

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY, INDIANA,
HELD A BUDGET HEARING VIA ZOOM.COM ON THURSDAY, SEPTEMBER 10,
2020 AT 5:00 P.M.**

MEMBERS PRESENT: Council Members Mrs. Collier, Mr. Phipps, Mr. McLaughlin, Mr. Turner, Mr. Blair, Mr. Aebersold, Mr. Applegate, Dr. Knable and President Caesar.

ALSO PRESENT: Shane Gibson, Linda Moeller, Amy Stein, Joe Ham, Fire Chief Juliot and Vicki Glotzbach

President Caesar called the meeting to order at 5:00 p.m.

Mr. Gibson stated that the first budget to look at is the mayor's. He said that almost all of the budgets are being held at last year's values, at least at this time, until we get more solid numbers from the DLGF. He explained that he usually does his best to point out the changes in the individual budgets from last year. He said that the salaries line includes two salaries which are the mayor and his administrative assistant and the salary ordinance will come later that breaks that down even further. He stated that he also included budgets to actuals for this year and they usually give the June value because that is the best way for them to anticipate and project moving forward.

Mr. Turner asked what the line item for economic development in the amount of \$25,000.00 is for.

Mr. Gibson stated that it would be advertisements, sponsorships, various functions that he has to attend in the capacity of mayor, etc.

Mr. Turner stated that he looked at that as well as travel and training and he thinks with everyone taking cuts across the board, those three items would be a great place to trim the fat a little bit. He added that in these tough times, he is not sure that advertisement would be appropriate.

Dr. Knable asked Mr. Gibson if he is recommending an across the board cut at this point.

Mr. Gibson replied no and stated that there are a few areas that did have to get moved just based on projections for next year from income standpoints and he will point those out.

Mr. Blair stated that they are not anticipating an increase then.

Mr. Gibson stated that is correct.

Mr. Blair stated that he thinks it would be prudent as they go through this to maybe identify line items that could be cut because he would really like to see if they can get money for raises.

Mr. Gibson stated that he has his notebook so he will make notes of what is said.

Mr. Turner said that he will email Mr. Gibson his comments. He also said that Jeffersonville handled this pandemic very well because they had a nice rainy day fund where they were able to do some things for some small businesses that maybe we could eventually work towards.

Mr. Gibson moved on to the controller's budget and stated that the only adjustment you will see in this one is in the salary line item. He explained that there are six people in the 2020 number and only three and one half are paid out of this budget so that is why you see the reduction. He stated that it is not a reduction in staff but is showing the appropriate allocation because sewer claims are paid by the controller's office so the sewer utility also contributes to some of the salaries in that office. He said that just properly reflects the salaries being taken out of it. He then explained that insurance is usually one of our other biggest expenses outside of salaries and they are anticipating it staying relatively flatlined which is why you see the benefits not changing

much from a medical standpoint. He said that the healthier we are as a city from a staff's standpoint, the better off it is for us since we are self-insured. He stated that's a promotion we usually do internally and we have been able to manage it and it has been doing well so hopefully that will continue to stay the same.

Mr. Blair asked if we are managing it through reduced claims or through the benefits that we are offering.

Mr. Gibson stated that we have utilized the HSA program pretty extensively and have finally got most people over there because it makes sense and works for them so that is a savings to the city from that standpoint because it changes the mentality. He explained that you are required as a family to spend \$3,500.00 right up front or that is your contribution towards the program so through that, UMR does a pretty good job on following through on procedures and those type things. He stated that they also have Truescripts which is kind of a reimbursement program that we get back for certain prescriptions and benefits.

Mr. Blair stated that is impressive that we are able to hold the line on healthcare.

Mr. Gibson stated that everything else is pretty much all the same except for PERF and social security which will adjust just because the salaries adjust to their proper allocations.

Mr. Caesar asked if we have a problem with healthcare because he noticed on the budget to actual that we have spent a large percentage.

Mr. Gibson replied no and stated that it is also budgeted in a few other areas. He stated that a few years ago they took it out of other smaller departments and put a large chunk of it in the controller's office but the larger departments like fire, police and the sewer utility are allocated out of their particular budgets. He explained that they did that so if they have arbitration or those sorts of things, it will properly reflect the actual costs to operate those departments so from an efficiency standpoint, Mrs. Moeller usually will just pay from the beginning ones in her budget and then move to the other ones.

Mr. Turner stated that it looks like there is never any travel and \$2,000.00 doesn't seem like a lot but if you take some from all of the departments, it adds up so he thinks that is a great place to cut back. He also stated that it looks like Mrs. Moeller does a great job of keeping ahead of things and staying abreast of some of the financial stuff so that is good.

Mr. Gibson stated that is something that can be looked at to cut but in a normal year, they encourage staff to get some further education or training just to ensure that we are sharpening the saw. He said that obviously this year and next year are going to be slightly different from the years in the past. He then moved on to the city clerk budget and stated that is again flatlined with no changes from this year.

Mr. Turner stated that travel, training and copier maintenance are great places to look to cut there.

Mr. Gibson then moved on to the city council budget and stated that it is flatlined as well.

Mr. Turner stated that contractual services could probably be cut there.

Mr. Blair stated that as far as he is concerned, the salaries for them can stay flatlined and if anyone has an objection, they can just get that out of the way right now.

Mr. Caesar agreed.

Mr. Turner stated that he thinks they can cut in travel, community engagement and contractual services. He added that they have only used 11% on publication and legal for the year.

Dr. Knable stated just by way of explanation if it is there and allocated but we don't use it, it is not spent so it will revert back.

Mr. Gibson stated that is correct that it doesn't go anywhere. He explained that we obviously don't really sell widgets so we get the income that comes in and Mrs. Moeller on a claim's day basis, a monthly basis and a quarterly basis analyzes the income being brought in and compares it to our budget. He added that if for some reason income was to drop dramatically, they would immediately make budget adjustments.

Dr. Knable asked if line items 4323 and 4323.1 were previously lumped together because it seemed like they always had \$4,000.00 and Mr. Barksdale would use that to go to some meetings in Indianapolis.

Mr. Gibson stated that he thinks community engagement came along at some point before 2019 because there are some functions that the council gets invited to go to in the capacity as council members and that's what that was put in there for.

Dr. Knable stated that he agrees that it can be minimized but it is good to have it there to utilize just as the mayor has it in his budget though he is much more high profile than any one of us but the more we can engage with people, the better.

Mrs. Moeller stated that she wanted to remind everyone that this is for 2021 and during 2020 all of the conferences that most people go to were cancelled because of COVID-19 so a lot of those travel expenses that you would normally see now you are not seeing because of that. She said that we don't know what is going to happen next year and a lot of the departments have training and conferences that they go to so she would be cautious about cutting the travel and training too much.

Mr. Blair stated that as they go through here, he is tracking 12/2019 budget to actual and seeing what expenses were back then and the city clerk didn't have any travel expenses and they only had \$500.00 for copier maintenance and they were budgeted \$4,000.00. He said that he agrees with what Mrs. Moeller is saying so that's why he is looking at 2019.

Mrs. Moeller said she would just be careful because if there are training and conferences next year, you want to make sure there is funding there so they can attend.

Mr. Blair said that is one of the reasons that he likes to have department heads at these meetings so they can speak up about certain items and so forth. He then stated that he heard what Dr. Knable said about if we don't use it, it just rolls over but if we don't reallocate it while we are going through the budget process then we can't spend that money differently next year. He said that he thinks that is why it is important to identify some of these line items that we may be able to reduce.

Mr. Gibson stated that they can reallocate an amount to a different line item which they have done before once or twice. He then moved on to the city attorney's budget and stated that one is again flatlined.

Mr. Turner asked what subscriptions and dues are.

Mr. Gibson stated that would be legal research and periodicals but it does seem a little out of whack so he will check into that. He then said that reserve liability is next and that is basically self-insurance kind of fund and deductibles are usually paid out of there when we get a claim. He gave the example of a police lawsuit and stated that any deductible amounts are paid out of there as well as any claims related to damage done to someone's property such as a rock from a city lawn mower being thrown through someone's window. He said that this one should have actually been in the non-revertings that they discussed at the last meeting so it is not really a general fund related aspect. He also said that it is not by taxes and each department pays into it in some fashion.

Mr. Blair asked how he determines the amount of \$200,000.00.

Mr. Gibson stated that it actually used to be \$400,000.00 and could have been higher than that when they had the lawsuit with the bookstore. He said that over the years he has kind of dropped it to be a little more inline. He added that it is just like anything else such as one year you may have a great year then the next you may be hit with three or more claims.

Mr. Blair stated that really it could be reduced more and if we had more claims, we could take it out of rainy day or something.

Mr. Gibson stated that is not even really necessary.

Mr. Blair asked if it is funded through the tax levy.

Mr. Gibson stated that it is not. He then moved on to the cum cap fund and said that it is essentially funded by the cigarette tax so it comes down directly from the state and is usually used for improvements to capital such as if a building needs to be repaired, computer outlays needed to operate, etc. He stated that it is a set rate determined by DLGF and we get a percentage once the assessed value is done. He then moved on to the building commission and stated that salaries and all other line items are the same as last year but other capital outlays is slightly increased because he wants to make sure that what he projects in income matches the expenses that we have in the general fund. He said that last year the fund was used to buy vehicles and this year they want to use it for an improved tracking system program for code enforcement.

Mr. Turner stated that he thinks they can cut travel, clothing and publication and legal here. He then asked if the board members are by statute or do we have to pay their salaries.

Mr. Gibson stated that there is a building commission board that meets when something calls for it to meet and they are paid for each meeting. He said that he doesn't recall what that amount is but it will be in the salary ordinance. He added that it is either driven by statute or driven by ordinance. He also added that the board is very helpful in situations such as tearing down an unsafe building because they conduct judicial reviews and they can also revoke licenses if necessary.

Dr. Knable stated that historically the travel line item is a significant amount compared to other departments and asked if they are doing something specific on that.

Mr. Gibson stated that it is a lot lower right now and he is going to assume that is from COVID-19. He also stated that is a good place for them to go look because a lot of them used to use their own vehicles and get reimbursed for mileage. He said that he is making himself a note to check into that.

Dr. Knable said if they purchased vehicles then that could probably be looked at closer.

Mr. Gibson then moved on to the cemetery budget and stated that Mr. Ham is on the meeting to walk the council through this one. He said that if the council recalls, they did merge the two cemeteries a couple of years ago into one budget which obviously entails Fairview and West Haven.

Mr. Ham stated that they traditionally hire seasonal help during the growing season to maintain both of them which usually runs from April to October.

Mr. Turner mentioned equipment repair because they are at about 5% year-to-date and last year it was about the same. He asked if they could trim that down a little bit.

Mr. Ham stated that what he runs into there is if something blows an engine because they had a unit that was fairly new and it blew an engine. He said the cost for a new lawn mower is \$7,500.00 so it is there as a safety net in the event that something like that would happen.

Dr. Knable asked how many mowers do they have.

Mr. Ham replied four.

Dr. Knable asked how many push mowers do they have.

Mr. Ham stated that they don't have any push mowers but they do have four new weed eaters and four used ones in reserve. He said that they also have a mini-backhoe for digging graves and a tractor.

Dr. Knable stated that the last time he refitted everything for his home and office he went all electric and he knows that can't be done with the riding mowers right now, but the weed eaters' power is equal to the gas at this point in time and they are so much quieter and there is so much less emission on them. He asked that he looks for buying opportunities for them. He said it is a tiny thing that adds up over time.

Mr. Gibson then moved on to MVH which is another set fund and is not a property tax-based department but is through gas tax and some other various things. He stated this one is flatlined as well but he does need to get another budget to actual to them.

Mr. Ham stated that the restrictive part of the budget carries a lot of the labor costs which is the hourly and is a big hit and if you add that to the existing, you will come up with substantially higher numbers.

Mr. Gibson stated that a couple of years ago they did bump up the allocations a little to the MVH fund and it was required that half of it be specifically dedicated to and related back to road projects and road things themselves. He said that the recommendation from state board of accounts on those was to set up a restrictive fund so that's why you have two and he will get that other one to them tomorrow.

Mr. Caesar asked Mr. Ham how the morale is with all of his people.

Mr. Ham stated that they seem to be in pretty good spirits but like everyone else, they are aware of what's going on around them as far as working around people. He said for the most part they have a good attitude.

Mr. Gibson moved on to LRS and stated that it is another non-property tax-based fund and is another gas tax funding related mechanism and the money is used for local roads and streets. He said that they do a projection based upon the history of it and he will have 10-year projections in the next packet for this fund, EDIT and riverboat. He then moved on to the fire department and stated that at this time it is the same as last year. He asked Fire Chief Juliot if there was anything in particular that he wanted to point out or if there is anything that they are dealing with.

Fire Chief Juliot stated that they have just been dealing with everything that everyone else has been dealing with. He said that they had some maintenance issues this year with some older trucks and spent a considerable amount of money on fixing those.

Mr. Gibson pointed out line 4399 which is other services and stated that is the ambulance cost for the ambulance service. He said that it is a large number so he wanted to make sure that the new members knew what that was. He added that AMR is the current provider.

Dr. Knable asked when that current contract expires.

Mr. Gibson stated that it is March to March.

Dr. Knable stated that he has received a couple of issues with response times and things like that so he asked if that gets shopped around each time. He said that he knows there is a limited number of carriers.

Mr. Gibson stated that is the problem because he thinks we are down to two carries. He asked Dr. Knable to let Police Chief Bailey know of those situations because he is trying to work with them to ensure that is being properly addressed.

Dr. Knable stated that he wanted to clarify that these were ambulance response times, not police or fire. He then stated that he keeps hearing that we are going to have to get another fire engine and asked Fire Chief Juliot what his best guess is as to when we will need to upgrade an engine and if so, how are we going to budget for that. He also asked if the replacement for the boat has proved to be adequate.

Mr. Gibson stated that he will deal with the budgeting component. He said it would probably be through some kind of additional and he knows we financed a ladder truck several years ago and it just went off the books about two years ago. He said that something of that magnitude is obviously a large purchase and to replace an engine is a little over \$500,000.00 so that would probably come through an additional appropriation.

Mr. McLaughlin said that he thinks in this case they just need one pumper.

Fire Chief Juliot stated that they actually need two. He said that they have two engines that were purchased in 1999 and they both have 100,000+ miles on them so they need to be replaced.

Dr. Knable stated that we need to start planning for that in some way then.

Mr. Applegate stated that he agrees with Dr. Knable and he thinks that they need to put pen and paper on that immediately.

Fire Chief Juliot stated that he wanted them to understand that if he ordered two engines today, they are looking at 18 months for delivery because that is how far behind the manufacturer is. He said that if they are lucky enough to find engines that are pre-built to meet their needs, that could be in the next couple of months.

Dr. Knable asked if the backup rescue river boat has proven to be adequate.

Fire Chief Juliot stated that they have two rubber Zodiacs which were donated to them from the special forces in Louisville and the engine on one of them is not adequate for the river. He said that he has applied for a grant through FEMA and he has been told by the coast guard that they can replace our boat with a 10% match from the city so they have plans to replace the one that is not adequate for the river. He then stated that when the river is up, he doesn't feel comfortable putting personnel in the Zodiacs but right now in lower pool summer, they are fine. He also stated that the coast guard understands that we play a vital role because we can be in the river in two minutes for river rescue so they are guaranteeing us a grant.

Dr. Knable asked Fire Chief Juliot if he and Mr. Gibson has looked through every line item to squeeze every bit out of the CARES money that they can.

Fire Chief Juliot stated that they have gotten a lot of federal money over the years but one thing they can't do is get pumpers or aerial ladders. He said that is just something that the federal government is not going to give a city our size.

Dr. Knable asked about upgrades to the stations with regards to the CARES Act as far as social distancing and such.

Fire Chief Juliot stated that he would have to look at that because he is not educated in that.

Mr. Caesar stated that he thinks they are at a point where the fire committee should probably meet with Fire Chief Juliot to come up with a timeline and costs on this equipment that he needs so we can figure out how to put it into the budget or how we are going to come up with the money. He asked Fire Chief Juliot if he would have any issues with that.

Fire Chief Juliot replied not at all and stated that his deputy Mr. Joe Baylor is in charge of operations and he does the maintenance and the scheduling so he knows the trucks forward and backwards and they both could meet with the fire committee. He said that they can explain their needs for the safety of the community and for their ISO rating which is very important. He explained that for the last several years they have gotten it down to a 3 so we get a tremendous discount in insurance not only for residents but for corporations and businesses. He said that is one of the reasons that the casino gives them \$50,000.00 a year because they want that ISO rating of 3 for insurance purposes. He also said that is one of the reasons that they need to keep equipment up. He stated that those firefighters depend on those pumpers for their lives and protecting the citizens.

Mr. Phipps asked if we tear down Riverview Towers, is that going to reduce the expense of equipment and we won't need as high of ladders or something like that.

Fire Chief Juliot stated that it would not impact them because basically anything over three stories they have to have the ladder.

Mr. Phipps asked if 17 stories would require a longer ladder.

Fire Chief Juliot said that they only make them 100 ft. and the way they have to set up the truck out in the street, that ladder would only get them to the 7th or 8th floor. He stated that a fire in a building 17 stories would require the firefighters to go up the stairwells to get people out.

Mr. Aebersold asked how many ambulances do we have and is that number comparable to the size of our city.

Fire Chief Juliot stated that they have bid that out a few times and we have one 24-hour paramedic ambulance and the other one is a 12-hour peak truck and they determine peak to be from 8:00 a.m.-8:00 p.m. He said that they run into issues when both ambulances are busy making runs and another run comes in. He stated that the problem with all of Southern Indiana is that there are only two ambulance services that supply ambulances so you may have an extended wait time and that's why they send engines out on medical runs so that a citizen is getting medical care in the meantime. He said that in his opinion a city of our size needs three full-time ambulances but you have to be willing to pay for that and it is not cheap.

Mr. Aebersold asked if a call comes in for an ambulance and both of them are busy, does that call automatically go to fire.

Fire Chief Juliot stated that protocol is to automatically send an engine with an ambulance depending on the nature of the call. He said that they do not send a truck on minor calls such as someone having belly pain, headache, diarrhea, etc. and they want to go to the hospital. He also said that some people use the ambulance service like a taxi service and it puts a burden on the whole system.

Mr. Turner asked if they are fully staffed.

Fire Chief Juliot stated that they are short about six firefighters because of retirements. He said with COVID-19 going on, they have not been able to schedule people in Indianapolis for physicals, psych tests, etc. but the mayor is working on that at this point. He said that they do have a FEMA grant to hire firefighters in the amount of \$2.5M and it pays for salaries and benefits for three years but they are a little behind the game with the pandemic at this point.

Mr. Turner asked if there are any plans to repair the house on Charlestown Road and the house on 13th Street and Market Street. He said that he had heard at one time that the house on Charlestown Road was possibly going to move out to the interstate.

Fire Chief Juliot stated that would be in the future and he knows that the mayor, planning and zoning and redevelopment have been working on a plan on that. He also stated that Engine 1 was remodeled a few years ago.

Mr. Turner asked if Quint 2 at Community Park is something that they need to start thinking about as well.

Fire Chief Juliot stated that it was totally remodeled a few years ago and got a new training tower.

Mr. Turner stated that he has heard that we are running on our backup radio right now and that our primary is broke. He added that he has heard that it was due to lightening and that the server is down so he just wanted to know if that is something that they need to get on pretty quickly.

Fire Chief Juliot stated that lightening took that down and he just recently received an estimate from a company that they use for radios and it was \$35,000.00-\$40,000.00 to have that fixed. He said he is kind of looking for money and is going to approach Jeffersonville because they share that with us.

Mr. Turner stated that he did mention the coast guard's CARES grant and asked if he was able to apply for the firefighter's CARES grant or if that is all the same.

Fire Chief Juliot stated that he believes that is all the same.

Mr. McLaughlin asked if he has approached the county council on that \$35,000.00-\$40,000.00 for the 911 funding because that would certainly seem applicable.

Fire Chief Juliot stated that is another option.

Mr. Turner stated that he has heard that Motorola is forcing an upgrade in our area and the county is going to have to pay \$500,000.00 as well as the city and asked Mr. Gibson and Fire Chief Juliot if they have heard anything about that.

Mr. Gibson replied no.

Mr. Turner said that it sounds like it is going to be forced so that may be something that we want to reach out to someone about.

Mr. Applegate stated that he knows we will need some new equipment when we get the pumpers and the new tower and asked Fire Chief Juliot if he has reached out to River Hills about equipment grants.

Fire Chief Juliot replied no and stated that he would check into that.

Mr. Blair stated that these are collective bargaining salaries so he is assuming that there will be an increase for the fire department along with the police department. He asked if that is correct.

Mr. Gibson stated that they are collective bargaining agreements and they are working through all of that right now.

Mr. Blair stated that they can probably assume that it is not going to be flatlined.

Mr. Gibson stated that they are in contract negotiations for next year with police and they are in a contract with fire through next year.

Mr. Blair said we actually know what their salaries are going to be for next year then.

Mr. Gibson stated that is correct.

Mr. Blair stated that he has also spoken with citizens about concerns with response times from ambulances and asked if that is something that they should get their committee together on and address what they can do from a service standpoint. He said he heard chief talking about that some people use it as a taxi service but we have medical transportation and he feels it is a real issue in our community.

Mr. Caesar replied yes and stated that was kind of what he had in mind when he was talking with Fire Chief Juliot.

Mr. Gibson reiterated that when council members receive issues on response times to please forward those to Police Chief Bailey because he can't do anything about those issues if he doesn't hear about them. He then moved on to the fire pension and stated that it is pensions for firefighters who have retired and they have a secretary that supplies this information to him and he reviews it. He said that he doesn't believe that they have any firefighters that they pay directly. He explained that we are reimbursed for the expenses related to the pensioners and pensions directly from the state through two payments a year in June and December and that is what funds the pension.

Mr. Caesar stated that all of the old guys are out and asked Mr. Gibson if that is correct.

Mr. Gibson said that he is pretty sure that they are out of fire and police. He explained that there was a handful of pensioners in the city at one time in police in fire that were under the old pension plan that the city was required to pay directly and we did not get reimbursed. He stated that all pensioners now are reimbursed by the state but we have to pay it upfront and submit the payments to the state and get reimbursed twice a year. He then moved on to flood control and stated that Mr. Gardner was having some issues and couldn't make it tonight so he is going to briefly go over it and bring it back at the next meeting. He said that everything is the same but there is a special project that he needs to get more detail on. He explained that the floodwall right now is kind of a rip rap configuration or design and it is getting moved away from that configuration because every couple of years we are having crews go through and take out trees and things from the floodwall. He stated that what those do is deteriorate the underlying base of the floodwall and so it makes it compromised but he does need to get more information on that. He said that he did forward the council the budget to actual for flood control and thanked Mr. Turner for bringing that to his attention.

Dr. Knable asked if we are going to have another department and budget for the management of the new city hall and if it has been decided who will be the managing body of that.

Mr. Gibson stated that it is not their intention to set up any board or anything of that nature and will be managed internally.

Dr. Knable asked if he thinks we will have any significant savings from the move two or three years down the road and if negotiations are continuing on rent and obligations.

Mr. Gibson replied yes and stated that their attorney reached out to him yesterday for the building authority to meet with the mayor within the next couple of weeks to talk about the future and talk about the move.

Dr. Knable stated that a number of these budgets included telephones and copiers and asked if we have one unified provider for all of these to have some leverage in negotiations on them.

Mr. Gibson stated that he will look into that.

Dr. Knable stated that you have more bargaining power if the city clerk and the street department are using the same copiers.

Mr. Gibson stated that he will look into the phones but on a copier standpoint, we have pretty much used Copier Mart which is local.

Dr. Knable asked if we have an internet provider for the new city hall yet.

Mr. Gibson stated that we are with Spectrum right now so he is in discussions with them.

Dr. Knable stated that if he is interested, he can have whomever meet with his COO and at least talk with who they talked with this last round because they had three or four carriers at the table.

Mr. Gibson stated that he would reach out to him tomorrow about it.

Mr. Caesar thanked Dr. Knable for bringing up phone service because that has been on his mind for a long time. He said that he has had different deals that have had excellent service here lately so that will be a good thing to check into.

ADJOURN:

There being no further business before the board, the meeting adjourned at 6:30 p.m.

Bob Caesar, President

Vicki Glotzbach, City Clerk