

**CITY OF HARPER
SPECIAL
COUNCIL MEETING
MONDAY, JULY 21, 2014 6:30 P.M.
Mayor Scott Blubaugh**

Council met in special session with Mayor Scott Blubaugh in chair. Present were Eric Barker, Don Evans, David Earls, Jan Graves and Brande Vogele. Greg Stierwalt was absent.

Council met in special session for the purpose of a budget workshop for the 2015 proposed budget. Clerk Hartson reviewed the proposed budget with council. The current budget proposal required a mil levy rate of 74.371 up from 71.595 in 2014.

Council first considered areas of the budget that could be cut without disrupting current operating budgets. The first was that the fire station was due to be paid off in 2014. The \$15,000 that was budgeted in the bond and interest fund was moved to the general-fire-transfer to equipment reserve line item per request of Fire Chief Leu. The purpose of moving rather than dropping it was because the fire department had plans of replacing the old aerial fire truck in the near future. Rather than dropping the \$15,000 only and adding it back in possibly in 2016, he had requested it just be moved to his budget for transfer to the fire-equipment reserve. Council was not opposed to transferring the \$15,000 from bond and interest to the general-fire budget.

The second area for consideration was the \$9,500 budgeted for a second seasonal public works employee. Currently the city employed only one seasonal employee in the public works department. Council was in favor of removing that expenditure.

The third area for consideration was \$10,000 budgeted for a potential part-time police clerk. Police Chief Murphy explained that it was his hopes to hire a clerk for the police department to work about two hours a day to help with paperwork and filing. This person could also take over some of the health nuisance paperwork that was currently being performed by the city clerk. He added that the clerk's office had discussed digitizing old records for easier access; the part-time clerk could assist the clerk's office in transitioning those records. If only wanting two hours a week, the \$10,000 could be cut to \$5,200.

Clerk Hartson informed council that the condemnation fund had been increased by \$10,000, totaling \$40,000 in expectation of near future demolitions. If 121 W. Main was needed to be demolished in 2014 any funds in excess of the \$30,000 currently budgeted would have to be transferred out of the equipment reserve and the general budget be amended. Council wanted to leave the increase in for 2015 to prepare for future condemnations.

Council reviewed the projected revenue from the .5% sales tax that is deposited into the general fund. In 2010 \$114,261 was received, 2011 \$127,143, 2012 \$194,294, 2013 \$222,913 and at least \$125,000 was projected for 2014. Council felt that the estimated revenue for 2015 of \$95,000 was too conservative and wanted to increase to \$125,000.

By increasing the expected revenue of the .5% sales tax in the general fund and removing the second public works seasonal employee salary, it would lower the needed ad valorem by \$39,500, and low the mil rate by 4 for a total of 70.371. Mayor Blubaugh reminded council that the mil was reduced the previous year also.

*Clerk Hartson reviewed the rest of the tax levied funds. Salaried were increased from the January 1, 2014 rates by 4%. Mayor Blubaugh stated that some may get more than others depending on where they fall in the newly adopted pay scale so it should balance out. Once employees were placed on the pay scale it should allow for more accurate projections in the payroll budgets.

*The airport remained at slightly over 1 mil, in hopes of saving enough money for larger projects such as widening the runway in the future.

*For employee benefits, Clerk Hartson informed council that they could no longer remain grandfathered in their health insurance plan and go to a new plan. The new plans available would offer a significant cost savings on premiums, however, the benefits to the employees were greatly reduced. The deductibles and coinsurance were triple the current amount, the amount of office visits subject to co-pay were limited, premiums would be individualized based on age and members of the household and increased each year based on age and claims. City could remain grandfathered if they did not change their cost share by more than 5% and did not have a significant change in benefits offered. Mayor Blubaugh stated that having the current health plan was a good benefit for employees and helped as a draw for potential employees. Councilmember Graves informed council that she was approached by some employees who weren't covered by city insurance. They asked for council to consider a payout of the same premiums being paid on employees utilizing the insurance. There was concern that employees would opt out of insurance coverage in lieu of a payout. The city has to maintain at least seven covered employees to maintain their small group status. Council was in favor of continuing with the current grandfathered plan, but not of offering a cash payout for those not utilizing the insurance.

*Council reviewed the changes in the neighborhood revitalization plan and the impact it will have on future budgets.

*The recreation commission's budget remained the same and were requesting slightly less than the previous year.

*Clerk Hartson pointed out the worksheet for state grant-in-aid to public libraries and regional library systems, which had state formulas implemented within it, showed that the library qualified under both tests for the grant.

*The only significant changes in the water fund was the addition of the SRF Loan fund payment for the water treatment plant and a \$39,000 increase in water production expenses for the operations of the water treatment plant. The projection was based off engineer's estimate.

*No other significant changes were noted.

Council discussed the date of the public hearing for the budget. Mayor Blubaugh informed council he would be out of town for the first meeting in August. With approval of the county clerk, council planned to hold the hearing August 25, 2014 with submission to the county clerk August 26, 2014.

Council re-evaluated the proposed budget for a part-time police clerk. Mayor Blubaugh was in favor of leaving it as budgeted and the potential employee possibly assisting with court clerk responsibilities. Councilmember Evans asked if assisting with administration would there need to be funds added to the administration's budget. Clerk Hartson informed him that both accounts were under the general fund so it would not be necessary to increase because the total budget does not change.

Clerk Hartson informed council that new legislation had dictated that all VIN inspection revenue would be required to be deposited in its own fund, so the expected revenue from that source was removed from the general fund.

Councilmember Earls was opposed to the part-time police clerk proposal. He didn't feel it was necessary to hire someone to work two hours a day. Clerk Hartson agreed that it would help a lot with executing tall grass and weed notices in a timely manner. Councilmember Earls didn't think the clerk should be doing health nuisances anyway. He added that during the previous year's budgeting council had requested the police department supply a report for all calls responded to, resulting in one call every 3 ½ days. He felt three full-time officers could handle that work load. He welcomed any information that should the volume had increased. Mayor Blubaugh felt the part-time person would be able to assist not only with police but also with administration. Councilmember Graves was in favor for administrative assistance, but wasn't sure what other than filing the person could do for the police. Councilmember Vogele was in favor of the assistance to the police and taking on some of the health nuisance work, but wasn't sure it was the best way to go about it. Councilmember Evans was in favor of the administrative assistance for the transfer of records to digital media, but not for the police. Councilmember Barker was in favor of the position; he felt that two hours of work a day could definitely benefit the police department. Councilmember Earls was again opposed at budgeting \$10,000 for the idea of something without all of the details being worked out. If leery of the position, Clerk Hartson informed council that they could begin with a temporary position set for a specific amount of time and they could evaluate its effectiveness. It could also be a part-time seasonal position to help when there is an abundance of tall grass and weeds and other more seasonal violations. Councilmember Earls said he would be in favor for a part-time employee for the administrative staff, but was against it until the details were finalized. Councilmember Evans was more comfortable with the \$10,000 being under administration rather than police. With the majority in favor, the \$10,000 will remain in the proposed budget.

Motion by Jan Graves second by Don Evans to adjourn. Motion carried 5-0.

Tiffany M. Hartson, CMC
City Clerk