

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA, HELD A BUDGET HEARING IN THE THIRD FLOOR ASSEMBLY ROOM OF THE CITY/COUNTY BUILDING ON WEDNESDAY, AUGUST 8, 2018 AT 6:00 P.M.**

**MEMBERS PRESENT:** Council Members Mr. Coffey, Mr. Caesar, Mr. Phipps, Mr. McLaughlin, Mr. Nash, Mr. Blair, Mr. Aebersold, Mr. Barksdale and President Knable.

**ALSO PRESENT:** Mr. Gibson, Mrs. Moeller, Mr. Gardner, Mr. Ham, Mr. Brewer and Mrs. Glotzbach

**President Knable** called the meeting to order at 6:00 p.m.

**Dr. Knable** stated that they had their entry interview with the state auditor team and he has contact information for them if anyone would like that information.

**Mr. Gibson** presented the 2018 and 2019 budgets and explained that he plans to highlight the changes/differences between the two. He stated that one of the highlights from the general fund includes the 3.4% growth factor which is what the state indicated for 2019 and this is what they use to estimate the property tax levy amount increase. He added that they should keep in mind that everything he talks about does not include property tax caps.

**Mr. Coffey** stated that some properties are in TIF and asked how that affects the 3.4%.

**Mr. Gibson** stated that the 3.4% is purely calculated on the maximum levy from last year and doesn't factor that component in it. He added that it consists of what goes into the property taxes for the general fund and those that are supported.

**Mr. Caesar** asked if 3.4% is the maximum.

**Mr. Gibson** stated that the estimate is based on a five year rolling average.

**Mr. Caesar** asked if we are using the full 3.4% in our budgets.

**Mr. Gibson** replied yes and explained that this is what they can expect to get in the growth of the levy. He added that in the last couple of years, they have been within a couple hundred dollars of the maximum levy. He explained that they are estimating ~ \$16.5M-\$16.6M in property tax levy for next year and ~\$10M in miscellaneous income. He stated that those two added together give an estimate of the number they are working with for the general fund which is \$26.9M and last year they were at \$26.6M. He explained that when doing these numbers, they have to factor out the parks cumulative cap because it is its own set rate which means the total max levy is about \$16.7M.

**Mr. Blair** asked about the projected salary increase.

**Mr. Gibson** replied that it is 2% and that also affects PERF and Social Security.

**MAYOR**

**Mr. Gibson** stated that they are factoring in 2 part-time employees that were hired after Pat Link's retirement for front office staffing.

**Mr. Coffey** asked what the part-time employees will be paid.

**Mr. Gibson** said the ordinance allows up to \$15.00 per hour but he doesn't know off hand what they are currently paying them.

**Mrs. Moeller** stated that right now it is \$12 depending on the skill level.

**Mr. Coffey** asked what the cap is on part-time at the animal shelter or the cemetery.

**Mr. Gibson** stated that it goes by the same ordinance which is no higher than \$15.00 per hour for part-time employees.

**Mr. Coffey** asked how many salaries are in this budget.

**Mr. Gibson** stated that it is the mayor, the mayor's assistant and at least 1 part-time employee.

**Mr. Coffey** asked how those salaries are broken down.

**Mr. Gibson** stated that he does not have that tonight but it will be in the salary ordinance.

**Mr. Blair** asked what the economic development line item includes.

**Mr. Gibson** stated that involves functions that the mayor is required or asked to attend.

**Mrs. Moeller** stated that it also includes conferences and sponsorships.

**Mr. Blair** asked if there is any advertisement.

**Mrs. Moeller** replied no.

**Dr. Knable** asked where that would come from.

**Mrs. Moeller** stated that it sometimes comes out of the economic development funds like contractual services or possibly subscriptions in the board of works budget.

**Mr. Coffey** asked where the bicentennial events come out of.

**Mr. Gibson** replied that they come out of the quality of life line item in the board of works budget.

**Mr. Coffey** asked if they would have an itemized list of these things.

**Mr. Gibson** asked what specifically he is asking for.

**Mr. Blair** stated that they would like an itemized list of the quality of life line item.

**Mr. Gibson** stated that he doesn't see that being a problem to get that to them.

**Dr. Knable** stated that he doesn't begrudge the economic development line item in the mayor's budget but feels that they may be able to move some of it to their budget.

**Mr. Gibson** stated that they will have to work with him on that because it is a joint deal but there are other things they can do.

#### **CONTROLLER**

**Mr. Gibson** stated that there are 6 employees in her office with an increase of \$33,000.00. He explained that there is a reduction in dental insurance and medical is up slightly.

**Mr. Caesar** asked if they have to sacrifice anything on the insurance.

**Mrs. Moeller** stated that if everything stays the same expense-wise, they shouldn't have to make any changes.

**Mr. Blair** asked why postage has gone up \$3,000.00.

**Mrs. Moeller** stated that they have a postage machine and many departments have learned this and are using it so they have adjusted their postage.

#### **CITY CLERK**

**Mr. Gibson** stated that the only change is the 2% on salaries and a slight bump in copier maintenance.

**Mrs. Moeller** explained that they use a formula to automatically adjust for benefits and she needs to double check to make sure it was done correctly.

**Mr. Coffey** asked how many salaries are in this budget.

**Mr. Gibson** replied two which are the clerk and deputy clerk and the customer service employee comes out of parking non-reverting.

**Mr. McLaughlin** asked about ticket revenue.

**Mr. Gibson** stated that it has been about the same.

**Mrs. Moeller** stated that it usually averages out by the time they get to the end of the year.

**Mr. Coffey** asked if the customer service benefits such as insurance comes out of the parking non-reverting.

**Mr. Gibson** replied no and stated that 2 years ago they tried to move as many as they could to the controller's budget.

### **CITY COUNCIL**

**Mr. Gibson** stated that Mrs. Glotzbach usually fills out this budget and supplies it to him and they usually get input from the council during the hearings as well. He explained that contractual is up a little from last year and PERF/social security would be reflected in any increase as well.

**Dr. Knable** asked what is coming out of contractual, publication and legal.

**Mr. Gibson** stated that as of today they haven't used any of their contractual services but it was put in a couple of years ago for an accountant.

**Mrs. Glotzbach** stated that it was used for the accountant and Christy Smallwood.

**Mr. Gibson** stated that publication is used when something has to be advertised in the newspaper.

**Mr. Coffey** asked where the money that is left at the end of the year goes.

**Mr. Gibson** stated that the money that is not used by the end of the year basically dies. He explained that the difficulty they have is that they operate on two different items which means they have to keep track of the budget and the revenue to make sure they mix. He stated that when a budget period ends, if the money isn't spent, that line item is dead and they move on to the next year.

**Mr. Coffey** stated that if it is not used it is considered income to him and he wants to make sure they are keeping track of all this other income.

**Mr. Gibson** stated that he wouldn't call it income because adjustments are made throughout the year. He added that not spending all of your money doesn't mean the money left over is in your budget.

**Mr. Coffey** stated that it stays in the general fund but he wants to know what that money is spent on.

**Mr. Gibson** stated that it does stay in the general fund but it can only be spent pursuant to an approved budgeted line item or additional appropriation.

**Mr. Phipps** explained that for example, if there was a surplus in one department and a deficit in another, it would probably be used to take care of the deficit.

**Mr. Gibson** stated that at the lower level that would happen. He explained that sometimes line items will go over but Mrs. Moeller stays on top of those to make sure it doesn't happen, but the end goal is to make sure they hit the budget that is agreed upon.

**Mr. Coffey** stated that you can't transfer money from the clerk's budget to the controller's budget even if the clerk has extra funds.

**Mrs. Moeller** stated that you can, but it would have to be an additional appropriation.

**Mr. Blair** stated that the other piece to having a cash balance is the timing of the receipt of fund and expenditures.

**Mr. Coffey** stated that sometimes money is moved and that is what he is not comfortable with because they don't know about it until afterwards.

**Mr. Blair** stated that he doesn't believe they move money from one department to another and the auditor provides checks and balances on that.

**Mr. Coffey** stated that the auditor can only write them up for something that is wrong but there isn't anyone to enforce the checks and balances so they need to follow the money.

**Mr. Gibson** stated that they have the ability to follow the money now because the administration provides monthly reports, they get the board of works minutes from the clerk's office that include weekly approved claims, and if someone in one department is under budget and another is over, they come from the same general fund budget so it is a wash. He added that there is no transfer of funds.

**Dr. Knable** stated that he would like to see the council utilize their funds more for travel/ education and getting out into the public more. He asked if the \$4000.00 in travel can be used for things like community engagement.

**Mr. Bair** suggested putting half of that money in economic development or educational development. He asked Mrs. Moeller if they had the flexibility to edit lines items.

**Mrs. Moeller** replied yes and stated that if the council approves an expenditure, they aren't going to deny it.

**Mr. Gibson** stated that for him training falls under travel because that is what you would likely be traveling for.

**Mrs. Moeller** suggested creating a new line item and putting \$2,000.00 from travel in it and call it whatever they want.

**Mr. Blair** stated that he likes the idea of a community engagement line item.

**Mr. Caesar** stated that he thinks that this is a slippery slope.

**Mr. Gibson** stated that it has been this number for a long time and it seems to be a difficult one for them to use as a body. He added that he does recommend looking into training and education because when he goes to different conferences he does see council members and other board members from the different communities.

**Mr. Caesar** said that in-town and out-of-town are very different things in his eyes.

**Dr. Knable** stated that just like they mayor, they get invited to events in the community and it could be divided among them. He added that he thinks it is a good thing that the mayor can go to these events and he doesn't see how budgeting a line item for them would be any different.

**Mr. Gibson** stated that he would agree with Dr. Knable.

**Mr. Blair** stated that he thought they talked about it in the past that these things would be brought before the council and voted on beforehand.

**Mr. Caesar** stated that it should be voted on and there should be a lot of discussion on it.

**Mr. Gibson** clarified that they have it marked down for \$2000.00 to go into community engagement.

#### **CITY ATTORNEY**

**Mr. Gibson** stated that the only difference would be the 2% increase. He explained that his 2 administrative assistants are in this budget as well as occasional part-time employees throughout the year.

#### **RESERVE LIABILITY**

**Mr. Gibson** stated that this is the property self-insurance fund and it is a non-reverting fund.

**Mr. Coffey** asked what it would be used for.

**Mr. Gibson** stated that if there is a small claim that needs to be paid like a damaged vehicle, it will be used for that.

**Dr. Knable** asked if a cybersecurity insurance was added.

**Mrs. Moeller** replied yes.

**Mr. Gibson** stated that the other policy they have is environmental.

#### **CUMULATIVE CAPTIAL IMPROVEMENT**

**Mr. Gibson** stated that this is basically the cigarette tax and is dictated by the state.

**Mr. Blair** asked what it is used for.

**Mr. Gibson** stated that it is usually used for computer servers for the offices.

**Mr. Blair** asked if it can be used for roads.

**Mr. Gibson** stated that he would check to see what the limitations are because a lot of them have been opened up.

#### **FLOOD CONTROL**

**Mr. Gardner** stated that there aren't any major changes other than the special projects line item which has gone from \$1.1M to \$1.95M. He explained that they are planning an emergency power plan project for all the pumping plants. He added that they currently do not have emergency power backup and in a flood situation, they are at the mercy of the power company and emergency generators. He stated that he would like to run additional power from a different service grid as well as install generators at each facility.

**Mr. McLaughlin** asked if we've ever had a backup.

**Mr. Gardner** replied no.

**Mr. Nash** stated that there is no budget to actual on flood control.

**Mr. Gibson** stated that they will have to get that to them and explained that their budget is ran through Rodefer Moss and they will get a copy from them.

**Mr. Coffey** asked about the jump in professional services line item.

**Mr. Gardner** stated that in order to do the project he mentioned, they will have to have professional electrical engineers involved.

**Mr. Coffey** stated that he would like to see the bids on that because it is a lot of money and he would have thought all the projects going on this year would have covered that.

**Mr. Gardner** stated that it cost them \$2.2M to rebuild all of the pumps.

**Dr. Knable** asked about the 25% reduction in insurance.

**Mr. Gardner** stated based on the budget numbers that he had, they weren't spending as much on insurance and he didn't see the point of keeping that extra money in that line item.

**Dr. Knable** asked if they reduced anyone's benefits.

**Mr. Gardner** replied absolutely not.

**Mr. Coffey** asked how many employees he has.

**Mr. Gardner** replied 6 full-time.

**Mr. Blair** asked Mr. Gardner if the backup system is required by the state.

**Mr. Gardner** stated that it has been strongly suggested to them by the Corp of Engineers.

**Mr. Caesar** asked what the \$1.1M in special projects in last year's budget was for.

**Mr. Gardner** stated that it was for the concrete wall restoration project.

**Mr. Caesar** asked if that took all of that money.

**Mr. Gardner** replied yes.

**Mr. Caesar** asked if he thinks \$1.1M is all going to be spent.

**Mr. Gardner** stated that he hopes that it won't be more.

### **BUILDING COMMISSION**

**Mr. Gibson** stated that they will see a slight increase in salaries and a \$25,000.00 increase in contractual service. He explained that they took out other capital outlays because the council was generous enough to help them fund vehicles for the staff and they wanted him to express their gratitude.

**Mr. Coffey** asked about recouping the properties that they are demolishing.

**Mr. Gibson** stated that he believes they file liens on demo properties.

**Mr. Brewer** stated that redevelopment goes through the process.

**Mr. Coffey** asked Mr. Barksdale if they have a list of those properties.

**Mr. Barksdale** reminded the council that in his report he informed them that one of the properties was donated to Habitat for Humanity.

**Mr. Caesar** asked about contractual services and if there was a specific one that was additional or the policies were changed for some reason.

**Mr. Brewer** stated that it is based on need and response times. He explained that as they get down toward the end of the year they don't want to restrict services, so a lot of that is there as a safety net.

**Mr. McLaughlin** asked how the grass cutting going this year.

**Mr. Brewer** stated that it is going really well and is doing what it is supposed to do.

**Mr. Gibson** stated that the policy has changed to two strikes and you're out. He explained that if they receive two calls on the same issue the city will file a lawsuit. He stated that in the last few months, they have been doing this and they have filed 64 lawsuits and 20 have been resolved satisfactorily. He added that if they see any properties that they know are bad, please get it to Mr. Brewer's office.

**Dr. Knable** asked when they policy went into effect.

**Mr. Gibson** replied May.

**Dr. Knable** asked if the registry has proven to be of any benefit with this.

**Mr. Brewer** replied yes and added that it has been a huge help.

**Mr. Coffey** asked about the junkyard across from the Elder's property. He stated that the guy wants to sell his home but this is a hindrance.

**Mr. Brewer** stated that he understands his concerns but he does have to be careful commenting on it because it is going to court. He added that he can check to see when it is scheduled to go and get back with him.

**Mr. Blair** asked if the council members can get court information on properties that are going to court.

**Mr. Gibson** stated that they can work with his office and Mr. Brewer to get updated information.

**Ms. Stein** asked if they can look those up on MyCase if they know the property owner's name.

**Mr. Gibson** replied yes if the suit has been filed and they know the name.

**Mr. Blair** stated that he probably wouldn't want to knock on the doors to get names. He asked if they have built any money into the budget in anticipation of the new zoning code and possible new inspection process.

**Mr. Gibson** stated that they haven't but he has a meeting on Friday with Mr. Wood so he will talk with him about that.

#### **UNSAFE BUILDING NON-REVERTING**

**No changes.**

#### **RENTAL HOUSING NON-REVERTING**

**No Changes.**

#### **MOTOR VEHICLE HIGHWAY/STREET DEPARTMENT**

**Mr. Gibson** stated that this department is outside of the general fund and explained that MVH is its own formula supplied by the state. He stated that he anticipates that it will be about \$1.7M-\$1.8M this year which is slightly higher than last year.

**Mr. Caesar** asked how many full-time and part-time employees in this budget.

**Mr. Ham** stated that there are 16 hourly full-time employees and no part-time.

**Mr. Caesar** asked Mr. Ham if there is anything that would make his job easier.

**Mr. Ham** stated that they have been working on trying to improve equipment and would like to get a used roll-off truck. He added that they aren't looking to buy a new truck because they don't use it on a regular basis but they would like a newer one. He stated that they would also like to replace one salt truck and push the old one down to be a backup.

**Mr. Caesar** asked how much that would require.

**Mr. Ham** stated that a good used roll-off would be about \$95,000.00-\$100,000.00 and a new salt truck would cost ~\$120,000.00

**Mr. Blair** asked if the crack seal machine is up and running.

**Mr. Ham** replied yes.

**Mr. Blair** asked if they are using it again.

**Mr. Ham** stated that they haven't used it yet.

**Mr. Blair** asked if it is too late in the season for the council to appropriate money for additional paving.

**Mr. Ham** stated that the paving plants normally shut down in the fall as it is all weather related.

**Mr. Gibson** stated that the short answer is no it isn't impossible.

**Mr. Gibson** stated that if they are aware of places with issues to please get that information to Mr. Ham.

**Mr. Blair** asked who is responsible for picking up limbs, etc.

**Mr. Ham** stated that it is his understanding that Ecotech is responsible for picking up yard waste but after storms come through, the street department helps out as well.

#### **LOCAL ROAD & STREET/STREET DEPARTMENT**

**Mr. Gibson** stated that this is externally driven by the state and in the past they have had money built up for certain projects. He explained that what they are seeing for 2019 is the anticipated income that is coming in and the \$350,000.00 in capital outlays is related to paving.

#### **CEMETERY**

**Mr. Gibson** stated that that the only difference is the 2% salary aspect.

#### **FAIRVIEW CEMETERY PREPETUAL CARE**

**Mr. Gibson** stated that this would be used for tombstone restoration and small equipment purchases.

#### **WEIGHTS & MEASURES**

**Mr. Gibson** stated that this is the city's portion of the salary for weights & measures and added that the county also pays a portion.

#### **ADJOURN:**

There being no further business before the board, the meeting adjourned at 7:35 p.m.



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Al Knable, President

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Vicki Glotzbach, City Clerk