

## **RULES AND PUBLIC POLICY COMMITTEE**

**DATE:** April 21, 2009

**CALLED TO ORDER:** 5:32 p.m.

**ADJOURNED:** 6:01 p.m.

### **ATTENDANCE**

#### ATTENDING MEMBERS

Robert Lutz, Chairman  
Bob Cockrum  
Monroe Gray  
Angela Mansfield  
Marilyn Pfisterer  
Lincoln Plowman  
Joanne Sanders

#### ABSENT MEMBERS

Barbara Malone

### **AGENDA**

PROPOSAL NO. 133, 2009 - confirms the Mayor's nomination of Lillian Leona Frank to the City-County Ethics Commission  
"Do Pass" Vote: 5-0

PROPOSAL NO. 134, 2009 - confirms the Mayor's nomination of Peggy Boehm to the City-County Ethics Commission  
"Do Pass" Vote: 7-0

PROPOSAL NO. 136, 2009 - amends the Code with respect to appropriations of funds from federal stimulus grants  
"Postpone" until May 12, 2009 Vote: 7-0

## **RULES AND PUBLIC POLICY COMMITTEE**

The Rules and Public Policy Committee of the City-County Council met on Tuesday, April 21, 2009. Chairman Robert Lutz called the meeting to order at 5:32 p.m. with the following members present: Bob Cockrum, Monroe Gray, Angela Mansfield, and Marilyn Pfisterer. Lincoln Plowman and Joanne Sanders arrived shortly thereafter. Barbara Malone was absent. General Counsel Robert Elrod represented Council Staff.

Chairman Lutz asked all committee members to introduce themselves and indicate which area of the County they represent.

PROPOSAL NO. 133, 2009 - confirms the Mayor's nomination of Lillian Leona Frank to the City-County Ethics Commission

Chairman Lutz asked what experience Ms. Frank has in the area of ethics to cause her interest in serving on the commission. Ms. Frank said that she has a jurist doctorate degree and is a practicing attorney. She said that she graduated from Texas Southern University and was licensed to practice law in Indiana in 2004. She said that she has a predominantly transactional practice, and ethics is in line with that and a good fit for her to serve.

Councillor Cockrum said that the proposal indicates that the members serve three-year terms with staggered dates at the initial appointment, but said that he does not see a term ending date. Mr. Elrod said that the ending date is located in Section 2 as December 31, 2010.

Chairman Lutz asked Ms. Frank if she is a resident of Marion County. Ms. Frank responded in the affirmative. Chairman Lutz asked if she will be able to attend regular meetings. Ms. Frank said that she will.

Councillor Gray said that he is intrigued by Ms. Frank's education at Texas Southern University. Ms. Frank said that she was born and raised on the eastside of Indianapolis and is a proud 12-year graduate of Indianapolis Public Schools. She added that she attended Butler University for her undergraduate degree, and one of her concerns and goals, both personally and within her career, has always been diversity. Texas Southern University is a historically black university, and with her minority descent, she felt that it was her obligation to explore a university of that type, and it was a great experience. Councillor Gray said that he knows many people who have graduated from Texas Southern, and it is a good school.

Councillor Pfisterer moved, seconded by Councillor Mansfield, to send Proposal No. 133, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

[Clerk's Note: Councillor Sanders arrived at 5:37 p.m.]

PROPOSAL NO. 134, 2009 - confirms the Mayor's nomination of Peggy Boehm to the City-County Ethics Commission

Ms. Boehm said that she underwent training to become a certified public accountant (CPA) and had to take an ethics test as a part of that training, so serving on this commission fits in well with her experience. While she is now an inactive CPA, she works as the chief financial officer for Central Indiana Corporate Partnership and has worked in state government for 20 years, under both Democrat and Republican leadership. She said that Governor Robert Orr, who first appointed her, advised that she should avoid both impropriety and the appearance of impropriety. She said that she has always remembered that advice and feels she has a good sense of what is and what is not ethical.

Chairman Lutz asked if Ms. Boehm is a Marion County resident. Ms. Boehm replied in the affirmative. Councillor Mansfield said that Ms. Boehm is a constituent of hers in District 2.

Councillor Pfisterer said that she worked in the Secretary of State's office for several years and the level of respect given to Ms. Boehm around the Statehouse was impressive. She thanked Ms. Boehm for being willing to serve in this capacity.

[Clerk's Note: Councillor Plowman arrived at 5:43 p.m.]

Councillor Cockrum noted that according to the proposal, Ms. Boehm's initial term ending date is December 31, 2011.

Chairman Lutz asked if Ms. Boehm has the time available to serve. Ms. Boehm answered in the affirmative.

Councillor Sanders moved, seconded by Councillors Mansfield and Pfisterer, to send Proposal No. 134, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

PROPOSAL NO. 136, 2009 - amends the Code with respect to appropriations of funds from federal stimulus grants

Councillor Cockrum said that he had a meeting with Mr. Elrod and the City Controller to discuss the stimulus grants coming from various state and federal agencies and the various requirements that may accompany these grant applications. He said that the

biggest concern was how to get this money out in the community and get projects moving in order to provide jobs. He said that this proposal only applies to stimulus funds and would allow for the projects to be submitted to assigned committees for final approval without going through the entire full Council approval process. This proposal is simply an attempt to streamline the process for getting projects going as soon as possible. He asked Mr. Elrod to explain how the proposal accomplishes this. Mr. Elrod said that after discussions with the Controller and Council Chief Financial Officer Jim Steele, it is the understanding that allocation of stimulus funds will happen through an application process, although they are not certain of that at this stage. He said that in this process, the City would be asked to make application to a Federal or State agency or department for funds for a specific project. The way the proposal is written, the committee would approve the application, and then if the application is approved, the City can go ahead and spend the money without having to go through the appropriation process. He said that the full Council approval process can take anywhere from three to six weeks, and there was concern about this time constraint slowing down the effectiveness of the stimulus funds. He added that state law actually allows expenditures of these kinds of funds without an appropriation by the local agency. However, it has been the practice of this Council for 30 years, through a provision in the Code, that no Federal or State grants will be spent without appropriation by the Council. He reiterated that this is the Council's rule and is not required by State law. He concluded that stimulus funds, therefore, would actually be exempt as per state law from requiring an appropriation. Therefore, this is a modified procedure for these funds that are intended for specific projects and not an ongoing program or expense.

Councillor Pfisterer said that she can understand the need for this proposal and certainly supports the objective for getting these dollars into the community with speed, because one of the main goals of the stimulus plan is to retain and create jobs. However, these are still tax dollars, and she urged the Controller's Office to bring sufficient information to the committees for approval so that members can make an informed decision and so that this is not merely a pro forma pass-through. Mr. Elrod said that it is his understanding that the Controller will present the whole package in detail of the project for which the application requests funds, and this is what the committee would see and need to approve.

Councillor Gray asked if the City will make the application and then the committee will make a final decision. Mr. Elrod said that as the City learns funds are available, they would bring an application to the Council with all of the details on how the money is spent. They do not know how long it will take for the applications to be approved or when they will get the funds, and this gives the Controller the authority to then spend those funds when they are awarded. Councillor Gray asked if the Council is approving the application before the funds are awarded. Mr. Elrod said that this is correct, and not all applications will be funded. This proposal would allow the committees to approve the project for funding, with no second appropriation needed. Councillor Gray asked if the City would then have a stack of applications awaiting approval, and as the money

comes through, it would be assigned to those particular projects. Mr. Elrod responded in the affirmative.

Councillor Mansfield said that she does not see language in the proposal that spells out that the Council would review the applications and the appropriations would then just go through committee. Mr. Elrod said that the application is actually just going through committee as per this proposal, and not to the full Council. The committee could still choose to refer the application to the full Council, but it would not automatically go to the full Council.

Councillor Sanders said that she has concerns about approving projects but not appropriations, as the Council is the local fiscal body charged with appropriating tax dollars. She said that this process does not seem to provide any accountability. She said that there does not seem to be any single point of contact for the stimulus funds being spent by the City, and she cannot support the Council abdicating their authority to approve appropriations. She said that she is concerned that a committee might approve an application but not share the details with the rest of the Council, and she is not sure the committee would have enough information in a timely fashion to make this type of decision.

Chairman Lutz asked if the stimulus funds are like normal grants and are awarded for specific projects and cannot be used for anything other than that dedicated use. Mr. Elrod said that this is his understanding. He said that he believes the City will have to make applications to different agencies, as there is not one stimulus agency. Some funds will filter through the state level, but no one is yet sure what the exact process will be.

Councillor Gray said that he is not comfortable with someone else approving use of these dollars without Council input. He said that he believes the committee process in place now with the Council should be used, and if something is in need of expediting, it can be arranged.

Councillor Pfisterer stated that the point of contact for stimulus funds would actually be the Controller, as well as the committees to which the applications are submitted for approval. She said that the accountability, however, would be in the hands of the Controller. She added that as the chair for the Administration and Finance Committee, she would be happy to shedule regular reports from the Controller, who will be receiving and dispersing those funds.

Jason Dudich, Deputy Controller, stated that the Controller's Office is flexible with regard to reporting on the stimulus funds, as they will be monitoring them very carefully and would be happy to report to any committee, or the Council as a whole, as requested. He added that the main objective of this proposal is to expedite the funds and get them into the community as soon as possible.

Councillor Pfisterer asked if the Controller's Office has any idea how soon some of those funds will come in and if a report might be appropriate in July or August. Mr. Dudich said that they do not know for sure, but he can do some more research and will keep in touch with Councillor Pfisterer to get the committee as much information in as timely a fashion as possible.

Councillor Gray said that the City does not know when the money will be coming, how it will be coming or what the time frame for the start of the projects will be. He asked why the Council needs to be in a rush to expedite the procedure until some more of these unknowns are revealed. Mr. Dudich said that there is nearly always a timing issue involved when applying for grants. Sometimes the funds have to be obligated very quickly and dispersed as soon as they are approved. He said that in some cases, only a couple of weeks are allowed to obligate the funds and begin work on the project, and they just do not know what this process will bring with regard to time constraints. He said that each application could have different requirements, and the Controller's Office simply would like some flexibility to move quickly if it is required.

Councillor Mansfield referred to subsection (c) in Sec. 181-307 of the proposal and asked if the word "may" should be changed to "shall." She said that saying "may" leaves it open for applications to be processed and money spent without Council approval. Mr. Elrod stated that he is not sure all of the projects and applications will have a timing issue associated, and this proposal is simply offering an alternative to the normal approval process if it is needed. He said that in the event they use the expedited process, this language refers to the option that the Controller may or may not choose to go ahead through the normal appropriation approval process. He clarified that the application approval would have already happened at the committee level and is not optional.

Councillor Cockrum asked if it would be acceptable to members of the committee if the proposal was modified to allow committees to approve the application, but then once the project is approved and funds are awarded, the appropriation would come back before the Council like a rezoning case, where it is introduced and voted on in the same evening by the full Council as final approval. Councillor Mansfield said that this would be acceptable to her and would alleviate some of her concerns.

Chairman Lutz said that he also had some concerns, and this would be more acceptable to him. He said that the full Council recently approved a proposal that gave the Controller the authority to spend money and then review an application later, and he had the same concerns at that time. He said that he does not distrust the Controller's Office, but feels a sense of responsibility as the fiscal body.

Councillor Cockrum asked if the Controller's Office would have a problem with this modification to the proposal or postponing it to the next meeting to make those amendments. Mr. Dudich said that he does not believe that would be a problem, but they do not know for sure, as each application is different. He added that the

Controller's Office will be as flexible as possible in making changes and working with the Council during this process, and would have no opposition to a postponement.

Councillor Cockrum moved, seconded by Councillor Sanders, to "Postpone" Proposal No. 136, 2009 until the next meeting in order to incorporate this change. Mr. Elrod asked if there is another Rules and Public Policy Committee meeting before the second May Council meeting. Chairman Lutz replied in the affirmative, and the clerk verified the date of the next meeting as May 12, 2009.

Councillor Cockrum asked Mr. Elrod if he can incorporate this modification and language into the proposal before that next meeting. Mr. Elrod said that some issues may arise due to the State statute requiring public notice of a hearing for things that go through the normal appropriation process. He said that this type of process would involve a publication with ten days' notice, and he will have to do some research in re-writing the proposal to treat these funds differently somehow to work around that delay.

Councillor Pfisterer stated that she wants to make it clear to the public that the Council is not in a rush simply to spend money, but instead, the intent is to get the stimulus money into the community for job retention and creation.

The motion to "Postpone" Proposal No. 136, 2009 until May 12, 2009 carried by a vote of 7-0.

There being no further business, and upon motion duly made, the meeting was adjourned at 6:01 p.m.

Respectfully Submitted,

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Robert Lutz, Chairman

RL/ag