

Minutes of Financial Oversight Committee Meeting

4/3/17

Present

M. Mattone

Gary Huff

Kathy Zembrodt

Pamela Spoor

Jason Reser

Chris Carle

Cooper Amberjorn Olsen

Also Present: Karl Oberjohn

Syl Masih

Absent:

Phil Ryan

Alex Mattingly

Elishia Chamberlain

1. Minutes of 3/6/17 Meeting approved
2. It was decided that minutes taking would rotate amongst the three council members with Mr. Reser taking minutes for May, Ms. Zembrodt for June, Ms. Spoor for July and so on.
3. Discussion of Establishing a subcommittee to establish a tickler file for outstanding debt. Ms. Spoor indicated that presently the city had two outstanding debts:
\$63,000 tax exempt loan with Heritage due March 30, 2020, fixed rate, fully amortizing and
\$2,500,000 maximum amount tax exempt lease secured by a pledge of Road Tax Funds

Discussion: C. Olsen stated that with so few debts she felt a subcommittee was unnecessary and asked the city clerk to prepare a list of the debts, rates, terms, amortizations and present the same to council and the mayor on a quarterly basis. Ms. Zembrodt pointed out that the information was already part of the audit and the debts were described therein. It was the consensus of the group to make the request of the city clerk to provide a detailed report on a quarterly basis to council and the mayor.

4. Berling Development

Mr. Huff suggested that we approach the PVA about revaluing the property under development now and again when houses are built.

5. Mr. Carle suggested the language associated with council/mayoral pay be clarified. It was agreed upon by all. The word "special" will be deleted.

6. Gary Huff would like to see the Tax Year Assumptions, the expenses on average, the expense increase arranged with bullet points. He also asked why the year to date police base pay is so low.

7. C. Olsen asked about the gas/oil police line item and why it seems so high above the actual amount spent year after year. She estimated that the gas cost would cover about 200 miles per car per shift which seemed like it might be high. She asked why we don't reduce the amount budgeted. J. Reser pointed out that some police use the car for supplementary income items such as event control. He questioned if this was appropriately managed, as typically the organization who is paying for the police protection also pays for the workers comp. Mr. Huff said that he felt any such supplementary duty should be contracted through the city and there should be a charge for use of the vehicle and workers comp for the time period should be paid to the city.

8. Mr. Huff said that vehicles used in a take home fleet should in his opinion last for 10 years since they can't be used more than 16 hours per diem. There was a discussion of the terms and appropriateness of a take home fleet. Ms. Spoor pointed out that this had been investigated in detail 7 years ago and it was determined that all neighboring departments use take home fleets, it allowed police to be more responsive. It was determined to ask Chief Stanley for an analysis of the fleet: year, miles and maintenance records.

9. Mr. Oberjohn asked if more detailed notes could be imbedded in the quick books format to permit basic explication of line items. The committee is asking the city clerk to add notes to establish the meaning and history of the line items so incoming elected officials can understand the budget.

10. Mr. Huff said that the budget when reconciled monthly should be auto exported from Quick Books into Open Gov.

11. General Ledger info needs further identification.
12. Mr. Huff said that in his opinion a fire truck should last for 20 years plus/or 90,000 miles . He asked for Chief Rigney to provide the ISO rating for Park Hills.
13. Mr. Huff discussed the financial merits of combing police, fire and public works services through shared work contractual arrangements not through merger of the actual cities. He mentioned that several local cities are using such arrangements.
14. Mr. Huff further stated that we basically through modifications and reductions had a \$14,000 excess in the proposed budget and this was wholly inadequate to address future needs such as the known need for new radios which could cost anywhere from \$100,000 to \$250,000. He said the budget was very skinny and should have a carry forward of closer to \$100,000. Mr. Huff said he felt we really could not afford an 8th full time officer and that if that were removed from the equation it would improve the budget by approximately \$100,000. He also said the savings would be achieved through obtaining grants. Mr. Huff did further say that grants have matching costs associated with them. Ms. Zembrodt indicated that the savings, in her opinion, would only be \$5,200 in legal based on the past experience of our ordinance costs. She advised that we look at a 5 year plan of savings because our estimated income would be lower than the higher expenditure creating a net negative.
15. A discussion of the affordability of a city administrator was undertaken. C. Olsen stated that with the nature of the current proposed 2017-2018 budget adding an additional FTE in either the form of a city administrator or an 8th full time police officer doesn't appear viable nor in the long-term interest of the city's financial stability until such time that additional revenues and/or savings can be realized. Ms. Spoor and Ms. Zembrodt agreed that the budget was too tight to accommodate both
16. Mr. Carle asked for a more detailed analysis of police time – breakdown of hourly rate with how many hours are required per year to cover 24 hours with allowance for time off.
17. It was also suggested that a Section 859 Future Capital Expenditures be added to the budget.
18. A capital budget should be prepared with a forecast of capital needs using a percentage of depreciation as a benchmark. This area would address a wide variety of topics: cruisers, city building needs, fire trucks, parks and public works equipment.
19. Correct the nomenclature on line item 8092500 – Tax Exempt Lease BBT.

20. Ms. Spoor raised the concern that the proposed budget contained no dollars for parks or for the tree board. She discussed the potential capital needs for repairs and improvements in the park and the need for the tree board to have a certain funding threshold. It was considered to fund a line item within Public Works: Park - \$6,000 and Park Part Time Help - \$2,000. Ms. Zembrodt suggested that the monies for replacement of equipment or purchases for the park be under contracts and services – in the amount of \$4,000 with the portion being placed under Public Works budget being \$2,000. It was also determined to put the Tree Board back in the budget for \$6,000. It was requested that the Tree Board provide a detailed accounting of their expenses for the year
21. It was determined to create a line item und Administration for Internet Presence - \$1,000.
22. It was determined to fund Historic Preservation with \$1,000.
23. Mr. Oberjohn asked about the state of computer hardware and computer support seemed to be overbudget every year. It was then determined to increase the line item to \$4,000.
24. Legal Work was changed to 2 line items: Contracted - \$60,000 and Litigation - \$20,000
25. Ms. Spoor and Ms. Zembrodt raised the need for an inventory of city assets – land, equipment in all departments.

The meeting adjourned at 9:30pm.