

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA,
HELD A WORK SESSION IN THE THIRD FLOOR ASSEMBLY ROOM OF THE
CITY/COUNTY BUILDING ON THURSDAY, APRIL 17, 2014 AT 6:00 P.M.**

The meeting of the **New Albany City Council** was called to order by President Pat McLaughlin at 6:00 p.m.

MEMBERS PRESENT: Mr. Coffey, Mr. Caesar, Mr. Phipps, Mrs. Benedetti, Mr. Blair, Mrs. Baird, Mr. Gonder, Mr. Zurschmiede and Mr. McLaughlin.

OTHERS PRESENT: Matt Lorch, Linda Moeller, Mickey Thompson, Fire Chief Juliot, Shane Gibson and Vicki Glotzbach

Mrs. Moeller passed out the finance workshop booklet for the council to review. Said booklet is on file in the city clerk's office.

Mr. Gibson stated that it doesn't have the \$2.6M appropriation or any financing in that stuff factored into this yet. He began by going through the Riverboat Fund. He pointed out that the fire grant has been appropriated but it is reimbursable so they are showing the reimbursable amount which is \$154,000.00. He added that we still have the \$17,000.00 which was our match. He said that they showed the \$177,000.00 in the appropriated expense remaining so that whole \$174,000.00 is there but then you see them put back the \$154,000.00 that will be reimbursed.

Mr. Caesar asked if we get the \$157,000.00 back this year.

Mr. Gibson replied yes. He then moved on to the budget to actual and reviewed it.

Mr. Blair asked what the other capital outlays are.

Mr. Gibson stated that it is a line item that has been budgeted for but there is nothing allocated to it right now other than what has been spent. He added that it is usually computer equipment and things of that nature that it is related to.

Mr. Blair asked if it is really \$442,412.00 for computer equipment.

Mr. Gibson state that if you will look at the \$442,412.00 which is the budget amendment that is the software program that was started so it is showing \$1.2M with that encumbered amount.

Mrs. Moeller stated that the budget amendment column is the encumbrances from 2013.

Mr. Coffey asked if it is a negative cash balance.

Mr. Gibson replied no.

Mrs. Benedetti asked if the technologies are going to come out of the Riverboat Fund.

Mr. Gibson replied that it will come out of Riverboat or the capital outlays.

Mr. Zurschmiede asked if that is the \$700,000.00.

Mr. Gibson stated that it is the \$700,000.00 normally budgeted every year plus the \$442,412.00 that was budgeted last year so at the end of the year they encumbered that amount and that is why you see the \$1.1M.

Mr. Blair asked what the \$700,000.00 is for then.

Mr. Gibson stated that it is budgeted every year.

Mr. Blair asked who controls that.

Mr. Gibson replied that it is in the budget.

Mr. Blair stated that you have to have it associated with some expenditure and asked why it is separated out.

Mr. Gibson stated that there is no specific allocated item; it is just a budgeted line item in Riverboat.

Mr. Blair stated that it is just money sitting there and we don't have it earmarked for anything.

Mr. Gibson stated that it is an appropriated amount for other capital outlays that is there for purposes that may or may not be needed.

Mrs. Benedetti asked who chooses those capital outlays.

Mr. Gibson replied that Munis and those projects are coming out of it.

Mr. Zurschmiede asked if we could add that \$700,000.00 to the projected ending balance if we decided that the \$700,000.00 wasn't needed.

Mr. Gibson replied yes if there is no other \$700,000.00 expense which there is none anticipated at all this year.

Mr. Caesar stated if that is not committed to anything then he doesn't want to see it where it is at.

Mr. Blair agreed with Mr. Caesar.

Mr. Gibson stated that every budgetary year he goes through the process and it has been there forever.

Mr. Blair asked if that \$700,000.00 could reasonable go toward other capital expenditures that we are talking about such as police cars, fire truck, paving, etc.

Mr. Gibson stated that the majority is still there to be used.

Mr. Blair asked if it is up to the discretion of the council as to how it will be appropriated.

Mr. Gibson stated that it is already appropriated.

Mr. Coffey stated that he believes that the council can use some of that. He explained that when the hurricane storm came through we didn't have to wait to see if we were going to get any state or federal money and used some of that money to get things cleaned up.

Mrs. Benedetti asked if they have to list the capital outlays that they think they will be.

Mr. Gibson stated that it has never been done before.

Mrs. Benedetti stated that if they preplanned then they could put their own capital outlays out there but right now it is at the discretion of the mayor.

Mr. Gibson stated that it is an appropriation that is there and nothing has been spent out of it but the Tyler software will be and as far as he knows there are no other capital outlays being planned for that.

Mr. Blair stated that \$700,000.00 is not earmarked for anything that we could easily use for some of the capital outlays that we have before us.

Mr. Coffey asked if we want to buy dump trucks for the street department could the council do that.

Mrs. Benedetti said that we could because it is not earmarked.

Mr. Gibson moved on to EDIT and reviewed it. He said that the one thing they would see is the sewer being added back in but the sewer board hasn't taken formal action on that yet but it should be taken care of by a resolution by the next meeting so that \$570,000.00 is available again. He said that he is showing that being taken out of that appropriated amount.

Mr. Caesar asked if this is something that has to be done every year.

Mr. Gibson replied yes. He explained that SRF looked at the analysis that Crowe had done and said that is fine as long as we do a rate study in 2015 to make sure that it is not needed to sustain the sewer utility.

Mr. Caesar stated that the council needs to be aware that this may go back to the sewer in 2015.

Mr. Gibson stated that the income for EDIT will be closer to \$2.7M rather than the \$2.5M that they planned for.

Mrs. Benedetti asked if this has \$275,000.00 in capital outlays in it.

Mr. Gibson stated that is the farmer's market.

Mr. Blair asked where the dog park is.

Mr. Zurschmiede stated that he thinks it is under Bicentennial Park.

Mr. Gibson agreed. He then moved on to the Rainy Day Fund and reviewed it with the council. He said that the remaining material is the documentation of the various items that they have been discussing such as the fire truck, salt truck, salt and police cars.

Mr. Caesar asked if any of the salt at the bottom of the page has been paid for.

Mr. Gibson stated that is the estimate to replenish the salt.

Mr. Thompson stated that it is an estimate based on what we paid last year because we don't know the price yet. He said it won't be set until the end of May or first of June.

Mr. McLaughlin asked when we usually place the order.

Mr. Thompson stated that he already had to because the commitment had to be made by April 11th to stay in the state purchasing program. He also said that you have to purchase 80% of what you committed to and can purchase up 120% of what you committed to.

Mr. Caesar asked if the end of May or June is when we need to come up with \$187,000.00 for the salt.

Mr. Gibson said that he anticipates coming back to the council in that time frame to talk more about it.

Mr. Blair asked about the other expenditures and how they were paid. He asked if they were paid out of the regular budget.

Mr. Thompson replied yes.

Mr. Gibson said that the key numbers that they will discuss later is overtime and the salt stock. He said that the other numbers are to let the council know what was actually spent on those other items. He then moved on to the outline of the plow and hopper to outfit the truck to make it into a snow truck.

Mr. Thompson stated that it would be \$10,000.00 for the hopper.

Mrs. Benedetti asked if that was included in the \$125,000.00.

Mr. Gibson replied yes.

Mr. Caesar asked if the \$39,900.00 gets us a truck, a plow and a hopper.

Mr. Thompson said that just outfits the truck.

Mr. Caesar asked if we have a truck or if we need to purchase that too.

Mrs. Benedetti stated that \$125,000.00 is the whole package.

Mr. Gibson stated that the next page is the spec for the new truck for the street department with a quote of approximately \$71,000.00.

Mrs. Benedetti asked if there is some kind of stainless steel lining or some type of bed that could be put in that would last longer.

Mr. Thompson said that he doesn't know of any. He said that sometimes people mount the spreader on the truck and not put a bed on it but you're still going to have salt on the frame. He also said that they took the spreaders out and tried to paint them to see if that would help them last longer but the rust was so bad and as soon as they got them back the paint starting flaking off of them.

Mr. Gibson moved on to the MVH budget and reviewed it. He then looked over the pictures of the fire truck corrosion. He went on to the police car proposal.

Mrs. Benedetti asked if we purchased two motorcycles and what fund was used to purchase them.

Mr. Gibson replied yes and stated that he wasn't sure right off hand which fund was used.

Mrs. Benedetti asked if they are on the street.

Mr. Thompson replied that when weather permits they are out.

Mr. Blair stated that he met with Police Chief Knight back in February to go over looking at the cost to maintain existing vehicles versus the cost of new vehicles. He said that per car it was about a \$671.00 difference if you purchase a new car and that there is a savings in buying new vehicles over the long run.

Mr. Coffey stated that once you start replacing on a car, you are going to be replacing everything and it will go up as you go on.

Mrs. Benedetti asked if we went to the state on these.

Mr. Gibson replied no and stated that everything they have is just pure estimates.

Mr. Blair asked if the board of works was going to do the bids.

Mr. Gibson replied yes.

Mr. Blair asked if they would contact local dealers.

Mr. Gibson replied yes. He then moved on to the NAPD fuel consumption and the inventory of the cars that will be replaced with make and mileage on them. He said that there is also a listing of the entire fleet.

Mr. Gonder asked why the ones with relatively low mileage being replaced.

Mr. Gibson replied he is not sure why those would be chosen.

Mr. Coffey stated that some of the cars have had motors replaced and a lot of times the mileage stops calculating so that may not be the actual mileage on the cars.

Mr. Gonder said that it doesn't change the mileage when you put a motor in.

Mr. Coffey stated that a lot of times it doesn't continue moving forward either.

Mr. Blair stated that Police Chief Knight told him that they are running 13,000 miles per year per car.

Mr. Gibson stated that out of fifteen, fourteen are ten years or older. He moved on to the March budget to actual for the General Fund. He explained that he will run it through the first of March so that they will have the first quarter.

Mr. Caesar stated that they would be able to understand it better if they did it that way.

Mrs. Benedetti stated that they passed the 3% raise for all employees and she asked Mr. Gibson if they needed to vote for that for Mr. Lorch because she doesn't think it has been implemented for him.

Mr. Coffey stated that they put it in the budget and asked if they had to vote on it.

Mrs. Moeller stated that she received a new contract for him.

Mrs. Coffey stated that they agreed to it during an Executive Session

Mrs. Benedetti asked if the contract matched up to what was turned in because she wasn't aware that this happened as they don't vote during an Executive Session.

Mr. Blair stated that he thought it was the authority of the Council president to do that.

Mrs. Benedetti stated that she was just making sure they were following policy.

Mr. Gibson stated that they will get an end of March budget-to-actual for the Council. He explained that the appropriations before the council tonight are for \$450,000.00 for police cars, \$125,000.00 for the salt truck, \$1.8M for the fire truck and equipment.

Fire Chief Juliot stated that the equipment includes 10 thermal cameras, 10 gas detectors, 2 cyanide detectors as a result of an in-safe audit with the Department of Labor. He explained one policy that had to be reinvented was a breathing air policy that includes a yearly OSHA physical because of the increase in number of deaths of firemen due to toxins that are inhaled on the job. He stated that this also includes helmets that are over 15 years old that are supposed to be placed every 10 years.

Mr. McLaughlin asked if the helmets are supposed to be replaced at 10 years according to OSHA.

Chief Juliot replied yes.

Mr. Gonder stated that he read that the ladder truck to be replaced is 20 years old and asked if there is anything else that it could be used for.

Chief Juliot explained that per OSHA requirements the ladder has to be tested and certified and it can't be certified until the framework is repaired.

Mr. McLaughlin asked if the ladder was removed could it be used as a regular truck.

Chief Juliot stated that it could not because the suspension is shot.

Mrs. Benedetti asked what they will do with it.

Chief Juliot stated that it would be traded in for parts and the price will be deducted from the lease.

Mr. Gonder asked if the truck is lease to own.

Chief Juliot explained that it is a 7 year governmental lease.

Mr. Gibson stated that if they decide to lease they will see if the local banks would be interested in leasing it for them but if the initial rate they were quoted was 3.12% if they had a down payment of \$150,000.00 and 3.17% if they financed the entire thing.

Mr. Blair stated that he thinks that they should go to the banks that have the City's depository accounts and ask them for terms and then do a comparison.

Mr. Coffey asked what type of life expectancy they are looking at on the truck.

Chief Juliot replied 20 years for front line service with an additional 10 years in auxiliary.

Mr. Coffey asked about the maintenance on it.

Chief Juliot stated that the new truck will have a two year bumper to bumper warranty which is rare and they offer other warranty's on various other items.

Mr. Caesar asked if the problem that they have now would be covered if it happens again.

Chief Juliot replied yes and explained that they took very good care of the previous truck so he doesn't think there is anything more they could have done to stop the corrosion.

Mr. Gonder asked if they are going to get a comparable truck since 20 years ago they spent \$1M on a truck and now they are going to spend \$1M again.

Chief Juliot stated that it is a much better truck.

Mrs. Baird asked what the estimated lease payment would be.

Mr. Gibson stated that it would be approximately \$160,000 per year with zero down and \$150,000.00 per year \$150,000.00 based on the interest rates mentioned earlier. He explained that they will make copies of the warranties that they received in the proposed contract and get them to the Council.

Mr. Zurschmiede asked where they are with the police contract and how much that is going to cost.

Mr. Gibson stated that the total cost is about \$430,000.00 and the majority will come out of the reserved legal fund and a small portion out of pension.

Mrs. Benedetti asked about the "me too" clauses and if that includes them.

Mr. Gibson explained that in his opinion that related to salary aspects and it was budgeted for so he took the worst case scenario and budgeted for it.

Mrs. Benedetti stated that she is concerned about what is going to be left over after all of this.

Mr. McLaughlin asked where they are on the street signs and stated that he thought they were supposed to be changing those.

Mr. Thompson stated that there is a grant for that and they just had a meeting about it. He explained that they took the inventory and they want to use the grant for this as soon as they get it.

Mr. Caesar asked if they had a rough number on it.

Mr. Thompson replied no. He explained that they are plugging in the formula and should be getting back with the City regarding this.

Mr. Zurschmiede asked if they have received a grant or applied for it.

Mr. Thompson stated that he has applied for it.

Mr. Caesar asked about striping and if that money comes from

Mr. Thompson stated that the striping that they have been doing is coming from paving.

Mrs. Benedetti asked Mr. Thompson if he could go through the list that they had for paving last year and see what has been done and report back to the Council.

Mr. Gonder stated that he was told the bump-outs on State Street were going to be removed and asked Mr. Thompson about that.

Mr. Thompson stated that they are looking at rehabbing them.

Mrs. Benedetti asked about the bank reconciliations and stated that between December and January there was a variance of over \$100,000.00

Mr. Gibson stated that Marcus Flynn handles those so he will need to speak with him to answer detailed questions.

Mrs. Benedetti stated that at the end of the year they had \$6M in one account and asked where that was.

Mr. Blair stated that the \$6m was for Storm Water Improvements.

Mrs. Benedetti stated that she didn't get that in her package.

Mr. Blair stated that it would be helpful if they labeled what each bank was for.

Mrs. Moeller stated that could possibly be a typo because the variance has been very consistent.

Mrs. Benedetti stated that they said that they take these bank reconciliations to the Board of Works but she can't find anywhere in the minutes where they are approved.

Mr. Gibson explained that the bank reconciliations do not require approval. He stated that the checks and balances are that they are now submitted to the board and forwarded to the Council.

Mrs. Benedetti stated that Mrs. Moeller stated that they would take these bank reconciliations to the Board of Works to have them sign off

Mrs. Moeller explained that SBOA refers to those as internal controls and they check on another's work internally and they each sign off and that is what is required from SBOA. She stated that they are required to give them to the fiscal body which is the Board of Works and that is what they do. She explained that she has never read any laws that require their approval and it is up to that board whether or not they want to review the. She stated that they are audited every year by SBOA and they also reconcile this.

Mr. Blair asked if it could be reflected in the minutes that the Board of Works receives these.

Mrs. Moeller stated that it is.

Mr. Gibson stated that they are submitted as part of the record for the Board of Works minutes and then they are forwarded to the Council as part of the process that they requested. He explained that there is no formal approval required that he knows of.

Mrs. Benedetti stated that she doesn't ever see it in the minutes.

Mrs. Glotzbach explained that they just received the January and February report and they are in the last minutes that haven't been approved yet and Decembers was in the minutes from January.

Mr. Gibson stated that he has not been able to truly identify the variances but they have been consistent since July of last year.

Mrs. Moeller stated that each of the banks are reconciled for March as of today.

ADJOURN:

There being no further business before the board, the meeting adjourned at 7:10 p.m.

Pat McLaughlin, President

Vicki Glotzbach, City Clerk