

CITY OF FORT MITCHELL, KY
SPECIAL MEETING OF CITY COUNCIL FOR BUDGET DISCUSSION
May 17, 2010

CALL TO ORDER

Mayor Holocher called the special meeting to order at 5:40 p.m. in the Council Room of the City Building.

PRESENT: Bill Reis, David Schrand, David Stoeckle (through 6:30 p.m.*) Will Terwort, and Christopher Wiest. **Absent:** Vicki Boerger, Mary Burns, and Dennis Zahler. **Others Present:** Mayor Thomas Holocher, Police Chief/City Administrator Steve Hensley, Treasurer Amy Guenther, Fire Chief Scott McVey, Public Works Director Robert Zerhusen and City Clerk Amy Able.

BUDGET DISCUSSION

Treasurer Amy Guenther provided detail of the Audited FYE 6/30/09, the budgeted amounts for FYE 6/30/10, the current amended budget figures for FYE 6/30/10 and the suggested budget for FYE 6/30/11.

REVENUES

Property tax collections are down, contributing to the amount are unpaid bills for the Drawbridge in excess of \$17,000.

Based on a preliminary calculation, adopting the allowable rate (commonly known as the compensating rate +4%, which would yield a four percent increase in revenues) this year would result in a rate 2.7% higher than last year.

Insurance Premium Tax refunds may come in as high as \$25,000, these figures and annual reconciliations from the insurance companies are currently being reviewed.

Gross receipts were due in April. Figures will be available by the first reading or by the end of this month.

IPT collections were down 7% in the last quarter (compared to the same quarter in the prior year) and overall were down 32% for the year.

Payroll license fees are expected to be down 7-10% based on the figures currently available (reporting should be available by the end of this month.)

Investment income is low because there are no attractive rates available; some are as low as around 1%.

Revenues in total are down 2.6 – 2.7%.

The plan was to make no Capital Fund transfers for two years and then return to the usual practice of transfers / planning for the future.

The estimated fund balance is \$2.3 million this year and \$1.8 million for the coming year.

Maintenance and repair of the building was up due to replacement of lighting with an energy efficient upgrade. Bills are expected to go down about \$4,000 annually.

Plans are being reviewed to lease a new phone system to replace the outdated and failing system.

Costs for medical insurance with the change of adding a Health Reimbursement Account (HRA) may be lower than budgeted for this year. (Additional reimbursements may be requested before the plan year ends.)

For next year there may be a reduction to the amount proposed as the quotes received today include favorable options. Consideration is being given to a more aggressive deductible to buy down the premium more. A cautious progression is advised because higher deductibles mean more potential risk on pay outs. There are significant increases predicted overall for health insurance.

Preliminary costs are being reviewed for a website upgrade.

Costs for the Small Area Study have been reduced by 50% in an effort to be cost conscious. A \$25,000 study would give more information and have additional phases. The new suggestion is for a market analysis that will show what would be attracted to the area. The study has not yet been done, partially because of staff reductions at NKAPC. After review of the Crescent Springs study, it was found to be very complex including great detail on traffic patterns and one-way streets. Our originally proposed area of study included Lakeside Village, Crescent Park, and Royal Drive. Now the preliminary or immediate area for study is the Drawbridge area where redevelopment could increase revenue. The other two originally considered areas for the study would involve long-term planning. A market analysis of the smaller area is the best thing to look at now.

It is still unknown if there will be any liability resulting from the IRS Audit.

Some railings around the building need to be replaced. Prices for aluminum are being reviewed and it was suggested that there are now railings available made from a composite material similar to modern decks.

There was a discussion of the possibility of TBNK costs going up if other cities leave.

***Mr. Stoeckle left the meeting at 6:30. This resulted in their being less than a quorum of Council present. Discussion continued with no votes taken.**

(Chief McVey left the meeting at 6:25 p.m., returning at 6:30 p.m.)

Departmental Updates

Police Department – With a recent retirement there is a vacancy. While the thirteenth position is not being eliminated, filling the position will be delayed until revenues are more certain. There may be a need for additional overtime to cover resulting gaps in the schedule.

\$33,000 was received in grant funds for the purchase of equipment.

(Chief McVey left the meeting at 6:40 p.m. returning at 6:45 p.m.)

Fuel costs are starting to rise, the budgeted amount is an increase but less than two years ago. The discount through a local station is being reduced with a change in station ownership.

Funds referenced under JAG are from a Justice Department Grant.

Fire Department – Full-time staffing is expected to remain the same. Part-time employees were heavily utilized in the last six months due to injuries sustained by full-time and volunteer personnel. There is now a redesigned staffing model. Dropping one part-time person from each of the morning and afternoon schedules will result in saving 16 hours per week. There will still be five people covering in the morning and five in the afternoon which maintains a good staffing level.

(Mr. Terwort left the meeting at 7:00 p.m., returning at 7:05 p.m.)

(Mr. Zerhusen left the meeting at 7:02 p.m., returning at 7:05 p.m.)

There was a discussion of the history and the future of ALS needs and options were discussed.

Regarding replacement of pagers it was noted that narrow band use will be required by 2013.

EMS electronic filing may become a State requirement; software options and software with notebook packages are being reviewed.

Public Works – Maintenance and repair of vehicles has an increased amount due to attempts to stretch vehicle life.

Garbage collection is still under the extended contract at the same rate. There was a slight increase for incidentals such as additional dumpsters for clean up after storms, etc.

Waterford subdivision has requested new street signs. They had declined at the time when these were purchased through the rest of the city but with the existing signs ready for replacement the request has been made.

There was an increase to street light expenses because of new lights with more to come.

Lawn care will continue with the same company having been low bidder again; some spraying and weed control was added.

Building improvements will include costs for a garage door to replace the original from 1975. The building also has the original roof which will soon need to be replaced.

There was a discussion of vehicle maintenance.

Recreation – Increases were made to meet the minimum wage requirement. Mr. Wiest, **in response to a resident question** suggested charging some fees. Mr. Reis requested a comparison of participants last year and this year as he heard many more are now participating.

Funds

Sewer Contingency Fund – Recap of Gettysburg/Allentown/Williamsburg projects. For projects with the Sanitation District the percentages differ depending on if catch basins exist or not. Matches of 50/50 are available upon request by the City. The project on Avon involved storm and sanitary line replacement. For Thompson and Gettysburg there will be some issues with the storm sewer addressed when the street is done. Much of the design for Silver relates to water from the City property and includes plans for a containment system. Drainage issues are going to be corrected on East Drive.

(Mr. Reis left the meeting at 8:00 p.m. and returned at 8:05 p.m.)

Municipal Road Aid – Rental of equipment includes blacktop rollers, saws, etc. Construction materials includes salt, sand, blacktop, etc. Reconstruction of Grandview Drive has been budgeted. There are considerable problems with water and edge drains will be included similar to what was done on Huckleberry. The road tax and road program were reviewed. The project for East Drive was discussed.

Grants – The Safe Routes to Schools program will not be funded this year.

Capital Improvements – Included here are the project phase near Remke’s, Dixie and Idaho, and the city building parking lot.

It was noted that the Area Planning Commission staff decreased by 5 but they are no longer serving Covington.

Park Fund – An amount is included for the Centennial Park. The goal is to get close to \$50,000 in donations. The Park Board may be interested in participating. Due to tax laws there will be changes made including charging rent for the caretaker’s residence and paying wages with taxes withheld. The Park Board does their own budget; note that under Capital Improvements on page 11 there is \$21,000 for bathroom renovations and addressing other issues such as foundation problems.

It was noted that results of Statewide OSHA inspections were announced including 15 cities and Fort Mitchell had no citations.

ADJOURNMENT

There being no further discussion items, **the meeting adjourned at 8:40 p.m.**

Respectfully submitted by:

Signed _____, 2010

Amy B. Able, City Clerk

Thomas E. Holocher, Mayor