

CITY OF SHEPHERDSVILLE

SPECIAL MEETING

Wednesday, April 13, 2011

Special meeting of the City Council to discuss the recommendations by Public-Finance.com on financial issues concerning the City of Shepherdsville.

Mayor Ellis called the meeting to order at 5:33 p.m.

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

Mayor Ellis stated reason for the meeting and opened the floor for discussion.

Mrs. Enlow stated while she was reviewing the proposal from Public-Finance.com to act as financial advisor for the City the agreement states that "Although Public-Finance.Com, Inc., will work diligently on behalf of the City, there is no assurance that the firm will be successful in its efforts to secure the financial contemplated by this proposal. As an independent financial adviser, Public-Finance.Com Inc. is prohibited by federal securities law from submitting a bid for the purchase of the notes." She asked if the City will be required to pay Public-Finance if we don't get the bond. City Attorney Joe Wantland stated that was a very valid question.

Mr. Brown asked if the City not having a good clean audit would deter the City's efforts to borrow money. City Attorney Wantland stated he has prepared a disclaimer that he feels will carry weight in letting lenders know this sitting Council is not responsible for what the 2010 audit reports.

Mr. Hatfield stated if we don't borrow money; there is no sense in raising rates.

City Attorney Wantland stated we as a City have no recourse but to finish the interceptor line and he doesn't look for the Governor in an election year to come up with \$4-\$5 million to save us. We are not in compliance with the bond ordinance and if the bond issuer comes in it will be catastrophic and he does not want to surrender the sewer plant.

Mr. Cundiff asked what affect the disclaimer would have. City Attorney Wantland stated he does not think it will have a negative impact. Mr. Cundiff stated he feels we need to do a rate study now to determine sewer rates and work on the general fund at this time.

City Attorney Wantland asked if we could agree to choose a company to do a rate study and have proposals by the next meeting. All agreed.

City Attorney Wantland stated if we wanted to accept Public-Finance's proposal we could put a stipulation in the proposal to read "no fee will be paid unless satisfactory financial arrangements are made between the City and lender." Mrs. Enlow made motion to approve proposal with additional wording. Mr. Wetzel 2nd. Motion carried 5-1 opposed.

Mrs. Enlow stated she preferred the 33% increase in occupational tax; 4% compensating rate on property tax and cut spending 13% versus the 66% increase in occupational tax, 4% compensating rate on property tax and 28% cut in spending.

Mayor Ellis stated he would like to explore implementing a gross profit tax such as the City of Hillview has.

Mr. Brown stated to raise the occupational tax would lessen the burden on older people on a fixed income.

Mr. Hatfield suggested not voting on anything tonight but to take a look at the budget and see if \$1.6 million additional can be cut. Mr. Wetzel stated that would give a clearer picture of what needs to be done. Mr. Cundiff agrees but feels we need to do something as soon as possible. Mr. Enlow stated she would rather cut benefits rather than people. Mr. Wetzel says cuts need to be made on everything across the board.

Discussion followed on cutting \$1.6 million from budget and raising occupation tax ½ percent.

Mr. Hatfield stated we should not drag our feet on hiring a controller. He suggested contacting KLC for a job description.

Mr. Brown suggested hiring someone part time to see if everyone who should be is paying their occupational tax.

City Attorney Wantland stated he would have an Ordinance ready for first reading for the next meeting with a 1/2% occupational tax increase.

City Attorney Wantland also stated he would have a draft Ordinance ready for first reading at the next meeting raising the insurance premium tax from 3% to 4%.

He stated we need to build surplus.

The Council asked to see a copy of the delinquent property tax list. City Clerk Richmond stated she would have a copy printed and put in their boxes.

The Mayor reported that he had spoken with Jack Porter about a price to appraise City property on Frank E. Simon.

Mr. Hatfield stated he would also like to have the Government Center appraised. He stated we need to liquidate assets. We may not be able to move but would like option to look at possibility.

City Attorney Wantland stated we do not want to do anything that citizens have to pay for and if we do all citizens pay equally. He stated we must protect our fire department. Mr. Wantland also reported he is working with the State who may want to enter into a permanent lease for the Old City Hall building.

Mr. Wetzel stated he feels moving will be costly and to break the lease of this building would also be costly.

City Attorney Wantland stated there may be some interest in the unimproved acre the city owns next to this building.

Mr. Cundiff stated he feels it will be hard to find a buyer for anything right now but what ever brings in the most money we is in favor of.

Mr. Hatfield asked Captain Patchin if he would put together two proposals; removing all spouses from the health insurance—paying employee premiums only and pay cuts across the board.

Mr. Hatfield also stated he would like to have an Ordinance drawn up before the next election setting rate of pay for Council.

Mr. Hatfield also stated that all salaries about the maximum he would like see taken down.

Motion by Mrs. Enlow to adjourn. Mr. Wetzel 2nd. Motion carried. Meeting adjourned at 6:45 p.m.

R. Scott Ellis, Mayor

Attest: _____
Tammy Richmond, City Clerk