

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA, HELD A BUDGET HEARING VIA ZOOM.COM ON WEDNESDAY, SEPTEMBER 1, 2021 AT 6:00 P.M.**

**MEMBERS PRESENT:** Council Members Mrs. Collier, Mrs. McLaughlin, Mr. Turner, Mr. Blair, Mr. Aebersold, Mr. Applegate and President Phipps. Mr. Caesar and Dr. Knable were not present.

**ALSO PRESENT:** Shane Gibson, Linda Moeller, Amy Stein and Vicki Glotzbach

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

**Mr. Gibson** stated that tonight will be pretty simple and there are no large enormous budgets that will be examined. He said that he wanted to give the council some really quick highlights. He stated that postage is going to be removed from all budgets except for the controller's budget. He said that they have bumped that one up because the new city hall has its own mail room which has a postage machine and all of the postage will run through there and will be paid by Mrs. Moeller's office. He added that each department will be able to track to see how much postage they are using, but Mrs. Moeller's office will ultimately pay the bill each month. He then stated that they do have factored in at this time a 2% raise for employees as it has been for the last several years. He said that you will also see a slight increase of about 3% in insurance costs, but if you recall, they have been able to hold those pretty steady over the last few years and it is to that point where they felt it was time to account for a slight increase that they believe we will be experiencing. He then stated that the members will get a budget to actual through June 2021 for each department as we are going through them. He also stated that the members will receive a December 2020 end of year budget to actual for each department as well. He said that the members will get the fund balance reports on the non-reverting funds.

**Mr. Turner** stated that we have an ordinance which is 35.01 and in section A it says that department heads and/or persons responsible for submitting annual budgets of any of the several departments, divisions, sections, commissions, boards and/or funds of the city shall take notice that preliminary copy of each individual budget must be submitted to each common council member prior to May 1<sup>st</sup> of each year for the subsequent year's budget. He said that we are past May 1<sup>st</sup> and we can't turn back time and it may be impractical to think that we could have one by May 1<sup>st</sup> because that is pretty early, but he would like to amend that ordinance to something like 15 days before the first budget meeting. He stated that would be more practical because it is definitely not practical to get the budget information the day before, in his opinion.

**Mr. Gibson** stated that they have been doing this for about 10 years and this is much timelier than most years in the past. He also stated that he doesn't know who drafted that ordinance but May 1<sup>st</sup> is just simply unrealistic and impractical because they are still sometimes closing out previous years at that point. He said that they will continue to get the information to the council as soon as possible and with as much information as they can get.

**Mr. Turner** asked Ms. Stein if she could get an amendment together for the next council meeting to have everyone vote on.

**Ms. Stein** stated that she can work on that.

**Mr. Turner** stated that 15 days prior to the first budget meeting would be great.

**Mr. Gibson** stated that he supposes if you are going to add continuing things then he can look for additional staffing if necessary. He said that they do have staff that have normal requirements

and if you start adding time periods, that creates even more crunches and everything else. He stated that when you add more duties and more time restrictions, it does require more manpower.

**Mr. Turner** stated that it is two weeks prior to the first budget meeting and that's better than May 1<sup>st</sup>. He added that would work better for everyone in his opinion.

**Mr. Gibson** stated that Mr. Turner is the first to bring that up and no complaints have been voiced to him in the last decade. He also stated that he understands that Mr. Turner is going to do what he feels he needs to do.

**Mrs. Glotzbach** informed Ms. Stein that the items for the next council meeting are due tomorrow at noon so she didn't know if she would have time to do this before the next council meeting.

**Mr. Turner** stated that he would like to shoot for the meeting after the next one.

**Ms. Stein** said she would.

### **MAYOR'S BUDGET**

**Mr. Gibson** stated that he is only going to point out the items that have changed and that will apply to any and all budgets. He said that they are budgeting a 2% raise so that will affect PERF and that will affect Social Security so you will see those items slightly adjusted. He also said that postage and equipment repair have been removed in this one.

### **CONTROLLER'S BUDGET**

**Mr. Gibson** stated that again you will see salaries and those have been adjusted to reflect the staffing in there. He said that they did that two years ago and actually had to readjust again so they have 2 ½ salaries coming out of that budget so they wanted to properly reflect what those expenses are and adjust accordingly. He stated those will affect PERF and Social Security. He said that you will also see, as he mentioned, a 3% increase in the insurance. He stated that the only other two items is the postage and the accounting contractual services. He said that they use an independent contractor CPA to assist them in preparing financials so they wanted to properly reflect that expense and get that into the controller's budget.

**Mr. Aebersold** stated that he just noticed that they have a pretty good size budget on training but it seems like it is never really used much. He asked if this is the norm throughout the budgets.

**Mr. Gibson** stated that obviously the last two years have been kind of abnormal because the ability to go places to get your training has not been done and there are a lot more virtually if and when they do those. He said that the last two years have not been the best example of it, but they do encourage the staff to go and seek additional training and see what other communities are doing and learn from that.

**Mr. Aebersold** stated that he didn't even think about COVID and how that affected it.

**Mrs. Moeller** stated that it did affect it but sometimes they are able to bring in training for multiple departments such as speaker, which they did not too long ago, and they spoke on having to work with different generations in the workplace. She said that it included many departments and normally she takes something like that from her budget, not from the individual ones.

**Mr. Aebersold** stated that is fine.

## **CITY CLERK'S BUDGET**

**Mr. Gibson** stated that this budget is pretty consistent and she stays solid in everything and you will see the 2% raise and the postage, as he mentioned, has been removed. He said other than that, everything else is pretty much the same. He said that the salaries in this includes Mrs. Glotzbach and Ms. Milburn. He added that Ms. Cousins is actually paid out of the parking administration fund which he will get to in a little bit.

**Mr. Blair** stated that the raise looks like it is a 4.7% increase. He said it looks like it is a little higher than the 2% we did for the other departments.

**Mr. Gibson** stated that he will check on that because it may be that they needed to adjust for what her staff is being paid.

**Mr. Blair** stated that if we need to bring someone up to a certain level that is fine. He said he just wanted to point out that is a little higher than the 2% increase.

**Mr. Gibson** stated that he would say that is probably it is but he will verify that.

## **CITY COUNCIL'S BUDGET**

**Mr. Gibson** stated that the budget stays pretty consistent but they did modify PERF and Social Security to make them appropriate. He said at this time, the budget is the same minus the raises because he knows that is always a topic that the members like to discuss. He stated that he assumes that discussion will come sooner or later and he feels that it is appropriate to see how you compare to other elected officials and where you stand with other communities.

**Mr. Blair** stated that they have traditionally not taken raises during non-election years in the budget cycle and he would like to continue to do that. He said that they can then make a determination in two years when they are looking at budgets. He stated that he just thinks that it shows that they are committed to doing the best for the community and are more for the community versus salaries.

**Mr. Turner** stated that he agrees.

**Mr. Phipps** stated that he does bring up every year that they do need to do a substantial raise in the last year of their term not knowing if they will be back for the next term. He said that he would suggest that they look at what Jeffersonville and Clarksville are paying for both their city council members and mayors and make sure that the next city council and mayor to come in are on par with those. He stated that it would have to be more than a 2% raise that they do in those years because with not taking those raises, you are allowing salary compression to take place. He said that in all of the almost 10 years that he has been on the council, they never took a raise in 9 years and that's why they are so behind other communities in terms of compensation. He also said that he sees the argument that Mr. Blair is making about it shouldn't be about money and should be about service and he thinks every one of them are here for that reason, but we never tell doctors that. He stated that we wouldn't tell them to do what is good for the community and good for the patients but not to raise their rates. He said that there are also people who like to tell school teachers that, but you know how poorly schoolteachers are paid as well and that's a very important job in the community. He stated that it seems like schoolteachers and elected officials are the ones that people really want to identify, but they don't pick out other occupations and say that they should just be content to serve the community.

**Mr. Blair** stated that in his mind the difference is that the council people are part-time and were never meant to be full-time employees. He said that he does agree with him about the mayor and maybe every other city employee position and that they should look into what the market rate is. He added that he even thinks they should have a consultant do a study on compensation to make sure that they are paying people fairly. He then stated that none of them are making a living off of their council pay whereas the mayor and everyone else are.

**Mr. Phipps** asked Mr. Gibson if they are going to make it more difficult to do it in a more substantial way in 2 years since they are not doing it incrementally.

**Mr. Gibson** stated that he doesn't think so because you are not talking about a substantial amount of money out of the budget.

**Mr. Phipps** stated that when he checked last year, they are about \$5,000-\$6,000 under what they are paid in Jeffersonville and Clarksville.

**Mr. Gibson** stated that he doesn't think it would be a significant impact to the total budget that they deal with. He added that they would just need some notice so that they could apply it throughout the entire budget.

#### **CITY ATTORNEY'S BUDGET**

**Mr. Gibson** stated that it is substantially the same except for the postage being taken out.

#### **WEIGHTS AND MEASURES**

**Mr. Gibson** stated this is a shared salary obligation that we have with the county for the one weights and measures person and the agreement is that we pay half of that salary. He said that has been running just under \$30,000.00.

#### **TREE BOARD**

**Mr. Gibson** stated that it is a consistent contractual services amount. He said that the board has one liaison and that is Mr. Krisjans Streips who works for the city so he is paid through the city work. He stated that they do have an arborist contractually who does look at all of our trees and gives his opinions and advises them on what should and shouldn't be planted or if a tree should be taken down or not.

#### **PARKING ADMINISTRATION**

**Mr. Gibson** stated that this pays for Mrs. Glotzbach's other employee, Ms. Cathy Cousins. He said that there are some changes in this one that he would like to point out. He stated that the postage is now gone as well as the line items for office supplies, printing, gasoline and tires. He said that those items have not been used in the past so they decided to clean the budget up a little bit and take those items out. He added that is why it is less at the bottom than it was in the years before.

#### **CUM. CAPITAL**

**Mr. Gibson** stated that this is a funding mechanism that has its own rate and is basically for capital type projects. He said it is used for things like purchasing our IT equipment when we need it to continue to move forward. He stated that it is funded by cigarette taxes and is a

number that we get from the state from a funding mechanism that goes through their entire process and then we get our percentage based upon that.

**RESERVE LIABILITY**

**Mr. Gibson** stated that it is almost like a self-insured component because we have deductibles when we are dealing with lawsuits and this is used to pay those deductibles to our insurance carrier. He also stated that if we have a small settlement on a case, these funds would be used to pay for that.

**Mrs. Moeller** stated that Mr. Gibson was breaking up a little bit when he was talking about the non-revertings and usually he covers how we do watch the cash flow into those non-revertings even though we budget a certain amount. She said that they always check the cash flow first to make sure that the revenue has come in to support it.

**Mr. Gibson** stated these non-revertings are slightly different from the general because they are funded through their own mechanism or their own funding source. He said that as they work through those each year, they examine not only what someone is wanting to expend from that account, but also what the fund balance is. He also said that the budget may be slightly over occasionally and they won't allow an expense potentially unless the funds are available to cover it, so that it doesn't actually go into the red from a budget standpoint or a fund balance standpoint.

**ADJOURN:**

There being no further business before the board, the meeting adjourned at 6:28 p.m.

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Greg Phipps, President

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Vicki Glotzbach, City Clerk