

MINUTES REGULAR COUNCIL MEETING

CITY OF SHEPHERDSVILLE,

MONDAY, April 11, 2011

Pastor Mike Miller, Family Day Ministries gave the invocation

Pledge of Allegiance was recited

Mayor Ellis called the meeting to order at 6:31 p.m. and thanked everyone for attending the meeting.

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

Mr. Cundiff made motion to dispense with reading of the minutes from the March 28, 2011 Council meeting. Mrs. Enlow 2nd. Motion carried 6-0 absent. Mrs. Enlow made motion to approve the minutes. Mr. Wetzel 2nd. Motion carried 6-0 absent.

Old Business:

Marty Brown with Public-Finance.com presented the Council with the written findings and recommendations that his company spent 8 weeks working on. He stated their observations regarding the General Fund/City operations were inadequate City Council oversight; budget process has been meaningless; debt service payments not budgeted; insufficient financial controls; no forecasting or financial analysis; no financial or operational expertise; payroll and benefit costs are very high. Mr. Brown stated in looking ahead at general fund revenues versus expenditures projected for fiscal year 2011; revenues will be \$4,761,246 and expenses will be \$5,220,294. Expenses are \$460,000 greater than revenue. He stated to repay the sewer fund and working capital lenders he suggests a \$1.51 million General Obligation note; and to finance the sewer project to completion a \$3.07 million General Obligation note AND it is a must be build a small surplus for emergencies. He also stated in looking ahead the revenue-expense gap will be about \$1.6 million per year and in order to remedy he suggests a 55% increase in occupation withholding tax and to take the full 4% property tax and cut spending 28% or to do both would work out to be a 33% occupational tax increase and taking the full compensating rate of 4% property tax and cut spending 13%. Mr. Brown stated that Public-Finance's recommendations for City operations would be more involvement by the City Council; better training for administration; employ experienced financial/operations personnel. In regard to Sewer operations, Mr. Brown stated their observations included poor/no project oversight by City officials; borrowings not structured properly; substandard financial analysis by lenders; bills paid without engineer approval; loan proceeds used to pay debt service; debt service not covered by revenues; reserves not funded; equipment purchases with bond proceeds payments until 2032; cost to date is about \$28 million; cost to complete is about \$3 million more. Mr. Brown stated in looking ahead at sewer fund revenue available for debt service versus debt service for Fiscal 2012; annual debt service is about \$2.2 million; expenses are greater than revenue by \$1.45 million; must prepare for long term financing of project completion; build surplus to make financing possible. He also stated in looking ahead the revenue-expense gap will be about \$1.45 million per year and in order to remedy this a 74% increase in sewer rates is needed. Public-Finance's recommendations for Sewer operations is have a rate study done to properly align sewer rates to minimize the impact on Beam if possible; more City Council involvement; employ an experienced WWTP operator to oversee operations. In conclusion, Mr. Brown stated that Shepherdsville is not alone; there are other cities in as bad or worse condition; recovery from this crisis is possible; focus on solutions; constant communication is a must; address the fundamental causes of problems; good management practices and skilled personnel save money in the long run.

City Attorney Wantland stated that in regard to financing, he has spoken with the auditors and they will not accept a disclaimer for the audit and he does not recommend the Mayor or Council sign off on it. Mr. Brown suggested that the finance committee look through Public-Finance recommendations and come up with suggestions on what needs to be done. Mr. Wantland asked if Mr. Brown and Mr. Cundiff could meet with him Tuesday morning to discuss more in depth. Mr. Cundiff stated he feels everyone should be involved in the decisions on what to do. After some discussion it was decided to have a special meeting to discuss Public-Finance's recommendations on Wednesday, 5:30 p.m.

Mr. Brown asked Mr. Brown what the time frame would be to get a finance deal together. Marty Brown stated 4-6 weeks and the City will have to enact an Ordinance for financing. Mr. Hatfield stated he would like to go ahead and hire Public-Finance to start looking at financing options. He asked the approximate cost to do this. Mr. Brown stated the cost is based on a fixed cost basis, usually no more than 2% of amount borrowed. Mr. Cundiff asked to get something in writing from Public-Finance and discuss at next meeting.

Faith Portman made motion to pay bills on list handed out at meeting. Mrs. Enlow 2nd. Motion carried 6-0 absent. Mrs. Enlow made motion to pay Retirement when money was available. Mrs. Portman 2nd. Motion carried 6-0 absent.

City Clerk Tammy Richmond reported that LG&E approved spreading the payments for the balance on sewer plant utility charges over a year. Mrs. Enlow made motion to authorize Mayor to sign agreement. Mr. Cundiff 2nd. Motion carried 6-0 absent.

Discussion followed on renewing lease of the old City Hall building, 170 Frank E. Simon Avenue. Mayor Ellis reported he had spoken with Jack Porter about cost to do an appraisal for the City owned property on Frank E. Simon Avenue. City Attorney Wantland stated he had spoken with Mr. Rex Pitts regarding the lease and they are interested in entering into an 8 year lease. Mr. Wantland stated Mr. Pitts would like to meet with the Council about the building. The Mayor and Council asked Mr. Wantland to invite Mr. Pitts to the next meeting to discuss further. Mrs. Enlow made motion to table discussion on renewing lease until next meeting. Mrs. Portman 2nd. Motion carried 6-0 absent.

New Business:

City Attorney Wantland had first reading of Ordinance 011-(number to be assigned) concerning timeliness and publishing annual municipal audit pursuant to KRS 91.040.

Planning & Zoning update- Daryl Lee: No Report

Board of Adjustment update- Duane Price: No Report

Sign-in Speakers:

Mike Mann, Commonwealth Attorney, addressed the Council on behalf of the Shepherdsville Police Department. He told the Council he appreciated what they did and knows they have some hard decisions to make but urged the Council to do everything possible to maintain the current police department the City now has. He stated he considers them the "Best in the Region"; not County, Region. Mr. Mann stated the police department has grown in its ability and professionalism and when he gets a case in front of him from Shepherdsville, he knows he has what he needs to get his job done.

Monica Meredith-Robinson, County Attorney, also addressed the Council on behalf of the Shepherdsville Police Department. She stated she echoes what Mr. Mann said and would like to help in any way her office can. She stated her office has started a new procedure where police officers will no longer be subpoenaed for pre trial conferences. When they get a subpoena it will be for trial; no more wasted trips. She stated she's trying to help keep officers on the street and out of the courtroom.

Melanie Roberts, County Judge, also addressed the Council on behalf of the Shepherdsville Police Department. She told the Mayor and Council they do have a very tough job and she applauds them for doing it. However she is here to advocate for the City's first responders. She told of a time when she needed the Police Department when her home had been broken into. She was very impressed with the professionalism and manner in which the officer did his job and within a short time the perpetrator was caught. She too urged the Council not to change the police force who is a very important part of our City.

Tim Wade, Shepherdsville, FOP, also address the Council by making a plea in regard to keeping all public safety people in place. He stated he had contacted Bardstown he is closest to the size of Shepherdsville and they have 22 officers and 1 administrative person. He asked the Council to

Jenna Lancaster addressed the Council about her layoff. She stated she was pregnant; had been laid off and heard about raises. She asked the Mayor and Council if they were thinking about hiring back people that have been laid off. Have they given that any consideration at all? Mayor Ellis stated not at this time. Mrs. Lancaster asked about a time line. The Mayor stated there was no time line at this time.

June Daugherty, Bullitt County YMCA, addressed the Council about City Park. She stated the Y had a long term lease with the City to use City Park through 2012 that has a renewal clause for 5 additional years at the end of that time. She stated she had some concerns about the bathrooms not being opened up this year and after speaking the Public Works Foreman Claude Middleton was told that the pump was not working. She stated she hired a private plumber who came in and got the bathrooms operational. She asked the Council to remember she wants to be a partner with the City "in Your City Park." She thanked the Mayor and Council for everything they do at the Park to help keep it in shape for the YMCA to use.

Bobby Roution addressed the Mayor and Council about a rental house he owns. He asked if they were aware that the garbage Ordinance says the landlord has to pay a bill the renter doesn't. He stated he didn't have a problem with that except Eco-Tech waited so long to let him know the bill was delinquent that they stopped picked up the trash and now it's everywhere. He asked the Council to look in to this and see what can be done about garbage isnt being picked up.

Department reports:

Public Works Foreman Claude Middleton stated nothing but the dog problem in the park they had been made aware of.

WWTP Superintendent Chuck Keith stated he had issues at the Sewer Plant that he needed to discuss with the Council in closed session. Mayor Ellis told him to catch everyone before they left tonight.

Shepherdsville Fire Chief Layne Troutman stated that Louisville Water Company has approached the Fire Department about painting hydrants; they will provide all materials and pay the fire department to paint and service the fire hydrants in the City. Chief Troutman stated he had an agreement between LWC and the City for the Mayor to sign and work can begin. City Attorney Wantland advised the Council to give the Mayor approval to sign the agreement. Mr. Cundiff made motion to sign agreement with Louisville Water Company to paint and service fire hydrants. Mrs. Portman 2nd. Motion carried 6-0 absent.

Council reports:

Faith Portman asked about speed dumps or speed humps being put on North Maple in front of Nazarene Day Care because of the speeders going through there. She stated there have been police there but when they are gone the speeding gets bad again. Mr. Cundiff asked if there were signs up. Mrs. Portman stated yes.

Larry Hatfield stated the Ordinance needs to be changed to comply with Ordinance or lower pay for people who are over maximum salary range.

Don Cundiff stated he was still getting complaints on Jay Jayz. He asked everyone to continue to keep an eye on them.

City Attorney Wantland stated that Judge Burress overruled the ruling to vacate his order so the fire department issue should be moving forward very soon.

Motion to adjourn by Mr. Hatfield. Mrs. Enlow 2nd. Motion carried 6-0. Meeting adjourned at 8:06 p.m.

R. Scott Ellis, Mayor

Tammy Richmond, City Clerk