on the Finance Committee and that she does a thorough job.

Councilman P. Przybylinski advised that he was going to call a streets and alleys workshop so each council member can address and ask questions regarding any repairs needed in each ward.

Councilwoman Deutch stated that she appreciated all the work the Finance Committee put forth; commenting on all the hard work they did; that it is important for the citizens to see what happens during budget time.

Councilwoman Deutch stated she appreciated Councilman D. Przybylinski comments that she isn't comfortable coming into this building regarding what is going on with COVID and the cases rising in LaPorte County; commenting several of her concerns why she feels this way.

Councilwoman Deutch advised that she was bringing an ordinance that was TABLED in June, 2020 regarding the "Fighting Chance Fund" which is COVID monies that has to be spent by the end of the year; helping small businesses financially regarding how it has affected them during this pandemic.

Councilman D. Przybylinski agreed with Councilwoman Deutch and not feeling safe in this building especially with the COVID numbers rising in our county; that we aren't practicing social distancing the way things are set up.

Councilman P. Przybylinski agreed with both Council members regarding having the Council meetings at Memorial Hall; questioning why we can't go back to City Hall.

President Fitzpatrick asked if there were any other comments from the Council;

Councilwoman Tillman stated that there several additional questions asked during the budget hearings in regards to elected or non-elected job descriptions and duties and if the line items were correct; with them being requested appropriately; with one question being if the City Clerk could have her own Counsel and according to the 2020 Indiana Elected Municipal Official Hand Book it does state that Clerk or Treasure may hire or contract with the component of an Attorney or Legal research asst under code IC 36-4-10-5.5.

President Fitzpatrick stating that we got a lot accomplished this evening; applauding the Finance Committee for all their hard work.

ADJOURNMENT

Councilwoman Deutch made a motion to adjourn, second by Councilman P. Przybylinski and there being no further business to transact, President Fitzpatrick declared the meeting **ADJOURNED** (approximately 10:43 p.m.)

Gale A. Neulieb