

**SAVANNAH CITY COUNCIL
SPECIAL MEETING
AUGUST 22, 2012
CITY HALL
9 A.M.**

Mayor Dave Ingersoll presiding.

Purpose of Special Meeting: to review the 2013 budget and open bids.

Council Members present: Vernon Townsend, Don Dillman, John Parker, and Joy Thompson. Mayor Dave Ingersoll, City Administrator Jill Cornett, City Clerk Beth Kar and several employees were also present. The meeting notice was posted at City Hall on August 20, 2012. The meeting was audio recorded.

DISCUSSION:

Review of 2013 Fiscal Year budget – City Administrator Jill Cornett read the proposed 2013 street program priority list. The Gas Tax revenues are healthy because the City has not completed a street program the last couple of years due to finances. In 2013, the City proposes to slurry seal two streets: Catalpa Street (from Price to Pawnee) and part of Park Street. Park from 71 Hwy to 3rd Terrace would be slurry sealed; however, Park from 3rd Terrace to 7th Street would be asphalted. Council reviewed the eight streets on the 2013 program. Depending on the price on the bids for Catalpa, the City anticipates slurry sealing Catalpa before October 1, 2012 with the invoice received and paid after October 1. The City's financial advisor, Jack Dillingham, recommended keeping the City's General Fund balance high until refinancing the water bonds next spring. The street program will be reviewed again when the City does a mid-year review in the spring. Cornett estimates that to do the entire street projects, without the City's share of East Main, would cost approximately \$290,000. Mayor Ingersoll voiced that it was most important to hold a strong balance to refinance bonds in the spring and then review the street projects for the rest of the year.

If the revenues and expenses change significantly, the City needs to pass a budget amendment. City Clerk Beth Kar is checking with the auditor and other cities to verify at what point or percentage of change a budget amendment needs to be presented. At this point the City's expenses are not more than budgeted so the City may not need to do a budget amendment for 2012.

City Administrator Jill Cornett addressed the topic of asphaltting Ironwood. It is the biggest cost on the street program. Director of Public Works Kenny Lance estimated the cost at \$150,000. The City's crews have put millings on Ironwood to fill up holes. If the City does any other street projects that require asphalt, the City can continue using the millings. It had been mentioned the possibility of asphaltting Ironwood in two phases with Pearl Court as the dividing line. Mayor Ingersoll suggested lowering the street this fall, letting it settle and in next spring putting on the

finishing coat. Council decided to wait until the East Main bids are opened and then revisit the streets program later in the meeting.

Employee Raises – City Administrator Jill Cornett recommended a 4% raise for employees. Don Dillman and Mayor Ingersoll had asked to see the figures for 5% raises. Council discussed costs of payroll versus benefits including the City's retirement plan through LAGERS. Vernon Townsend asked what the total payroll was compared to the total budget. He knew of cities that were going under because of employee costs. Jill Cornett explained the Cities in certain states underestimated the number of employees retiring. The City's retirement is through LAGERS and not an internally funded plan. The City's budget is about 6 million and the employee cost is about 17% of the total budget. On Cornett's new spreadsheet it is figured for full time employees to receive raises. City Clerk Beth Kar had provided a spreadsheet that included the figures for raises for full-time and regular part-time employees. Joy Thompson heard complaints that it looked bad for the City to give raises after raising the water rates. The employees had not received raises in 3 years. Cornett explained it was misinformed perception. Council discussed educating the public better.

Employee Communication – City Administrator Jill Cornett asked if it was appropriate for employees to approach Council members about raises and other items instead of going to the City Administrator. People can be fired for superseding their authority. Joy Thompson did not feel employees talking to Council members would be superseding authority. Council discussed the issue further. Mayor Ingersoll thought the City needed to follow its own rules. Cornett described the grievance procedure. She can go over the procedure at the next safety meeting if needed. She would like a decision from Council regarding employee discussing issues with Council members. John Parker was not going to tell anyone not to speak to him but if someone comes to him about an issue, he would tell that person to go to the proper outlet. Joy Thompson also brought up concern that Council did not know about certain items such as water leaks.

Council returned to the topic of raises. Don Dillman added that looking at the 5% raise was not that much; giving the raises would not be a problem. John Parker motioned to include the 5% increase in salary to employees and Don Dillman seconded. City Clerk Beth asked for clarification if the raise was for just full-time employees and did not include regular part-time employees. Cornett wanted to have a separate discussion on the part time employees. Motion carried on 4 yes votes.

Mayor Ingersoll asked employees to try using direct deposit on their pay checks instead of receiving paper checks. Fire Chief Tommy George asked if that would include the volunteer firefighters. It would not affect them. Cornett asked the supervisors to talk to their employees about signing up for direct deposit. Vernon Townsend asked if there could be an ordinance at the next Council meeting to make direct deposit mandatory. Mayor Ingersoll does not think there needs to be an ordinance to make the change.

Capital Requests -- There is a correction on Street department capital requests: it should be \$4,750 per department for the skid loader and a total of \$18,310 for Street department requests.

Bid Opening: 10 a.m. Bid Opening for East Main Project --The City received and opened the three bids for East Main Street extension construction. Justin Likes, Project engineer from TREKK, will compile a bid tabulation sheet. Auxier Construction had the lowest apparent bid. The Alternate line item include a tree removal and sewer line replacMayor Ingersoll reported the lowest bid was \$395,248. The City has the CDBG grant funding for East Main plus some carryover from last year's CDBG grant on the Cedar Bridge project. If the City accepts the bid including Alternate Number 2, the project will be about \$74,000 short of the grant amounts. If no alternates are selected it will be about \$53,000 short. Senior Center Director Linda Lambright asked for more information about the alternates. The alternates include a tree removal, sidewalks, and possibly fixing a sewer line problem. The City will not decide anything until after TREKK looks at the bids and compiles the bid tabulation.

Bid Opening 10:15 a.m.: Bid Opening for Slurry Seal on Catalpa Street – The City received one bid for the Slurry Seal; it was from Vance Brothers. Vernon Townsend motioned to accept the bid for slurry sealing Catalpa Street from Vance Brothers. Seconded by Joy Thompson. Motion carried on 4 yes votes. The ordinance to approve a contract will be at the next regular Council meeting.

Street Program Discussion – Council returned to the 2013 Street Program and discussed whether or not to include Ironwood. Mayor Ingersoll verified with Council that it was okay to assume the City will pay the gap on the East Main project. After East Main and Catalpa, the City will leave money in the General Fund to refinance the bonds and revisit the Street Program after the refinancing. Council asked if there was any ripple effect expected that the new Senior Center would bring in more people. The Seniors expect more people to come in with the new center. Vernon Townsend asked if the new Senior Center could go on any other piece of property. Lambright answered in the negative; if the project does not go through this time they would have to go through all the steps again. All of the proposed streets will be left in the 2013 program. Council will review the street list in the spring after refinancing and the bulk of the taxes have come in. On Ironwood it was discussed whether or not it would be more expensive to do it in two phases. Director of Public Works Kenny Lance noted the beginning of the street to Pearl Court is in the worse condition. The street program costs are Lance's estimates; decisions can be made after getting firm bids. John Parker motioned to accept the 2013 street program based on the \$365,000 including East Main (\$75,000) for the 2013 budget. Don Dillman seconded. Motion carried on 4 yes votes.

Capital Requests – Street Department: The Street department requests including a new skid loader for \$19,000 or replacement tires \$1,500 for the existing loader. Director of Public Works Kenny Lance described that the City uses the skid loader almost daily and would receive a better trade-in allowance if purchase a replacement sooner. The \$2,100 for skid loader tires would stay in the budget; it is for winter tires. **City Vehicle:** Council discussed purchasing a new vehicle for the City Administrator. The current vehicle, Taurus, has broken down a few times. Bids will only be taken from the dealers in town. If the City does not purchase a vehicle, the City Administrator could be paid for mileage instead. Mayor Ingersoll suggested keeping the vehicle in the budget, bidding it out and deciding later. **City Hall Security:** City Hall is looking at installing a security system and/or plexi-glass for front area of city hall. Deputy Clerk/Utility Clerk Brooke Bell explained that City Hall has received more irate customers and sometimes

they have to call the police. The City will look further on options including an alarm button. **Department Requests:** City Administrator Jill Cornett read through the rest of the capital requests. The police are applying for MIRMA insurance grants on a few items. Joy Thompson asked about a fire truck. If the City purchases a fire truck, it will either need to finance the truck or set aside funds for a down payment on a lease purchase. Vernon Townsend asked about the fire extinguisher training system. Fire Chief Tommy George explained how they currently provide fire extinguisher training. It is a public service but is getting very expensive to refill fire extinguishers. John Parker motioned to accept 2013 Capital Expenditures with the provisions of the immediate purchase of the snowplow, to remove the \$1500 for tires, to split the cost of the new skid loader between departments and to add the roof repairs for the Cemetery building. Joy Thompson seconded. Motion carried on 4 yes votes.

Health Insurance – City Administrator Jill Cornett is a proponent for Blue Cross Blue Shield because of witnessing the difficulties with Aetna over the past year. Jenni Jimenez had provided hand-out breaking down the cost difference to the City. The difference to City is about \$543 per month or \$6,500 more per year. Aetna’s customer service isn’t what the City had hoped. Mayor Ingersoll noted that there was a significant difference in co-pays between the two companies. Joy Thompson motioned to approve the Blue Cross Blue Shield’s health insurance bid for the \$2500 deductible. Don Dillman seconded. Motion carried on 4 yes votes.

Next Meetings – Council will review the budget’s revenue and expenses line items of each fund at the next meeting. **Regular Meeting:** The next regular Council meeting is September 4. **Budget Meeting:** Council will meet again on August 29th, 9 a.m., at City Hall if City Clerk Beth Kar is ready with the budget materials. **2nd meeting in September:** The meeting for September 17 needs to be rescheduled because that is the week of the annual Missouri Municipal League conference. Don Dillman motioned for Council to meet on Tuesday, September 25, 7 p.m., Clasbey Center instead of September 17. Vernon Townsend seconded. Motion carried on 4 yes votes. The goal is to approve the 2013 budget at the regular Council meeting on September 4. John Parker asked Council could approve a bid on East Main Street at the meeting on August 29th. Approval of the East Main construction bids will be on the August 29th agenda.

Adjournment

No further business to discuss. The meeting adjourned at 11:28 a.m. on a motion by Vernon Townsend and seconded by Joy Thompson. Motion carried on 4 yes votes.

Dave Ingersoll, Mayor

ATTEST: _____
Beth Kar, City Clerk