

COMMON COUNCIL

Regular Meeting

February 18, 2026

The regular meeting of the Common Council of the City of Shelbyville, Indiana, was held in the Common Council Chambers of City Hall on Wednesday, February 18, 2026 at 6:00 P.M. Councilwoman Means-Davis opened with the Pledge of Allegiance, and Councilman Adams followed that with a prayer. Six members were present with Mayor Furgeson presiding. Councilman Harrold was absent.

Mayor Furgeson entertained a motion to approve the minutes from the February 2, 2026 regular meeting. Councilwoman Means-Davis made that motion, and Councilman Johnson seconded. The motion carried 6-0.

There was no old business to discuss.

Under new business was the first reading of Resolution No. 2026-03 Tax Abatement Hug Engineering. Attorney Eric Glasco represented the petitioners, who are seeking two types of abatements for the former Enbi Indiana building located at 1703 McCall Drive. The first is a vacant building deduction, permissible under Indiana Statute for buildings vacant for over one year, intended to incentivize returning the building to use. The second abatement is for planned real property improvements estimated to cost \$1.8 million. This project is a \$1.8 million investment in real property improvements and is expected to create 37 new jobs with total annual salaries of \$2.7 million.

The company undertaking this project is HUG Engineering, an international firm specializing in after-market exhaust systems for diesel, gas, and methane engines. Their products attach to various engine exhausts to remove contaminants, such as nitrous and other pollutant gases. HUG Engineering is currently based in Columbus, Indiana, operating out of a leased facility. This move is not a replacement of their Columbus operations, which have been active since 2018. The company got divested from a previous entity and has been operating independently since 2024.

The abatement includes several real property improvements and upgrades: roof and HVAC replacement, exterior enhancements (wall replacement, repainting, and resealing of exterior windows, and lighting), parking lot resurfacing, and fencing. Additionally, a new training facility with multiple offices will be constructed. Even after the property tax abatement, HUG Engineering will still pay \$556,000 in property taxes on the real property over the 10-year period. This figure is exclusive of the 2% fee on all abated amounts, which was indicated and passed in Ordinance No. 24-2995. Attorney Glasco estimated the local income tax (LIT) over the 10-year period would be \$392,000.

Councilwoman Means-Davis expressed gratitude to Attorney Glasco for calculating the total taxes payable over the 10-year period. She noted that this information, which councilmembers frequently request, is useful because it clarifies that the incentive is not a complete tax exemption; the company still contributes to the community through its tax payments. Attorney Glasco clarified that the issue of personal property was not currently being addressed because the investment plan for personal property was still under development. He projected this investment could be close to a million dollars, or possibly more. He expects the matter to be addressed in the near future.

Councilman Johnson questioned the petitioner, as he had previously done in the Tax Abatement Committee meeting, about the likelihood of production starting before the year's end. The petitioner confirmed this expectation, projecting a July start date with a gradual increase in production toward the close of the year. Councilman Johnson noted that the abatement was approved by a 2-0 vote, expressing appreciation and finding it "terrific" that an existing, long-vacant building could be repurposed. There being no further comments or questions, Councilwoman Sanders made a motion to approve the resolution as presented, and Councilman Adams seconded. The motion carried 6-0.

Next on the agenda was the first reading of Resolution No. 2026-02 Special Appropriations for 2026. These non-reverting funds are advertised annually, as explained by Clerk-Treasurer Scott Asher, to ensure the city can utilize them for their designated purposes. There being no further comments or questions, Councilman Johnson made a motion to approve the resolution as presented, and Councilman Reed seconded. The motion carried 6-0.

Next under new business was the Interlocal Agreement Allocating Public Safety LOIT funds. This is an interlocal agreement regarding the allocation of revenue from public safety local income tax among Shelby County, City of Shelbyville, Town of St. Paul, Town of Edinburgh, Town of Morristown, and Town of Fairland. This agreement detailed the allocation of local option income tax (LOIT) funds collected for public safety to fire departments in Shelby County, Indiana that provide fire protection or emergency medical services within Shelby County. The agreement would have to be passed through City Council, County Council, County Commissioners, Town Boards and the Board of Public Works and Safety.

Treasurer Asher explained that the LOIT is a county-level tax with a slightly higher rate, which results in more revenue for the City. Shelby County had some difficulties with the Indiana Department of Local Government Finance (DLGF) regarding the allocation of this revenue. Specifically, the County Council passed Resolution 2026-01 at the beginning of the year to distribute the funds to the following volunteer fire departments: Fairland, Flat Rock, Fountaintown, Manila, Marietta, Morristown, St. Paul, and Waldron. Each of these departments is slated to receive \$80,866.78.

However, the City was considered overpaid when it received its January distribution from the County. Although the City's overall budget will increase, it will need to return some funds due to the improper payment method stemming from the DLGF issues. Currently, Shelby County, the City of Shelbyville, the Town of St. Paul, the Town of Edinburgh, the Town of Morristown, and the Town of Fairland are all contributing to these volunteer fire departments.

Treasurer Asher stated that the one-year agreement was not the county's preferred method and that they would rather not proceed this way, but that is the outcome. Councilman Johnson inquired whether this arrangement was expected to become standard practice, but Asher could not confirm how things would proceed after the initial year.

Councilwoman Means-Davis asked a clarifying question differentiating the EMS and Volunteer Fire interlocal agreements. It was clarified that this LOIT was for volunteer fire departments. The distinction was that the new agreement's sole purpose was to fund volunteer fire department services by distributing the revenue generated from the Local Income Tax (LIT). Because the LIT tax is solely under the county's authority, it must be administered through them. Additionally, Mayor Furgeson mentioned that currently pending legislation could completely alter this situation. In accordance with the County Council Resolution No. 2026-01, this agreement enables the city to reallocate the volunteer fire department's shares, which the city received during the initial January distribution from the county, back to the listed fire departments. There being no further comments or questions Councilman Adams made a motion to approve the agreement as presented, and Councilman Johnson seconded. The motion carried 6-0.

The next item on the agenda was the first reading of Ordinance No. 26-3052, which approves and ratifies an Executive Order. Mayor Furgeson explained that this ordinance, in conjunction with Executive Order No. 1-2026, officially allocates the EDIT funds. There being no further comments or questions, Councilman Adams made a motion to approve the first reading as presented, and Councilman Johnson seconded. The motion carried 6-0.

Following that was Executive Order No. 1-2026 an order amending the city's Capital Improvement Plan. There being no further comments or questions, Councilwoman Sanders made a motion to approve the Executive Order as presented and Councilman Reed seconded. The motion carried 6-0.

Lastly under new business was the first reading of Resolution No. 2026-04 Fire Truck Government Lease Agreement. Treasurer Asher requested authorization for the Board of Public Works and Safety to collaborate with him and People's State Bank. This partnership would facilitate participation in a state lease program to finance the replacement of an aging fire department apparatus currently on the regular rotation schedule.

Fire Chief Doug Lutes reported that the Shelbyville Fire Department is on schedule with its major equipment replacement plan. The city bought a non-custom engine from stock to expedite delivery. This new truck is anticipated to arrive in April and be operational by late May, taking the place of one of the department's older, higher-mileage engines. There being no

further comments or questions, Councilman Reed made a motion to approve the resolution as presented, and Councilwoman Sanders seconded. The motion carried 6-0.

Following the motion's passage, Richard Thompson, a resident, asked that Councilwoman Wilson be allowed to complete reading the agenda items to ensure the public's understanding.

There was no miscellaneous business to discuss.

Under reports from committees, boards and commissions, Councilwoman Means-Davis provided an update on the ordinance committee's activities. She mentioned that she had presented an ordinance overlay on January 29th. The committee was originally scheduled to submit their markups on the 2nd, but they postponed this to allow for additional time for due diligence and to work further on the ordinance. Consequently, on the 11th, she sent an email inquiring about the next meeting date. However, as of the day of this meeting, a date to reconvene the committee had not yet been set, which she stated she would like to get scheduled.

Councilman Reed announced his appreciation for the fire department, mentioning his invitation to their upcoming banquet. He commended Chief Lutes and his department for their dedicated service, acknowledging the inherent dangers of public service.

Mayor Furgeson was pleased with the Reedy Financial Group's presentation at the last council meeting, which provided an overview of the proposed sewer and stormwater rate increases. He indicated his hope that council members would be prepared to approve the increases at the upcoming meeting. However, council members requested information regarding increases for FOG (Fats, Oils, and Grease) waste from non-county residents before voting on the proposal.

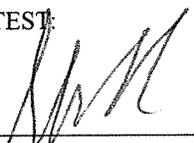
Under comments or requests from citizens, Twelve Oaks resident, Richard Thompson, discussed several issues he had regarding streets and sanitation, city infrastructure, snow removal, and the proposed data center.

Following that, Jason Coffey, a Shelbyville resident, addressed the council regarding the proposed data center. He brought up that the council had previously denied a request for a moratorium. Mr. Coffey urged the council members to reconsider the moratorium, stating that granting it would show the petitioners that the council values the protection of its constituents.

There were no further comments, questions or requests from citizens, and there were no further reports from committees, boards or commissioners.

There being no further business to discuss, Mayor Furgeson entertained a motion to adjourn. Councilwoman Sanders moved to adjourn the Common Council.

ATTEST:



Scott Asher
Clerk-Treasurer



Scott Furgeson
Mayor