



GOSHEN COMMON COUNCIL

Minutes of the JULY 10, 2026 Information Session

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

(NOTE: Because this was an information/work session, there were no votes and no public testimony)

Call to Order: At 1 p.m., Mayor Gina Leichty called the special information session to order.

Pledge of Allegiance: Mayor Leichty led attendees in reciting the Pledge of Allegiance.

The following Common Council members were present:

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

City of Goshen Department heads and staff members in attendance:

Deputy Mayor Mark Brinson City Attorney Bodie Stegelmann Assistant City Attorney Don Shuler
Legal Compliance Administrator Shannon Marks Clerk-Treasurer Richard R. Aguirre
Director of Administrative Affairs Michael Wanbaugh Police Chief Andy Stephenson
Fire Chief Anthony Powell Assistant Fire Chief of Administration Phil Schrock
Public Works Director Dustin Sailor Civil City Engineer Brad Minnick
Water & Sewer Utilities Business Office Manager Kelly Saenz Redevelopment Director Becky Hutsell
Street Commissioner David Gibbs Superintendent of Parks & Recreation Tanya Heyde
Building Commissioner Myron Grise Fleet Manager Carl Gaines
Director of Innovation & Technology Mattie Lehman Director of Cemeteries Burt Matteson
Dept. of Environmental Resilience Director Aaron Sawatsky Kingsley
Supt. of the Water and Sewer Department Marv Shepherd Stormwater Coordinator Jason Kauffman
Supt. of the City Wastewater Treatment Plant Jim Kerezman

Also present: About 10 members of the audience, including a *Goshen News* reporter

Mayor's welcoming remarks:

Mayor Leichty welcomed everyone to this special information session of the Common Council and the gathering of City Department Heads and provided the background and context of today's discussion.

The Mayor said: "I'd like to thank everybody for being here today to have a discussion that none of us really want to have but is absolutely necessary at this point. We're here to talk today about the possibility of adding environmental services (fees), for our residents.

"For many years Goshen has worked diligently to avoid that necessity and to keep the cost of living as low as possible for all of our residents while continuing to provide exceptional high value services for our constituents. As you all know, a lot of that changed last year with the advent of Senate Enrolled Act 1, and not only what's already happening, but with the projected outcome that will be fully implemented by 2029. And in ongoing discussions about property taxes and income taxes, we continue to hear that the State may make additional changes that may add more impact to what we're already seeing."



The Mayor Leichty continued, "The presentation that you're going to hear today will talk about where we are and what that would look like if this trajectory continues and what we would propose as one possible solution of many that we are applying to make sure that Goshen continues to be a place where families can come with some reasonable assurance that their investment in our community will yield positive returns and that we can continue to provide the quality services that everybody's come to expect from our City."

Mayor Leichty said Amber Nielsen, a Senior Manager for Baker Tilly Municipal Advisors, gave a preliminary presentation last year when the City began considering the possibility of implementing fees for trash and recycling services to help offset revenue losses because of the implementation of Senate Enrolled Act 1. The Mayor said Nielsen today would present information projections based on what the City is anticipating for revenues as well as some modest investments that the City would continue to make in infrastructure."

Mayor Leichty said there would be time for Council member questions and comments until 2:30 p.m. when Councilors and City staff would need to leave for the annual colleague appreciation picnic at the Goshen Airport.

1) Environmental Service Fee Presentation and Analysis (Amber Nielsen, Senior Manager, Baker Tilly Municipal Advisors)

(NOTE: Included in the Council's meeting packet, and available to the public online, was a 17-page PowerPoint presentation that Nielsen prepared, dated July 10, 2026, and titled "Environmental Service Fee Analysis." She used this PowerPoint during her presentation to the Council. PowerPoint slides are included in these minutes.)

Amber Nielsen greeted Councilors and said she has worked with the City for many years on many financial issues, but mainly focusing on budgeting, financial planning and capital planning and fees.

Nielsen said the Environmental Service Fee was discussed as one of the options the City could explore to combat potential revenue changes amid rising costs and the passage of Senate Bill 1, which will reduce tax revenue. She said in the future more communities will be shifting tax-supported services to fee-supported services.

Using the PowerPoint slides, Nielsen offered the following information and at times paused to answer questions from Councilors and the Mayor:

ENVIRONMENTAL SERVICE FEE ANALYSIS

Revisiting SEA-1/HB-1210 Impacts

• Property Tax Impacts

	2024 Actual	2025 Actual	2026 Actual	2027 Est.	2028 Est.	2029 Est.	2030 Est.	2031 Est.
Total Property Tax Credits*	\$3.13M	\$4.24M	\$4.91M	\$4.79M	\$4.73M	\$5.88M	\$5.73M	\$5.52M

*2027 – 2031 are per Baker Tilly's draft property tax analysis dated July 2, 2026. Assumes the minimum annual positive growth AV rate. Full finalized report further discussing the numbers and ranges to be presented to Council in the near future.

• Local Income Tax Impacts

- Current LIT structure expires at the end of 2028 with municipalities seeing changes in revenues in 2029.
- Revenue impact can vary depending on whether Goshen opts in/out to a County-wide municipal services LIT rate or adopts its own LIT rate by October 1, 2028.
- Rates & corresponding revenues to be decided in the county MUST efforts.

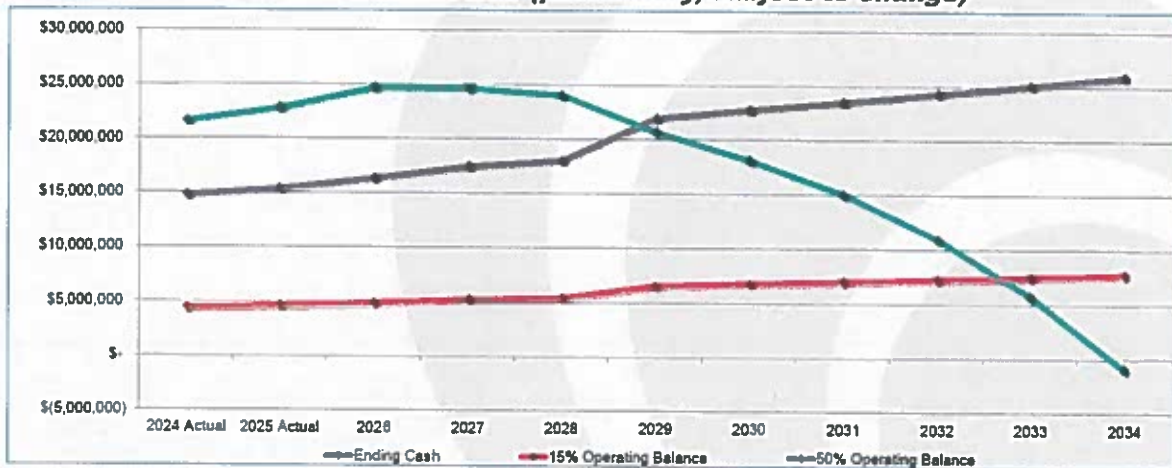


To summarize this slide, Nielsen said:

- The slide outlines the property tax impacts of Senate Enrolled Act 1 and House Enrolled Act 1210;
- The legislation will affect the City's circuit breaker credits, which are now known as property tax credits;
- The property tax credits will increase yearly through 2031 and reduce the City's revenue;
- So, the property tax reduction will begin at 2026, with a \$4.9 million loss and rise to \$5.5 million by 2031;
- The growth in the assessed property value in the City and the County will affect these numbers;
- The new State laws also will affect local income tax revenue, which has been expected to drop by millions of dollars under Senate Enrolled Act 1;
- However, House Enrolled Act 1210 (passed earlier in 2026) has provided some potential relief;
- If the City agrees to be part of a countywide Local Income Tax rate with other municipalities in Elkhart County, that could potentially increase the amount of tax revenue the City receives;
- The tax rates and corresponding revenues have yet to be decided and finalized.

ENVIRONMENTAL SERVICE FEE ANALYSIS

General Fund Outlook *(preliminary, subject to change)*



Main Assumptions:

- Expenses assume 3.5% growth annually in personnel, 5% annually in supplies and services and charges from the 2026 budget. Capital outlays are based on the most recent capital plan.
- Assumes budgets from PS LIT and CEDIT will need to be shifted to the General Fund beginning in 2029.
- Property tax losses due to SEA-1 are incorporated based on the most recent Baker Tilly estimates.
- LIT revenues assume that beginning in 2029, the City opts-in to a county-wide LIT rate for municipal services that replaces current LIT revenues. Assumes 3% annual growth in LIT revenues beyond that.

To summarize this slide, Nielsen said:

- The slide shows the preliminary impact of fiscal constraints, rising costs and revenue losses of the new legislation on the City's General Fund, which pays for most City services;
- The 2027 budgets and capital plans are not yet final and the chart does not include the State's new revenue estimates for 2027;
- The blue-green line shows the ending fund balance of the General Fund because the largest portion of the City's trash and recycling collection costs paid to Borden Waste-Away Service, Inc. comes out of the General Fund;
- The chart assumes that the full Borden contract will be paid out of the General Fund in 2027 and beyond;



- The blue-green line shows the ending fund balance of the General Fund in 2024 and 2025 and estimates for 2026 through 2034;
- The gray line shows a 50% operating balance (a recommended best practice), which would provide six months of funding for City operations if revenue stopped immediately;
- The red line shows a 15% operating balance or a two-month reserve, which is the absolute bare minimum a city should maintain and which only is a two-month reserve;
- The blue-green line shows the projected fund balance assuming a 3.5% inflationary growth factor for personnel salaries, wages, benefits and 5% annual increases for supplies and service charges;
- All of the projected expenditures are based on the 2026 budget;
- Capital outlays out of the General Fund, if there are any, are based on the most recent capital improvement plan;
- The current local income tax structure is completely changing because it will expire at the end of 2028, with revenues changing starting in 2029;
- Currently, the City received Local Income Taxes (LIT) into three funds – Certified Shares, the County Economic Development Income Tax (CEDIT) and the Public Safety (PS LIT);
- Up the now, Certified Shares revenue has flowed into the General Fund and while CEDIT and PS LIT have been deposited into separate restricted funds;
- When the State tax structure changes beginning in 2029, the Public Safety and Economic Development LITs will stop receiving revenue and their expenses will need to be paid out of the City's General Fund;
- The PS LIT makes up about \$3.5 million a year and the CEDIT about \$2-\$3 million a year, revenue that will disappear from the City budget in 2029;
- When the tax structure changes in 2029, all local income taxes the City receives will be under one bucket called Municipal Services;
- Baker Tilly is not assuming the City will have any revenue growth unless specified by the City but is assuming there will be property tax losses;
- If the City opts into a countywide Municipal Services Tax Rate, the City could see very minimal changes to its local income tax revenue;
- If that was the case, the City would receive its current local income tax revenue of about \$14-15 million;
- However, instead of receiving dedicated revenue in three funds, the City would receive a single distribution and would need to decide how those funds would be distributed;
- With the change in State law, the City can adopt its own Local Income Tax Rate of up to 1.2% on the adjusted gross income within the City limits or agree to be part of a countywide municipal services rate with all of the other cities and towns in Elkhart County;
- The maximum tax rate would still be 1.2%, but if the City opted to be part of the countywide rate, it would be calculated based on the adjusted gross income of the entire county, giving Goshen a greater amount;
- And in this case, Elkhart County would adopt the countywide rate and not the Goshen City Council;
- Elkhart County cities have already met and agreed to adopt a countywide Local Income Tax;
- The 1.2% countywide rate would be divided up based on population instead of the current distribution which is divided up by each taxing unit's share of their property tax levy, essentially its share of assessed value;



- This distribution is expected be favorable to Goshen in terms of the expected tax revenue as long as a 1.2% tax rate is adopted, which was proposed.

In summary, Nielsen said, because of changes in the State tax structure starting in 2029, budget costs are being forced to move to the General Fund, and there are declining revenues and increasing costs. As a result, Goshen “faces a potential strain in future years in the General Fund in terms of fund balances. And that is one of the main reasons why this conversation (about increasing fees) is happening.”

ENVIRONMENTAL SERVICE FEE ANALYSIS

Proposed Environmental Service Fee Rate

The proposed total environmental service fee consists of the following components:

1. Rate for residential trash and recycling (including a hardship rate option)
2. Rate for City brush and yard waste collection
3. Rate for environmental services center

The total of these three components represents the total fee to be charged to customers.

To summarize this slide on the proposed environmental services fee, Nielsen said:

- The proposed total environmental service fee could potentially consist of a rate for residential trash and recycling which would pay the City's cost to its service provider (Borden Waste-Away);
- In addition, there would a rate for the City's brush and yard waste collection to help support those services which currently are for free to residents;
- There also would be a rate to support the City's cost to fund the Environmental Services Center under an annual contract;
- Baker Tilly is “taking all those calculations, adding them together to be one environmental service fee rate to potentially be charged to customers to fund these costs.”
- The following three slides essentially are a breakdown of the numbers of how Baker Tilly has come up with the proposed environmental services fee;
- Because of pending changes in information, the numbers provided are likely to change;
- Consideration also has been given to a proposed “hardship fee” for those unable to pay the new proposed cost of the services – a concept that was discussed by Councilors last year;



ENVIRONMENTAL SERVICE FEE ANALYSIS

Component #1: Trash/Recycling Fee Rate

Trash/Recycling Fee Rate Calculation			
	2027	2028	2029
Trash/Recycling Residential Contract Costs (1)	\$2,213,100	\$2,272,500	\$2,333,300
Illustrative Allowance for Administrative Costs (5%) (4)	110,700	113,600	116,700
Total Annual Revenue Requirements	2,323,800	2,386,100	2,450,000
Divided by: Number of Eligible Customers (2)	11,004	11,004	11,004
Illustrative Annual Fee Required to Support Trash/Recycling Service 100%	211.18	216.84	222.65
Divided by: 12 Months	12	12	12
Illustrative Monthly Fee Required to Support Trash/Recycling Service 100%	\$17.60	\$18.10	\$18.60
Hardship Rate in Lieu of Trash/Recycling Fee (5)			
Hardship Residence Costs (1)	\$1,760	\$1,800	\$1,850
Illustrative Allowance for Administrative Costs (5%) (4)	90	90	90
Total Annual Revenue Requirements	1,850	1,890	1,940
Divided by: Number of Current Hardship Residences (3)	9	9	9
Illustrative Annual Hardship Fee Required to Support Trash/Recycling Service 100%	206	210	216
Divided by: 12 Months	12	12	12
Illustrative Monthly Hardship Fee Required to Support Trash/Recycling Service 100%	\$17.20	\$17.50	\$18.00

To summarize this slide about Component #1, Nielsen said:

- Component #1 is the rate needed to fund the current service provider (Borden Waste-Away);
- It includes the City's current contract cost for residential trash and recycling services, which is about \$2.2 to \$2.3 million a year;
- Component #1 includes an allowance for administrative costs of 5% which would amount to \$110,000 to \$115,000 a year;
- Administrative costs are the City's costs to implement the environmental service fee, including additional employees, billing, tracking, supplies, office space, new software and related expenses;
- The chart shows three years of fees with 3% added per year to account for inflation;
- All costs were divided by the total eligible customers and that came out to a fee of \$17 to \$18 per month.

ENVIRONMENTAL SERVICE FEE ANALYSIS

Component #2: Brush and Yard Waste Collection Fee

Brush and Yard Waste Collection Fee Calculation			
	2027	2028	2029
Brush and Yard Waste Collection Costs (6)	\$185,800	\$191,400	\$197,100
Illustrative Allowance for Administrative Costs (5%) (4)	9,300	9,600	9,900
Total Annual Revenue Requirements	195,100	201,000	207,000
Divided by: Total Number of Utility Customers (7)	11,271	11,271	11,271
Illustrative Annual Fee Required to Support Brush/Yard Waste Collection Service 100%	17.31	17.83	18.37
Divided by: 12 Months	12	12	12
Illustrative Monthly Fee Required to Support Brush/Yard Waste Collection Service 100%	\$1.50	\$1.50	\$1.60



To summarize this slide about Component #2, the brush and yard waste collection fee, Nielsen said:

- This proposed fee was calculated with the same approach as it was for trash and recycling fees;
- City staff estimated the costs in terms of labor, equipment and maintenance to provide brush and yard waste collection every year;
- The cost totaled \$185,000 to \$200,000 a year;
- A 5% allowance was then built in for administrative costs, and that came out to \$9,000 to \$10,000 annually;
- For this calculation, the total costs were divided by the total number of utility customers;
- That's because the current residential trash and recycling number of customers may not be the same as the utility customers and it may be difficult to develop an accurate number of customers who would be charged;
- Still, it was estimated there would be about 11,271 customers who would be charged this new fee;
- And the cost to those customers for this service would be \$1.50 to \$1.60 per month.

ENVIRONMENTAL SERVICE FEE ANALYSIS

Component #3: Environmental Services Center Fee

Environmental Services Center Fee Calculation	2027	2028	2029
Environmental Services Center Costs (8)	\$258,400	\$266,200	\$274,200
Illustrative Allowance for Administrative Costs (5%) (4)	12,900	13,300	13,700
Total Annual Revenue Requirements	271,300	279,500	287,900
Divided by: Total Number of Utility Customers (7)	11,271	11,271	11,271
Illustrative Annual Fee Required to Support Environmental Services Center 100%	24.07	24.80	25.54
Divided by: 12 Months	12	12	12
Illustrative Monthly Fee Required to Support Environmental Services Center 100%	\$2.10	\$2.10	\$2.20

To summarize this slide about Component #2, the proposed Environmental Services Center Fee, Nielsen said:

- This proposed Environmental Services Center Fee was calculated using the same approach as was used for the proposed trash and recycling and brush and yard waste collection fees;
- The goal would be to provide funding to pay the City's contract costs for the Environmental Services Center;
- Those costs are \$250,000 to \$275,000 per year over the next three years;
- It was recommended that 3% should be added every year to offset the costs for inflation;
- In addition, 5% has been added for administrative costs and this would total \$12,900 in 2027, \$13,300 in 2028 and \$13,700 in 2029;
- Over three years, the total costs would range from \$271,300 in 2027 to \$287,900 in 2029;
- Based on 11,271 customers, the cost per customer would be \$2.10 in 2027 and 2028 and \$2.20 in 2029.



ENVIRONMENTAL SERVICE FEE ANALYSIS

Fee Calculation Assumptions & Notes

- (1) Based on the original contract entered into on September 8, 2022, and 11,004 eligible residences and 9 hardship residences provided by City Management, May 27, 2026.
- (2) Assumes no growth in current eligible customers of 11,004, provided May 27, 2026 by City Management, per Amendment No. 2 entered into on May 23, 2024, based on the original contract from September 8, 2022.
- (3) Assumes no growth in current hardship residences with 9 current residences per the City.
- (4) Represents estimated City administrative costs for implementation, billing, and administration of the environmental service fee rates.
- (5) Hardship rates reflect the reduced charges established under the City's hardship assistance program for qualifying households.
- (6) This cost was provided by City Management on May 7, 2026. A 3% annual increase has been assumed in future years to account for inflation.
- (7) This customer count was provided by Utility Management on May 11, 2026. It is assumed that all utility customers of the City utilize these services.
- (8) This cost was provided by Utility Management on May 29, 2026. A 3% annual increase has been assumed in future years to account for inflation.

Nielsen said she wasn't going to discuss the Fee Calculation Assumptions and Notes slide. Instead, she said she would allow Councilors to "read and have so much fun with all of these notes of our assumptions, by yourself." She then discussed the following slide.

ENVIRONMENTAL SERVICE FEE ANALYSIS

Total Proposed Environmental Service Fee

	Phase I (2027)	Phase II (2028)	Phase III (2029)
Proposed Monthly Fee	\$7.00	\$14.30	\$22.40
Proposed Monthly Fee (Hardship)	\$6.90	\$14.00	\$21.80

To summarize this slide about the Total Proposed Environmental Service Fee, Nielsen said:

- Councilors should disregard the listed monthly hardship fee because it needs to be adjusted;
- It costs the City extra for hardship customers because they need someone to walk up to their house to get their trash bin;
- The City will need to decide whether to charge those customers extra or share those costs with other customers or have the City just absorb those added costs;
- As it did last year, City staff is recommending that the proposed monthly environmental services fees be phased in over three years;
- The fee would start at \$7 a month in 2027, rise to \$14.30 in 2028 and then reach \$22.40 in 2029;
- The top rate of \$22.40 would offset the City's costs of trash and recycling collection, brush and yard waste collection and the costs of the Environmental Services Center.



ENVIRONMENTAL SERVICE FEE ANALYSIS

Illustrative Costs & Revenues Generated

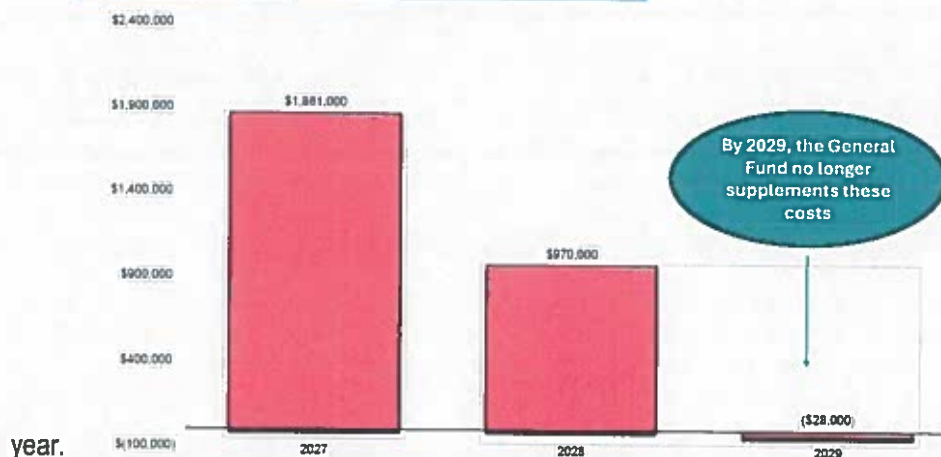
	Phase I (2027)	Phase II (2028)	Phase III (2029)
Estimated Annual Costs	\$2,790,000	\$2,867,000	\$2,944,000
Estimated Annual Revenues Generated	\$929,000	\$1,897,000	\$2,972,000

To summarize this slide about the Illustrative Costs & Revenues Generated, Nielsen said:

- If the environmental service fee is implemented in three phases, the City's General Fund will have to continue supplementing a portion of the total costs until 2029 when the fees can pay all costs;
- The estimated annual cost in 2027 for all of these components would be just under \$2.8 million.
- That total would increase by 3% each year through 2029;
- The estimated annual revenue generated would be just under \$1 million in Phase 1 (2027), just under \$2 million in Phase 2 (2028) and then just under \$3 million (2029);
- The 5% administrative fee might need to be increased if the costs are higher for labor or other expenses;
- However, the goal would be for all costs to be offset by revenue.

ENVIRONMENTAL SERVICE FEE ANALYSIS

Costs Covered by General Fund



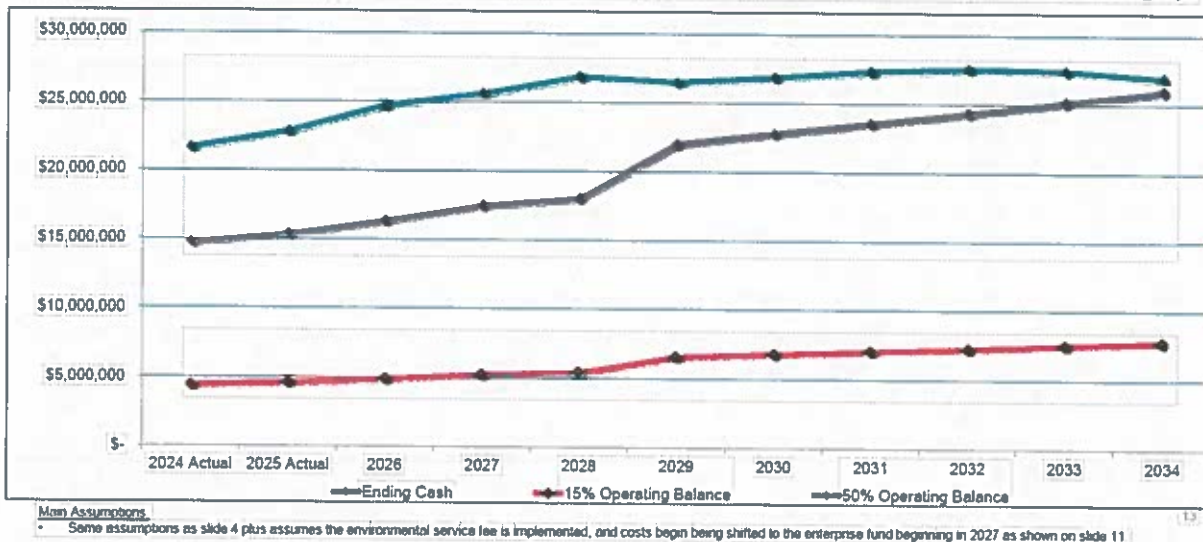
To summarize this slide about Costs Covered by the General Fund, Nielsen said:

- The City's General Fund would have to cover some costs for environmental services until the fee was in full effect;
- So, in 2027, the General Fund would still need to provide \$1.8 million, in 2028, just under \$1 million, and then in 2029, the General Fund would no longer have to supplement any of the costs.



ENVIRONMENTAL SERVICE FEE ANALYSIS

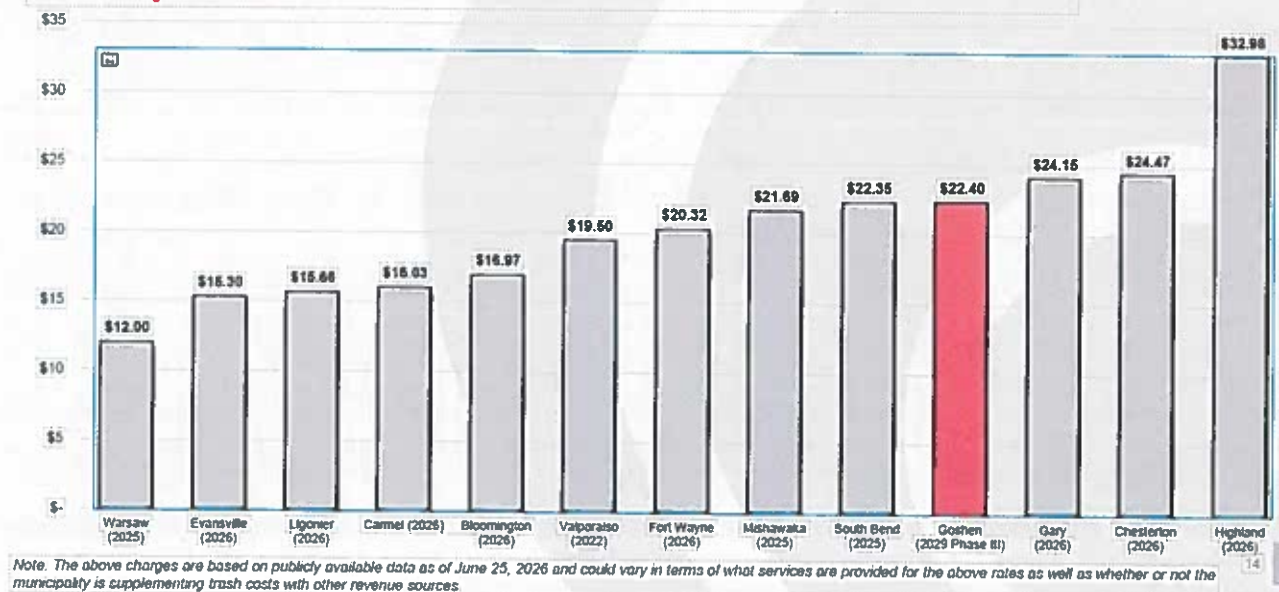
General Fund Outlook *(with environmental service fee implemented & costs paid from enterprise fund- preliminary, subject to change)*



To summarize this slide about the resulting impact of the new fee on General Fund, Nielsen said: "Essentially all of the same assumptions, as you saw a few slides ago, are the same in this graph. The only difference is that the \$2- or \$3-million-dollar budget (for environmental service costs) is removed from the General fund, as all of those costs would be paid for ... out of its own enterprise or utility fund that is supported by its fees."

ENVIRONMENTAL SERVICE FEE ANALYSIS

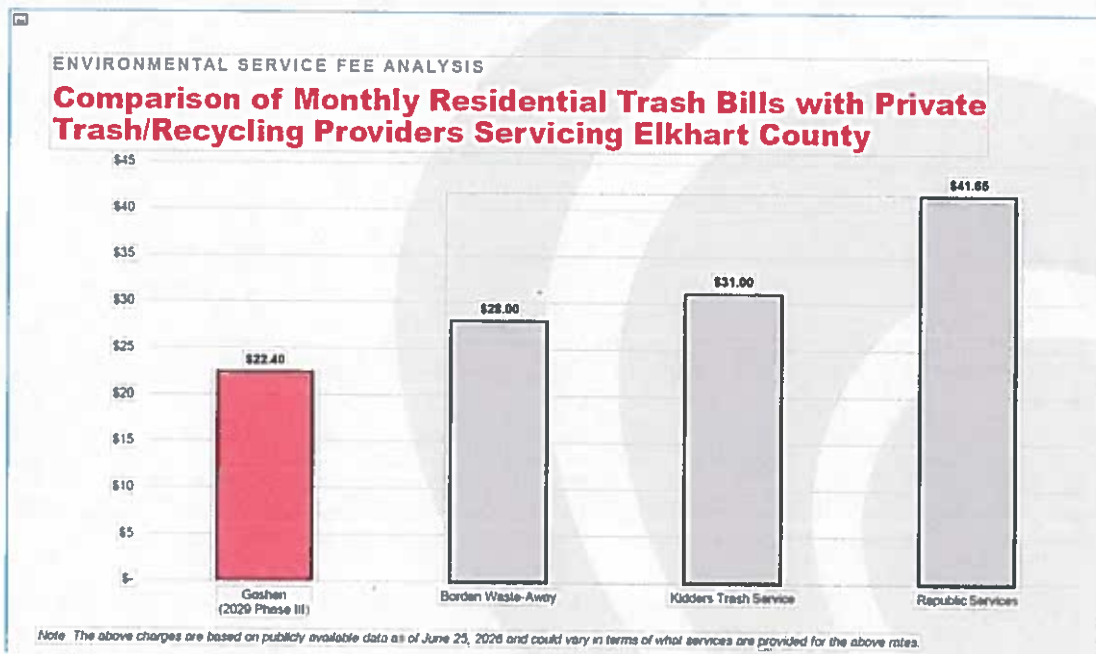
Comparison of Monthly Residential Trash Bills with Other Municipalities





To summarize this slide, the Comparison of Monthly Residential Trash Bills with other Municipalities, Nielsen said:

- Increasingly over the past several years, many communities, including Nappanee, have implemented fees for trash collections;
- This has been prompted by more communities needing to increase fees for services they control because they cannot charge more to help pay for other support costs;
- Goshen's proposed rate of \$22.40 in three years (2029) would be comparable to several neighbors, including Mishawaka and South Bend;
- Some of the listed cities charge fees for trash and recycling collection as well as brush and yard waste collection and the costs of an Environmental Services Center;
- A combined fee for all these costs would likely be higher in some of these communities;
- The listed fees are also from 2025 and may be increasing in 2026 and when trash and when recycling contracts are renewed.



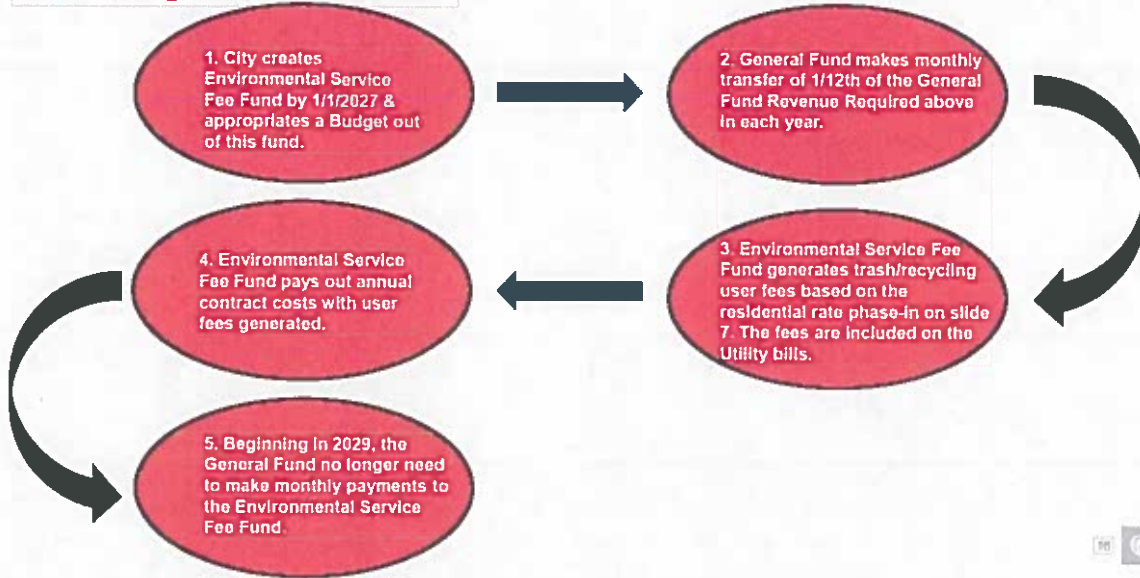
To summarize this slide, the Comparison of Monthly Residential Trash Bills with other Private Trash/Recycling Provides Servicing Elkhart County, Nielsen said:

- People who live outside cities normally have to pay a private company for trash collection, and that can be more expensive than what municipalities charge;
- For example, Nielsen said she lives in an unincorporated area of St. Joseph County and doesn't have city-provided trash collection service, so she pays about \$40 a month, with a separate added fee for recycling;
- People who live outside Goshen have to pay a fee to use the Environmental Services Center to take their brush or yard waste.



ENVIRONMENTAL SERVICE FEE ANALYSIS

Funding Mechanics



To summarize this slide, the Funding Mechanics, Nielsen said:

- In establishing an environmental services fee, the City would create a new utility that would operate in the same way as the Water and Sewer utility, but with lower operating costs;
- Essentially, the City would create an entirely separate fund for these costs to be paid out of;
- Until 2029, the General Fund would make monthly transfers to that new and separate Environmental Services Fee Fund and that new Utility Fund would pay for these costs;
- The new environmental services fee would be included on utility bills monthly, just like water and sewer;
- Currently, when customers get their bills, it has water and sewer components;
- If the new fee is adopted, there would also a trash component;
- And if the fee was adopted as proposed, beginning in 2029, the General Fund will no longer need to make those payments, and this new fund would just be fully operational and operate off of its fees, just like water and sewer.

RESPONSES, QUESTIONS& ANSWERS & GENERAL DISCUSSION:

After Amber Nielsen's presentation, Mayor Leichty and Common Council members engaged in a wide-ranging 40-minute conversation. They discussed various issues and made the following points:

Council President Weddell asked for a breakdown of the total amount the City of Goshen pays for trash collection and recycling collection because recycling was once a charge paid by City residents. Mayor Leichty pointed out that the City's contract combines both services and that the contract with Borden Waste Away runs through 2029, so no substantive changes can be made until after that point.



Council President Weddell said City customers pay for water and sewer services based on how much they utilize but the proposed **environmental services fee would be regressive**. He said, "Many of us can afford it. There are many people in our community that won't be able to."

"You've got many in our community that put out a grocery bag full of trash each week, and you've got others that are putting out an enormous amount. And we're assuming that everyone puts out the same amount every single week, which is absolutely categorically false."

"I think this (fee) is great as long as you charge based upon usage, and that doesn't mean what size bin you have. It means what you use just like our water bill. Water is also part of public safety, just like trash services, and if we're going to pay for it, you **should pay based upon what you use and not one size fits all.**"

Councilor Nisley said, "On the other hand, too, residents can't opt out of this either, right?" **Nielsen** said City residents would not be able to opt out of paying the new fee. **Councilor Nisley** said, "Everybody is using the word 'fee.' And if it's mandatory, I look at that as a tax. **Fees are something you can opt out of. The tax is something that you can't. ... Let's call it what it is. It's a tax. It's not a fee.**"

In response to Council President Weddell comment about usage, **Nielsen** said, "I don't know that I've personally ever seen it done that way, probably because it would be difficult to monitor, especially different parts of the year, like Christmas time ... I know my recycling bin is overflowing at Christmas time. So, then it gets into further logistics of how would the City manage that? If it was based on usage, it would be by weight. And then does that bring more labor and equipment?"

Council President Wedell said there should be ways to address this issue through newer technology today. He said, "For instance, I've gotten a number of trailer loads of limestone the last couple of weeks. I stop in. I weigh my truck beforehand. I tell them how much I want. The payloader that meets me out by the pile of stones has a weight system on their bucket, and they can get a rough estimate."

"I can't fathom that there's not technology out there with Borden coming with their little boom that lifts up our trash. You've got GPS, you've got GIS, you've got that technology. Yes, it sounds very daunting if you're doing this by hand, but there's got to be technology out there that would be able to monitor that."

Mayor Leichty responded, "It's a fair request. Whether or not it's utilized by any of the providers; I'm not aware of Republic or anybody offering a fee for consumption at this time. So, in the county, you're going to pay \$40 or \$50 a month, and it doesn't matter if you use it or not." **Council President Weddell** said, "The old school way is trash bags."

Mayor Leichty continued, "The mayors that I've talked to that have had some type of (of system) of you pay for a bag or whatever, have all abandoned that system because it's so much more efficient and reliable to use the mechanics of the truck. And so, you're paying for that vehicle and you're paying for that gas and you're paying for that route, regardless of the weight of the trash can. So, there's so much fixed cost associated with trash pickup that the variable for them is nominal compared to the actual running of those routes."

"So, I'm not aware of anyone that offers variable weight services. Now, if we want to open our own trash department, there are municipalities that done that. Anybody excited about that?"

Councilor Nisley pointed out that the City weighs the amount it takes to the county landfill. He asked whether it is known how much the City takes to the landfill. The **Mayor** said the City pays tipping fees based on weight and could structure a future contract for trash disposal based on utilization.

Nielsen said the only variable cost she has seen are charges based on different trash bin sizes. She said a 96-gallon cart appears to be the standard large-size container.



"Some communities, Carmel and Bloomington, right off the bat, do have a rate for the smaller size, I think that's maybe 60 gallons," Nielsen said. "That is something the City could consider. I can't remember if your current contract before it differentiates" container size and cost."

Mayor Leichty responded, "You could get a smaller bin if you want a smaller size, but it's the same rate."

Nielsen continued, "So, that is something to consider at the next contract if the City wanted to charge smaller bin sizes. We could run that calculation."

Councilor Gerber said, "I'm not actually sure that is an option. I don't want to misspeak, but I had a conversation with Theresa Sailor (Grants and Education Manager for the Environmental Resilience Department), who helped negotiate the current contract, and it seems like that 96-gallon bin is what we're going to pay for. And so, even if people opt-in for a smaller amount, they're not going to charge us any less. There is sort of a perverse incentive not to charge us based on weight or usage from the trash companies."

Councilor Riegsecker said, "We would probably have to do that in our billing system and then we'd have to keep track of smaller, smaller bins and larger bins."

Mayor Leichty said, "It would still be done through the contractual relationship with whatever organization we work with. So, we would set a rate, and they would get determined by Republic, or whoever we signed a contract with."

Nielsen said, "And then if Borden, for example, could provide the smaller bins. It would be up to Borden. I guess the City could provide smaller bins, but then the City would be absorbing those costs outside of the contract costs."

At **Councilor Peel's** request, Nielsen clarified the calculation of the impact on the City's General Fund if the proposed environmental services fee paid for all costs for trash and recycling, leaf and brush pickup and the Environmental Services Center.

Councilor Riegsecker discussed taking action now or delaying implementation of new fees. He said, "There's going to be the perception – and I'm not arguing one or another right now; just throwing out some stuff – that the City's always raising fees or taxes. So, we know that there's things that we all pay for that we don't necessarily use. Not everybody uses the park. Not everybody would have used the pool. So, we have to look at that also."

"The other thing, I ran the calculation and here's a concern," **Councilor Riegsecker** continued. "This is a fee, but it's not astronomical – \$22 a month. I know that that doesn't sound like much, but it does affect some people. So, we have to keep that in mind, too."

Councilor Riegsecker said currently fees for these services are paid from the property taxes paid by residents. If a \$22 monthly fee was imposed, a resident with a home valued at \$100,000 would pay about \$268 a year for these services on top of the \$400 the resident currently pays in property taxes. **Councilor Riegsecker** said that taxpayer could consider this a 67% increase, and Councilor need to be aware of this.

Councilor Riegsecker continued, "There's lots of things to consider. So, it (fee) was in your property tax, and now it's outside of your property tax ... It's going to come down to whether we feel like we need to (impose a fee). I mean, every other municipality looks like it charges a fee, you know, and we're special. We're not charging."

"So, is it time to charge a fee or is it not time to charge that fee? So, I'm looking at everything to figure it out. That's what it's going to come down to is, do we feel like we can justify this or that it makes sense?"

Councilor Riegsecker said he appreciates parks and bike paths even if he doesn't use them much, but water, sewer and trash collection are services everyone uses. He said imposing fees would be considered by some to be a tax. **Councilor Riegsecker** said there are many factors to consider, but added, "We have to come to a conclusion here within a couple of weeks."



Councilor Lederach said tax reductions approved by the state Legislative Assembly have prompted the City to consider imposing an environmental services fee. He said, "None of this is a surprise and this is where we said we would be when we sent that letter to our legislators (last year) saying, 'Don't pass Senate Bill 1' because we would have a reduction of property tax averaging around \$350 per person across the state.' But then we were required to raise a wheel tax in order to get some other funds. And now we're looking at ways of either doing this or finding ways to cut the General Fund ... It's not a surprise. It's not pleasant."

Councilor Nisley said, "The one thing about that, too, is the cities and counties that I've talked to is it has not hit them as bad as what the predictions have said they were going to be; even the school board. The schools are sitting on a ton of money. Goshen is." Councilor Nisley continued, "The county has pretty good money back. So, everybody that I've talked to said it hasn't hit us as bad as what we thought it was going to, and we don't look as it's going to in the future."

Mayor Leichty responded, "But we're not sitting on a ton of cash ... The (City) Departments have worked very carefully to spend as cautiously as possible, knowing that this reality is coming. The practical reality is, if we want to improve our PASAR (road) ratings, if we want to ensure that we continue to provide Fire and EMS (Emergency Medical Services) and public safety the same way that we are now, we will have to make some adjustments.

"So, we had a balanced budget last year. And to ensure that we would have a balanced budget this year, If we don't do this, we would have to make some significant cuts. We're not talking about frivolous things. We're talking about fundamental things that we rely on every day. I don't know of anybody in this room who wants more potholes. But the practical reality is, if we don't provide a consistent funding mechanism for things like road repairs, our roads are only going to get worse. Our insurance is only going to go up. It's only going to be a detraction for people who want to bring business here. So, we have to think about what our priorities are."

Council President Weddell said the environmental service fee would a regressive tax – one that would impose a larger burden on low-income taxpayers than those of higher incomes. At his request, Councilor Riegsecker shared his calculations of what the total cost of the fee (by percentage) would be based on the value of homes from \$100,000 to \$400,000. This showed the fee would be a higher percentage cost for homes of less assessed value.

Council President Weddell also said that past City revenue calculations have understated the revenue the City would receive. He also asked whether the funds eventually not needed to pay trash and recycling fees – assuming an environmental service fee was imposed – would all go to pay for road repairs.

Mayor Leichty said, "No, it would go to the General Fund. Public safety is our biggest expense of the General Fund. But we can't avoid making cuts in public safety. Secondly would be our roads and streets."

Council President Weddell said, "I made a quick list of public safety – police fire, clean water, streets, sanitary trash. I consider that public safety. So, I agree, public safety is the most important thing. It's the most practical. It's the most important for the taxpayers of Goshen." Mayor Leichty said, "So you're in support. I'm glad to hear this."

Council President Weddell responded, "I'm suggesting that trash is public safety. There's no question. And I look at things that the taxpayer should be getting for their tax dollars. And I think it should concentrate on public safety. But I still think it's regressive, not only in property values, but also the amount of trash that people put out. It's just not even remotely close on the output from one household to the next.

Councilor Weddell added, "Again, I've said this numerous times. The people who live in my neighborhood, 50 units, collectively could probably fill two trash bins a week." Councilor Riegsecker said, "Yeah, we have one bag."



Amber Nielsen said, "I do have some elderly neighbors who also do not have much trash, and they all share. I don't know if that is something that could be in the next Borden contract. Can we let users just opt out? I don't know what that looks like or if that's a possibility." Nielsen continued, "I have three neighbors who all share one bin. They are all elderly and live alone. Maybe two of them opt out; one of them opts in, and then they share that cost. That's certainly something that could be explored."

Councilor Gerber said, "I believe Mishawaka has some reduction for seniors in their environmental services fee, and that the need allows for individuals who are under 50% under the Federal income standard to have a reduction as well. I think there are ways to be creative about it – to make it less harmful to the people who will take this the hardest. I'd be open to those conversations."

Nielsen said, "That's a good point. The fee structure, if you all move forward, does not have to be what we showed on the screen. It could be like Nappanee, covering only a portion. It could be that you explore different ways like that to provide lower cost to certain groups of people. Since it would be the City's fee, the City would have control over that and how it was implemented."

Nielsen said the City Utilities Office would need to help sort out the logistics of the new fee and help determine who would be eligible for the reduced fee and how the City would process applications

Councilor Lederach asked if the City imposes any other fees that allow reductions for senior citizens. Mayor Leichty said she wasn't aware of any but said this could be considered, adding, "We've talked about it internally. We just talked about the logistics of income verification and what that would add to the administrative component of the program, and whether or not it's feasible for us to do that right now. I think of it certainly adding some challenges to the program."

Councilor Lederach said Council President Weddell made "an excellent point about usage and logistics." He added that the Council should explore different charges based on usage or income.

Councilor Peel asked what would happen if the environmental services fee was not passed and \$3 million needed to continue to be taken from the General Fund to pay for those services. She asked if a document could be provided showing the impact of not imposing the fee. Still, she conceded that a new fee was not desirable.

Councilor Peel said, "I get the trepidation of not wanting to implement another fee. I didn't want to have this conversation. It's not a happy one. It's very stressful. Trash is stressful. I see the ramifications of not getting rid of your trash. I know what happens to homes and locations that don't deal with their trash properly. And so, it is a public safety issue. I completely agree with that."

Councilor Peel said the State Legislative Assembly is responsible for the City's funding dilemma. She said, "These changes that the State has made have put an enormous pressure on us, and we are having to have these difficult conversations. But we also need to look at the other difficult trade-offs we will have to make, and that needs to be put in front of everybody."

Councilor Riegsecker agreed and said that the Council will need better information about revenue, options for balancing the budget, including cost sharing, cutbacks and phasing in new fees. He said, "We're going to have to figure out where those cuts might be, and it might be half of this (fee) for a couple of years till we've come to a conclusion of what is really happening." He added, "Can we bring it (proposed fee) down? Is that a comfortable level? Do other municipalities work at an operating level lower than that, right? So, there's all kinds of options that are still unknown ... I think the fee to me, it's okay. and it's reasonable, but I don't know if it's totally reasonable with what we don't know."



Mayor Leichty responded, "I would argue that we're not jumping in with both feet. We're taking a cautious and measured approach by phasing this in over three years and ensuring that we're not burdening our residents with a higher fee immediately."

Councilor Riegsecker said he was glad that the Mayor has proposed phasing in an environmental services fee over three years. He said, "It's \$7 a month and then \$14 a month, and up to \$22 a month."

Mayor Leichty said, "And there's always the possibility of not fully implementing that at some point in time, too, if we were to find that suddenly the State Legislature decides to fully fund municipalities."

Councilor Riegsecker said, "Sure. We would also have the option every year."

Mayor Leichty said, "I'm involved right now in conversations with our collective bargaining units (unions), and they frequently remind me how far behind Goshen is in our payments for our public safety members. And if we're not able to move forward with something like this, it looks like we fall further behind. We already face the risk of losing qualified personnel to surrounding communities because we're not able to keep up with those salaries. So, if we don't move forward with something like that (higher fees), we risk that as well as more potholes." Mayor Leichty continued, "We're not the ones who chose to make the cuts to our revenue sources. That was the State's decision. We're responding. We don't anticipate that anybody's coming to save us. We don't anticipate that it's going to reverse course. And so, we're taking some practical steps to make sure that Goshen is the Goshen that we want it to be."

"This isn't an exorbitant fee increase. We feel like it's a modest one that should be something that our community can absorb. But I think to (Councilor Geber's) point, you know, looking at some alternatives, factoring some alternatives for people reduced based hardship, should be something that we consider as well."

Amber Nielsen said, "I do just want to make one response to the argument of other communities are saying that maybe the legislation hasn't hit them quite yet – a reminder that Senate Enrolled Act 1 – those property tax changes – are phased in over five or six years. So, the last phase of that is in full effect in 2031, and 2026 was only the first year. So, it does seem a little premature to make that case just quite yet."

Nielsen continued, "From 2025 to 2026, Goshen's property tax credits did quite increase, and that was the first year of those. So, not to say that it's going to be a horror story but maybe proceed with a little bit of caution before, you know, thinking everything is just fine."

Nielsen also commented, "As the Mayor said, this can be diced and sliced however you all want. Maybe it's phasing it in longer than three years. Maybe it's phasing it in... Maybe it's a five-year phase in and then maybe by 2029, the legislation changes, and it's all better or looking better. And you all can decide at that point, 'Well, we're not going to move on to phase four or five.'"

Councilor Riegsecker agreed and said that the Council can establish and increase the fee as needed based on updated information and to reduce the impact on residents. "We increased water and sewer fees. We added the wheel tax, and we're adding this," he said. "That just covers our cost at this moment ... We keep hitting the property owner." Councilor Lederach said that many school districts are also asking for tax increases through referendums and added, "It's going to come at people from all kinds of directions."

Mayor Leichty said that while some may consider the proposed environmental services fees to be regressive, a current State proposal would eliminate property taxes in favor of a tax on services that would be more regressive.

Mayor Leichty asked if any Department Heads wanted to comment. They did not.



Council President Weddell thanked **Amber Nielsen** for her presentation. He said, "Your base of knowledge is pretty impressive and you prepared for any questions that we might throw at you. Thank you."

Mayor Leichty asked Councilors if they wanted any other information that was not provided today. **Council**

President Weddell asked for the breakdown the City pays for trash and recycling fees.

Councilor Peel, Council President Weddell and Mayor Leichty briefly discussed the impact of the recent **Building inspection and permit fee increases on the General Fund.**

The **Mayor** reminded Councilors that higher Building fees must now go into a dedicated fund and only pay for Building Department costs. She said there could be some positive impact on the General Fund, because it should no longer have to cover shortfalls for Building Department costs. **Building Commissioner Myron Grise** said that the Building Department had a shortfall of about \$500,000 a year that had to be paid from the General Fund.

Mayor Leichty asked if there were any other questions.

Clerk-Treasurer Aguirre said, "It's more a comment than a question. I think it's been a very good conversation. I especially appreciate the questions and comments from all the Councilors ... I think it would be fair when you're discussing all the variables to mention that the greatest benefit the Legislative Assembly could do for us would be if they did nothing in this area for two or three years.

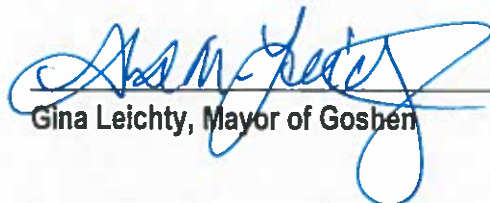
"But we know that's not going to happen and it's important to point out that one of the proposals coming into the next session will be the proposed elimination of property tax system and shift to a 7% service fee. That is something that is being proposed already, and the Governor has indicated he will be pushing and proposing additional property tax cuts and changes in our system. So, you will be approving a budget and considering this fee and it's important to at least acknowledge the possibility of increased revenue reductions."

There were no further comments.

Adjournment:

Mayor Leichty adjourned the meeting at 2:25 p.m.

APPROVED:


Gina Leichty, Mayor of Goshen

ATTEST:


Richard R. Aguirre, City Clerk-Treasurer