



TOWN OF ASHLAND CITY
Special Called City Council Meeting
April 28, 2020 6:00 PM
Minutes

CALL TO ORDER

Mayor Allen called the meeting to order at 6:00 p.m. He further stated, "I am Steven Allen, Mayor for the Town of Ashland City, and I hereby call to order the April 28, 2020 Special Called Meeting of the City Council of Ashland City. Due to the COVID 19 pandemic, and in accordance with Governor Bill Lee's Executive Order 16, this meeting is being conducted with limited physical public access. The meeting is being made available however to public via live video stream video on the Zoom application. The meeting is being done by electronic means to protect the public health, safety, and welfare of the City's citizens in light of the COVID 19 pandemic."

ROLL CALL

PRESENT

Mayor Steve Allen

Vice Mayor Daniel Anderson

Councilman Tim Adkins

Councilman Gerald Greer

Councilman Roger Jackson

Councilman Chris Kerrigan

Councilwoman Lisa Walker

All members reported via electronic means

APPROVAL OF AGENDA

A motion was made by Councilman Greer, seconded by Councilman Adkins, to approve the agenda. All approved by voice vote.

APPROVAL OF MINUTES

1. Council Meeting Minutes 4-14-2020

A motion was made by Councilman Jackson, seconded by Councilman Kerrigan, to approve the meeting minutes as written. All approved by voice vote.

NEW BUSINESS

2. Health Insurance Renewal Review

Ms. Kellie Reed stated Benefits Inc. is present tonight to answer any questions. She presented the cost increase of twenty two percent (22%). She stated these increases were due to the average bill totaling less than the insurance company paid out. Mr. Shan Smith stated when the insurance company looks at renewals they use three main factors: demographic factor (age of group), risk factor (claims for the prior year), and the trend factor (starting point). In addition, the trend factor stated at ten-point five percent (10.5%) this year. Councilman Jackson stated they never show a reduction no matter what the claims were in the year. Mr. Smith stated they deal with several municipalities and counties and the rates here they are seeing is similar to what they are seeing at other places and in most cases are even better. Mayor Allen stated the employees he has spoken with are satisfied with this insurance. Councilman Jackson questioned if we are going to try to cover any of these increases. Mayor stated it will be a council decision, but he thinks we should. Ms. Reed explained in the past the cost of the coverage for the employee has been covered, but the cost of additional coverage for families the city pays ten percent (10%) of this coverage. Further, the city must do this at minimum, but can elect to cover more than this amount. She explained this is a risk plan for the city and typically they budget a set amount per employee. Ms. Reed stated she would like council to let

Benefits Inc. know how to proceed if they want to change the plan or stick with what we have. Councilman Jackson stated he would like to stick with what we have. Vice Mayor Anderson questioned if we have discussed this with the employees and let them know the insurance has went up. Ms. Reed stated no sir, we just received the numbers yesterday. Councilman Jackson stated we are going to pick up the additional cost. Mayor stated if need be, we should be able to come up with the additional budget. Mayor questioned if we have the additional cost. Ms. Reed stated it depends on how much council allocates for the additional cost of the deductions. Further, we are required to cover at least ten percent (10%). Ms. Bowman stated we are increasing the budget thirty-two thousand (\$32,000) in the overall budget from last year to this year. After much discussion a motion was made by Councilman Jackson, seconded by Councilman Adkins to keep Blue Cross Blue Shield insurance and cover the cost of the increase. Voting Yea: Mayor Allen, Vice Mayor Anderson, Councilman Adkins, Councilman Greer, Councilman Jackson, Councilman Kerrigan, Councilwoman Walker.

3. IT Department Budget

Ms. Reed went over the IT departmental budget and explained how the line items are utilized. Councilman Jackson questioned the subscriptions and dues. Mr. Derek Noe stated this is for software licensing such Office 365 and Tyler. Further, this has been moved out of the departmental budgets.

4. Revenue Review

Ms. Reed went over the revenue forecasting review and stated they were advised to expect cuts in the revenues due to COVID-19. Further, there are still a lot of unknowns in revenue forecasting. She stated the property tax amount they are forecasting represents the same tax rate of .5037. Regarding sales tax she noted a decrease in the revenues there. Chief Walker stated he felt like the revenues for building permits would be more than reflected here, but they are awaiting to hear if construction is going to go through. Ms. Reed explained the grants they are expecting for the year and showed where they are reflected in the revenues. Ms. Reed further went over the street aid fund, drug fund, A.O. Smith pass through fund, and the flood relief fund projections. She went over the revenues for the water fund and stated the seventeen million dollar (\$17,000,000) other revenue source for the sewer treatment plant project loan. Vice Mayor Anderson asked if Ms. Bowman has any additional information. Ms. Bowman stated there is no increase to property taxes reflected here and the grant monies also have an expense represented in the budget and will be kind of a wash.

5. Overall Budget Review

Ms. Bowman stated we are about one point nine (1.9) million over in expenses versus the revenues. She stated there are several things that contribute to this overage including the increase to health insurance, the cost of the city hall and fire hall project payments, re appropriating a water filter and paving projects that will not be spent in this year's budget, and the cost of the payment for the sewer treatment plant that is not normally in the budget. Further, these projects account for an increase of one million one hundred and eighty-six thousand dollars (\$1,186,000). She stated she spoke to the department heads and they stated they can cut approximately three hundred seventy three thousand five hundred and fifty dollars (\$373,550) out of the general budget and eighty thousand (\$80,000) out of the street aid budget if that would help get things in line. Mayor questioned if the interest is paid up front. Ms. Reed explained they are unsure when construction will end on the projects and they budgeted for both the principal and interest payments. She further stated during the construction period you only pay interest payments based on the amount of money you have drawn out for the project. Ms. Bowman stated some of the figures in the budget are being re appropriated because the departments will unable to spend the money in this year's budget. Ms. Gayle stated she did a spreadsheet to show the cash on hand and stated we currently have ten months of cash on hand if something happened to keep operating. Ms. Gayle stated she calculated a three percent (3%) raise and she further provided figures for a one percent (1%), two percent (2%), and no raise to show the differences in the figures. Ms. Bowman stated she showed these numbers as the true revenues coming in and the true expenses going out so that council will

see the deficit and where we are going over. Further, she did not include the fund balance and the fund balance will increase this year due to departments not being able to spend the monies allocated in this year's budget. Mayor questioned what the figures are if we keep everything as is and how this will impact the general fund. Ms. Bowman stated with the general fund current cash on hand currently at six million six hundred and fifty-seven thousand dollars (\$6,657,000) that would bring it down to five million twenty-one thousand dollars (\$5,021,000). She reminded everyone this is something that could happen or may not happen depending on how everything falls. Councilman Jackson questioned if we have anything that will be coming off the books anytime soon. Ms. Reed stated we only have one debt outstanding in the water fund that is due right now everything else has been paid off. She stated the only thing currently is around one hundred sixty thousand dollars (\$160,000), which is a bond from 2012. Mayor questioned when it will be paid off. Ms. Reed stated it will be paid off in the year 2037. Ms. Bowman stated for the water fund balance would go down to two million three hundred five thousand five hundred and seven dollars (\$2,375,507). Mayor questioned the fees for the new apartment complex. Chief Walker stated the building permits have been paid, but the tap fees will be paid prior to turning on the water and issuing the Certificate of Occupancy for each building. Councilman Adkins questioned when they will be voting on the budget. Ms. Reed stated typically the first reading will be in May and the second reading in June. Further, they will need direction as to how to move forward because they will need time to put this in ordinance format as well as advertise. Councilwoman Walker questioned the proposed cuts to the budget. Ms. Bowman stated she only asked the department heads to only give her a figure for the cuts. Councilwoman Walker questioned if the proposed new positions are being cut. Ms. Bowman stated that is up to council. She further stated she needs to know if the council wants her to cut things or if they want her to go into fund balance. Also, what they want her to do as far as employees raise being that will affect the overall amount. She questioned if it is OK to go into the fund balance with everything especially the payments that we are not sure we will have. She also questioned if they want her to get the cuts from the department heads to take out of the budget. Councilman Kerrigan stated he would like to look at a hiring freeze to keep from incurring new expenses. Mayor stated we have been fortunate that we haven't had water leaks and sewer issues that we normally have, and it is actually strange to see, but he looks for everything to go back to normal soon. Ms. Bowman stated she can pull the figures for the open vacant positions to give those figures also. Ms. Reed questioned if we need to look at having a special called meeting. Vice Mayor Anderson questioned if that can be done at the Workshop Meeting. Ms. Reed stated yes it can and asked if they have any guidance as to what they want to see. Vice Mayor Anderson stated the positions, the raise amounts we have, the department heads cuts, and the senior center cut for the building fund. Councilman Adkins stated he agreed. Councilman Kerrigan questioned increasing property taxes figures. Ms. Bowman stated she can get those figures together. Councilman Kerrigan stated he would like to look within first and not doing an increase in property taxes. Mayor stated the salary study is almost complete and he will be ready to present to council soon, but that Mr. Russell will recommend around a two percent (2%) cost of living raise. Ms. Reed stated yes, he stated that if there is a raise the most he is seeing is two percent (2%). Vice Mayor asked if she can plug in a one, two and three percent (1, 2, and 3%) raises. Mayor stated once things pick back up he would like to have an assistant position. Councilman Jackson questioned if HR is doing the hiring. Mayor stated if the department head is hiring they will work with Kellie to hire, but she does not hire anyone on her own. Councilman Jackson stated she does not need to be in on the interviews and such the department head needs to handle that on their own. Further, this was discussed before. Mayor stated yes, but there are other duties regarding HR that need to be handled by one person. Vice Mayor Anderson questioned if it was agreed a while back that Ms. Reed will just be the Recorder. Mayor stated yes, but Mr. Russell emphasized she can handle the other HR duties as it is not a good idea to have this split up between other people. Councilman Jackson stated the City Recorder works for the council and she should be doing what the council requested her to do as she answers to the council and not anyone else. Mayor stated this is half and half and the position takes direction from the council and the mayor. Councilman

Adkins added the position is appointed by the council. Councilwoman Walker questioned amending the charter and asked about setting a meeting to go through the charter in detail revise the charter. Mayor stated he would like to do this in an in-person meeting. Councilwoman Walker stated the City Attorney and City Recorder have not been appointed yet and this needs to be done considering there is a new council. Mayor stated yes, to keep this in mind and when we are able to get back to a meeting it can be discussed. Councilman Adkins asked about getting some property tax amounts to show how much money it would generate. Ms. Bowman stated she would handle this and asked if there were any recommendations. Councilwoman Walker questioned if Mayor Allen has discussed with the county mayor about the county jail schedule. Mayor Allen responded no, but he will call him tomorrow to get the latest update. Ms. Bowman questioned if the information she presented is understandable or if she needs to change the budget presentation in any way. Councilman Adkins and Mayor both stated they like the way it is presented. Vice Mayor Anderson questioned page sixty-seven (67), the fund summary page. He stated he wanted to make sure everyone knows the two million seventeen thousand shortage of the budget. He further stated it isn't he doesn't want to do for the employees and other projects, but he wants to make sure everyone is clear we have to make up this money somewhere. Ms. Bowman stated she pulled past budgets to get an idea, but last year's budget was approved being in the hole sixteen thousand dollars (\$16,000). Vice Mayor Anderson stated he just wants to make sure everyone understands this and keeps it in mind. Ms. Bowman questioned if there is anything else anyone wants to see. Councilman Jackson questioned if this two million (\$2,000,000) is guessing and how it really came out. Ms. Bowman stated that last year we were two million (\$2,000,000) in the hole at the end of the year due to projects that were approved throughout the year. Ms. Bowman further stated she went back several years and started looking at numbers and the last time the budget started out in the positive was the 2016-2017 year, but it ended in the negative. She stated she can go back and give some history on revenue versus expenses.

6. Resolution: Governor's Local Government Support Grant Funding

Mayor stated this resolution is for the one hundred and thirty-three thousand dollars (\$133,000) and it was on the agenda because we thought it expired on April 30, but it actually expires next year. Ms. Reed stated we kept it on the agenda to get direction on how they would like to spend the money and apply for the funds. Ms. Reed then showed the grant ideas of camera purchases, resurfacing, backup purchase for city hall, the multi modal grant match money, and ADA projects. Ms. Reed explained it cannot be applied to the sewer treatment plant construction as the grant does not allow for new construction projects. Councilman Jackson questioned the backup purchase for city hall. Ms. Reed stated it is to back up all the information and data in our local systems including Tyler, the office suites, and everything. Further, in the event of an emergency the data wouldn't be lost. Councilman Jackson asked about using the money for the manhole repairs. Mayor stated that project is coming through the grants and the sewer treatment plant funds. Ms. Reed confirmed we have it tied in with the USDA grant and loan applications and if we applied it to that project it would affect our grant award amount with USDA. Councilman Greer questioned the resurfacing of the city streets and if it pertains to the street with the patches and if it is being considered. Ms. Reed stated they haven't decided which streets to resurface yet and that would be a decision Public Works would make. Councilman Jackson stated that street is in a lot better shape than it has been in the past. Councilman Greer stated there were a lot of complaints about that and if even a portion of it can be used for the areas that are problematic it would make a lot of people happy. Councilman Jackson questioned if this needs to be decided tonight. Mayor stated no, but he wants council to think about it. Further, he wished it could be used for parks resurfacing, but the grant will not allow for that. Councilman Jackson stated he wished we could give the kids something to do around town there is currently nothing for them to do. Councilman Greer questioned if there is a list of things that we can use the money for or can't use the money for. Ms. Reed stated she would send out a copy of the grant guidelines. A motion was made by Councilman Jackson, seconded by Councilwoman Walker, to defer this resolution. All approved

by voice vote.

OTHER

Mayor stated he spoke to department heads about reporting back to work a full day on Monday. Further, a lot of people are coming in currently. Mayor asked if there were any questions he could answer and if not, he would entertain a motion to adjourn.

ADJOURNMENT

A motion was made by Councilman Jackson, seconded by Vice Mayor Anderson, to adjourn. All approved by voice vote and the meeting adjourned at 7:51 p.m.



MAYOR STEVE ALLEN



CITY RECORDER KELLIE REED, CMFO, CMC