

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA,
HELD A REGULAR COUNCIL MEETING IN THE COUNCIL CHAMBERS AT
NEW ALBANY CITY HALL, ROOM 100, ON THURSDAY, DECEMBER 16, 2021
AT 7:00 P.M.**

MEMBERS PRESENT: Council Members: Mrs. Collier, Mr. Caesar, Mrs. McLaughlin, Mr. Turner, Mr. Blair, Mr. Aebersold, Mr. Applegate, Dr. Knable and President Phipps.

ALSO PRESENT: Amy Stein, Linda Moeller, Josh Staten and Vicki Glotzbach

CALL TO ORDER:

President Phipps called the meeting to order at 7:00 p.m.

MOMENT OF REFLECTION:

Mr. Phipps asked that everyone remember the tornado victims in Kentucky and Mrs. Collier's father who passed away.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

Mr. Blair moved to approve the Regular Meeting Minutes for December 6, 2021, Mrs. Collier second, all voted in favor.

COMMUNICATIONS – COUNCIL:

Dr. Knable stated that he walked Schell Lane at a resident's request and the sidewalk looks great, but there is an ongoing issue with the stop sign placement for the new development that went in about 10 years ago. He said that it is in Mrs. McLaughlin's district, so he asked her to go by there and then talk with him and they can go to the board of works to see if that placement is ideal. He stated that there is more pedestrian usage of the road which is fantastic, but it also ramps up the possibility of a tragedy between a pedestrian and an automobile at that one stop sign. He said that they placed the sign on the southside of the exit and he thinks most of the residents think that it would be better if it was on the northside of it because there is a little bit of hill there and people seem to ramp up the hill to the stop sign.

Mrs. McLaughlin stated that she knows exactly where he is talking about.

Mr. Applegate stated that the tornado victims were mentioned in the moment of reflection and he just wants to think about how they can help others throughout the holiday season and continue that all year long.

Mr. Aebersold stated that with the bridge closure, Spring Street is a zoo and he said just coming down here, he saw three cars go through red lights. He said that everyone is rushing to get to work in the mornings and it is really bad. He stated that from Silver Street heading towards Clarksville, Spring Street was backed up the other day all the way down to 15th Street. He said that maybe they need a police car sitting there just to calm it down a little bit.

Mr. Turner stated that he wanted to wish everyone a Merry Christmas. He also stated that Wreaths Across America is this Saturday at noon and he does it every year. He said

that they lay wreaths on soldier's headstones at New Albany National Cemetery and he would like to invite anyone who would like to come out to join him. He said that we are coming up on two years with traffic calming and it is still a concern of many of his constituents. He stated that he knows we have installed some stop signs and lowered some speed limits, but he wanted to know if they could get that committee together again and discuss as a whole what they can do in the city to help resolve this issue. He said that when Mr. Blair was the president of council, he asked for everyone to come forth with what the number one problem was that they heard when campaigning. He stated that traffic calming was overwhelmingly the most important issue amongst the citizens in our city.

Mrs. McLaughlin stated that she wanted to offer her condolences to Mrs. Collier on the passing of her father.

Mr. Caesar stated that he wanted to wish everyone Happy Holidays, Merry Christmas and a very healthy and fulfilling 2022. He also stated that he knows all of their hearts go out to the tornado victims.

Mr. Phipps stated that he too would like to extend his personal sympathies to Mrs. Collier. He said that he would also like to wish everyone Happy Holidays. He also wanted to concur with what Councilman Aebersold said earlier. He stated that the traffic on Spring Street has actually been backed up all the way to his house in the 1100 block during rush hour. He said that he did see New Albany Police officers monitoring Spring Street very heavily today and giving out several tickets at least during the day time.

COMMUNICATIONS – MAYOR:

Mrs. Moeller stated that the mayor wanted her to pass along to the council his wishes for a Happy Holiday Season to you and your families. She also stated that he wanted to thank everyone for their good work during this entire year and he looks forward to next year. She said that he wants everyone to stay healthy and safe as these COVID numbers haunt us all.

COMMUNICATIONS – OTHER CITY DEPARTMENTS OR CITY OFFICIALS:

REPORTS – COMMITTEES, BOARDS OR OTHER OFFICIALS AS REQUESTED BY A MAJORITY VOTE OF THE COUNCIL:

APPROVAL OF CF-1 FORMS:

INTRODUCTION OF ORDINANCES:

READING

INTRODUCTION OF RESOLUTIONS:

COMMUNICATIONS PUBLIC: R-21-16 Resolution Designating Line Items

No one signed up to speak.

COMMUNICATIONS PETITIONER: R-21-16 Resolution Designating Line Items

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| R-21-16 | A Resolution Designating American Rescue Plan Act Line Items | Applegate |
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Mr. Applegate introduced R-21-16 and moved to approve, Mr. Caesar second, all voted in favor with the exception of Mr. Turner, Mr. Blair and Dr. Knable who voted no.

Mr. Turner moved to table this item, Mr. Blair second, all voted no with the exception of Mr. Turner, Mr. Blair and Dr. Knable who voted yes.

Dr. Knable moved to amend the resolution to add 1a. With regards to salaries as proposed by the redevelopment commission, they would come before the council before final approval and disbursement, Mr. Turner second, all voted no with the exception of Mr. Turner, Mr. Blair and Dr. Knable who voted yes.

Mr. Applegate read the resolution in its entirety. He then stated that from the initial meeting of the committee that was set up to look at the ARP funding, they looked right away at the four different buckets on what the ARP guidelines were set for. He said that three of the line items are in the resolution, but the fourth is not and it is the recovery of revenue and loss services through the city. He stated that as they have investigated it, they have done a really good job and they didn't see the need to spend any of the ARP money to recoup those funds or any lost income. He said that we were able to pay our employees last year so there wasn't a big cost to bring employees back. He stated that the committee met again, minus the late Mr. McLaughlin, and instead they had President Phipps sit in at that meeting because they are going to wait until next year to appoint someone else to the committee. He stated that they had a meeting with Mr. Gibson, Mr. Staten and Ms. Stein and they looked at the ordinance and decided that it was time to create these three categories to have the line items for the funding. He said that since they have tasked redevelopment to handle and administer these funds, he thought it was relevant to bring up Mr. Staten to showcase all of the items we have spent money on, to go into these funds and to give a review of the process and how the funds have been administered.

Mr. Turner stated that he would like to table this resolution because he believes that if they can work together, they can add this into the following resolution and get it all done in one shot.

Mr. Blair stated that he agrees. He said that the budget is one point that is required of them as the city council to approve, but there are other points to the ARP funding that the city council is required to approve. He stated that the line item of \$830,000.00 is for salaries and IC Code 36-4-7-3b says that only the city executive, the mayor, and the city council have the ability to appropriate funds for salaries, so right away you are putting this in jeopardy by complying with redevelopment to do this because the city council has the authority.

Mr. Turner stated that the current ordinance that we have delegates the New Albany Redevelopment Commission to administer the ARP funds and they will approve the uses of funds and approve the claims for disbursements while statute provides that a redevelopment commission allows and approves disbursement of redevelopment funds. He said that ARP funds are not considered funds of the redevelopment commission and would be the responsibility of the fiscal body and in this case, the common council is the fiscal body. He stated that the common council should be the one approving uses of the ARP funds and all disbursements of the ARP funds. He said that there would not be an issue if NARC made recommendations to the common council for the use of ARP funds, but the common council would be the one who has the authority and responsibility to make the final decisions in approving any activity in disbursements of the ARP funds. He then stated that the ordinance does not specifically state who is determined eligible employees for premium pay and who calculates the premium pay. He then referenced IC 36-4-8.2, IC 5-11-10-1.6, IC 36-4-7-3b and IC 36-8-3-3d.

Dr. Knable asked if there is any parliamentary procedure to suspend the vote on the first resolution until both resolutions have been discussed other than tabling it. He also asked

Ms. Stein if she saw anything mutually exclusive about these resolutions that if one voted for one, they could not vote in favor of both.

Ms. Stein stated that it is her understanding that once something is on the floor, that has to be disposed of before moving on to the next item. She said that she thinks that you either table it or discuss and vote on the first resolution and then move onto the second resolution. She then stated that as far as voting, she thinks that one could vote for both resolutions.

Dr. Knable stated in some cases there would be contradictive material that would exclude you from voting for one if you voted for the other. He then asked if one could table the first resolution until after discussion of the second resolution tonight or does it have to be at a forthcoming meeting.

Ms. Stein stated that it could be taken back off of the table tonight.

Mr. Turner stated that he wanted read the following information into the minutes from an email from State Board of Accounts that was received in May:

"We would not take audit exception to the ordinance itself. However, while we acknowledge Council has the authority to delegate the administration of the ARP fund, our audit position is Council would be ultimately responsible for the use of ARP grant proceeds and compliance with federal grant requirements, including proper appropriation of the funds and approval of Accounts Payable Vouchers used to spend ARP dollars. Our audit position is Council could not simply turn over all control of ARP proceeds to NARC to make final decisions regarding how and when the grant would be used without any oversight from Council.

We would recommend Council implement internal controls for monitoring and verification of NARCs calculations, determinations, and other actions related to the use of the ARP money, as any instances of noncompliance will be the responsibility of Council. During an audit, SBOA would review all documentation of the NARC regarding, but not limited to, how determinations were reached as to how to spend the ARP dollars. For example, we would examine documentation of how premium pay was calculated for essential workers; how essential workers were determined, the calculation of lost revenues, etc.

Council should also be aware that due to the monetary value the City is receiving, the ARP will likely be a "Major Program" for auditing purposes as related to SBOA's responsibility to audit federal assistance in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, commonly referred to as "Uniform Guidance". SBOA's responsibility under Uniform Guidance is to report issues of noncompliance with federal requirements as part of the *Independent Auditor's Report on Compliance for each Major Federal Program*. As you may be aware, the City's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs."

Mr. Aebersold stated that we had the ARP funds in one account and with federal regulations, they came up with these three items to put it into three separate accounts and then send the funds throughout the community from there. He said that they did that so that is where this resolution is coming from.

Mr. Applegate asked if Mr. Staten could be brought up to explain what the monies have been used for up to this point and in accordance with how they work with the guidelines.

Mr. Staten stated that the council received this morning a list of projects that were programs or non-profits approved by the New Albany Redevelopment Commission to receive certain grants. He said that he knows some are aware of the small business grant applications that they put out in partnership with OCRA and they used some of the ARP funds to help supplement the other portion of that. He said that they had 43 businesses and it was a very successful program and they have talked about doing a second one. He said at the last redevelopment meeting they approved a contractor to come in and help them administer that. He said that they have not announced a date for that because they didn't feel it would be appropriate to do that until after this evening. He stated that the small business grant loan was the only one that they set a deadline on, but the non-profit portion is on a "rolling" or "as needed" basis because this is a rescue plan and is meant to be flexible. He said that they reach out to the non-profits or the non-profits reach out to him and they discuss their needs and they put together an application package and review it with the city attorney as well as their outside counsel, Frost Brown Todd, LLC. He stated that they have worked with Frost Brown Todd, LLC throughout the entire steps of this process to make sure they have complied with federal guidelines and the treasury department. He said after all of that is done, they will put together a resolution and that resolution will go before the redevelopment commission and during the public meeting a representative of the non-profit will present. He said this is exactly how they do the CDBG Program meetings and if someone wants to ask for CDBG funds, they present in addition to what they submit and then the commission will make a decision. He stated that if the commission decides to move forward, it is still not done. He said that they develop a sub-recipient agreement which is drafted by the city attorney and our outside counsel at Frost Brown Todd, LLC and it specifies what can't be done with the money, what can be done with the money and any stipulations that the redevelopment commission asked throughout the meeting. He also said that they have to submit to any and all reporting requirements that would be necessary for them to accept the money and the first reporting deadline is January 1st for that. He stated that there seems to be some questions as far as federal guidelines and treasury rules, so he did ask Attorney Beau Zoeller from Frost Brown Todd, LLC to speak on what we do to go through the ARP guidelines so that we meet any and all treasury standards that is the federal law for the ARP.

Mr. Turner stated that it sounds like we are using a lot of people to help administer these funds and asked what would be the difference for them to just come to the council and administer for them.

Mr. Staten stated that they typically always work with the city attorney and outside counsel and his staff knows how to run the CDBG Program and the council would have to put together how they want to operate that, who they want to hire and how they want to do it. He said that they are already set up and running and if the council wants to start from scratch, that is up to them.

Mr. Turner asked if they couldn't just report to the council.

Mr. Staten replied yes, if the council wants to set up a contract with them but right now their contract is through redevelopment.

Mr. Turner asked if they are being paid through ARP.

Mr. Staten replied yes.

Mr. Blair stated that another possibility is that we leave the current procedure in place because from what he can tell, NARC is doing a great job with it but it is very specific in state statute that the city council has to oversee it. He said once it has gone through redevelopment with the same process that is being done now and is approved, it would

simply come back to the city council for final approval. He stated that he doesn't see any harm in doing and that he, in fact, sees a lot of benefits in doing that. He said first of all, it becomes more public and people get to see what the projects are because they would come before the council once they are approved by NARC. He stated that if you are worried about scrutiny from council members, he would dare to say that you have five, maybe six votes here that are going to carry whatever the administration wants. He added that you are going to get the same projects approved, but you will be within state statute.

Mr. Staten stated that they are already in compliance with federal statute.

Mr. Blair stated that there are two statutes which are state and federal.

Mr. Staten asked Mr. Blair if he is saying that the state statute conflicts with the federal statute.

Mr. Blair replied no and stated that there are two pieces to this. He said that you have the treasury's report which is a compliance report and these projects have to be in compliance with those guidelines. He stated that you also have rules and regulations as checks and balances that are governed through the state and we are in violation of state code.

Mr. Staten stated that he is saying that we are currently in violation of state code.

Mr. Blair stated exactly.

Mr. Staten asked Mr. Blair for the state code that we are in violation of.

Mr. Blair stated that Mr. Turner reported those earlier but he can give the codes again.

Mr. Beau Zoeller stated that he thinks that the statutory citations that Mr. Blair is referring to deal with compensation and premium pay exclusively. He said that they have been engaged to review ARPA and it explicitly says in 603 that you can transfer funds to constituent units of government and NARC would be a constituent unit of government. He stated that he would say for them to look at the state because they gave \$500M to IDC to administer a ready program and they are going to send that down to regional development authorities and they are going to assume that further down the chain. He said that the idea that the council has to sign off on this is not in ARPA anywhere.

Mr. Blair stated that it is not, it is in state code.

Mr. Zoeller stated that it is not in state code.

Mr. Blair stated IC 36-4-8-2 says that the fiscal officer may draw a warrant against a fund of the city if an appropriation has been made for that purpose. He said that it is saying that you can only draw an appropriation from the funds if an appropriation is made through the council.

Mr. Zoeller stated that they gave those funds to the New Albany Redevelopment Commission.

Mr. Blair stated that this is an appropriation by the redevelopment commission.

Mr. Zoeller stated that there is an argument to be made that SBOA and their procedures potentially conflict with the flexibility in which the rule provides transferring to local units of government. He also stated that he would be interested in seeing what the SBOA is saying to the General Assembly as they allocate to the IDC and then a review

committee is taking those funds down to a regional development authority and it is going even further down the chain.

Mr. Blair stated that they already had an opinion from SBOA back in May saying that we can't do this which was read into the meeting minutes by Mr. Turner tonight. He said that it seems to him that they are taking on a risk here that they shouldn't be taking on. He also said that it is a simple process to have the city council approve what has already been approved by the redevelopment commission and take all of the risk off of the table. He added that the financial health of the city could be at risk here. He asked why they shouldn't do that.

Mr. Zoeller stated that is not a legal question and he has been engaged to review ARPA and interim treasury rule and that is what they have done.

Mr. Turner asked what the difference is between a constituent unit and a special unit.

Mr. Zoeller stated that if you go to the frequently asked questions under the treasury, they say that the list is not meant to be exclusive or exhaustive and they use different terminology but it is meant to be flexible. He added that they talk about transferring to local units of government.

Mr. Turner stated that he does agree with Mr. Blair on why they should risk possibly being out of compliance when they have the votes to have anything approved that comes through the council. He said that he does think that inadvertently this does take the constituent's voice out of the equation and we may be the only ones in the state that are doing this.

Mr. Blair stated that he did ask that question and he was told that they didn't know of any other entity in the state that it was not going through the legislative body. He said that right away that puts a big bullseye on our back. He stated that he doesn't see why they would risk a negative audit because negative audits can be very detrimental to a city, like getting a downgrade in your credit rating, higher interest rates on bond issues, etc. He said that you also have the repayment piece that is in the federal guidelines. He stated that it says that the council has oversight of that and if we don't meet compliance on something, they will ask the City of New Albany to pay that money back to the Federal Government. He said that he is completely fine with redevelopment doing what they have been doing, but just give the council the last vote on it. He also said that he would like to take the budget items in the first resolution and put them in the second resolution. He stated that he is very worried about controls and procedures and is not worried about how the money is being spent, but the council's job is the fiscal health of the city.

Mr. Applegate stated that Mr. Blair said that he is not worried about how the money is being spent in the hands of redevelopment who is going through the process and who works on federal guidelines day in and day out. He said that is why they are handling the funds because they do it every day, otherwise, the council would have the same process and be responsible but we wouldn't have the additional experience in doing that. He also said that just following the way that everywhere else is doing it, he feels that those places have not gotten a lot of money out. He stated that we are leading that way in the same way that Indiana is kind of leading the way with how they pulled \$500M out of their ARP and distributed it down exactly as Mr. Zoeller mentioned. He added that he thinks that our non-profits, our constituents and our small businesses are very appreciative of that.

Mr. Blair stated that he agrees with what Mr. Applegate said because he is comfortable with what redevelopment has done. He said that they are required as a council to approve these funds so they should just take an extra step and get it done so that we don't have to be concerned about what our audit will look like.

Ms. Stein stated that she feels like a lot of this discussion is not relevant to the resolution on the table, so this discussion might be saved for the next resolution just to keep the record clean.

Dr. Knable asked Ms. Stein what her opinion is with regards to Mr. Blair's contention to this, that the second article of this with regards to salaries, is something that would have to go back under council jurisdiction rather than being delegated out.

Ms. Stein stated that she thinks the whole point of the ARP is to get the money out the door and give the flexibility to take care of people, so she doesn't think that the city is going to face any liability or consequences for delegating this to redevelopment. She added that the council is explicitly telling redevelopment here is this money that came down from the Federal Government and we want you to spend this on premium pay for essential workers. She said that the council has fixed the compensation for everybody and this is premium pay due to a pandemic.

Dr. Knable stated that both of these resolutions came on the agenda tonight not coincidentally and we have had several months to see how things are being done and they are not being done quite as good as we think they could be done or we wouldn't be trying to put bandages on them with these resolutions. He said that if everything was perfect, we wouldn't be having discussions on either of these. He added that he doesn't see what the harm would be in trying to combine the best of both of these resolutions together.

Mr. Aebersold stated that he doesn't think that they have done anything against the law and feels that NARC has done everything they can do to stay within the guidelines of how you are supposed to distribute this money. He said that this coming back to the council for approval is time taken and the government wants to get this money out into the community and help people. He stated that this goes back to last May when we did the resolution. He said that we got the money in and we've got something set up to do this right away to get this money going, so we gave it to the redevelopment commission to start on this project. He stated that the council gave them the obligation to take care of this ARP money and he thought it was a smart thing to do and it obviously was because they are up and running with it.

Dr. Knable stated that he is not here to hash out what happened last May, it is just apparent that this needs a little fine tuning. He said that there was talk of what other communities are, or not doing and once we have data to present with regards to that, he would caution projections on whether some municipalities are doing this better than we are or that we are doing it better than everyone else in the state. He stated that he knows the people on this council well enough to know that if we were asked to be here every single night to get these things up and running, he doesn't know of anyone here that would have trouble with doing that. He said that he doesn't think there would be a hold up on the agenda with regards to expediting this.

Mr. Blair stated that the resolution states that NARC has the authority to implement the plan. He said if that is the case, why are they bringing this budget back to the city council.

Mr. Applegate stated that the council is just issuing line items to separate out the three different areas of money.

Mr. Blair stated that if that authority has been transferred to NARC, why bring it back to the council.

Mr. Applegate stated that the premium pay has to be instituted into that budget of \$830,000.00 so we will know what we are looking at.

Mr. Blair stated that it will have to come back to the council once you decide how that premium pay is being paid.

Mrs. Moeller stated that what is being asked tonight is for the council to establish just merely the line items in the ARP fund that already exists, so that they can appropriate the money into the salary line item. She said that they would go from there to trying to get the money out to people.

Mr. Blair stated that he doesn't get it because if the council has already allocated the \$16.8M, why can't redevelopment, on their own with out council approval, break it down into the budget.

Mrs. Moeller stated that one of things that the council does is establish fund numbers and that is what they are here for the council to do.

Mr. Blair stated they are being inline with Indiana State Law on this.

Mrs. Moeller stated that in order for them to pay out premium pay, it has to go through a salary line item and they are just asking for those line items to be established.

Mr. Turner asked what directive they are going by.

Mrs. Moeller stated that it is from SBOA and is a directive that came down at the end of November.

Mr. Turner asked if they could have access to that.

Mrs. Moeller stated that she would be glad to email that to them.

Mr. Blair asked if there were any other directives.

Mrs. Moeller stated that there have been several. She said that anyone that has worked with ARP funds from the beginning can tell you that it has changed and evolved. She stated that as they have found things that work and don't work, she has received new directives on those things. She said that she is acting now on what is in front of her now.

Mr. Blair asked if there are any other directives that SBOA gave that we are not implementing.

Mrs. Moeller replied no, not that she is aware of.

Mr. Turner asked how much we have spent so far in ARP.

Mr. Staten stated that they have approved \$4.7M.

Mr. Turner asked if it has to be retroactive since we are just setting these line items now because we have already spent money before we set these line items.

Mrs. Moeller stated that she is not 100% sure but she thinks that it can be retro. She said that she thinks that the intent for the pay period of the premium pay was from March of 2020 to May of 2021.

Mr. Turner stated that their interpretation of the law is that we will be fined federally. He asked if that is wrong and we will be good.

Ms. Stein said that her interpretation is that they will be good.

Mr. Zoeller stated that federally they will be good.

Mr. Turner asked if SBOA gives us a bad audit because of this can we just say that federally we are okay.

Mr. Zoeller replied yes.

Ms. Stein stated that there is a dispute process to have them re-evaluate their finding. **Dr. Knable** stated that it seems to him that one of the biggest points of contention on this is the premium pay and he would like to see some sort of compromise with regards to this. He said that he doesn't see how bringing the salaries back for final review before the council would impede anyone who needed emergency funding right away to keep their business or their non-profit afloat. He said that he would like to propose an amendment and would like to have a 1a. that says "with regards to salaries as proposed by the redevelopment commission, they would come before the council before final approval or disbursement".

Mr. Blair stated that he agrees with him that is one point of contention. He said that there are other points, but that is getting us somewhere if we at least eliminate that piece that we may get a negative audit on. He stated that he attends SBOA exit audits and they pay close attention and have been happy with the way the city handles money up to this point. He said that he feels it will be the same for the 2020 audit, but he is very concerned about the 2021 audit. He also said that we do have the chance for a rebuttal but do you really want to get into a fight with SBOA. He added that we are the only entity doing this so we are a target. He then asked how the budget items were determined.

Mr. Applegate stated that they set the premium pay out for the one time.

Mr. Blair asked for what purpose or who are they paying.

Mr. Applegate stated that it is a sliding scale of who was exposed more and those types of things.

Mrs. Moeller stated that there is a formula and it creates a cap and you cannot give an employee more than \$25,000.00. She said that naturally you are looking at police, fire and communications workers because they were probably the most at risk during COVID and after. She stated that you would go to other essential employees from there which would include wastewater treatment people, people at the animal shelter, etc. She said that is how you would go down the scale.

Mr. Blair stated that it is all city government employees.

Mrs. Moeller stated that is correct but it is not based on their salary; it is based on their essential part that they played in the pandemic. She said that part-time people will receive something as well.

Mr. Turner stated that could lead to dangerous waters and low morale for people who feel like they should've received more than they got.

Mrs. Moeller stated that there are rules that have to be followed so if they receive questions like that, they can always respond to them.

Dr. Knable stated that he ran across someone that wanted to know if elected officials are excluded from premium pay.

Mrs. Moeller stated that they are excluded.

The council took a break and reconvened at 8:10 p.m.

COMMUNICATIONS PUBLIC: R-21-17 Resolution Transferring Control of ARP Funds

Ms. Joyce Riley, 3218 Hickory Grove, stated that she first wanted to express her sympathy to Mrs. Collier on her father's passing and then she thanked the council for allowing her to speak. She said that she feels there is a conflict of interest because you have two council members that are on the redevelopment commission, so you naturally are going to vote for everything to go to the redevelopment commission. She stated that you have the rest of the council who are left and that leaves, according to Mr. Turner, three probably voting for and three probably voting against. She said that leaves you with no majority either way, but she wonders if there should be something requiring those council members to recuse themselves because of the conflict of interest of being on both the city council and the redevelopment commission.

Ms. Diane Williamson, 916 Brookwood Drive, stated that the ARP funds, in her opinion, need to be under the city council because those of us who vote for city council members expect them to oversee expenditures. She said that it is kind of the council's main job as far as she knows and they are not doing that especially with this money and she believes that puts us at risk. She also said that for transparency, it is going to a commission that puts a note on the door a day before their so you have to come see what is on the agenda. She added that the council voted down requiring their agenda to be posted to social media the other day. She stated that the meeting is held at 2:30 p.m. on a weekday and asked how many people could actually show up for that meeting because most of them are working. She said as an elected city council, you are representing us and your job is to be our voice with these expenditures. She stated that they didn't hire redevelopment to be their voice and they don't have much input into what redevelopment does because they are just not available to attend the meetings. She said that the council has a chance tonight to fix this and she would love for it to not be Ground Hog Day again with these six to three votes. She also said that the council has got to pull it together and stop voting completely down party lines and really just need to listen to your constituents. She stated that most of us are not paying attention, but more of us are.

COMMUNICATIONS PETITIONER: R-21-17 Resolution Transferring Control of ARP Funds

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| R-21-17 | Resolution Transferring Control of American Rescue Plan Funds from Redevelopment Commission to Common Council | Knable/ Blair |
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Mr. Blair introduced R-21-17 as amended and moved to approve, Mr. Turner second, all voted no with the exception of Mr. Turner, Mr. Blair and Dr. Knable who voted yes.

Mr. Aebersold moved to amend the resolution by taking out the portion that states any prior allocations of the ARP funds should be presented to the city council for approval, Mr. Turner second, all voted in favor with the exception of Mr. Turner who voted no.

Mr. Blair stated that he doesn't have a problem with the way the funds are being used because every project looks worthy and he doesn't have a problem with redevelopment, but in his mind and in what he has seen, the state has told them that they have to be approved by the city council. He said that he really can't comment on the compliance part because he really hasn't seen enough on the compliance. He stated that he is hoping that when these projects are presented to redevelopment, they are also told how they are compliant and why they are compliant. He said that he does know that in the one for the housing authority it talks about housing for low income, but it also says that it has to add additional units and has to improve the quality of the housing. His understanding of that project is that we are just improving the quality of the housing and are actually reducing the number of units. He stated that those are the type of questions he hopes redevelopment is getting answers to and are asking those types of questions. He said that he is not at the redevelopment meetings, but he is hoping that the council's two representatives are making sure they are in compliance because when you look at the state code, it is very specific that the council is supposed to agree with the compliance portion. He stated that he is responsible as a city council person to make sure they are in compliance and he is not getting that information. He asked if he is supposed to go to redevelopment all of the time when it is rightfully so supposed to come to the council. He then stated that it is the last council meeting of the year and they have the opportunity to reverse out what they approved earlier this year with no harm, no foul for 2021. He added that would keep them from being audited for 2021. He said that if they let this flow into 2022, it is suddenly not just a 2021 matter; it is a 2022 and a 2023 matter. He stated that they could see these same comments year after year on our audits and that is pretty embarrassing. He asked what they think a reader of our financial statements are going to say when they see that we can't comply. He asked what they think a credit agency is going to say when rating our credit. He stated that credit ratings have a meaning and you're talking interest rate basis and a couple of basis points can literally mean millions of dollars, so we are looking at costing ourselves more money by doing this. He said that he would just like to simply put in the extra layer of oversight because additional scrutiny doesn't hurt anything and the additional explanation is the same presentation that redevelopment gets. He stated that they will come before the council and we will approve it. He also stated that yes, we can rebut the SBOA, but guess who is going to win in the eyes of the users of our financial statements if they see that on an audit? He said that if it is between the SBOA or the City of New Albany, he thinks we all know who is going to lose in that scenario so let's prevent that from happening. He then read the following "the State Board of Accounts' audit of the City of New Albany's financials showed no negative findings of any kind confirming that the city is following all financial controls and procedures". He said that is from the City of New Albany's press release earlier this year talking about the 2019 audit and 2020 is probably going to be the same, but 2021 could be a disaster and that will put us in a bad position. He stated that people are going to wonder why we are willing to put taxpayer's dollars at risk just so we have one group that the majority consists of non-elected officials controlling these funds. He said that the way the resolution is written, it can still go through and start with redevelopment and follow the same processes and procedures that we are doing now, it will just include another layer of coming to the council. He also said that you gain scrutiny, which can be a good thing, and transparency by bringing it in front of the council, plus the fact that you won't get a negative audit.

Dr. Knable stated that he is in line with most of Mr. Blair's thoughts but he just wanted to reiterate a couple of things to hammer home those points. He said that redundancy with regards to oversight he thinks is something that is going to be crucial when it comes time to be audited. He stated that the council is a slower body and that is one way to put it, but we are also deliberative, transparent and more in touch with the people and that's why he thinks that final oversight piece belongs to the council. He also stated that even though the votes seem to be skewed the same way each time with three to six, you are

going to find that there is some crossover occasionally and compared to the voting record of the redevelopment commission, he thinks that the council is quite open-minded.

Mr. Turner stated that since January 1st of 2020, our redevelopment commission has voted 969 yeses, 3 abstentions and 0 nos. He said that is why it is so important that he has been pushing for transparency. He stated that we can't even do a Facebook post before a redevelopment meeting because we don't want to engage communications, but we did a press release this week on how we are going to expand parks. He stated that what is important to him is to represent the people because he has been elected to represent the people. He said that there is a lot of power that comes from saying no and a lot of communication comes from saying no just like the communication on the last resolution. He stated that the council had one public meeting regarding ARP and several people spoke, but he doesn't believe that anything has been done with anything that those people spoke about except for maybe one issue that someone spoke about during that meeting. He said that he is really concerned with us taking ARP money, which is short-term funds, and creating long-term debt. He also said that he is looking at the list and can't say anything bad about it and he does think that redevelopment has done a good job. He stated that he does agree with Mr. Blair in that if we have people who are administering for us now, it is not a crazy step for the council to have some final say in it. He also stated that the council has access to the citizens and their needs that an appointed board may not have and that is crucial.

Mr. Applegate stated that the council doesn't usually address issues that are presented from the public, but since Ms. Riley questioned the legality of the two council members appointed to the redevelopment commission voting on issues, he would like for Ms. Stein to address that.

Ms. Stein stated that just because Mrs. Collier and Mr. Applegate are on the redevelopment commission doesn't mean that they can't vote on things that involve the redevelopment commission. She said that Mr. Phipps is on the plan commission, but that doesn't mean that he can't vote on things that involve the plan commission. She stated that there is no requirement that those members should have to recuse themselves from the vote because that really wouldn't make sense.

Mr. Applegate stated that him being on the redevelopment commission is a tremendous opportunity for the council and administration along with redevelopment to work together. He said that the small business loans that Dr. Knable mentioned on the council, as well as the storm water issues brought up by Mr. Turner, are all in the works. He said that there aren't any issues of constituents that council members have brought up to him that he didn't bring up to redevelopment.

Mr. Turner stated that he had to write a resolution about redevelopment posting their agendas on Facebook. He said that he has brought forth storm water issues for two years.

Mr. Applegate stated that redevelopment doesn't post anything on Facebook.

Mr. Turner stated that city posted a press release and asked why they can't post the redevelopment agenda. He then asked Mr. Applegate if he is president next year, would he commit to putting himself or Dr. Knable on redevelopment.

Mr. Applegate stated that when we look at what we are doing from a council side, we have two representatives and every year we re-appoint those representatives and those discussions will be for whomever is president and/or vice president.

Mr. Turner stated that the alleyway project is an example and stated that they received an estimate of \$300,000.00 and they accepted a bid for almost double that. He said that

not one voting member said that number is high so let's send it out for another bid. He stated that next year he would like to see himself or Dr. Knable on the redevelopment commission.

Mr. Aebersold stated that this resolution states that any money spent by the redevelopment commission should come back to the council for approval. He said that if it is already spent, then the money is already in their hands, so that doesn't look good and should come out of the resolution. He stated that the other thing is that it says any prior allocations of the ARP funds should be presented to the city council for approval. He said that the commitment has already been made to give them the money, so now you could come back and say that you are not going to give the money. He stated that is just not good business tactics at all and he doesn't like that.

Dr. Knable asked Mr. Aebersold if he is proposing an amendment.

Mr. Aebersold said that he was just commenting on those two items.

Mr. Blair stated that they could take those two items out.

Dr. Knable stated that he would be happy to entertain that if they could get engagement on it.

Ms. Stein stated that it is really only one item because one is a "Whereas" and the other is a "Resolved" and they both mean the same thing. She said that it would be taking out the part that says any prior allocations of the ARP funds should be presented to the city council for approval.

BOARD APPOINTMENTS:

Mr. Phipps stated that at the last meeting he mentioned that the human rights commission has some vacancies to be filled and asked Mrs. Glotzbach if anyone has applied yet.

Mrs. Glotzbach stated that she hasn't received any more applications other than the one that Mr. Phipps forwarded to her.

COMMUNICATIONS – PUBLIC (NON-AGENDA ITEMS):

ADJOURN:

There being no further business before the board, the meeting adjourned at 8:35 p.m.

Greg Phipps, President

Vicki Glotzbach, City Clerk