

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA,
HELD A SPECIAL COUNCIL MEETING IN THE THIRD FLOOR ASSEMBLY
ROOM OF THE CITY/COUNTY BUILDING ON TUESDAY, JANUARY 27, 2015
AT 7:30 P.M.**

The meeting of the **New Albany City Council** was called to order by Mr. McLaughlin at 7:30 p.m.

PRESENT: Council Members, Mr. Coffey, Mr. Caesar, Mr. Phipps, Mrs. Benedetti, Mr. Blair, Mrs. Baird, Mr. Zurschmiede, and President McLaughlin. Mr. Gonder was not present.

OTHERS PRESENT: Mr. Lorch, Mr. Duggins, Mr. Gibson, Mr. Michael Hall, Mr. Thompson, Mayor Gahan, Police Chief Bailey and Mrs. Glotzbach

MOMENT OF REFLECTION:

PLEDGE OF ALLEGIANCE:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

COMMUNICATIONS – PUBLIC:

Mr. Roger Miller thanked the council for the kind words at the last meeting, the committee put together in support of their jobs and encouraged them individually to support the resolution on tonight's agenda.

Mr. Mark Cassidy stated that he supports the Pillsbury Plant but has questions regarding the \$7M in property taxes that was paid and where that money went. He stated that if any of that money went to the county he to ask where the support from the county is and he is worried that they jumped off to quick about this and could lost a lot of TIF money.

Ms. Pat Harrison spoke in favor of the resolution and stated that she comes from a Pillsbury family and these type of plants create more jobs because that money goes back into the community. He explained that they can't afford to lose these people and is in favor of anything that can be done to save the plant.

Mr. Steve Burkes stated there is a lot of hopelessness in this room right now and he thinks they need to explore the what if's further before taking this step so quickly. He explained that they should do whatever they can to save the jobs but they don't need to move so quickly on this.

Mr. Matt Hall executive vice president of One Southern Indiana, explained that they are unsettled at the prospect of losing these jobs and this company from the city. He stated that they applaud the city and the prompt call to action in responding to this challenging development. He explained that they stand ready to assist the city and General Mills through the best and worst case scenarios. He stated that the last thing they want to do is to create false hope but they remain guardedly optimistic and offer their full support.

Mr. Chris Bottorff president for the southern region for Centra Credit Union, thanked the council, the mayor, and the joint committee for their work that they have done on this proposal. He stated that their company supports the economic incentive proposal before them tonight and like a lot of other businesses in the community they have had a strong relationship with the Pillsbury employees over the years. He explained that this goes far

beyond just the current employees but extends to their friends, families, and the entire community and requested the council's support for the resolution tonight.

COMMUNICATIONS – CITY OFFICIALS:

Mr. Blair stated that he spoke with Mr. Gonder on Friday and unfortunately he had another commitment but would like everyone to know how much he would have liked to have been at the meeting tonight because he does support this resolution.

Mr. Caesar stated that Mrs. Benedetti also couldn't make tonight's meeting and deeply regrets not being in attendance.

COMMUNICATIONS – MAYOR:

Mayor Gahan thanked the council for their work on the committee and for considering the resolution on tonight's agenda. He explained that the payroll for Pillsbury is \$30M per year which is about \$5M more than the city's general fund, and the reason it is so crucial to act quickly is because they still have jobs here and still have the opportunity to send a message to General Mills that they are important to this city and we want them here to continue to be a part of our history and future. He stated that they are talking about the fabric of their community that will be affected by this closure and they shouldn't be afraid to act to keep the city strong. He encouraged the council members to vote in favor of this resolution tonight to help support that message. He presented letters of support from the Clark County Commissioners, Chuck Freiburger, Jeffersonville Mayor Mike Moore, Charleston Mayor Bob Hall, Clarksville Town Council President Bob Polston, Vectren Energy, Indiana American Water, and Duke Energy.

APPROVAL OF CF-1 FORMS:

INTRODUCTION OF ORDINANCES AND RESOLUTIONS: READING

R-15-02	Resolution for an Economic Incentive Proposal to Assist Pillsbury and Employees Regarding the Announced Closure of Facility	Caesar
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Mr. Caesar introduced R-15-02 and moved to approve, Mr. Coffey second, all voted in favor with the exception of Mr. Phipps and Mr. Zurschmiede who voted no.

Mr. Caesar stated that as a committee they met on several occasions and want to say that their hearts go out to all of the employees, and they realize that this will be devastating to the rest of the community. He explained that the economic impact is roughly \$120M per year and that is very significant for a community this size. He stated that they will do what they can to try to keep these jobs here and there are still many details that need to be worked out.

Mr. Blair stated that \$30M in wages is significant and something that they need to try to protect and they recognize what they employees are going through and the hardship this will place on them so they will do everything they can to save their jobs. He explained that they are concerned about all the businesses that will be impacted by this closure as well and they wish they could offer more than \$7M to help out in this situation. He stated that using this money will be a stretch for the city but they feel like the employees and trying to help the community is more important.

Mr. Duggins stated that this is the first step in a long process. He explained that if the package is accepted the bond issuance would go through many things including redevelopment and then back to the council where a detailed financial structure would be presented. He stated that they went through the TIF funds and the structures that were there to make sure they could afford this but the details on the finances haven't been set yet. He explained that the main thing he kept going back to as an economic development professional is the ripple effect of the \$30M in payroll and the ripple effect of the payments to the sewer and what that does to the general livelihood and welfare of the city. He stated that he TIF's are healthy and can be utilized for this even though they may forgo a project or two but this was too important not to do.

Mr. Coffey stated that 75% of the people that work at Pillsbury do not live in New Albany and it is the people in the city that are only making \$8-\$10/hour that are going to be helping this company stay here and he really thinks that they need to understand that and appreciate it. He explained that Pillsbury also needs to understand the commitment that the city is making and how far they have to stretch out to do this and he hopes that the company and the employees make the same commitment to this community.

Mr. Zurschmiede stated that he thinks everyone in the room agrees that they want Pillsbury to stay. He thanked the Mayor and the committee that worked on this because it is very important. He stated that he feels like they are moving a little too fast and doesn't want the employees to leave with false hope that this will save jobs because while it would be fantastic if that happened they are a long way off from that. He asked Mr. Duggins if they have asked any of the other municipalities for financial support.

Mr. Duggins stated that they have not approached any of them.

Mr. Zurschmiede stated that he just doesn't want people to get the idea that this is the solution to the problem at Pillsbury. He explained that the plant has had a significant impact on this community and he has spoken with some individuals from General Mills who stated that if they could have reached out to state and local government to save the facility they would have already done so. He stated that he doesn't want them to leave tonight with false hope but he is more than willing to do whatever he can to save their jobs. He explained that he has gotten more calls about this from other business owners who feel like it is a slap in the face because they city didn't step up to help them out during the tough times. He stated that he would like to do some more research before they vote on this tonight.

Mrs. Baird stated that she thinks New Albany needs to be the one to step up and other communities will follow. She explained that the state has a big stake in this to and she thinks that if the administration reached out to the stated and other municipalities they would help. She thanked the committee for their hard work and she is glad that New Albany is taking the lead on this.

Mr. Phipps stated that he supported the original resolution that was brought to them and he agrees with the fact that this is a terrible loss to the community that will have a ripple effect. He explained that he voted in favor of the other resolution thinking that what might be involved with the package would be some tax abatements. He stated that normally he is uncomfortable with tax abatements but if they could keep this larger employer here he would be in favor of them. He explained that he can't support this package with the bonding and putting the tax payers in debt until he sees the detailed numbers. He stated that it is great that they have the support from the other communities and utilities but are they going to step up and help out financially. He stated that he supports the workers than the corporate interest.

Mr. Caesar stated that as Mrs. Baird said someone must take the first step and that is exactly what this is. He explained that there are many details to work out and they will get down to the greater details as it moves forward and within those steps they will find out what Pillsbury's commitment to the community is and they have to take a first step.

Mr. Zurschmiede stated that they set up these TIF areas for a lot of future expansion and while there is no doubt that the jobs from Pillsbury are very important but this is a reactive type of thing. He explained that while that might be the right reaction in this situation they also have to look to the future and take into consideration these other investments that they have made.

Mr. Coffey stated that this is a difficult issue and he understands both arguments, but if they don't take this step then they are guaranteeing that those jobs won't be here. He explained that they need to get the county involved and the state.

Mr. Zurschmiede explained that the state has met with General Mills and they were told there is no way that they are going to be able to work anything out so there isn't much more they can do.

Mr. Duggins stated that the municipality always takes the first step in all retention, expansion and retraction projects and the state always follows because they are making sure it is valuable to the community.

BOARD APPOINTMENTS:

MISCELLANEOUS ITEMS:

COMMUNICATIONS – PUBLIC (non-agenda items):

IN COMMITTEE:

G-14-01	Ordinance Adopting the International Property Maintenance Code Standards for the City of New Albany	Zurschmiede 1&2
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TABLED ORDINANCES:

ADJOURN:

There being no further business before the board, the meeting adjourned at 8:20 p.m.

Pat McLaughlin, President

Vicki Glotzbach, City Clerk