

CITY OF SHEPHERDSVILLE

SPECIAL MEETING

Tuesday, February 1 2011

Special meeting of the City Council to discuss the financial issues; employee layoffs and the City Attorney of the City of Shepherdsville.

Mayor Ellis called the meeting to order at 6:30 p.m.

In attendance were Council members Alan Wetzel, Larry Hatfield, Faith Portman, Don Cundiff, Bernie Brown. Bonnie Enlow was absent.

Mrs. Portman made motion to approve payment of the February United Healthcare invoice in the amount of \$55,811.17. Mr. Hatfield 2nd. Discussion followed.

Mr. Cundiff stated he has concerned about borrowing money. We need to make cuts.

Mr. Hatfield stated that there is approximately \$550,000 in the general fund account. Take \$119,000 off of that for the bills mailed last week; \$55,000 off for health insurance; and \$90,000 for retirement. That doesn't leave much for anything else.

Mr. Wetzel stated cuts have to be made.

Mr. Hatfield reported that Publishers Printing has set up a credit line of \$300,000 to match what Peoples Bank did at the same interest rate; Flynn Brothers has agreed to give us one year to pay the \$200,000 building payment at 2.95%; Qk4 can wait a little while and we still owe Judy Construction \$1.5 million.

Mr. Hatfield asked where do we start. He stated he doesn't see where we done have many choices.

Mayor Ellis asked if all agreed to a target number of \$500,000 in cuts?

Mr. Hatfield stated he have to reduce the general fund payroll until we get straightened out, at least a year. He stated we cannot continue to pay health insurance and payroll as we have been.

Mrs. Portman asked about calling State Auditor Crit Luallen for an audit. All agreed that was very expensive and we've already done an audit.

Mr. Wetzel stated we don't have any other choice but cut.

Mrs. Portman stated we need to look at invoices; she thinks maybe some were double paid.

Mr. Brown stated we can look at the invoices but we don't have time. Changes need to be made now before the State comes in to run the City.

City Attorney John Cook stated the first thing to do is control spending. We can spend forever discussing why but there is the very real possibility the State could come in and run the City.

Mr. Hatfield stated we immediately sell the capital projects equipment that was purchased for the interceptor line. Another possibility is to sell the old City Hall and Police Department buildings.

Mr. Cundiff and Mr. Wetzel both agreed the target number should be \$500,000. The Mayor asked that we come to an agreement he doesn't want to do this twice.

Mr. Hatfield stated we start now, give it a year, look at the next budget and go from there.

Mr. Cundiff stated we would have to look at it before a year. Mayor Ellis stated he felt looking at it in six months would be better. Mr. Cundiff stated he felt three months would be better.

Mayor Ellis stated that the City will deal with paying the sewer fund back after everything else is taken care of.

Mr. Brown stated we could start with \$500,000 this fiscal year. Mr. Hatfield stated that we can start now and it will bleed over into the next fiscal year.

Mr. Brown asked if that was realistic. Mayor Ellis stated he would set a meeting with department heads the next day at 1:00 and start on cuts.

Mr. Hatfield made motion that the target number for cuts in this fiscal year be \$500,000. Mr. Cundiff 2nd. Motion carried 5-1 absent.

Vote now taken to pay United Healthcare bill. Motion carried 3 for; 2 abstain; 1 absent.

Mayor Ellis stated he knows there have been questions arise concerning the City Attorney.

City Attorney John Cook stated he had spoken with the Mayor last evening and the problem is he has a very busy private practice and the demands of the City are more than he anticipated. He stated under the circumstances he is turning in his resignation effective two weeks from 1/31/2011. He stated he would see the City through the Maxine Jeffries Civil Service hearing. He stated he has no choice and feels it necessary because the City needs someone readily available.

The Council thanked Mr. Cook for his service and wanted him to know there was nothing personal.

Mr. Hatfield feels the Civil Service Commission needs some assistance in the form of an attorney.

Mr. Cook stated he feels that is an excellent idea.

Mayor Ellis stated he will be interviewing different attorneys in the coming weeks. He thanked Mr. Cook for his service and friendship.

Mr. Hatfield stated he need to immediately get bonds looked at and possibly combined.

Mrs. Richmond stated David May with the auditor's office was coming in the next day and she would speak with him about consolidating bonds.

Mr. Cundiff stated he feels until we get the City's financial ship righted we should meet every Monday at the regular meeting time. He put in form of a motion. Mr. Brown 2nd. Motion carried 5-1 absent.

Motion by Mrs. Portman to adjourn. Mr. Wetzel 2nd. Motion carried. Meeting adjourned at 7:11 p.m.

Mayor Ellis thanked everyone for coming and asked them to bear with us we'll get through it.

R. Scott Ellis, Mayor Tammy Richmond, Acting City Clerk

