

**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 ON THURSDAY, OCTOBER 19,
2023 AT 7:00 P.M.**

MEMBERS PRESENT: Council Members: Mr. Dickey, Mr. Phipps, Mrs. McLaughlin, Mr. Turner, Mr. Blair, Mr. Aebersold, Mr. Applegate, Mrs. Griffith and President Collier.

ALSO PRESENT: Ms. Stein, Mr. Gibson, Mrs. Moeller, Ms. Johnson, Mr. Wilkinson and Mrs. Glotzbach.

CALL TO ORDER: President Collier called the meeting to order at 7:00 p.m.

MOMENT OF REFLECTION:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

APPROVAL OR CORRECTION OF THE FOLLOWING MINUTES:

Mr. Phipps moved to approve the Executive Session Meeting Minutes for October 2, 2023, Mr. Dickey second, all voted in favor.

Mr. Dickey moved to approve the Regular Meeting Minutes for October 2, 2023, Mr. Phipps second, all voted in favor.

COMMUNICATIONS – COUNCIL:

Mrs. Griffith asked Mrs. Collier if she received the email that she sent her regarding some updates that she requested?

Mrs. Collier said possibly not. She asked when she sent it?

Mrs. Griffith stated that it was at the beginning of the week. She said that it was on traffic calming because at the last meeting you said that you were going to share that information because Mr. Turner had said that you had found that out. She stated that the other one was on the animal shelter letter and she wanted to make sure that we are following up with that to make sure that we are refunded for the expenditure.

Mrs. Collier stated that she does have some information on the RFP that she was going to give, but she does not have an update on the animal shelter letter but she will get that.

Mrs. Griffith said that she appreciates it and thanked Mrs. Collier. She then stated what a wonderful weekend it was for Harvest Homecoming and kudos to Mr. Applegate and Extol Magazine for their efforts in bringing back the style show. She said that it was great and there were a lot of participants out there. She stated that it was just a great weekend for our community to come out and enjoy.

Mr. Applegate stated that he wanted to say the same as Mrs. Griffith because it was a great Harvest Homecoming and thanks to our first responders, security, the Harvest Homecoming volunteers and everyone involved in keeping everyone safe. He said that he hopes all of the booths made a lot of money because a lot of times that is their largest non-profit gaining money for the year. He stated that they will make the most amount of money for their non-profit during that weekend, so hopefully the weather held off long enough and everybody made a lot of money for their cause, because that is what it is mainly for. He thanked anyone who visited for going out and spending their time and treasure for Harvest and showcasing New Albany.

Mr. Aebersold stated that he really appreciated being at the groundbreaking for the new police station and they had a very good list of speakers that were very informative on it.

He said that this is the first time that we have actually had a police station for the City of New Albany that is our own and not renting someplace somewhere. He thinks it is really going to be something that is helpful to the community within a year. He said that it is supposed to be done about this time next year. He thinks that it is very good that we are able to do that now with all of the stuff that is going on throughout the world. He said that he really appreciated being down there yesterday and that it was very good.

Mr. Blair stated that he would have liked to have gone to the groundbreaking but he wasn't aware of it nor was he invited. He said that's not the first time that he has not been invited to an event. He feels that once the council approves something, it is ownerships and assets of the city and we all take ownership of it, and he would like to be involved with that. He said that just from a diversity or getting everyone involved inclusion type standpoint, he would have thought that all council members would have been invited to that groundbreaking. He stated that he just didn't get the invitation and saw it in the paper and that's how he knew it happened. He said that he did enjoy the Harvest Homecoming and he and his wife visited just about every booth and ate food from a lot of booths. He stated that they had a very good weekend and Extol did a great job with the luncheon and it was a really fun event. He really thinks that it made the city proud and was a good event and showcase for New Albany. He then said that during the budget session, he brought up the fact that the employees were getting a 2% raise and he expressed concern that they should be giving them at least a 4% maximum that the DLGF is providing to the city. He stated that he thought there was some consensus or desire from the council to go ahead and look at maybe trying to do a stipend, and try to bring the employees up to that 4% level. He said that inflation has been running closer to 6%-8%, so if we are giving 2% raises, they are behind in their purchasing power and their salary increases and so forth. He stated that he thought he had agreement with the administration to provide the information. He told Mrs. Moeller that he has sent her four different emails between that last budget session and now requesting information and she responded to his second one. He said that he has to have information if he is going to try to put together an ordinance and look at what's appropriate from a salary standpoint. He asked Mrs. Moeller if that information is available and if it is still something that he can receive from her?

Mrs. Moeller stated that is something that she is still working on for him because it is not that simple because she has to collect the data for the different scenarios, and make sure that the cash flow is going to be there also. She said that it is something that she is still working on for him along with all of her other work that she does.

Mr. Blair stated that the cash flow is one thing that he was planning on working on because he has the projections, so he has the material available to him in order to do the analysis. He said that all he needs is the raw data.

Mrs. Moeller stated that cash flow changes so that's something that you have to consider.

Mr. Blair stated that he would appreciate it as soon as possible.

Mrs. Moeller stated that she will try.

Mr. Turner stated that he wasn't invited to the police station ribbon cutting. He said big surprise because he has noticed that some people don't get invited. He then stated that there is a culture here in this city of emails not getting responded to. He said that the mayor doesn't respond to his emails, Mrs. Moeller has had trouble responding to his emails in the past and Mr. Summers doesn't respond to emails. He asked what is going on because he asked for more information on the tax abatement tonight and he got a little push back saying that he will get it when they get here tonight. He said that when he asks for information early, he thinks he should get it because he has to make a critical vote. He added that he does appreciate what Ms. Johnson did send over to him. He then stated that at St. Joseph's Road and the Waffle House, he saw some people out there surveying and asked if anyone knows what is going on with that? He said that we expanded a TIF two or three years ago and nothing has happened but the gas station closing down. He asked if anyone knows what is going on with that? He asked if there is anything going on

potentially? He said regarding traffic calming, we have had two pedestrian fatalities in New Albany in as many months. He asked what are we waiting for and asked Mr. Blair how long we have been talking about this?

Mr. Blair replied 12 years.

Mr. Turner stated that he has been on the council since 2020 and it was a big issue when he came on, so it is something they have been pushing for four years and nothing has happened yet. He asked at what point do we start taking it seriously? He said that he is not here campaigning and he has knocked on thousands of doors and it is still a top priority. He said that it is insane. He then asked if anyone knows what the Trick or Treating schedule is as far as day and times?

Mrs. Glotzbach stated that will be set at board of works next week.

Mr. Turner said good.

Mrs. McLaughlin stated that Develop New Albany is going to be having their annual Trunk or Treat on Saturday, October 28th from 5:00 p.m. until 8:00 p.m. on the New Albany Shoreline. She said that they are also going to be having the Jingle Walk on Saturday, November 18th and then they will be lighting up the Christmas tree later on that evening at 6:00 p.m.

Mr. Phipps stated that he would also like to say that Harvest Homecoming went well this year. He said that not only did it showcase our community, it showcased Southern Indiana weather with starting out very hot on Thursday and ending up very cold on Sunday. He stated that we had sunny days, cloudy days, intermittent rain and it was a perfect showcase of our weather. He then said we did have another pedestrian fatality yesterday morning on Charlestown Road and that is not in his district, but he too has been an advocate for safer conditions for walkers and pedestrians, so he concurs with those comments that were made earlier. He stated that he was invited to the groundbreaking for the police station and he didn't put it on his calendar, so he totally forgot it but he would have been honored to be there, because what Mr. Aebersold said, he thinks this is really a plus for our community. He said that it is the first time that we have a police station that we own in the history of our community. He then stated that while he can't speak for the administration on why people are invited or not invited, but one would assume that if you vote against a project, you probably don't support it, so he can see why some may not have gotten invitations to that. He said that he wanted to mention the tragedy that happened in the Middle East since the council last met. He stated that there are lots of very complex and complicated problems between Israel and Palestine, and he thinks that we all, as Americans, must condemn the horrible actions of Hamas. He said that he wants to go on the record to say that he has always and will firmly always stand with Israel.

Mr. Dickey stated that he did want to echo the comments about the situation in the Middle East. He has a constituent whose son is currently over in Israel and he had the opportunity to talk to her at dinner the other night for a little bit about that. He said that it is a very scary situation for her family and he thinks there are just so many more things that can happen as a result of that conflict in the world, so we just all need to be vigilant and hope and pray that cool heads prevail and we can come to a much better position there. He stated as often said, he hopes the diplomats have a lot of grace there. He then wanted to note the success of Harvest and feels that it really does highlight our community and the rich diversity of art and community that we have. He thinks that everyone enjoyed the good food, and on whole, he thinks it was a very successful Harvest with few incidents that had to be addressed. He said that it was a job well done by all of those involved such as the Harvest Homecoming Committee, our city crews, the police and our emergency first responders. He was at the New Albany Police Station groundbreaking and it was fabulous to see that project coming out of the ground, and he concurs with those who have made comments in support of that. He stated that he thinks it is going to be a fabulous asset, and if there is one thing that you certainly felt, it was that the officers very much appreciate that investment in their work. He said that they also celebrated Derby City Pizza with a ribbon cutting there this week and he is happy to

see another business go in in that State Street and Daisy Lane area. He stated that the business is doing fantastic and he always likes seeing someone who is very interested in giving back to the community. He thinks that will be a place where a lot of our schools will be able to work with them on some donation programs and other things that will benefit our city. He then stated that Trunk or Treat is Saturday, October 28th at the riverfront. He said that he knows that the city has been advertising that and you will have the normal assortment of, not only candy, but inflatables, games, magicians, etc.

Mrs. Collier stated that we did have a wonderful Harvest Homecoming and everyone had a great time and it really is a great festival for our entire community. She said that it is almost like a Thanksgiving tradition because we look forward to it and she is grateful that we get to have that, and that it was another successful festival. She stated that she does have some information on the RFP on the traffic calming that the board of works had requested. She said that Mr. Summers told her that they actually did not receive any responses to the RFP, so she asked him for the dates and the information for the publication for the request, and it ran in the Tribune on July 21st and August 1st. She stated that they also, at the same time, solicited it in the legal ads portion of our city's website and there were no responses received, so that's why it kind of hasn't gone anywhere. She said that they need to have a conversation to see what the next steps are.

Mr. Turner asked if they made any calls and if it could be a professional contract without requiring a bid?

Mrs. Collier stated that she will find out what else may have been done in the absence of responses and if we should do another request to try to get some response.

Mr. Turner stated that in his opinion, as well as his constituents, this is a priority in our city.

Mr. Blair asked if that is something that, even as a council person, we can mail that request to firms that do this kind of work so it gets directly to them, and they know about the bid and the contractual work that we are asking for?

Mrs. Collier stated that she does not know the answer to that but she will include that when she talks to Mr. Summers. She added that she was shocked herself when he told her that nothing was received.

Mr. Blair stated that it may just be an awareness for the providers.

Mr. Turner stated that it could be how much effort is put into it.

Mrs. Collier stated that she has not had any conversations about the animal shelter letter but she will follow up on that and hopefully have a response by the next meeting. She said that she was able to attend the groundbreaking for the new police headquarters and she did find out about it through a conversation at redevelopment, so it wasn't anything official or anything like that. She stated that she didn't find out until a week before.

Mr. Turner stated that she may not be getting emails so maybe that's the reason.

Mr. Blair asked Mr. Aebersold if he received an invitation?

Mr. Aebersold replied yes.

Mrs. Collier stated that she doesn't know what that process is but she did go and she thinks that it is going to be a wonderful facility here. She said that she is very proud to have been able to be a part of our city actually having their own police headquarters, which is something that we have never had before, and it is going to allow the department to be a much bigger help in our community with the services that they can expand on just by having their own space to utilize.

Mr. Turner stated that we have two police stations in the county now so it should be good.

Mrs. Collier stated that she would like to ask the council if they are willing to consider hearing from Midwest Metal Works before they have the other readings.

Mr. Turner asked if she wants them to move Blessings in a Backpack as well?

Mrs. Collier replied yes and asked them to move it around so that they could talk about the wastewater billing issue at the end of the agenda.

Mr. Applegate motioned to move A-23-08 and R-23-08 up on the agenda, **Mr. Blair** second, all voted in favor.

COMMUNICATIONS – MAYOR:

Mr. Gibson stated that Trunk or Treat was the only thing that he had for the council and that has already been covered.

Mr. Turner asked how much Trunk or Treat costs the city?

Mr. Gibson stated that it is about \$7,000.00.

Mr. Turner said that the reason he asked is because there is a Trunk or Treat every other day in October and he doesn't even know if it is worth it for us to do that.

Mr. Applegate stated that it brings out a lot of people and a lot of kids. He said that he doesn't know the number but he would say thousands of kids come to that and he feels it is a good thing for our community.

Mr. Dickey stated that he has had parents say to him that they prefer that Trunk or Treat, because they know by being sponsored by the city, it is going to be done right. He knows that some of them have been reluctant to attend private events that are hosted by a church or another community organization that they are not familiar with.

Mr. Applegate stated that travel has something to do with it too because it is easily reached by some of our lower income families.

Mr. Turner said that sounds good to him and he was just wondering.

COMMUNICATIONS – OTHER CITY DEPARTMENTS OR CITY OFFICIALS:

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

Mrs. Collier stated that she did want to give a committee report for the public health and safety and the opioid funding. She said that Mr. Turner and herself had the opportunity to meet with a couple of representatives from THRIVE today, and they had a really good conversation with what they are doing there and their efforts towards to the substance abuse problem. She stated that they are not just looking at New Albany but at Floyd County as well as nine other counties here in Southern Indiana. She said that is just one of several conversations they have had with other people in the community on how we might best use this money. She said that the next step is for Mr. Applegate, Mr. Turner and herself to get together and make some final decisions on what they would like to do. She stated that they will present those decisions to the council based on those conversations that they have had with everyone.

One Southern Indiana – Annual Report

Mr. John Launius, VP, Director of Economic Development stated that before he gets to the power point presentation, which Ms. Melissa Sprigler is passing out to the council,

he would like to say what an honor it is to get be a partner both personally and as an agency of One Southern Indiana in this work. He said that he wanted to give another kudos to Harvest Homecoming as well because he enjoyed it both personally and with his family, so kudos to the entire city. He stated that those types of events do not happen singlehandedly so he knows that is a big lift for the entire community including the city. He said that he was honored to participate in the Harvest Homecoming Business Luncheon and to partner with them by offering the Business of the Year a year membership to One Southern Indiana as well as \$1,000.00 worth of marketing support. He stated that went to Eureka Menswear so kudos again to the team here. He said that before they kind of dig into some of the numbers, he wanted to offer a quick rundown of trends in economic development that they are seeing. He stated that they are still seeing some of the attraction requests for shovel-ready land, so traditionally 10, 20, 50 and even 100 acres might be a large project. He said that they are seeing pretty regularly 100-, 500- or 1,000-acre projects that are coming through. He stated that the other dynamic that they continue to see trending is availability of workforce and skilled workforce, and an infrastructure that allows those businesses of that workforce to upskill. He said that what they are seeing, without giving too much detail, is really when you look at the geopolitical dynamics, you are seeing a lot of reshoring. He stated that whether that is because of Covid or turmoil in the countries, a lot of companies that have had assets of hub and spoke model are recognizing that maybe they no longer need 2,000-3,000 workers, they need 100 highly skilled ones that can reskill every few years. He said that he is now going to dig in and talk a little bit about how this region of Floyd County, New Albany and Jeffersonville is pretty well positioned for the foreseeable future. He then reviewed the power point presentation with the council. Said presentation is on file in the city clerk's office. He then stated that he would like to answer any questions that the council has and would be elated if the city would consider recommitting to their partnership for the next year with the same terms.

Mr. Turner stated that he knows there have been some changes, but last year he asked Isi to give them New Albany numbers specifically and it is not on here. He said that he is not calling out Mr. Launius because there have been a lot of changes, but he would love to see that next year. He stated that it would be New Albany populations numbers not mixed with the county because things are different.

Mr. Launius stated that he will dig into that. He said that obviously a lot of the data is census tract related, so it could be a little difficult to get too granular, but he will absolutely take note on that.

Mr. Blair stated that he is familiar with the Manufacturing Alliance and that is really a neat program because it gives business owners and manufacturers a chance to come together to collaborate and learn new things. He said that some of the presenters that they have had have been really good. He said that the other thing that he really likes about it is that you bring students into the facilities and give them an opportunity to see what it is like to work at those companies and what those companies do. He stated that giving them the opportunity to be in the facility versus being in a class room is really a neat program that they have. He said that we have two industrial parks in New Albany which are the Purdue Research Center and then the Grant Line Industrial Park and asked what challenges they have in marketing those parks? He stated that they have been vacant for a while.

Mr. Launius stated that as the local economic development organization, they work hand in hand with IEDC and they manage the sites and buildings database for our three-county region, and that is how they submit proposals in collaboration with the state. He would tell him that obviously they market all of those assets and if you have other assets, they have Ms. Ann Keller on their team, and she constantly has her ear to the ground to make sure that the sites and building database is updated. He would also tell him that the name of the game right is speed to market, so he doesn't have a silver bullet to tell him to do this and it all will happen. He said that each project is very different and those speed to market dynamics can be whether it is dirt work, whether it is utility infrastructure or whether that is heavy haul road capacity, so it is project by project and we get ghosted a lot and not all of them call us back and tell us why they don't like us. He stated that what

they have a unique opportunity to do though in collaboration with IEDC is they have a third-party consultant that is partnering with counties to assess those opportune sites that those counties have identified, and then they bring in a third party to evaluate those sites and tell you how you can improve them. He said that if your site scores a 3.5, they will give you a little advice on how to take it up to a 4.0. He stated that response can vary site to site and county to county depending on where your workforce is, where that location is and what your preeminent industry is within the region.

Mr. Blair stated that for those on the council who are on redevelopment, he thinks that is something they should gauge into (site assessment) and try to understand why we are being looked over, and maybe how we can enhance our opportunities or marketability of the sites. He said that the Purdue site is really convenient and Grant Line Road, with infrastructure, may need something because it has been sitting there for quite a while. He stated that he would encourage those on redevelopment to maybe take advantage of that work and engage to see if there is something that we can do differently.

Mrs. Griffith stated that she is glad to see that they are working with TARC because she thinks that is important because we do need some public transportation. She thanked them for heading that up. She said that as a small business, she appreciates all of their services and she is going on 30 years of being a member. She stated that everything that they offer, as far as networking and the support, is great and these are numbers that she doesn't normally see, so she is glad to see this side of everything they do. She thanked them for all of their work.

Mr. Applegate thanked them for the presentation and all that they do. He also thanked them for the small business loans and the regular loans from the One Fund. He thanked them for all they do in the community.

Mr. Dickey stated that he does think that TARC is a major concern and quite frankly he doesn't think that Indiana is getting its money's worth. He said that he sees that there are a lot of users that would love to use that service more that just don't have the opportunity, so he really appreciates the work there and the expertise in that, because he thinks it can be very beneficial to us in the future. He stated that the other thing that he will just echo Mr. Applegate on is that it was great working with Isi on the fund, and he thinks that was a great collaboration of partners to come together and answer a need. He said that as always, he was able to attend the session and found it very beneficial and would encourage his colleagues to attend the next one. He thinks that the thing that was reassuring about that session was it was very apparent that a lot of the work that we are doing in collaboration with Isi fits into what these experts like Julie, Beau and Paul were calling for. He thinks that we are aligning with where the market is to make sure that we are building our workforce and attracting good quality businesses and new jobs.

Mrs. Collier stated that she would like to expand upon what Mr. Dickey said about conversations with TARC. She said that just earlier today when she and Mr. Turner were meeting with THRIVE, they were talking about their excessive transportation costs and how if TARC had a better schedule throughout New Albany, that could probably give them a significant savings. She thinks that is wonderful that they are having those conversations with TARC.

APPROVAL OF CF-1 FORMS:

INTRODUCTION OF ORDINANCES:

READING

COMMUNICATIONS PUBLIC: A-23-08 Blessings in a Backpack

COMMUNICATIONS PETITIONER: A-23-08 Blessings in a Backpack

A-23-08 Ordinance for Appropriation of Riverboat Money for Blessings in a Backpack

Dickey/Phipps/ Applegate 3

Mr. Dickey introduced Bill A-23-08 and moved to approve the third reading, Mr. Turner second, all voted in favor. Bill A-23-08 becomes Ordinance A-23-10.

Mr. Dickey stated that he thinks as was evidenced by the last meeting, this was one of the items where we all were in agreement on regarding the value of the Blessings program, and the work it does to help our children who are in food insecurity and receive some nourishing benefits for when they are not in school. He said that he doesn't know if there are any questions from any members but he will open it up for any additional questions or comments.

INTRODUCTION OF RESOLUTIONS:

COMMUNICATIONS PUBLIC: R-23-08 Midwest Metal Works, Inc.

COMMUNICATIONS PETITIONER: R-23-08 Midwest Metal Works, Inc.

R-23-08 Resolution Concerning Statement of Benefits for Applegate Midwest Metal Works, Inc. by the Common Council of the City of New Albany Amended Resolution

Mr. Applegate introduced R-23-08 and moved to approve, Mr. Phipps second, all voted in favor.

Mr. Applegate stated that there is real property and personal property equipment in this abatement. He said that Midwest Metal Works, Inc. is a company that has been around and started in New Albany in 2006. He stated that they were an employee that worked for the company and then bought out the company from the previous owners in 2014. He said that Mr. Elzy is present tonight. He stated that they work with large companies and work across the country. He said that it is all based out of New Albany and Mr. Elzy will be able to tell the council of the certifications that they have. He stated that they work multiple businesses within the industrial park, they work on naval bases and they work in wastewater utilities, so they have a very diverse business. He said that the property expansion is just over \$725,000.00 and the equipment is just over \$335,000.00 so the total abatement is just over \$1M. He stated that their average wage is roughly \$32.00 an hour, so with 1si being here, that is right at the rate that we are adding in ultimately and there are 12 jobs that will be added due to the equipment. He said with the equipment through 2027, they are anticipating that job will be at \$42.00 an hour. He stated that they give back into the community, they pay a great wage and it is all that we look for from a business, and he thinks with retaining these businesses in New Albany, this is certainly the kind of company that we want to look at. He said that from a personal side, he knows one of their employees that has been very, very happy to work there, so they treat their employees well besides paying them well.

Mr. Matt Hall, One Southern Indiana, stated that a lot of times when we get those attraction projects, they seem to get all of the headlines, but as you can see from the report that Mr. Launius gave earlier, we really try to do a good job of taking care of our own. He said that he is super excited about this project for a lot of reasons, one is because they are one of own, and two, the wages are moving that bar up so that we can provide a better quality of life for folks. He thanked them for the investment that they are making and that they are choosing to do that expansion here in New Albany. He said that every time we have a company that expands, that is a victory in retention. He stated that our community has seen what happens when we lose a big employer and we certainly don't want to do that. He respectfully requested the council support for the tax abatement so they can grow that company.

Mr. Jeff Elzy, President/Owner, thanked the council for having them. He stated that they are a small AAIC certified structural steel fabricator here in New Albany. He said that they are also a Sheet Metal 110 Union company and the only 110 Union company on this side of the river that is AAIC certified, and the only AAIC certified shop in the local.

He stated that they recently acquired some new equipment and need some more room for that equipment, and with the new equipment, they will be doubling the employment.

Mr. Dickey stated that as someone who is very supportive of our laborers out there, he is very happy to see that they are a union shop and that speaks highly of how they value those workers and the workforce, in general, that they can bring in training and other things. He said that he appreciates that very much.

Mr. Elzy thanked Mr. Dickey.

Mr. Turner asked what they give back to the community?

Mr. Elzy stated that they do various charitable contributions annually. He said that CASA is a big one that they do every year and they have done a little bit with the New Albany Animal Shelter, New Albany Little League, Christian Academy of Indiana, Our Lady of Perpetual Help, Crawford County School Systems, they donated all of the materials for the Pumpkin Chunking Trebuchet for Prosser students and donated some door prizes to the 1st Manufacturing Group. Ms. Johnson passed out a list of their charitable contributions. Said list is on file in the city clerk's office.

Mr. Turner asked what happens if they don't get this abatement? He asked if they will still expand?

Mr. Elzy replied he will reconsider his investment.

Mr. Turner asked what other locations they have?

Mr. Elzy stated Clark County and Jefferson County in Kentucky.

Mrs. Griffith asked if there is enough space where they are currently located to expand as far as they need to?

Mr. Elzy replied yes.

Mr. Aebersold stated that he really appreciates them staying here. He said that he always has thought that what the city does in this respect to help a business is one of the best investments we can do. He stated that the company is going to grow and we are going to grow eventually on it, as far as the taxes go, and you are helping the people out, so it is just a plus all the way around. He said that he has always appreciated the city for doing this. He added that he was involved with the Industrial Foundation years ago and when these started, he just thought they were a no-brainer. He said to help the business out, we are going with it because we will get our taxes in five or ten years but what they are doing now is just tremendous, so go with it.

Mr. Elzy thanked Mr. Aebersold and said that he appreciates that.

Mr. Turner stated that he always tries to determine if the growth is just natural when we do these tax abatements. He said that he checked to see what they provide to the community and they clearly do a lot, so he is voting yest to this one.

COMMUNICATIONS PUBLIC: A-23-09 Wastewater Billing Audit

COMMUNICATIONS PETITIONER: A-23-09 Wastewater Billing Audit

A-23-09	An Ordinance to Solicit a Request for Proposals for an Agreed-Upon Procedures Engagement on the Wastewater Utility Billing in New Albany	Blair/Aebersold/ Griffith/Turner 1 & 2
----------------	---	---

Mr. Blair introduced Bill A-23-09 and moved to approve the first and second readings, **Mr. Turner** second, **Mr. Phipps**, **Mrs. McLaughlin**, **Mr. Applegate** and

Mrs. Collier voted no, Mr. Turner, Mr. Blair, Mr. Aebersold and Mrs. Griffith voted yes and Mr. Dickey recused himself.

Mr. Applegate moved to amend the agenda to vote on an executive session, Mr. Turner second, all voted in favor with the exception of Mr. Dickey who recused himself.

Mr. Blair moved to have an executive session after the public utilities & transportation committee meeting, Mr. Turner second, all voted in favor with the exception of Mr. Dickey who recused himself.

Mr. Blair stated that when he looks at what their role is as far as city council members, they are the legislative body as well as the financial body and make sure that things are done correctly, and if they see anything that is not being done correctly, they need to raise their hands to determine what's wrong and correct it. He said that he looks for red flags or bearings of financial analysis or things that just don't seem right, and in this situation, he started back in July. He stated that he reviews financial information on a regular basis and makes sure that if he sees anything that is not the norm, he questions that. He said up until about the first part of this year, they were regularly receiving financial statements that were compiled, which means that information was provided to an accounting firm and it was put into a financial reporting format. He stated that they have been receiving monthly financial statements for the sewer utility for the last 10 years. He said that on July 28th he sent an email to our controller that asked why they haven't been receiving financial information. He stated that she responded back on August 3rd and said that they would get financial statements at the end of August and those statements will be through May to year to date. He said at this point, the only thing they have received so far this year is January of 2023 financial statements on our sewer utility. He stated that there has to be a story there why this is going on. He said they are now two months plus later and he still doesn't have an explanation; no one has explained to him why they don't have financial information for the sewer utility. He stated that he is going to go through in chronological order what he has done to try to get information because it has been a real task. He said there have been a lot of roadblocks, a lot of nonresponses and things preventing him from getting information. He stated that they talk about transparency and cooperation and he is just not getting it on this issue. He said that on August 16th they went to the SBOA exit meeting, and as you all know, that's when they explain the findings of their audit for the previous year. He stated that they told them of a situation and issued them a noncompliance letter, so all of a sudden, there are two red flags out there. He said that his radar was up and felt that they needed to understand the situation. He stated that there is confidentiality to what was discussed in the exit meeting, so he is not going to give too much detail of what happened there, but like he said, there were two red flags there. He stated that the next thing he thought he needed to do was meet with the mayor because he is president of the sewer board and he can explain to them what has happened. He said that it is something that has been happening for a long period of time so he is probably aware of it and probably has a solution so they need to understand that. He stated that on August 16th he emailed the mayor and his assistant that he would like to set up a meeting and he received no response. He said that on August 21st he tried the same thing with no response. He then decided that he would try calling, so on August 22nd he called for the mayor's assistant and she wasn't available so he left a voicemail that he would like to meet, and again, no response. He tried email, he tried calling so he decided to drop off a typed letter to the city requesting a meeting to the receptionist on August 28th. He said on August 31st the city receptionist called and said the mayor's assistant would call him on September 5th to set up a meeting to discuss this. He stated that he did not get that phone call and then on September 8th, which was late on a Friday afternoon, he happened to be with his family at his niece's wedding and the mayor's assistant left him a voicemail message that said the mayor would like to have a phone conversation with him. He said that his next opportunity was September 11th, which was that Tuesday after that Friday afternoon, so he left another voicemail message with the mayor's assistant and said that he would be available September 13th, which was Wednesday. He told her to let him know what time would be good for the mayor to discuss and he didn't hear anything. He then called an executive session expecting that the mayor and someone from sewer billing would attend that, so we had the session on

October 2nd and it wasn't productive and we didn't get any information. He stated that over two months later he is still wanting information, so he has to go through this procedure and say there are a ton of red flags here, so let's bring in a third-party accounting firm to do an agreed upon engagement to see how big this issue is. He said that they know there is a problem and they know that things have not been done according to state statute, so let's find out how big the problem is and once we find the problem, we can look at a solution. He stated that besides the red flags that he just mentioned, DMLO reported last year in 2022 that we under-collected \$600,000.00 of sewer fees. He said that he also read through the sewer minutes and our board member commented a couple of months that we were 5%-7% low on collections, so it is obvious that there is a problem. He stated that they need to bring in an expert third-party firm to help them understand how big the problem is and put together a plan to solve the issue. He said that he is not going to go through the procedure that he is recommending too much because this will go to committee after this session and they can fine tune it. He stated that they would basically review some sample past due accounts and then provide a list where the sewer billings and lien filings have not followed state statutes and New Albany Code. He said that Mrs. Griffith provided some more information this week as far as another red flag in our sewer department, so he turned it over to her to give the information that she found.

Mrs. Griffith passed out the information that she found. She stated that she went down to the recorder's office today and just kind of did some research on the sewer liens. She said that it is public knowledge that you can go down and search that. She stated that she started in 2013 and did a 10-year breach to get an average, and as you can see, the numbers there and the average before Covid was around 3,555 liens filed per year. She said that during Covid, which was 2020, we know that was kind of put on hold and that was the question too because in the ordinance, the late fees were supposed to be put on hold but not the liens. She stated that in 2020, they only had 857 and there were no sewer liens in 2021 or 2022 and year-to-date, we have 1,794 which is still off. She said that per the email that was sent, it said that liens were filed for 2021 and 2022 so she went back to talk to the recorder again today and nothing has been filed since July 11th. She stated that she is with Mr. Blair because there are just some red flags here and we just need to figure out what is going on and make sure that we are collecting the money. She said that it is not only affecting our budget at this point, it is affecting the recorder's budget which is Floyd County, so we have to make sure that we are doing our part right so they can hit their budget too. She added that she would be happy to answer any questions on the findings that she presented.

Mr. Blair stated that after Mrs. Griffith provided this information, he did call SBOA and they said there was no statute that allowed us to forgive filing liens. He said that they said during the Covid period, we should have been filing liens like we always do and we went two and a half years without filing liens. He stated that we went against state statute by not filing sewer liens, so he doesn't know how much collected we missed because properties were sold and we didn't have a lien on the property. He said that there was not direction or statute from the State of Indiana as far as allowing us not file liens. He stated that we did pass a city ordinance that we were not going to collect late fees for a period of time, but we didn't do anything on liens, so we know that is another red flag in our sewer department.

Mr. Dickey said just a clarification.

Mr. Turner stated that Robert's Rules of Order advises a member with a conflict of interest personally in a pecuniary should recuse themselves from discussion and vote. He said that he believes that Mr. Dickey should recuse himself from this conversation and vote tonight.

Mr. Dickey told Mr. Turner that he would disagree.

Mrs. Collier stated that she was going to defer to Ms. Stein on whether or not there would be a conflict.

Ms. Stein stated that Indiana has the council fill out those forms every year on nepotism and it doesn't fall under that.

Mr. Turner stated that they follow Robert's Rules.

Ms. Stein stated that they do follow Robert's Rules and asked Mr. Turner if he has that citation?

Mr. Turner stated that it depends on which version you get, but he has seen it in Chapter 45. He said that if there is a personal conflict not common amongst the fellow members of the council, they should recuse themselves. He stated that they can't force Mr. Dickey to recuse himself and he doesn't want to get into it, but he thinks to maintain the integrity of the council, he thinks that should be considered.

Ms. Stein stated that she knows that it doesn't violate any Indiana laws.

Mr. Turner stated that they follow Robert's Rules so they need to look at that because he believes there is a conflict of interest. He said that if there is a major mistake in this then there could be a conflict.

Mr. Phipps stated that since everyone of them pay a sewage bill, wouldn't that be a conflict of interest using that logic?

Mr. Turner stated that he doesn't want to elaborate on it unless Mr. Dickey wants to not recuse himself. He said that there is a conflict there and it is not paying a bill conflict.

Mrs. Collier stated that they need to let Ms. Stein review that and give her opinion.

Ms. Stein asked if the council would entertain a five-minute recess?

Mr. Turner moved for the council to take a five-minute recess at 8:17 p.m., Mr. Blair second, all voted in favor.

The meeting reconvened at 8:32 p.m.

Mrs. Collier asked Ms. Stein what she determined?

Mr. Dickey stated that Ms. Stein and he went over the material and in the interest in keeping this as civil and clean as possible, he is going to go ahead and recuse himself from this matter for right now. He said that the only comment that he wanted to make is that he does believe that they received some additional information about the overall finances and he thinks that they would be well served to hear that information. He then excused himself so that the council could go on with the meeting.

Mrs. Collier thanked Mr. Dickey.

Mr. Applegate stated that he would have to look back because he was under the impression that when they voted on the sewer items, he didn't know if liens were considered a penalty or not. He almost feels like he was not expecting us to file liens on anything for those years when they voted on that back in Covid times. He added that he would have to look back at what they wrote in that ordinance because he felt like liens were included in that.

Mr. Phipps stated that he concurred with Mr. Applegate because that was his take on it at the time as well.

Mr. Applegate asked if the ordinance said that we were supposed to still file liens?

Mr. Blair stated that the only thing that we were not doing is charging late fees. He said that we were doing our regular billings, liens and the whole process. He asked if you think about it, why would we ever say that we wouldn't file liens? He asked how are you

ever going to collect on a property at a sale unless you have a lien on it? He stated that they would just give people an escape way on not paying their bill if they didn't file liens.

Mr. Applegate stated that he doesn't know because it was unprecedented at that time and renter's assistance was there where you couldn't kick anyone out of their home for those terms. He said that he would have to look back at the minutes and the ordinance. He stated that in this appropriation, it refers to a non-compliance letter and if he looked up the SBOA report, it is not in there. He said the report doesn't mention anything about non-compliance in our sewer billing department, so we have to make sure that we are talking apples to apples. He added that what was the non-compliance was actually illegally leaked to the News and Tribune. He pointed out that in the SBOA report, we received a very good rating and we don't have anything that is a knock on anything we do.

Mr. Blair stated that there was a serious find.

Mr. Applegate stated that our SBOA report was excellent. He said to refer to a confidential note and use that as a rule to what we need to go off of, he doesn't understand that thought process. He stated that he looked through the numbers that they were given previous to tonight via email and he thinks that they are important to share because it puts a great light on where we at with the sewer billing. He said he would love to see those presented before any decision is made on this.

Mr. Turner stated that it is definitely important to hear the city's side of this.

Mr. Blair stated that he has been trying for about two and a half months now so it is about time.

Mrs. Collier stated that before they move forward, she just wanted to remind everyone to not interrupt or talk over someone. She said that they just need to be respectful and she understands that it can get heated, but they need to be mindful and courteous to one another.

Mr. Gibson stated that the administration was never invited to the council executive session. He said that is your private meeting and they were personally never invited to attend; they never received anything on that.

Mr. Turner asked Mrs. Collier is she said that she emailed them in the executive session?

Mrs. Collier stated that she did not say that she had emailed them.

Mr. Gibson stated that he knows Mr. Blair reached out to Mrs. Cotner-Bailey and the mayor offered to reach out but that meeting did not occur on the date that Mr. Blair was available. He asked Mr. Blair if that was correct?

Mr. Blair stated that Mrs. Cotner-Bailey did not respond back to his last message to her that he was available.

Mr. Gibson stated that he didn't call either of them.

Mr. Blair stated that he did call and asked them to give him a date on that Wednesday when he got back from Salt Lake City, so he left her a voicemail just like she left him a voicemail.

Mr. Gibson stated that is not his recollection.

Mr. Blair stated that they should go through phone records because he would like to talk about that.

Mr. Gibson said just forget it and asked Mr. Blair if he wants to talk about numbers or not?

Mr. Blair stated that Mr. Gibson was the one that started it about the correspondence, not him.

Mr. Gibson said only because you are making it sound like they didn't come to the executive session and he was pointing out that they were not invited to the council's executive session.

Mr. Blair said okay, point cleared.

Mr. Gibson stated that DMLO has had change of leadership and the individual that used to handle our account is no longer there. He said that his son that supposedly inherited the account doesn't really have hands-on the account, so they have had to get information from Mrs. Moeller about bank reconciliations to get theirs, so they are behind in their reports. He said that the DMLO reports are not the state-approved reports by any standard. He stated that what he just gave the council is what the state looks at. He said that as soon as DMLO gives us an update, the council can have an update. He stated that with respect to their estimates, he can't tell the council where they get their estimates. He said what he provided to the council is the actual estimates with 10-year histories or more, so on average, the sewer billing department will collect about \$14.6M almost \$14.7M a year. He stated that is based upon estimates mostly and he has provided the council with those estimates on the next page. He said that on average, liens collected per year are \$664,000.00 and that is over a seven-year period minus 2021 and 2022 because those were not good years to use data. He stated that they try to take an historical average and that is what they use for their estimates when they internally work on our budgets. He said that last year liens were not filed and that on average is about \$664,000.00, so if you are taking what DMLO reported and minus out the liens, it is about where it should've been. He stated that there are almost 1,800 liens that have been filed this year and that includes all of those that have been pushed back or held to allow people to get through Covid. He said as of now, 1,797 have been filed this year.

Mr. Blair said that Mr. Gibson is saying that DMLO numbers are wrong.

Mr. Gibson stated that he is saying that he doesn't know where DMLO gets their revenue estimates. He said that these are the estimates that we use internally but they are not that far off.

Mr. Blair stated that he is showing that DMLO had a \$14.8M number and the city had \$13.4M. He asked if we are allowing DMLO to prepare our budget?

Mr. Gibson replied no, that is what he is telling him; DMLO reports are not our reports.

Mr. Blair asked where they get their \$14,794,000.00?

Mr. Gibson stated that he doesn't know where they get that and that is what he is trying to tell Mr. Blair.

Mr. Blair said let's say the numbers are wrong and asked doesn't someone from the city look at them and say this is what we provided and they reported back correctly to make sure the reports are correct?

Mr. Gibson stated that they don't ask for that information as far as estimates. He said that he doesn't know where they are getting their revenue estimates. He stated that the expense estimates are pretty easy and that is in the reports that he provided, but where they are pulling the information for their revenue estimates, he doesn't know. He said that they have a meeting coming up with them pretty soon to determine all kinds of questions that they have outstanding. He stated that he provided the estimate period and it is based on our historical average and it is all right there in the 94 pages.

Mr. Blair asked that in the engagement contract with DMLO, does it say that they will provide budget estimates?

Mr. Gibson stated that he doesn't deal with DMLO's contract.

Mr. Blair asked Mr. Gibson if he sees where the confusion is? He said that we have two sets of books because we have DMLO and the city books.

Mr. Gibson stated that you have one set of books. He said that SBOA looks at the pages that he provided to the council; they don't look at DMLO's report.

Mr. Blair stated that there are two sets of numbers. He said that there are one set of numbers that get distributed to people like himself and then there is another set of numbers being used by the city.

Mr. Gibson stated that if the council would prefer the city's reports versus DMLO's, all they have to do is ask him.

Mr. Blair stated that he wants the accurate numbers. He said that he assumed since we were engaging DMLO to provide numbers, they were providing accurate numbers and the city was verifying them.

Mr. Gibson stated that if you recall, you did pick up one other inaccurate number and they did correct it.

Mr. Blair stated that he did.

Mr. Gibson stated that if you want accurate numbers, they are in all of the 10-year history that they have now. He said those are SBOA looked at reports.

Mr. Blair said so it took him an ordinance and two and a half months for you to stand up there and tell him that the numbers provided for 2022 weren't accurate?

Mr. Gibson stated that he doesn't verify, nor does the city, DMLO's reports. He said that you can look at their disclaimer because they don't either. He said that at the end of the day, the reports that he provided the council are what SBOA looks at.

Mr. Blair stated that this is a huge credibility issue if we can't rely on numbers. He said that these numbers are coming from an accounting firm and we can't rely on them and if we knew there was something wrong, we should have stepped up and said that there is something wrong. He stated that we haven't done that.

Mr. Gibson said yes, they have. He stated that they have been working with them and Mr. Blair helped point out the one error and they have had numerous others come up, so that's why they are working with them and they are needing current reports in order to get the reports right.

Mr. Blair stated that he also pointed out the discrepancy in revenue versus budget and no one stood up to correct that. He said that he asked why we are so far behind in revenue collections and no one stepped up to tell him that.

Mr. Gibson stated that it was last year's liens, that's why.

Mr. Turner asked if we have to use DMLO? He asked if we can't just go off of our own numbers?

Mr. Gibson stated that this is an antiquated process and ordinance that was passed way before this council when the city's sewer was not in good financial health, was under an EPA Consent Decree, which neither are cases now, and was being managed by an outside agency. He said he thinks it was EMC and that's when those reports began.

Mr. Turner asked how much we pay DMLO?

Mr. Gibson stated that it is \$18,000.00 a year.

Mr. Turner stated that he found a problem his first year in office when they had a \$150,000.00 in drug tests listed in a line item so he has seen those mistakes before.

Mr. Gibson stated that the information in part of the package is 10 years of history for you for what is called a trial balance report and that will show you the revenues that are generated and the expenses for that particular year.

Mr. Turner said so we didn't collect liens in 2021 and 2022 but we are starting it back up and we are going to collect on backdated liens.

Mr. Gibson stated that if you look in the reports again, there will be some revenue in 2021 of about maybe \$120,000.00 and that's going to be carried over from previous liens that have been filed in the past. He said that there was a little bit of revenue in 2021 and in 2022 there was about \$50,000.00 in revenue for liens recovered, which again, are things that were filed in the past which are now getting reconciled. He stated that the first batch filed in 2023 included any of the historical data. He added that there has been one other one filed since then. He said on average they will do three to four batches a year depending upon how the cycle falls because we have to work with the Floyd County Recorder's Office on their timing. He stated that this year we have filed two so far.

Mr. Turner asked Mrs. Griffith how much money the recorder's office loses from not receiving liens?

Mr. Gibson stated that it doesn't impact the recorder's office other than recording fees that we pay them to record the documents.

Mr. Turner said that they lose out on the recording fees.

Mr. Gibson stated that is correct.

Mr. Turner asked Mrs. Griffith is she has any idea of how much that is?

Mrs. Griffith replied no.

Mr. Gibson stated that it can run anywhere from \$25,000.00-\$35,000.00 per year. He said that it is about \$25.00 a pop.

Mr. Blair stated that there is also a release fee too. He said that there is a filing fee and a release fee so it hits at both ends.

Mr. Gibson said that he doesn't know about the release fees. He added that is paid by the individual.

Mr. Blair stated that thing that he is disappointed in is that we have been getting bad information for so long and no one told us.

Mr. Gibson stated that he understands.

Mr. Blair stated that he doesn't know how that is acceptable. He said that if people in this administration knew the information was bad, why weren't we told then?

Mr. Gibson stated that they have said that it is not matching up exactly to ours, but is it horrible information? He said no, it is not horrible information and is not completely bad information, it gives a general idea. He stated that it is not the same as the documents that he provided and what the numbers truly are but that is because of some things. He said that they were keeping checks forever that they didn't write off and we finally fixed that.

Mrs. Griffith stated that she knows government is completely different from business but she thought that the accounting would be like your double check, so why do we have them checking anything for us? She said that would be SBOA.

Mr. Gibson stated that Mrs. Griffith is absolutely correct, but it is under an ordinance that was passed more than 15 years ago when the city was under a consent decree, and the city utility was under EPA for all kinds of reasons. He said that it is not necessary because the documents that he provided the council are what SBOA looks at, that is what they will analyze and that's what matches up with our bank accounts.

Mr. Turner stated that we need to amend that ordinance or take it away so that we can get away from these guys messing up our data.

Mr. Blair asked how they can correct this going forward?

Mr. Turner stated that they should get the information from Mr. Gibson.

Mr. Blair stated that's fine but he wants to get correct information. He said that he just feels like he has been misled all of this time and people knew it was bad information and just didn't tell us.

Mr. Turner stated that it is disappointing to think that we are paying a company to take our data and not spit out the same information.

Mr. Gibson stated that at the end of the day, Mr. Blair is right in that they should probably identically match. He said that they combined stuff because their internal system doesn't allow for five-digit codes and that's what we have. He stated that is why at one point, they were combining them into similar things like what we talked about on the insurance. He added that they should match in some fashion.

Mr. Blair stated that one reason we use a cash basis method of accounting is that it is simpler and easy to do, so it should be a much easier process to prepare financial statements. He said that he would like to hear from DMLO and what they have to say about this and see if they agree that they haven't been providing accurate financial information.

Mr. Gibson stated that they do it differently so why it doesn't match up, he doesn't know. He said that they have a meeting with them within the next three weeks to go over why some of these are not matching up. He added that he doesn't think they are necessary and that they are a waste of expense and the reports that he provided the council will give you that same information, and is what is actually used by the external auditors.

Mr. Blair stated that he is willing to get past the financial information but we still have two other issues here. He said that he mentioned two other red flags which is that we haven't filed liens for that two-and-a-half-year period, and he talked to SBOA and they said that unless an ordinance was passed, we should have been filing liens. He asked if we missed out on collections because we didn't file liens.? He asked if we are short on revenue because of it?

Mr. Gibson stated that he doesn't believe that we are short on revenue but if you are talking about one or two houses that sold, he can't answer that.

Mr. Blair stated that he is talking about the information that they got from the recorder's office showing that there weren't liens filed in 2021 or 2022. He asked if we actually went back and collected those? He said obviously if there was a lien then they were past due and asked if we collect those fees eventually?

Mr. Gibson stated that those accounts carried forward and didn't go away.

Mr. Blair said that it doesn't even look like we have continued to re-file liens on them because 2023 liens aren't that many.

Mr. Gibson stated that \$1.3M was filed in liens in March.

Mrs. Griffith stated that she didn't go through the amounts, she went through the actual number of liens.

Mr. Gibson stated that it was \$1.3M, almost \$1.4M.

Mr. Blair stated that in previous years, we were filing 3,600 on average.

Mr. Applegate stated that the only liens that we would be out any revenue would be liens that would have been filed in 2020, 2021 or most of all 2022 on a house that would have sold, otherwise, if they still owned the property then a lien was filed because they still had a balance on their account.

Mr. Blair said if the lien was filed.

Mr. Gibson stated that approximately \$664,000.00 is the average of what is recovered on liens a year. He said 2021 and 2022 no liens were filed; we've already talked about that. He stated that \$1.3M was filed in liens at the beginning of the year.

Mr. Applegate said so that made up for the years prior that liens were not filed.

Mr. Blair stated that he sees that but asked if he can explain why the number of liens weren't increased. He said that you would think if the amount owed was higher then the number of individual liens filed would be too.

Mr. Gibson said historically, no, it runs about 10%.

Mr. Applegate stated that it would just be double the number.

Mr. Blair said look at the trend.

Mr. Turner stated that it averages about 3,600 and then 2020 we had 857, 2021 nothing and 2022 nothing, and then the first 10 months of the year, we had 1,794. He said that he doesn't know that it points to dollars and cents though.

Mr. Gibson stated that original liens were 965 at the beginning of the year and the amount was \$1.3M. He said that 837 liens were filed on July 11th and of that there was about \$300,000.00 in liens. He stated that if you take 837 times three, that will give you the ballpark, unless you do four a year, that's the 3,200 that you are talking about.

Mr. Turner asked what happens if someone in 2021 didn't get a lien and they moved out in 2022? He said that we lost out on that.

Mr. Gibson stated that if they sold their home, there is a possibility of that but if they were renters, no, it stays with the property.

Mrs. Griffith stated that with the red flags she has seen, she is afraid that we have a glitch in the software. She said that SBOA just did a sampling and she thinks that we need to do a deep dive. She stated that she thinks there are too many unknown questions and that is why Mr. Blair came up with this to do a deeper dive into it.

Mr. Gibson asked Mrs. Griffith what her extra question was?

Mrs. Griffith stated that when SBOA did a sampling, that is where they showed there was a red flag. She said it was just a sampling and she understands that they won't do anything else until next year.

Mr. Blair stated that he asked SBOA for their detailed work papers and they would not release those because he wanted to see how extensive they were in their review. He was questioning whether we have a need for it if they did an extensive review, and they would not provide him that information.

Mr. Gibson stated that they were here for almost two months.

Mr. Blair stated that they weren't looking at sewer liens the whole time.

Mr. Gibson stated that they are in the city's financial files for two months.

Mr. Blair stated that as Mr. Gibson knows, there are a lot of accounts and a lot of transactions in the city so he doesn't know how much time they spent on sewer liens. He then said SBOA wouldn't provide the information he wanted, so that's why he thinks we need to look because we don't know if the problem is with one or 100. He stated that we know there is a problem and that they didn't follow state law on filing liens but how many liens are there?

Mr. Gibson stated that there was nothing in the audit about that. He said that Mr. Applegate brought the audit up and they didn't say that.

Mr. Turner asked isn't it too dangerous of ground to talk about some this stuff because it is NDA like we can't speak about it and we are getting close.

Ms. Stein stated that anything that was in the confidential management letter cannot be discussed.

Mr. Blair said but we all have that information and know what it is.

Mr. Gibson stated that if you pull up the state audit, as Mr. Applegate indicated, there is no indication that the city should have filed liens in 2021 or 2022. He said that is why he is confused. He added that they didn't let us know that either.

Mr. Phipps stated that there was nothing in the official report. He said that if the state was concerned about this, they would've recommended an audit. He said we have the numbers here in front of us and what he sees going on here is an attempt to spend taxpayers' money on an unnecessary audit. He also sees politics going on here as an election approaches and it is a big waste of time.

Mrs. Griffith stated that regarding Mr. Phipps's comment about unnecessary spending, we have been doing that for many years. She said that they could easily dissolve the DMLO and use that to pay for this audit and actually have true numbers. She stated that as a business owner, she takes her information to an accountant to double check the information, so she has no problem paying someone to double check to make sure that we are all being thorough.

Mr. Gibson stated that the true numbers are the ones that they have in their files that he provided to them.

Mr. Phipps stated that he has no problem dissolving their relationship with DMLO. He said that it is obviously not necessary, but at the same time, he doesn't know that we should take that money and spend it on an audit. He stated that they could put that money towards a lot of other things that we could use here in the city that would benefit the taxpayers, as opposed to in his perception, wasting that money.

Mrs. Griffith stated that she still believes that there are too many unanswered questions which is her whole reasoning to wanting to get a second look at it. She said that she doesn't think there is anything wrong with having another company come in to look and double check. She stated that there could be an issue that no one knows about and asked if we have ever paid for an audit or when is the last time? She said that she knows that

she is new to the council but when is the last time that we actually paid someone to come look at our books to make sure everything is running properly?

Mr. Gibson stated that we pay anywhere from \$10,000.00 to \$15,000.00 a year.

Mrs. Griffith asked who is that company?

Mr. Gibson replied SBOA.

Mr. Blair stated that the other thing that they can do here, which he thinks is reasonable, is send this to committee. He said that we are not appropriating \$15,000.00 today. He stated that it has to go to committee and we are all privy to confidential information and he doesn't know if they can do an executive session in committee where they could talk freely about that, but we can design what we want to do and bring it back to the council for a third reading. He stated that at least we can take it to committee, understand and maybe get more information to see if we have an issue, and understand how we are going to approach that issue in committee. He said that he put down the scope of the work on the information that he had available to him at the time, and he obviously didn't have information that was available to him or his scope of work would have been different. He stated that he is still very concerned about issues that we all know about and this lack of liens. He said maybe the revenue is there but the number of liens is not, so we need to take it to committee and look into it deeper and not just kill it here. He also said that he disagrees because financial information is the core of any organization; you have to have good financial reporting. He stated that is the only way that we can monitor and see what we are doing and make sure that we are protecting the taxpayers' assets, so we have to have financial reporting.

Mr. Turner stated that he is kind of in the middle because the last thing he wants to do is pay for an audit if it is not necessary. He also stated that he didn't realize that the administration wasn't invited to the executive session until recently. He then said that at his job, when there is a breach of some sort, they do a postmortem and they tell exactly what the issues are and do a corrective action to their stakeholders. He stated that's how they can get their confidence back in the company and that's what he was expecting from that executive session. He said the administration should be invited to our executive session and he hopes that happens. He stated that he has some concerns going forward that could probably be addressed in the committee. He said that DMLO versus the administration's numbers being wrong is mind blowing to him and we need to fix that and that is an ordinance that we need to be on top of, because we have to quit paying these guys for that. He stated that liens not being filed in 2021 and 2022, that is a concern and he wants to know where the process broke down because he does not think that anything nefarious went down, but there had to be process breakdown somewhere. He wants to know how the process was corrected. He said that we know late fees were not collected for an extended time so there is another cause for concern. He mentioned a software issue which Mrs. Griffith brought up. He stated that these are all things that he would love to, instead of paying for an audit, hear what happened in an executive session and hear what is being done going forward so that it doesn't happen again. He said that is what he would like to see and is optimistic for a committee. He also said that he would happily motion for this to go to committee if that's where everyone wants to take it now. He stated that he thinks there is a reasonable solution here and the numbers thing we should have probably done in an executive session, but the administration was not invited. He said that he would love to have the opportunity to have that discussion to see where we can correct things.

Mr. Aebersold stated that he agrees that this should go to committee and look at it ourselves rather than spending \$15,000.00.

Mr. Turner said that he wants to be clear though. He stated that if there is no answer and we don't know what is going on, then an audit is absolutely reasonable with all of these unknowns, but he thinks all of these unknowns are knowns, and we just need to have an opportunity to talk about.

Mr. Aebersold stated that the council just received about 94 pages, and if we go with the audit to find out whatever we are going to be looking for and spend \$15,000.00 for it and get another 150 pages on it, are we going to be back here at the same place? He said that he is beginning to wonder about that.

Mr. Blair stated that we are using the term audit and it is not an audit because an audit is specific accounting procedures that they do. He said what we would do is say here is where we think problems are and then we would put a procedure together for them to look at specifically. He said that we would design that and it is pretty much what he did in ordinance. He said they would take a sampling of this population group and then follow them through and see how many were handled according to state statute. He stated that they are looking for things that were done outside of state statute, outside of the law. He added that we would have to know what we are asking for and that is what the committee would do, so it is not an audit, it is just an engagement with a third-party accounting firm is what it is.

Mr. Gibson stated that from the administration's standpoint, when the ordinance passed during Covid, it was their interpretation that liens were part of that entire process because it didn't make sense to waive fees and then slam them with a lien.

Mr. Blair stated that sometimes we all have our presumptions and think things should be a certain way, but in his mind, that is two different things. He said that they didn't say that they would forgive regular fees, they just said they would forgive late fees and the only way that you collect fees sometimes is by filing liens.

Mr. Applegate stated that he wants to go back and read the minutes on that because he feels like they talked about it.

Mr. Blair said they can do that in committee. He stated that he thinks they are kind of going around in circles here and they just need to vote, take it to committee and decide how to proceed.

Mr. Turner said so committee as a whole with the administration being invited to attend.

Mr. Applegate stated that typically on an ordinance, we vote first and second and then it would go to committee as normal and then come back for the third. He personally thinks that if the administration has a meeting set up with DMLO, then maybe we get an executive letter or something regarding the results of that meeting, and then present that to the committee.

Mr. Blair stated that is a good idea. He said that he wants to hear from DMLO so that's good.

Mr. Turner said but not just exclusively from them, the city executive too, right?

Mr. Applegate said just an executive summary from that meeting and then present that to the committee and after that, we would know information regarding those differences and have all the information.

Mr. Blair stated that we have a legislative body so why can't we have a member in that meeting? He said that he really wants to hear what DMLO has to say.

Mr. Turner stated that he would like for Mr. Blair to be that member because he is connected to it.

Mr. Blair stated that is fine but he does think that they should have a member of the council in that meeting.

Mrs. Collier stated that they have talked a lot about council as a whole but she thought that it would fall under public utilities & transportation committee.

Ms. Stein agreed.

Mrs. Collier asked if since Mr. Dickey is on that committee and he has recused himself from this, would he need to be replaced on that committee?

Ms. Stein stated that he is the chair of that committee.

Mrs. Collier stated that she would just replace him with herself.

Mr. Turner stated that he really thinks it should be council as a whole with the same format as in the executive session because everyone has given input. He wants to make sure that on the last vote, he has all of the answers going into it. He said that he would prefer council as a whole.

Mr. Gibson asked if they are doing a committee, an executive session or council as a whole?

Mr. Turner stated that if they want to keep this private then they should probably have an executive session before the next meeting. He asked if they are allowed to with the way our ordinances are set up?

Mr. Applegate asked Mr. Gibson when their meeting is set up with DMLO?

Mr. Gibson stated that he is not sure exactly when it is.

Mr. Turner stated that they could always have the committee meeting and invite the executive.

Mr. Applegate stated that they would just extend the third reading until after all of the committee meetings and that stuff. He said that they have to wait for the information from the meeting with DMLO.

Mr. Turner stated that their numbers have been wrong for years so their input doesn't really matter to him. He said in his opinion, the relationship between us and DMLO needs to end yesterday.

Mr. Blair stated that we are putting them on trial and we need to give them a chance to explain.

Mr. Gibson stated that he is just saying that they do things a different way than we do here and that is different accounting styles.

Mr. Blair stated that it very well could be a different method.

Mr. Gibson stated that he is not trying to throw them under the bus, he is just saying that they have never completely matched exactly. He said that they have not always been far off but they are not number for number.

Mrs. Collier stated that a meeting with the council as a whole, that is a public meeting and with some of the information that may need to be discussed, they couldn't discuss because of the confidentiality attached to it. She said her suggestion would be to let the public utilities committee meet and then have an executive session to give all of that information to the rest of the council.

Mr. Turner asked if they could make the committee bipartisan?

Mrs. Collier stated that Mr. Blair is on the utilities committee, so is Mrs. McLaughlin and then she will fill in for Mr. Dickey as the president.

Mr. Turner said that he is good with that.

Mrs. Collier stated that they did vote to have the previous executive session so if they would like to vote on it, that would be great.

Mr. Turner stated that being the fiscal body, there is just too much uncertainty at this moment in time and he looks forward to having new answers, but at this time with so many questions, he is voting yes.

Mr. Blair stated that he would like to respond to a comment that Mr. Phipps made. He said by no way is this campaign related or political. He stated that he started back on July 28th and it has been a long time. He stated that when he doesn't get information, he just keeps going and he is going to go until he receives it. He said that he got completely ignored and no one would respond to him and they knew what information he wanted to a response to so he is just going to pursue. He stated that if he thinks something is wrong for the citizens of New Albany, he is going to pursue it and make sure that it is correct and right and that is all he is doing here. He told Mr. Phipps that he can think what he wants but it is not politically related and he is sorry that the time happened to be around the campaign, but it is not politically related. He said that he would be voting yes to this.

Mr. Aebersold stated that he thinks there are a lot of issues going on here and we can get more information for everyone to make a decision so he is going to vote yes to this.

Mrs. Collier stated that if they would like to wait until the city meets with DMLO to have the third reading, then they will hold the third reading vote off until after that meeting to be able to have that information. She then asked Ms. Stein if they need to make a motion to delay the third reading so that they can account for the information that comes from the meeting with DMLO?

Ms. Stein stated that it is supposed to come back to the next meeting but if the committee doesn't meet then it will be pushed back to the next meeting.

Mr. Turner said that it doesn't have anything to do with the executive session.

Ms. Stein said no.

Mrs. Glotzbach stated that she thought that sponsor would just table it that night.

Mrs. Collier stated so it would just stay on the agenda and get tabled until they could proceed with getting all of the information from committee and then also on the executive session.

Mr. Applegate stated that they needed a unanimous vote to change the agenda and vote on the executive session.

BOARD APPOINTMENTS:

Approval of Historic Preservation Commission Re-Appointment of Kate Berliner

Mr. Phipps moved to approve the mayor's re-appointment of Kate Berliner to the Historic Preservation Commission, **Mr. Blair** second, all voted in favor.

COMMUNICATIONS – PUBLIC (NON-AGENDA ITEMS):

ADJOURN:

There being no further business before the board, the meeting adjourned at 9:30 p.m.

Jennie Collier, President

Vicki Glotzbach, City Clerk