

THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA, HELD A REGULAR COUNCIL MEETING IN THE THIRD FLOOR ASSEMBLY ROOM OF THE CITY/COUNTY BUILDING ON MONDAY, FEBRUARY 3, 2014 AT 7:30 P.M.

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

OTHERS PRESENT: Mr. Lorch, Police Chief Knight, Major Whitlow, Mr. Thompson, Mr. Hall, Mr. Gibson, Mr. Robison, Mr. Rosenbarger, Mrs. Moeller and Mrs. Glotzbach.

MOMENT OF REFLECTION:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

Mr. Phipps moved to approve the Regular Meeting Minutes for January 16, 2014, Mr. Blair second, all voted in favor with the exception of Mr. Caesar who was not present.

COMMUNICATIONS – PUBLIC:

Mr. Stumler stated that he wanted to say a few words on behalf of the request for the Salvation Army particularly. He said that he is on the board of directors for the Salvation Army in Louisville and he understands what Major Keiger is going through. He explained that HUD and other state funds have been severely cut and they are in dire need for money to continue their transitional housing. He encouraged the council to vote in favor of the appropriation for \$25,000.00. He added that he is sure the St. Elizabeth's is in the same position but he is not as directly involved with them as he is with the Salvation Army.

COMMUNICATIONS – CITY OFFICIALS:

Mr. Gibson stated that he and Mrs. Moeller emailed a budget to actual for the end of last year and finished at 95% of budget. He also gave the council 1782 notices and was pleased to announce that we were approved for a \$22.6M budget which was \$156,000.00 less than what we adopted but the adjustment was easy to make. He then thanked the council for their hard work on the budget. He said that the only one that was not approved as submitted was MVH. He said that we asked for more than we thought we might get which was \$1.8M and were approved for \$1.43M. He said that unfortunately one of the line items that went was equipment so we may back in front of the council asking for that later on. He stated that Mr. Thompson also has a need for salt which is in high demand right now and that will be an extra cost.

Mrs. Benedetti asked if the 3% raise that was approved for the employees will be retroactive back to January 1st.

Mr. Gibson stated that he will have to discuss that with the mayor.

Mr. Coffey asked what percentage of increase we got on the budget from last year.

Mr. Gibson replied that he doesn't know right off hand but does know that last year we were approved for \$20.8M but last year's budget was a little different than this year's because the parks department was separate last year.

Mr. Coffey stated that this gets us where we want to be.

Mr. Gibson stated that this should hopefully get us to where we can provide the services that we budgeted for and meet the needs that we have. He added that they did not have certified numbers at budget time so they had to just go on their best estimates.

Mr. Thompson stated that he wanted to come now to let the council know that this winter has been hard and salt crews have already been out 15 times this year and last year they were probably out three times. He said that we have had mild winters for the last couple of years so there was some salt stockpiled. He said that you have to commit to a certain amount and you can purchase up to 120% but because of the salt that we had on hand, he could only commit to what he could store. He said that they have used what they had and they have already purchased the 120% that he committed to so at this point if he has to get anymore salt it will be on the open market. He said that he called around to see what he could find and what kind of prices they were asking and one guy told him that they could come from Utah for \$300.00 per ton and they would have to pick it up in St. Louis. He said that he also called Louisville and if they could get some in from Kansas then it would probably run \$180.00 per ton. He said that before this he was just paying about \$69.00-\$70.00 per ton.

Mr. McLaughlin asked if this is because of demand right now.

Mr. Thompson stated that he is sure that is what it is. He also stated that he called the state just to see and they said that they have gone to the vendors and asked them to let the municipalities get more than the 120%. He added that as of yet they haven't been able to convince the lenders to do that.

Mrs. Benedetti asked him what he is proposing to do.

Mr. Thompson stated that he just wanted to let the council know that he is looking and that his crews have been out 15 times this year so they will have overtime.

Mr. Gonder asked how much would be a comfortable amount to have on hand.

Mr. Thompson stated that the barn will hold 2500 tons. He added that they had 1000 tons in there and then he committed to 1000 tons.

Mr. Phipps asked if we have the storage to stockpile it.

Mr. Thompson stated that if he would've committed to anymore and we had a mild winter then he wouldn't have had any place to store it. He added that if we can get through this winter then it will probably be depleted which means next April when it comes time to commit he will probably have to commit to more to get the barn filled up. He also said that this has been rough on the equipment too because the salt is so corrosive.

Mrs. Benedetti asked if they clean the trucks every time they come in.

Mr. Thompson replied no because they are usually out from evening until noon the next day.

Mr. Gonder asked how much they use in a time period like that.

Mr. Thompson replied 200-250 tons.

Mr. Blair asked Mr. Thompson if he has an estimate of what he will ask for as far as additional funding.

Mr. Thompson stated that he is not sure at this point; he just wanted to let the council where he is at.

Mr. Blair asked about overtime expenditures for this year.

Mr. Thompson stated that he could get that to him.

Mr. Gonder asked about using cinders.

Mr. Thompson stated that he doesn't think they are legal.

Mr. Gonder passed out an article about tax abatements and mentioned that there are some changes coming through the legislature and that kind of calls into question the good sense in using these abatements. He said that he thinks it would be helpful to have a work session on tax abatements and TIF districts.

Mr. Duggins stated that he would be happy to do that and will call Crowe Horwath who is their financial advisor and they have the most experience and background with our TIFs. He also stated that the only thing that has happened in the legislature so far is that they have expanded what can be abated. He said that originally you could only do manufacturing equipment and facilities and now you can do warehouse distribution.

Ms. Benedetti asked if Mr. Duggins would send Mr. McLaughlin some dates that Crowe would be available.

Mr. Duggins replied yes. He added that it would probably be beneficial to have Tom Pitman in at the same time to do a presentation.

Mr. Coffey stated that the TIFs that we have are not just strictly for the roads and we have used them for so many other things in the past. He also stated that he believes that this council needs to put together a real tax abatement policy. He stated that warehouses don't provide jobs and all that does is expands someone's profit at the expense of the taxpayers and the homeowners in the community. He said that if you look at what the state legislature is trying to do right now, it will gut local government's budgets under the guise that it will create more jobs.

Mrs. Benedetti asked if the council could get an update on all of the TIFs.

Mr. Duggins replied that they are provided every month at redevelopment and can be sent to the council. He then stated that the CF1s will be coming back in soon and the council will get the updated tax abatement spread pretty quickly.

Ms. Benedetti asked how the business personal tax on machinery and other things will affect us.

Mr. Duggins stated that he thinks it would have a major impact because of the structures that are on the TIFs and we generate increments based on some of those taxes and we have bond issuances that are out based on increments. He added that he has been in constant contact with Senator Grooms and there is a lobby group that works on those things.

Ms. Benedetti said that she is concerned because they always give tools that you can pass to make up for that leverage but if the tool gets passed for counties to pass for the municipalities where will that leaves us.

Mr. Duggins stated that he understands and said that it will be a pass through to the individual taxpayers but he doesn't know how that will work.

There was a lengthy conversation regarding setting up a work session for TIFs, tax abatements and a legislative update for sometime in March.

Mr. Duggins stated that he would get the work session set up when the council lets him know when they want to do it. He added that he would get all the updates, spreadsheets and abatements together for the session.

Mr. Coffey stated that the council really needs to get a tax abatement policy together.

Mr. Duggins stated that they do try to filter them in Redevelopment but agreed that it would be a good idea for the council to put something in place.

Ms. Baird stated that in regards to what the governor is trying to do with not taxing equipment, etc., several mayors from larger cities met with the governor to explain what it would do to their budgets.

Mrs. Benedetti stated that they have to give a tool to be able to make that revenue up.

Mrs. Baird stated that the governor is saying that he will find the money somehow to make up for it but is not saying where the money will come from.

Mr. Coffey said that they find it from the working people. He added that they are talking about giving tax abatements more and then they are talking about giving a 25% corporate tax cut.

COMMUNICATIONS – MAYOR:

Mr. Hall stated that the mayor wanted to let the council know that some of the downtown street lights are off and Police Chief Knight did an inventory of which ones are out and that has been forwarded to Pat More at Duke Energy and they are working through a solution right now.

Mr. McLaughlin asked if it was a grid.

Mr. Hall replied that it is just a few bulbs that are out and need to be replaced.

Mr. Coffey stated that we pay a flat rate so we pay whether those lights are on or off.

Mr. Hall stated that they are trying to get those lights repaired as soon as possible. He also stated that Pat More is working on a program to make it easier to report outages.

Mr. Zurschmiede stated that you can go online and report those.

APPROVAL OF CF-1 FORMS:

INTRODUCTION OF ORDINANCES AND RESOLUTIONS: READING

R-14-01	Resolution Concerning Statement of Benefits for TG Missouri Corporation by the Common Council	Blair
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Mr. Blair introduced R-14-01 and moved to approve, Mr. Coffey second, all voted in favor with the exception of Mr. Caesar who was not present.

Mr. Duggins stated that this is a great example of the unofficial policy that we have. He said that they are experiencing growth and it is a good company. He said that they have 28 additional jobs and over \$800,000.00 in new salaries. He also said that it is manufacturing equipment so it is only for a five year abatement period. He stated that Redevelopment has recommended approval at this time.

Mr. Gonder stated that sometimes companies promise that they are going to have a certain number of jobs and then come back for the updates with fewer jobs than they promised.

Mr. Duggins stated that is a good point and last year they only had two companies that were slightly below their promised job growth and that is a great percentage. He also stated that companies have the five year period to gain the whole employment. He added that TG Missouri has been outstanding at hiring and maintaining what they are supposed to.

R-14-02 Resolution Confirming the Establishment of an Blair
Economic Revitalization Area for Urethane of
Kentuckiana, Inc. by the Common Council

Mr. Blair tabled this item until next meeting.

A-14-02 Ordinance for the Appropriation of Riverboat Funds Benedetti 1&2
for the Salvation Army and St. Elizabeth's

Mrs. Benedetti introduced A-14-02 and moved to approve first and second readings, Mr. Coffey second, all voted in favor with the exception of Mr. McLaughlin who voted no and Mr. Caesar who was not present.

Ms. Archer, St. Elizabeth's, stated that they receive funding from a variety of different entities for their transition homes but a large portion comes from HUD and they were cut \$83,000.00 in their funding so they are trying to figure out how to offset that loss. She said that the program has been around for about 18 years and the house was built in 1996 which has been full with a waiting list since the day it opened. She said that they currently have 12 mothers and their children on the waiting list for that program. She explained that if they could find housing somewhere else they would but unfortunately there is not another program like theirs for this population. She added that they have never received any funds from the city so they are asking to get help to make up the difference of what they have lost.

Mr. Phipps stated that the letter says that St. Elizabeth's is not a religious organization but isn't it a direct entity to the Arch Diocese in Indianapolis.

Ms. Archer stated that it is a religious organization but it is not a religious program and they serve individuals regardless of their beliefs or lack thereof.

Mr. Phipps asked if the organization was formed with the intent to keep women from having abortions.

Ms. Archer replied no. She explained that St. Elizabeth's is there for women once they chose to carry the child so it is an option for them once they make the choice. She stated that the transition home is for the women who are already parenting and we are there to help them get their education, vocational training or whatever it is that they need to do to be the best parent they can be.

Mrs. Benedetti asked if they sometimes come from abusive situations.

Ms. Archer replied yes, oftentimes that is the case. She stated that they have to be homeless to come into the program so they often come to us with very few or no belongings at all.

Mr. Gonder asked if it is a program complimentary to or parallel with Center for Women and Families.

Ms. Archer replied that it is complimentary to. She explained that if they are not victims of domestic abuse then the Center for Women and Families can't take them so they really have no place to go. She said that they work closely with all of the programs through SIHI (Southern Indiana Housing Initiative) to make sure that they are not duplicating services.

Mr. Zurschmiede asked if this shortage of funds going to be an ongoing thing going forward.

Ms. Archer stated that they raise about \$350,000.00 a year out of their \$1.4M operating budget. She said that they are responsible for \$120,000.00 for the transition program that they raised successfully through grants, individual donors, special events, etc. She stated that they were just hit with the additional \$83,000.00 that they have to figure out where to come up with it. She feels that they will be able to figure out where the funds will come from just not right away.

Mr. Zurschmiede asked if this is an emergency type of situation.

Ms. Archer replied yes.

Mr. Coffey stated that they are helping to keep these women off of the road of defeat and actually break out of the poverty cycle.

Ms. Archer stated that it is important to note that they measure outcomes for this program and 85% of the women attain permanent housing. She stated that they also measure the number of women that leave their program with an increase in their income.

Mrs. Benedetti stated that with their funds being cut, they need a little leeway to figure out how they can get their funding mechanisms in place to make up for the shortfall so that is why they are asking the city for help at this time.

Mr. Gonder asked what the balances are in the Riverboat and EDIT funds.

Mr. Gibson replied that there is \$1.6M in Riverboat and \$900,000.00 in EDIT.

Mr. Brown, Salvation Army, stated that he is the director of transitional housing for the Salvation Army. He said that he strongly believes in the model of having assistance for people who are committed to obtaining more self-sufficiency. He explained that their program has been in service since 1999 and they have 14 two-bedroom apartments and two one-bedroom apartments. He stated that they operate the only general population homeless housing program in Floyd County so they have men, women, single, married, people with a history of substance abuse, people with a history of domestic violence, etc. He also mentioned that they do not turn away participants because they have outstanding utility bills, lack a job, have poor credit or have had evictions. He explained that they are serving a high-need population that oftentimes can't get into public housing because they have outstanding utility bills. He said that to date they have served 129 households since the late 1990s. He stated that their aim is for participants to be ready for permanent housing within 24 months through increased income, education and life skills and self-determination. He said that all participants are required to meet with a case manager at least once a month and develop a case plan. He added that they offer 52 workshops every year and participants are required to attend at least 30 of those workshops. He stated that demand for the program remains strong and that there were 130 applicants which also represents 157 children in 2013 and there were ten openings in the program. He said that it is more critical than ever to identify participants that would benefit the most from this experience. He also said that 50% of their participants come from New Albany. He said that in 2013 95% of their participants left their program for permanent housing with no subsidy. He said that cuts from the program total \$50,000.00 that comes from HUD. He explained that they are not completely reliant on HUD and that the Salvation Army does put in about \$30,000.00-\$40,000.00 of their own money to keep the program operating. He stated that the participants also pay income-based program fees so they do also have a financial input into the program.

Mr. Zurschmiede asked if they receive this funding from the council will they have a plan for the future to replace it.

Mr. Brown stated that the amount of money they receive for leasing has never increased so they have to keep maintaining the number of units with the same amount of money. He also stated that last year it came to a point where it was costing them more for the apartments than they were receiving in leasing money so a portion of the money would go to that. He said that he would like to look into opportunities where companies or private individuals could sponsor an apartment and not only pay the difference of the shortfall in the leasing, but also provide some of the household goods to help the person get started. He added that is one of the categories where they are finding themselves unable to pay for now out of the grant funds.

Mr. Zurschmiede asked if the \$25,000.00 would go directly into the transitional housing program.

Mr. Brown replied yes.

Mr. Zurschmiede asked if this program is specific to this area or is it done in other communities.

Mr. Brown replied that their program specifically is here in New Albany but the transitional housing model is throughout the United States.

Mr. Zurschmiede asked if there is a waiting list.

Mr. Brown replied yes and stated that in 2013 they had about 135 households apply and they had ten openings.

Mr. Gonder asked if these are vacant apartments and you lease from the landlord.

Mr. Brown stated that the program leases apartments that are essentially an extension of our facility so those apartments are leased under our name along with utilities in our name and there are 16 of them which are all at one particular apartment complex.

Mr. Phipps asked who sets the eligibility standards and what the additional stipulations are.

Mr. Brown stated that the individuals have to be homeless or at a risk to become homeless. He also stated that they do not pile a whole lot more of stipulations but it is up to each program that they can put on other stipulations. He said that one of the things that HUD is really come down with is they want to reduce the barriers as much as possible to get into transitional housing. He said that the Salvation Army wants to be able to show IHEDA that they are doing that.

Mr. Phipps asked if a couple were not married or were a same sex couple or a transgender person, would they be accepted into the program.

Mr. Brown stated that because they receive these federal funds they follow all fair housing standards and they do not require any religious participation. He added that they had a participant just last year that was gay and also HIV positive and they knew that at the very onset.

Mr. Coffey stated that he thinks that both groups need to come before the Redevelopment Commission because this is something that could make really healthy neighborhoods. He also stated that the success rates are phenomenal.

Mr. Gonder asked Mr. Coffey if he is suggesting not funding this and funding it through Redevelopment instead.

Mr. Coffey stated that he is suggesting fixing some of these houses up that we have in Redevelopment and then allow them to lease them as opposed to have to go out and do market rate.

Mrs. Benedetti thanked both programs for reaching out to the council because she thinks that they both have great programs and do wonders for the community.

Mr. Phipps stated that he is torn because these organizations are doing great work and his heart is behind it but he has an issue with spending city money on religious organizations. He said that his principles of separation of state and religion may trump that. He added that he thinks that it is a travesty that our nation, our state and our local communities don't meet these needs but if it is going to be a religious organization then they need to fund that from their religious donations.

Mr. Blair stated that he is very concerned about setting a precedent. He said that they are very worthy organizations and he personally donates to both but when you look at the role of the council, we are here for the public works. He said that individuals can make the decision on their own on who they want to support but we are making the decision for the individuals by supporting this.

Mrs. Benedetti stated that it is not going to be repeated.

Mr. Blair stated that there is always going to be a need and a program that needs funding.

Mrs. Baird stated that the only reason they are here is because their federal funding was cut so tax money has already been given to these organizations but they cut them back.

Mr. Gonder stated that he feels they should start some type of community chest.

Mrs. Benedetti stated that she has asked both organizations to come back in March, 2015 to give an update and show the council where the money was used.

Mr. Zurschmiede stated that it is a modest investment for the betterment of the community.

A-14-01	Appropriation to Provide Funding to Haven House for the Provision of Homeless Services	Gonder 3
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Mr. Gonder introduced A-14-01 and moved to approve the third reading, Ms. Baird second, all voted in favor with the exception of Mr. Caesar who was not present. Bill A-14-01 becomes Ordinance A-14-04.

A-13-11	Additional Appropriation in an amount of \$450,000.00 from the EDIT/Riverboat Fund for the Police Department	Coffey 3
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Mr. Coffey tabled this item until the next meeting.

BOARD APPOINTMENTS:

MISCELLANEOUS ITEMS:

COMMUNICATIONS – PUBLIC (non-agenda items):

IN COMMITTEE:

TABLED ORDINANCES:

ADJOURN:

There being no further business before the board, the meeting adjourned at 8:55 p.m.

Pat McLaughlin, President

Vicki Glotzbach, City Clerk